



California Lifeline Pilot Project Planning Meeting

California Public Utilities Commission

Tuesday, April 3, 2012

2:15 PM – 4:00 PM

Meeting Notes

I. Welcome and Introductions

Sunne Wright McPeak welcomed all the participants to this first meeting to discuss the interest in California being one of the national pilots for the Lifeline Pilot Project of the Federal Communications Commission (FCC) co-hosted by Commissioner Sandoval, Senator Padilla, and the California Emerging Technology Fund. The FCC announced a total funding pool of \$25 million which for California would mean a fair share of at least 10%. The FCC guidelines require that an Eligible Telecommunications Carrier (ETC) apply for this funding which is why the major Lifeline Providers were invited. Sunne McPeak also welcomed Greenlining and TURN who bring a long history in advocating for public programs that help low-income people.

Sunne McPeak thanked Senator Padilla for his leadership in helping to call this meeting and his request for a report out to the California Broadband Council in May. Jackie Kinney, Principal Consultant to the Senate Committee on Energy, Utilities, and Communications joined by conference call. Sunne McPeak also thanked Commissioner Catherine Sandoval and her telecom advisor Melissa Slawson for their leadership and hosting the meeting.

Commissioner Sandoval reviewed the FCC announcement about the pilot and the points the FCC stated would make for a strong application. She highlighted that the announcement included references to small businesses, BTOP recipients, and the FCC interest in target populations such as people with disabilities and seniors, and applications that provide digital literacy. She stated that as groups think about digital literacy that they include information about responsible energy use given that the San Onofre Power plant will be down this summer. As the assigned commissioner for the Lifeline proceeding at the CPUC she stated, she has a strong interest in making sure all Californians have access to broadband. The Commissioner said that specific guidelines were expected this spring, as early as this month.

II. Overview of Concept for California Lifeline Pilot Project

Sunne McPeak presented the overview of the California Lifeline Pilot shared with participants in advance of the meeting which is intended to be a working document and framework. The overview includes the idea that the providers target low-income communities with low broadband adoption rates. The program design should address the lessons learned and best practices from the BTOP grants CETF received and the work its partner organizations. Based on a possible pilot budget of \$2.5 million, CETF estimates that this will cover \$20 in subsidy a month for 8,333 households for a year based on an affordable rate of \$10 per month.



Luis Arteaga shared some of the lessons learned about effective adoption strategies based on the experience of the Get Connected! Public Awareness Program and the two BTOP grants. Luis emphasized that the remaining “non-adopters” are going to require more effort to overcome a multiple barriers to adoption. Susan Walters added that the work ideally is connected to programs working to transform communities and that there needs to be trusted messengers at the community level in order for adoption strategies to be successful.

Rachelle Chong said that Comcast is not an ETC but they do have some experience in designing a product for low-income communities as they launch Internet Essentials last July. Rachelle offered to share their experience.

III. Discussion and Feedback on Proposed Lifeline Pilot

Doug Garrett from Cox Communications said that they are Lifeline providers in San Diego and Santa Barbara. He said there could be an interest as they roll out their Connect to Compete offer. The link to mobile would also be interesting.

Kurt Rasmussen said that Verizon had more questions than answers at this point given that the FCC has not released any guidelines and how the program would be administered.

Rhonda Johnson said AT&T also has more questions now. She did observe AT&T is one of the largest providers of Lifeline. She felt it might easier for a qualified third party to do the pilot than trying to get system changes in a company like AT&T for a short time frame. She mentioned some questions such as: what happens to the fee after the pilot. Rhonda also stated that AT&T had data they may be useful in looking at the need. She said there are regions with high Lifeline penetration and high DSL subscription and regions with high Lifeline and low DSL subscription.

Greg Gierczak from Surewest said that as a small provider they do not have the back office capacity to participate in a pilot. They were also being acquired.

Rachelle Chong added for Comcast that she had 3 suggestions: (1) Comcast will have a churn study soon that may inform the next steps; (2) Invite the Regional consortia to the table; (3) Choose 2 – 3 neighborhoods.

TURN counsel Bill Nusbaum said they were supportive of a pilot in California and that there should be some “out of the box” thinking about how this program is administered such as using vouchers or debit cards. He also suggested including wireless providers at the next meeting.

Mark Toney from TURN supported the concept of a Lifeline pilot. He recommended that the pilot include a way to capture information from the customer perspective. He also said that while he felt that the \$10 a month rate seemed reasonable, that there needs to be more analysis about what level of subsidy is appropriate from a public policy perspective. Mark Toney stated they are interested in the customer experience as well. Does the customer know what they need in terms of speed? Does the customer understand the terms of service?

Sam Kang from TURN stated he was concerned about potential customer confusion when providers start offering each others’ services such as Verizon and Comcast may soon do.



IV. Next Steps and Assignments

Sunne McPeak thanked everyone for attending and invited people to join the California Broadband Council meeting on May 4 in Gardena where she would report on this meeting as requested by Senator Padilla. She said she would send the meeting notes to everyone. Sunne McPeak asked participants for any additional feedback on the Lifeline Working Concept Outline and said that CETF would be in contact with the providers for continued discussion.

V. Adjourned at 4:30PM



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Attendees

Luis Arteaga	<i>Director Emerging Markets</i>	California Emerging Technology Fund
Sari Billick	<i>Lead Organizer, Central City SRO Collaborative</i>	TURN
Rachelle Chong	<i>Regional Vice President of Government Affairs for California</i>	Comcast
Doug Garrett	<i>Regulatory Affairs</i>	Cox Communications
Greg Gierczak	<i>Executive Director</i>	Surewest
Paul Goodman		The Greenlining Institute
Rhonda Johnson	<i>Regulatory Affairs</i>	ATT
Sam Kang	<i>General Counsel</i>	The Greenlining Institute
Jacqueline Kinney	<i>Principal Consultant Senate Committee on Energy, Utilities and Communications</i>	Senator Alex Padilla
Sunne Wright McPeak		<i>President and CEO</i> California Emerging Technology Fund
Jeff Mondon	<i>Regulatory Affairs</i>	ATT
Ana Montes	<i>Organizing Director</i>	TURN
Bill Nusbaum	<i>Senior Telecom Attorney</i>	TURN
Kurt Rasmussen	<i>Director - Regulatory Affairs</i>	Verizon
Catherine Sandoval	<i>Commissioner</i>	California Public Utilities Commission
Melissa Slawson	<i>Telecommunications and Legal Advisor Office of Commissioner Catherine J.K. Sandoval</i>	California Public Utilities Commission
Mark Toney	<i>Executive Director</i>	TURN
Susan Walters	<i>Senior Vice President</i>	California Emerging Technology Fund



Jane Whang

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Comcast