

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Applications of Comcast Corporation,)	
Time Warner Cable Inc.,)	
Charter Communications, Inc. and SpinCo)	MB Docket No. 14-57
)	
For Consent To Assign and Transfer)	
Control of FCC Licenses and Other)	
Authorizations)	

Initial Comments of the Coalition for Broadband Equity

The Coalition for Broadband Equity (“CBE”) submits these comments in response to the Applications of Comcast Corporation, Time Warner Cable Inc., Charter Communications Inc. and SpinCo for Consent to Assign and Transfer Control of FCC Licenses and Other Authorizations (the “Applications”). CBE is a coalition formed by certain agencies of local government, educational institutions, libraries and community organizations in the cities of Cleveland, Akron, and Youngstown, OH; Cuyahoga and Lorain Counties, OH; the city of Detroit, MI; and the city of Milwaukee, WI. Sixteen of CBE's seventeen member organizations were participants in large-scale “Sustainable Broadband Adoption” or “Public Computer Center” projects funded by the Federal Broadband Technology Opportunities Program (“BTOP”) between 2010 and 2013, and thus have direct recent experience in promoting Internet literacy and broadband access for digitally underserved individuals and households in our communities.

CBE members do not oppose the Applications *per se*. But we note with great concern that the proposed transfers of markets and customers from Time Warner Cable to

Charter Communications, and from Comcast to SpinCo, may adversely affect disadvantaged residents and communities within the communities we serve, while offering little or no improvement in competition, quality of services, or other important public benefits to those residents and communities.

In particular, thousands of low-income families in Detroit and other communities transferred from Comcast to SpinCo, as well as the school systems attended by the children of those families, will apparently be deprived of the benefits of Comcast's existing Internet Essentials program; while lower income residents of Cleveland and Cuyahoga County, Milwaukee, Akron, Lorain, Youngstown and many other communities currently served by Time Warner Cable may lose access to the very affordable "Everyday Low Price" tier of broadband Internet service currently offered by Time Warner, since Charter Communications has no comparably affordable offering.

More generally, CBE members are concerned that the Applications reflect no plans for Charter Communications or SpinCo to address the critical issue of persistently low overall household broadband penetration in the central cities they propose to acquire. Comcast does address this issue through its commitment to continue and expand Internet Essentials, but of course these commitments do not apply to the proposed Charter and SpinCo communities.

CBE's analysis of the Commission's own June 2013 Census tract data, drawn from the providers' Form 477 reports, suggests that total "fixed residential broadband connections" ¹ may amount to as few as 24-26% of all households in Cleveland and Detroit, as few as 31% in Youngstown, and as few as 38-41% in Milwaukee, Akron and Lorain. Analysis of the same data for Census tracts with median household incomes below \$30,000 – about three-fifths of all tracts in these six cities – suggests that lower-

¹ Using the BTOP/BIP standard of 3 mbps downstream, 768 kbps upstream. Source: Federal Communications Commission, "Local Telephone Competition and Broadband Deployment", Census tract data as of 6/30/13, at http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/excel_tractdata_june_2013.zip.

income neighborhoods have broadband-to-household ratios as low as 18% in Cleveland; 21% in Detroit and Youngstown, 25% in Milwaukee, 30% in Akron and 33% in Lorain. CBE calculates that the range of reported household connection ratios for all Census tracts in these cities implies between 388,000 and 546,000 households lacking mainstream broadband service, as of June 2013.

Given the actual harm to affordable broadband access that the proposed acquisitions by Charter and SpinCo may (perhaps inadvertently) cause, as well as the large number of urban households still lacking mainstream broadband connections in central cities like ours targeted by these acquisitions, the Coalition for Broadband Equity believes that the Commission's inquiry into the "public interest" in this case must include an examination of the ability and willingness of Charter and SpinCo to:

- provide high-speed Internet at rates affordable to lower-income households, and
- undertake aggressive, creative efforts to extend residential Internet service to many more households in the underserved urban communities they propose to acquire, including meaningful collaborations with experienced local technology training and adoption practitioners, e.g. operators of recent BTOP projects.

1. Description of Coalition for Broadband Equity participants and our experience in Federally sponsored broadband adoption and access initiatives

The Coalition for Broadband Equity (CBE) is a new coalition of public and nonprofit organizations, incorporated as an Ohio nonprofit corporation, formed for the specific purpose of representing its members' views, perspective and interests in this case, as well as the broader shared purpose of reducing disparities in broadband Internet access and digital literacy affecting our communities. CBE member organizations joining in these Initial Comments include:

- Connect Your Community 2.0, Cleveland, OH
- OneCommunity, Cleveland, OH
- Cuyahoga Community College, Cleveland, OH

- Cleveland Housing Network, Cleveland, OH
- Ashbury Senior Computer Community Center, Cleveland, OH
- Esperanza, Cleveland, OH
- Famicos Foundation, Cleveland OH
- Straightway Project, Cleveland, OH
- Akron Urban League, Akron, OH
- Lorain County Community College, Elyria, OH
- Matrix Human Services, Detroit, MI
- Focus:HOPE, Detroit, MI
- Cuyahoga County Public Library, Parma, OH
- Public Library of Youngstown and Mahoning County, Youngstown, OH
- The City of Milwaukee, WI
- Housing Authority of the City of Milwaukee, WI
- Seeds of Literacy, Cleveland, OH

The first twelve of these organizations were contractual partners or active participants in the Connect Your Community (CYC) Project, a U.S. Department of Commerce Broadband Technology Opportunities Program Sustainable Broadband Adoption project operated from 2010 to 2013 by Cleveland-based OneCommunity. OneCommunity's CYC Project engaged fifteen community-based nonprofit partners to recruit, train, equip and support new broadband adopters in eight localities in Ohio, Michigan, Kentucky, North Carolina and Florida. The CYC Project exceeded its goal of 26,000 documented “Sustainable Broadband Adopters” including about 23,000 previously unconnected home broadband subscribers, and provided free basic computer training to more than 33,000 individual adult participants in the process. The 20-hour CYC classes were conducted by CYC Corps Members and volunteers in more than 350 separate community locations.²

² See <http://www.connectcommunity.org> for more information.

During the same period, the Cuyahoga County and Youngstown/Mahoning County Public Libraries were active partners in another BTOP SBA project, Connected Nation's "Every Citizen Online".³ Over the course of the program, Cuyahoga County Public Library served 10,523 participants at 13 locations. CCPL's locations were just 6% of the program's total locations in Ohio but saw 11% of the attendees in the state. The Youngstown/Mahoning County Public Library made a more modest but still significant contribution to the program.

The City of Milwaukee, in partnership with the Milwaukee Public Library, the Housing Authority of the City of Milwaukee, the Milwaukee Area Workforce Investment Board and the United Community Center, received a BTOP Public Computer Center grant in 2011 to create and operate a program called Connecting Milwaukee Communities. The program improved and expanded the city's network of public access computer centers, including Milwaukee Public Library neighborhood branches, a Senior Center and Housing Authority sites which serve both Authority tenants and the public. The BTOP program provided formal computer training to 7,332 city residents in 2012 and 2013. Though the BTOP program concluded in 2013, the public access computer centers continue to operate.⁴

All told, since 2010 the Coalition's members have worked with the Department of Commerce's Broadband Technology Opportunities Program to provide digital literacy training and broadband adoption support to residents of at least 25,000 mostly low-income Ohio households in Cuyahoga, Summit, Lorain and Mahoning Counties; as many as 7,000 households in Milwaukee; and 6,000 households in Detroit. The members affiliated with the OneCommunity Connect Your Community Project documented at least 12,000 new residential broadband subscribers in these communities as a direct result of the Project's efforts, of whom over 80% subscribed to unsubsidized commercial ISP services after CYC training.

³ See <http://connectohio.org/every-citizen-online> for an overall description of the program.

⁴ See http://www2.ntia.doc.gov/files/grantees/city_of_milwaukee.pdf.

In summary, the members of the CBE possess a wealth of recent, very successful experience and hard-won expertise in promoting digital literacy and home broadband adoption by previously unconnected, mostly lower-income residents of our communities.

2. The proposed Charter Communications and SpinCo acquisitions may create significant adverse impacts for disadvantaged residents and underserved communities.

The Applications and supporting materials filed in this case by Comcast and Time Warner repeatedly point to ostensible public benefit that will result, if the Applications are approved, from the continuation of Comcast's Internet Essential program and extension of program eligibility to communities which transfer from Time Warner to Comcast service. For example, from the companies' *Applications and Public Interest Statement: Description of Transaction, Public Interest Showing, and Related Demonstration*, dated April 8, 2014 (pp 59 ff):

c. The Transaction Will Accelerate and Expand Broadband Adoption Efforts to Reduce the Digital Divide.

One of the most pressing challenges facing this country is the significant broadband adoption gap – known as the “digital divide.” The combination of Comcast and TWC will demonstrably advance the goal of bringing all Americans into the digital communications age by extending Comcast’s landmark Internet Essentials broadband adoption program to TWC’s territories, and building upon TWC’s efforts. By extending and expanding the Comcast program to reach new geographic areas – including large metropolitan and rural areas – the transaction will help to connect many thousands of additional low-income households to today’s high-speed Internet.

The document goes on to describe the critical importance of the digital divide, recent survey research on its extent and causes, and the success of Internet Essentials in

helping lower-income families in Comcast-served communities to overcome it.

This and similar statements in other documents filed in this docket make clear that Comcast and Time Warner regard the “*broadband adoption gap – known as the 'digital divide'*” as a legitimate public interest framework for the Commission to use in evaluating the Applications, and – within that framework – Internet Essentials' contribution to reducing that gap as an important affirmative public interest showing in support of approval.

The Coalition for Broadband Equity agrees that the Commission should treat the Applications' impact on the “broadband adoption gap” as an important framework for evaluating the public interest in this case. But this evaluation cannot be limited to consideration of Internet Essentials' potential value in *Comcast's* future service territories.

Within this same public interest framework, the Commission should consider at least two significant potential harms that may result, not from the proposed Comcast-Time Warner merger, but from the associated proposals to transfer certain Comcast operations to SpinCo, and to transfer Time Warner operations in Ohio, Kentucky, Milwaukee, etc. to Charter.

- a) By divesting its holdings in Detroit, Minneapolis-St. Paul, and other communities, Comcast effectively proposes to withdraw the advantages of discounted Internet Essentials service from thousands of low-income households in those communities. Comcast's proposed successor in these communities, SpinCo, does not yet exist. But there is nothing in the Applicants' filings to suggest that this new, independent provider will offer similar discounted Internet service to school lunch families or any other disadvantaged customers, absent Commission action to insure that it will.

Comcast has not provided Internet Essentials enrollment statistics for specific cities, but we believe that there are several thousand Detroit households (at a minimum) who could be directly and immediately harmed by the withdrawal of this discount, which was marketed to them by Comcast as an ongoing opportunity as long as their children continued in school. Of course potential future enrollees, the schools that serve them and the Detroit community at large would also be harmed by this development, which (based on Comcast's own characterization of the program) is very likely to result in fewer low-income households using broadband in this already-underserved city.

- b) By divesting Time Warner Cable operations in Ohio, Kentucky, Milwaukee and other selected markets to Charter Communications, Comcast would not only deprive lower-income households and communities in these markets of the public-interest benefit of Internet Essentials; it might well cause the elimination of the only really affordable cable broadband offering now available to households in those markets. In 2013, Time Warner launched an “Everyday Low Price” level of service (2 mbps down, 1 mbps up) for \$14.99 a month plus the modem rental fee, or about \$21 a month. Time Warner Everyday Low Price is advertised as an ongoing service tier, not a promotional price. Charter Communications offers no comparable low-end highly affordable option, and there is nothing in the Applicants' filings to suggest that Charter intends to create one. (Charter's cheapest current non-promotional, non-bundled Internet offering is a very speedy 60 mbps down for about \$50 a month.)

If the “broadband gap” affecting lower income households and communities is acknowledged to be an important public interest issue – as the Applicants have -- then these reductions in affordable broadband access for lower-income households and others, which apparently would result from the proposed Comcast-SpinCo and Time Warner-Charter transactions, are potential harms which must be addressed in this proceeding.

3. The Commission's own data shows large broadband gaps persist in cities served by CBE members that would be acquired by Charter and SpinCo.

But the Commission must also ask whether the acquisition of high-poverty central cities like Milwaukee, Cleveland, Akron and Youngstown by Charter, or Detroit by SpinCo, are likely to create any affirmative public benefit in reducing the “broadband gap” in these communities.

Because numerous national studies show that levels of home broadband Internet use are highly correlated with household income, educational attainment and age, digital inclusion advocates and researchers have long inferred (and confirmed by experience) that central cities with poorer, less educated and aging populations probably suffer from low levels of household broadband access as well.

But thanks to the publication of Census-tract-level data gathered from providers by the FCC itself via Form 477 reports, such inferences are no longer necessary. We now know, within a range of 20%, how many “residential fixed broadband connections” of at least 3 mbps upstream and 768 kbps downstream were being provided for each 1,000 households in each Census tract as recently as June 2013. And because each tract's 2012 household count is available from the Census' American Community Survey, we can calculate a low-end and a high-end total of home broadband connections for each tract, and then add all those tract totals to get low-end and high-end numbers for an entire city.

Using June 2013 data published by the Commission in July 2014, CBE has performed this calculation for the six principal central cities served by our members – Cleveland, Detroit, Milwaukee, Akron, Youngstown and Lorain -- using the Commission's tract-level data for fixed residential broadband connections of at least 3 mbps upstream and 768 kbps downstream. Our complete analysis in the form of an Excel file (*MB Docket No. 14-57, Coalition for Broadband Equity, Form 477 data analysis.xls*) is being filed as an

attachment to these Comments.

Our calculations show *citywide* broadband-to-household ratios as low as 24%-26% in Cleveland and Detroit and 31% in Youngstown. Even assuming that the midpoint between the minimum and maximum connection ratios is a better indication of the true situation, the 477 data indicates that these three cities had *overall* fixed household broadband penetration (i.e. cable modem and DSL accounts combined) of only 35-40% as recently as last Summer.

All Census tracts	Fixed home broadband* connections as % of households		Households without fixed home broadband* connections, as % of households	
	Minimum	Maximum	Maximum	Minimum
Cleveland	24%	44%	76%	56%
Akron	39%	59%	61%	41%
Youngstown	31%	51%	69%	49%
Lorain	41%	61%	59%	39%
Milwaukee	38%	58%	62%	42%
Detroit	26%	46%	74%	54%

* "Broadband" connection is at least 3 mbps down and 768 kbps up

If we focus on our cities' lowest-income neighborhoods, not surprisingly, the broadband gap is even clearer. About 60% of all Census tracts in the six cities had median household incomes below \$30,000 in 2012. (The national household median was about \$50,000.) 398 of these 463 sub-\$30,000 tracts – about 85% – are shown in the June 2013 Form 477 data with broadband-to-household ratios in the 0-200 or 200-400 per thousand ranges.

CBE's analysis of the Form 477 data for these lower-income tracts show broadband-to-

household ratios as low as 18% for Cleveland, 21% for Detroit and Youngstown, 25% for Milwaukee, 30% for Akron and 33% for Lorain.

Tracts with median household incomes <\$30,000	Fixed home broadband* connections as % of households		Households without fixed home broadband* connections, as % of households	
	Minimum	Maximum	Maximum	Minimum
Cleveland	18%	38%	82%	62%
Akron	30%	49%	70%	51%
Youngstown	21%	41%	79%	59%
Lorain	33%	53%	67%	47%
Milwaukee	25%	44%	75%	56%
Detroit	21%	41%	79%	59%

* "Broadband" connection is at least 3 mbps down and 768 kbps up

Again assuming that the midpoint between the minimum and maximum is a more realistic indication of the true situation, CBE's analysis of the Commission's data tells us that between 60% and 70% of households in our lower-income neighborhoods still lacked cable modem, DSL or other mainstream broadband connections in June 2013.

Based on our analysis of the Commission's data, CBE estimates that between 388,000 and 546,000 households in our six principal central cities lacked mainstream broadband service, as of June 2013. These included between 237,000 and 318,000 households in lower-income neighborhoods.

It should go without saying that these numbers are unacceptable to the communities we serve. Though mitigated to a modest degree⁵ by the growth of mobile wireless

5 An October 2012 phone survey of 1,261 Cuyahoga County, OH residents by a team from the University of Iowa, the University of Illinois and Rutgers University found that use of mobile Internet devices by households

alternatives, the absence of fast, reliable broadband connectivity at home for hundreds of thousands of our residents has become a significant impediment to achieving our goals in employment, education, human service, health care and civic participation.

The persistent broadband gap in our central cities is especially troubling because, unlike much of rural America, there are few if any *physical* obstacles to overcoming it.

Comcast, Time Warner Cable and their predecessor providers (e.g. Adelphia Cable in Cleveland) have had fully deployed digital networks and duopolistic market positions as ISPs in our communities for more than a decade, as have their telephone company competitors. They have had ample opportunity to adapt their network operations, product offerings, marketing approaches and community relationships in order to increase the size and economic diversity of their customer bases – to truly serve communities in which they have successfully sought dominant market roles.

Community organizations like those represented by the CBE have repeatedly sought their help in efforts to promote greater digital literacy and access, but little assistance or collaboration in these efforts has ever been forthcoming.

Now Comcast and Time Warner Cable propose to exit from our communities, leaving these unacceptable levels of residential broadband adoption as a legacy for others to contend with.

The Commission is asked by the Applicants to look at the continuation and expansion of Internet Essentials, in the future Comcast/TWC service area only, as an important strategic contribution to help address a vital public interest problem, i.e. the persistent broadband gap. But what of the proposed *former* Comcast/TWC communities... including ours? Unfortunately, the Applications are silent.

which lacked fixed broadband service added only about 8% to the percentage of “inner-core” community residents with home broadband access. See *Cuyahoga County Survey of Internet Access and Use* at <http://www.connectcommunity.org/research/cuyahoga-county-Internet-survey/>.

4. Our communities have the capacity to reduce our broadband gap in partnership with our broadband providers

The CBE's members do not believe that the interests of our communities and the Applicants in this area are contradictory. On the contrary: We believe that the interests of our communities in increasing household broadband adoption and use, and the (presumed) interest of Applicants Charter Communications and SpinCo in maximizing their customer bases and sales of Internet service in our communities, should be substantially the same. And we believe that there are major opportunities for collaboration between the providers and our communities that could create significant benefits for all parties, as well as for our currently unconnected and underconnected neighbors.

As a result of the Department of Commerce's Broadband Technology Opportunities Program, which enabled us for the first time to address the broadband gap with training and adoption support at significant scale, CBE members can now say with confidence that *we know how to significantly increase household broadband adoption in our communities* -- including lower-income households who are in the greatest need of connectivity. In each of our respective communities, over a period of little more than two years, CBE members were able to engage thousands of unconnected, mostly low-income adults in training programs leading to broadband adoption. In the case of the Connect Your Community Project affiliates in Cleveland, Detroit, Akron and Lorain County, which collectively served about 17,000 unique training participants, Project staff were able to document more than 12,000 new home broadband subscriptions resulting from participation – of which the large majority were unsubsidized residential accounts with the major local ISPs (primarily TWC, Comcast, AT&T and CenturyLink).

These efforts, which produced millions of dollars in new sales revenue for Comcast and Time Warner, were possible only because of a major Federal investment of “stimulus” funds through the Broadband Technology Opportunities Program, at a scale which

which is unlikely to recur. *From the providers' viewpoint, the new broadband subscribers we sent them were a gift from the Department of Commerce and the community.*

Neither Comcast nor Time Warner provided any material assistance or collaboration (though a small number of CYC Project participants in Detroit were able to take advantage of Internet Essentials).

But if either company *had* invested modestly in our communities' efforts, they would have realized a good return on that investment in the form of new customer revenue.

We ask the Applicants and the Commission to bear this fact in mind as we confront the need for much greater reductions of the broadband gap in our communities, in the likely absence of significant additional Federal funding for this purpose.

We believe that the public interest in this case requires that the Applicants commit to a significant, accountable increase in household broadband access in *our* communities (not just the future Comcast/TWC service area), especially among our lower-income households and neighborhoods. If the Commission agrees, then the members of CBE want to communicate clearly to the Commission and to the Applicants that we are ready and able to work with the Applicants to help them meet such a commitment.

5. In light of points 1 through 4 above, the Coalition for Broadband Equity wishes to make the following recommendations and requests to the Commission:

- a) We ask the Commission to clarify the Applicants' intentions with respect to continued availability of discounted Internet Essentials broadband service, or its equivalent, to families of children eligible for free or discounted school lunches in Detroit and other communities which Comcast proposes to transfer to SpinCo. In particular, we ask for clarification of the Applicants' intentions in this matter with respect to families currently enrolled in Internet Essentials, who were given to understand by Comcast that they would be eligible for the program throughout

their children's K-12 school years. If the Commission determines that the Applicants do not plan to provide Internet Essentials or an equivalent program (e.g. provided by SpinCo) for these families, then we ask that the Applicants be required to do so as a condition of approving the Applications.

- b) We ask the Commission to clarify the intentions of the Applicants, and specifically of Charter Communications, with respect to continuing Time Warner Cable's current "Everyday Low Price" service tier or a similar low-cost residential broadband option. If the Commission determines that Charter has no plan to provide such a service tier in the event it is allowed to acquire Time Warner's operations in our communities, then we ask that Charter be required to do so as a condition of approving the Applications.
- c) We ask the Commission to require the Applicants to provide specific, measurable, accountable plans for substantially increasing the percentage of all households, including households in lower-income neighborhoods, who are served by cable modem Internet connections in the communities proposed for acquisition by Charter Communications or SpinCo, including plans which are specific to Milwaukee, WI; Cleveland, Akron, Youngstown and Lorain County, OH; and Detroit, MI.
- d) With respect to point c), we ask the Commission and Applicants to take note that members of the Coalition for Broadband Equity are prepared to assist the Applicants to develop appropriate, effective community investment strategies for customer acquisition in the communities we serve, and to assist the Applicants in creating successful partnerships with local public and nonprofit organizations for this purpose.

Thank you.

One attachment is being submitted with these Comments:

MB Docket No. 14-57, Coalition for Broadband Equity, Form 477 data analysis.xls