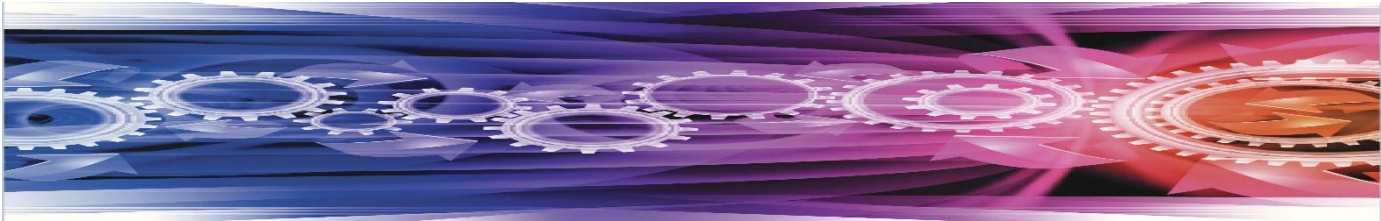




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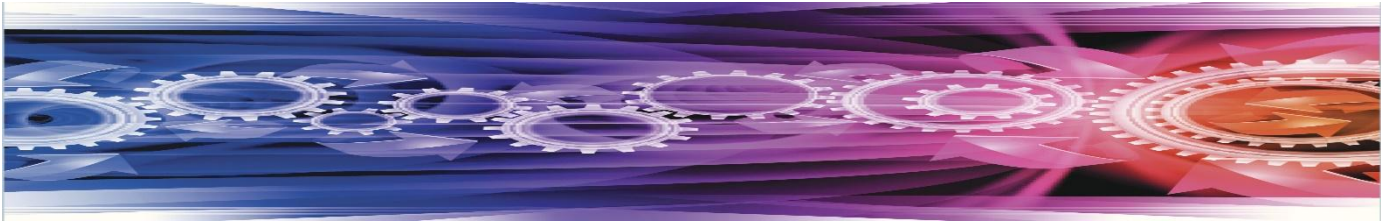


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SPECTRUM INTERNET ASSIST

Charter's Commitment to Affordable Broadband for Everyone

Mark Brown

Vice President

State Regulatory Affairs

National Association of Regulatory Utility Commissioners

128th Annual Meeting

Beyond Lifeline Reform Panel

Staff Subcommittee on Telecommunications

November 13, 2016

SNAPSHOT OF THE “NEW” CHARTER COMMUNICATIONS

- 24 million customer relationships in 41 states; 91,000 employees.
- \$16 billion in infrastructure investment by combined company since 2014.
- Commitment to create 20,000 American jobs.
- Customer-friendly Approach
 - Industry’s fastest base broadband speed
 - Nationally-uniform pricing
 - No modem or early termination fees
 - No pass-through of federal or state USF fees
 - No data caps or usage-based billing
- Charter brands services as “Spectrum”

SPECTRUM INTERNET ASSIST: CHARTER'S LOW COST BROADBAND SERVICE

Spectrum Internet Assist (SIA) - What is the offer?

- Charter will deliver the fastest Internet speeds (30/4 Mbps) in the nation for a low-cost broadband program for \$14.99 per month.
- SIA customers are eligible to receive promotional and phone/video bundle offerings.
- The service comes with a modem at no extra cost and free self-install.
- SIA participants may sign up for home WiFi for a locked-in rate of \$5.00 per month, with a router and no activation fee.

Eligibility - Who can sign up?

- Families with students who participate in the National School Lunch Program.
- Seniors who are 65 and older who receive Supplemental Security Income program benefits.
- Current Charter phone and video customers who meet one of the two criteria above also are eligible.
- Additional criteria:
 - Enrollees cannot have had a broadband subscription with the Company within 60 days of signing up.
 - Eligible participants will not need to undergo a credit check but must clear recent debt (12-months) with new combined Charter.

Eligibility Verification

- Potential customers pre-qualified and verified for eligibility by specialized internal customer care team.
- For NSLP families, applicants must provide:
 - Documentation on school letterhead from school official verifying participation in NSLP (Free or Reduced) **OR**
 - A copy of child/family's acceptance letter into NSLP
- For SSI Seniors, applicants must provide:
 - A copy of SSI statement **AND**
 - Proof of age document (driver's license, birth certificate, etc.)

Eligibility and Enrollment

- To determine eligibility, Charter is encouraging families and individuals who believe they qualify to visit a dedicated SIA website to complete the eligibility verification process: www.SpectrumInternetAssist.com
- Prospective Enrollees may also call the SIA toll-free number at 1-844-525-1574
- Once the eligibility verification process is completed, individuals will be notified of their eligibility status by Charter.

Availability

- Starting next week, Spectrum Internet Assist will be available throughout Charter's legacy service area.
- SIA will continue to be rolled out market by market with a goal of covering the entire Charter footprint by May of 2017

SIA - Measurable Program Enrollment Commitments

- Commitment - number of Households to be enrolled and receiving SIA service:
 - 225,000 by May 2018.
 - 525,000 by May 2020.

Key Highlights

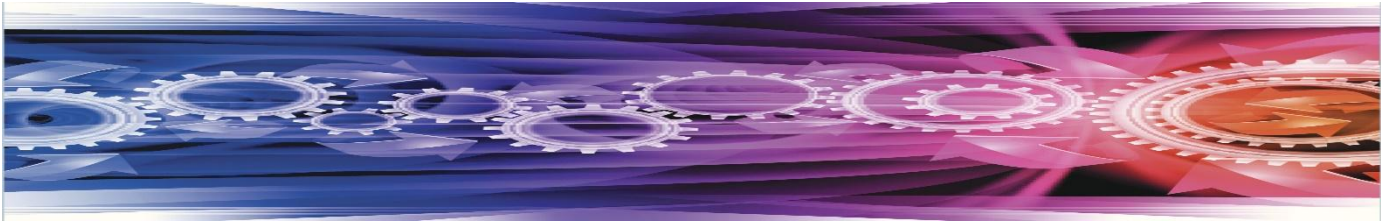
- Charter's offering is the **first** to provide high-speed broadband to **low-income families** as well as **low-income seniors** across its footprint.
- Offering is **fastest of its kind** – the only such offering that **meets**, and even exceeds, the **FCC's definition** of high-speed broadband.
- No **enrollment period**.
- Measurable enrollment **commitments**.

QUESTIONS?



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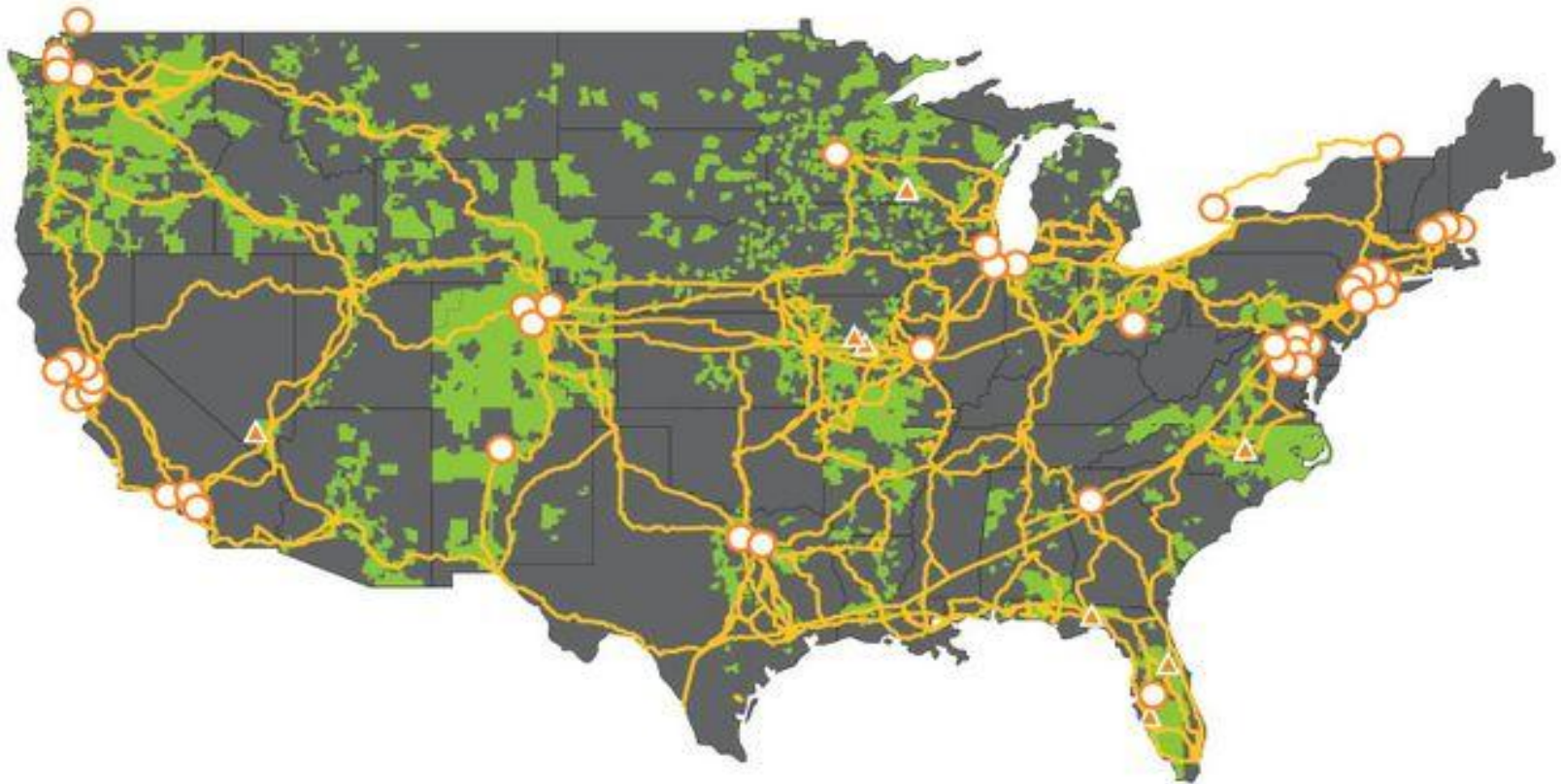
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CenturyLink™

CenturyLink Internet Basics Broadband Program

November 13, 2016



- Long Distance backbone – prior to Level 3 announcement
- CenturyLink Technology Solutions Data Center

- CenturyLink started with a single rural exchange in northern Louisiana
- CenturyLink Statistics
 - ILEC serving urban and rural markets across nearly 600,000 square miles in 37 states
 - Operates more than 55 data centers in North America, Europe and Asia
 - Tier 1 Internet backbone provider
 - 250,000-route-mile U.S. fiber network and a 300,000-route-mile international transport network

Improving the lives of our customers by connecting them to the power of the digital world

CenturyLink Internet Basics

CenturyLink has made a commitment to our customers to assist in the adoption and use of broadband Internet service

- Reducing cost barriers for qualifying customers
- Addressing the lack of Internet accessible equipment
- Improving training on broadband availability and use to increase adoption



Internet Basics Eligibility

To qualify for CenturyLink Internet Basics you must meet the following:

- Have not subscribed to CenturyLink Internet service
- Do not have an overdue CenturyLink bill or unreturned equipment
- Be eligible under current guidelines for Federal Lifeline voice service



<http://www.centurylink.com/home/internetbasics/>

http://www.centurylink.com/assets/pdfs/CenturyLink_Internet_Basics_program_brochure_0815.pdf

Service Discount

CenturyLink® Internet Basics. Stay connected with affordable Internet.

- ✓ Includes: 30-day money-back guarantee
- ✓ Norton Antivirus Online
- ✓ No modem rental fees for 1 year

Current pricing:

- 1.5M - \$9.95 for the first year, \$14.95 for years 2-5
- 3M-4M - \$14.95 for the first year, \$19.95 for years 2-5
- 4M-10M - \$19.95 for the first year, \$24.95 for years 2-5



Discounted Equipment



Apple is not a participant in or sponsor of this promotion.

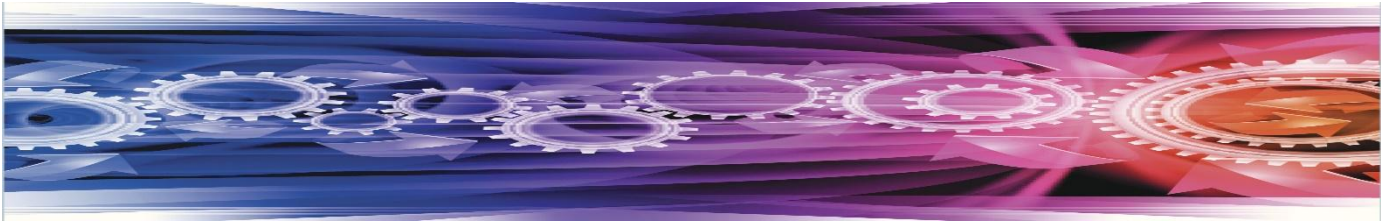
CenturyLink Internet Basics customers can purchase an Apple iPad mini 2™ for \$150**

**Plus taxes and shipping & handling. The customer must agree to a 24-month contract.



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How will Lifeline Impact Existing Low-Income Broadband Programs?

NARUC Annual Meeting

La Quinta CA

Sunday November 13, 2016

David C. Bergmann

TPC4C

Caveats

- Errors are mine, not my clients'
- Problems with “predictive judgment”

What did the Broadband Lifeline (“BB LL”) Order do?

- Allowed FCC Lifeline to support BB service for LLcustomers
- BUT phases out LL support for voice-only service
- So will it supplant the current “free” service with BB service at a monthly charge?



The current LL environment

(USAC 2015 Annual Report)

- The “typical” LL subscriber:
 - Enrolled: 1.75 years (i.e., long-term)
 - Eligibility: SNAP (38%) or Medicaid (38%)
 - Support for: wireless service
 - Age: 49
 - Location: City
- What does this mean?

The current LL environment

- 2015 LL is \$1.5B (18%) of current \$8.4B USF
- In 2012, LL was \$2.2B (2015 is a 31% decrease)
- In 2015, LL served 13.1M customers (a 10% increase from 2012)

The current LL environment

- In 2015, six carriers received 70% of LL support
 - TracFone \$437M (27%)
 - Virgin Mobile \$272M (17%)
 - AT&T \$164M (10%)
 - Budget \$103M (6.3%)
 - i-Wireless \$94M (5.8%)
 - Telrite \$76M (4.6%)
 - No other carrier received more than 3%
- 60% of current LL subscribers served by non-facilities-based carriers

Lifeline Broadband Providers (“LBPs”)

- 15 Petitions for LBP as of 11/4/16 (WC Docket No. 09-197)
- All wireless
- Some nationwide (50 states + DC + PR)
- Most more limited
 - Excluding AK; current service territories
 - Spot On (one site in Queens NY)

LBP Services

- TracFone: no charge 350 mins voice, unlimited text, 500 MB data
- i-Wireless: no charge 100 mins voice, unlimited text, 500 MB data
- Telrite: no charge 250 mins voice or text (text @ 3/min), 500 MB data
- SelecTel: no charge 500 mins voice, unlimited text, 500 MB data
- Cintex: no charge 100 mins, unlimited text, 500 MB (1 GB \$12, 2 GB, \$23)
- Spot On: \$9.75/mo no cap on usage (no specific voice component)
- Kajeet: no charge 6 GB data, with BB managed by school (no specific voice component)

What are we talking about?

- “This panel will explore how the Lifeline broadband expansion might affect the existing programs and the customers who rely on them.”
 - Of course, addition of support for BB
 - But concomitant impact on voice-only service from support phase-down

What are we talking about?

- “Will Lifeline be a low-income broadband lifesaver?”



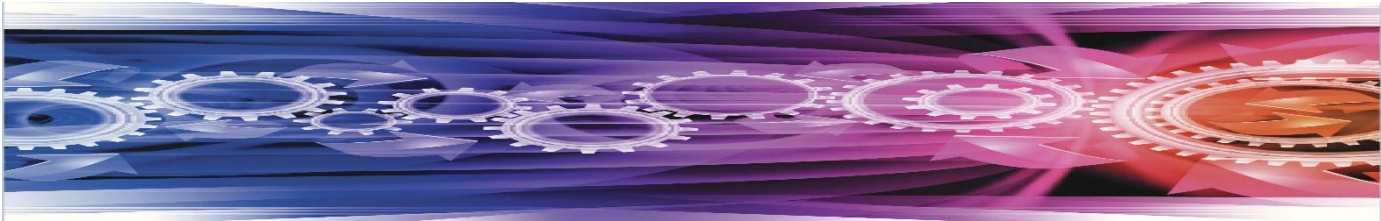
Conclusion: What are we talking about?

- What will new programs offer?
 - It's up to the companies, under the constraints of the Order
 - But despite initial petitions, little cause for optimism
 - Minimal BB uptake
 - Impact on voice-only



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