

November 2, 2011

Missouri Public Service Commission  
Attn: Secretary Steven C. Reed  
200 Madison Street  
P.O. Box 360  
Jefferson City, MO 65102-0360

**Re: Report on Broadband Services- Case No. TW-2010-0362  
Public Service Commission- State of Missouri**

Dear Mr. Reed:

We are filing these comments in the above captioned matter on behalf of the Missouri Cable Telecommunications Association (MCTA).

**A. MCTA**

The Missouri Cable Telecommunications Association is a Missouri trade organization representing 12 cable companies with approximately 1.5 million video customers in Missouri. The MCTA member companies employ approximately 5,000 people across Missouri and provide broadband service, VoIP and multichannel video service to our customers.

Regarding the staff questions of October 19, 2011, MCTA offers the following:

- A. Recommendations and potential public policy decisions on how to maximize broadband development in Missouri including increasing deployment and availability of broadband services.

The Cable industry introduced high-speed Internet access service to the American consumers and it has been a leader in the broadband market place ever since.

Cable operators are committed to increasing the availability and use of broadband in American homes and businesses, as demonstrated by our investment over the past five years of more than \$2.12 million Statewide to build a broadband infrastructure that has become fundamental to how people communicate, learn, and operate businesses. As the State's largest residential broadband provider, the cable industry also recognizes that promoting broadband adoption is a critical element to fulfilling broadband's potential. Cable is therefore engaged in a range of nationwide initiatives and public/private partnerships aimed at improving digital literacy skills, promoting computer ownership, and encouraging home broadband use.

Broadband adoption is a complex problem that requires comprehensive solutions. The Federal Communications Commission's (FCC) comprehensive survey on broadband adoption, Broadband Adoption and Use in America," released in February 2010, underscored that increasing broadband

adoption in the U.S. will require coordinated strategies that address the key obstacles preventing some consumers from subscribing to high-speed Internet service. The National Telecommunications and Information Administration's (NTIA) November 2010 report, "Exploring the Digital Nation: Home Broadband Internet Adoption in the United States," confirmed that there is no "one size fits all" approach to closing the digital divide and that socio-economic factors such as income and education are important but not sole determinants of broadband use.

While cable broadband is available to 93 percent of U.S. households, many consumers who can subscribe to broadband choose not to for a variety of reasons, including a lack of digital training and skills, a lack of perceived relevance to their lives, and affordability concerns. Specifically:

- Twenty-two percent (22%) of non-adopters point to a lack of digital literacy as the main reason they are not online. These include people who are not comfortable with computers or, for non-Internet users, are "worried about all the bad things that can happen if I use the Internet."
- Nineteen percent (19%) of non-adopters do not have broadband because they question its relevance to their lives. They do not believe digital content is sufficiently compelling to justify subscribing. These non-adopters say the Internet is a "waste of time," do not think there is anything worth seeing online and (for dial-up users) say they are content with their current service.
- Other non-adopters cite some aspect of cost as the main reason they do not have high-speed Internet at home. The cost factor breaks out as follows:
  - a. 15 percent say the price of the monthly bill is too much for them.
  - b. 10 percent say the cost of a computer is too much.
  - c. 9 percent say they do not want a long-term service contract or cannot afford the installation fee.
  - d. 2 percent cite a combination of these reasons.

***National and Local Examples of Cable Industry Partnerships and Adoption Programs:***

- Earlier this year, Comcast announced the launch of Internet Essentials, a broadband adoption program that provides low-cost access to the Internet and affordable computers as well as digital literacy training to families with children who receive free lunches under the National School Lunch Program (NSLP). Starting in the "Back-to-School" season for the 2011-2012 school year this summer, eligible households in Comcast's national footprint will be able to obtain high-speed access to the Internet through Internet Essentials. Internet Essentials will run for three school years, but any household that qualifies during the three-year period will remain eligible for the

discounted prices so long as a child in the household continues to receive a free lunch under the NSLP.

- Cablevision and Time Warner Cable are providing free and discounted broadband service in partnership with the New York City Department of Information Technology and Telecommunications (DoITT) and Computers for Youth. DoITT was awarded a \$22 million Sustainable Adoption Grant under NTIA's Broadband Technology Opportunities Program (BTOP). The project, known as NYC Connected Learning, plans to provide computer training, desktop computers, educational software, and free broadband access for one year to more than 18,000 low-income sixth-graders and their families (approximately 40,000 residents total) in 100 high-need public middle schools in New York City.
- In May 2010, Cox Communications launched a low-income adoption program partnership with Fairfax County, Virginia similar to Cox programs in Santa Barbara and Lemon Grove, California. The program offers broadband service for a period of three years to families of middle-school students that reside in a low-income housing area. The Cox/Fairfax County Broadband Adoption Program includes the provision of digital literacy training, deployment of refurbished computers and monitors, and 50 percent discounts on broadband service and free broadband modems. The program also includes internships for students on how to refurbish computers.
- Charter Communications and One Economy initiated a pilot program in March 2010 with local community agencies to provide up to 1,000 St. Louis area households with free Internet service, training, and affordable technology. Charter will provide approximately \$700,000 in high-speed Internet service, modems, and digital literacy training over a 24-month period in collaboration with One Economy and its local community partner agencies.
- In 2009, One Economy and Comcast Corporation launched a technology learning initiative that teaches teens and young adults about broadband technologies and how to put that knowledge to work in a wide range of community service activities. With a \$1.2 million commitment from the Comcast Foundation, the Comcast Digital Connectors program is rolled out in more than 50 sites across the United States. In each location, young people, ages 14 to 21, from diverse, low-income backgrounds are learning digital literacy skills over a one-year period in both after-school and summer training programs. Participants work in teams at their local school, community center, or affordable housing development and volunteer their time at community-based organizations, senior centers, churches, local schools and homes to help improve digital literacy in their communities. Comcast employees across the country are also serving as mentors. Building on this successful model, One Economy received an NTIA Broadband Opportunity Grant to reach 235,000 at-risk youth through Digital Connector programs in at least 80 communities.
- In July 2010, Time Warner Cable and the League of United Latin American Citizens (LULAC) partnered to expand broadband technology training to underserved Latino communities throughout the U.S. Time Warner Cable's three-year grant will support technology centers

that provide training, technology and support services in Latino communities served by the company. The centers will receive a broad array of equipment including desktop computers, laser printers, high speed internet access, LCD projectors and technology curriculums.

- Comcast, Time Warner Cable and the National Cable Telecommunications Associations (“NCTA”) are sponsors of Project GOAL (Getting Older Adults Online), which is a program designed to advance the benefits of broadband for older adults (telemedicine, expanding social interactions and networking, reducing isolation, maintaining connections with family and friends, and facilitating aging in place) and address the barriers to the adoption of broadband that are of particular concern to the aging community.
- NCTA’s member companies formulated and presented to the FCC and NTIA an innovative, multi-faceted adoption program called A+, which targets middle-school students from low income families, through public-private partnerships involving school districts, federal and state governments, non-profit organizations promoting digital literacy, computer manufacturers, and broadband Internet Service Providers. NCTA continues to work with interested stakeholders to advance this concept.

B. An identification of barriers to broadband deployment in unserved and underserved areas.

Government programs subsidizing broadband should prioritize deployment in unserved areas. To best utilize scarce government resources, funding should be targeted first to those communities that lack service. Prioritization of funds to unserved areas is not only the best use of government resources, but it also avoids creating disincentives for providers to continue deploying broadband through private investment. Unfortunately, existing programs often miss the mark.

Continued oversight of the BTOP and BIP program created as part of the American Recovery and reinvestment Act of 2009 is necessary to ensure that funding already awarded is being spent as intended and consistent with federal guidelines. There is currently over \$261 Million in federal funds dedicated to broadband deployment for middle mile and last mile projects in Missouri. While MCTA supports the goal of broadband deployment in Missouri, MCTA feels the funds should be deployed in a timely and prudent fashion that does not overbuild the millions of dollars of private investment made by MCTA’s members in bringing broadband to their customers.

Pole attachment fees are a significant cost associated with deploying and operating broadband networks. To facilitate broadband deployment, the National Broadband Plan (NBP) recommends that rates for pole attachments “be as low and as close to uniform as possible.” The cable industry supports reform of pole attachment and conduit policies to ensure that those essential facilities are available to broadband providers on a competitively neutral basis at reasonable charges. Such reform will promote broadband deployment and true parity among broadband providers.

C. Assessing advertised versus actual broadband speeds.

Mr. Steven Reed  
November 2, 2011  
Page 5

Internet speed is a dynamic and shared resource that changes depending on the amount of traffic on the network. I have included a web link to a map developed by the NTIA that tracks internet speeds based on input from internet service providers. (See <http://www.broadbandmap.gov/>). The FCC has found that there is little difference between advertised speeds and actual speed experienced by broadband consumers. (See <http://www.fcc.gov/measuring-broadband-america>). MCTA would suggest that the PSC rely upon the both the NTIA map and the FCC survey as accurate assessments of the status of broadband speeds in the State.

Again, I want to thank you for the opportunity to provide additional comments from MCTA and please feel free to contact me with addition questions or concerns.

Very truly yours,

Charles Simino