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Comcast Corporation

February 27, 2015

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

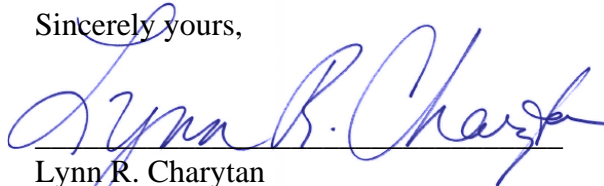
Re: *In the Matter of Applications of Comcast Corporation, General Electric Company, and NBC Universal Inc. for Consent to Assign Licenses and Transfer Control of Licensees*,  
MB Docket No. 10-56

Dear Ms. Dortch:

In accordance with the provisions of the Memorandum Opinion and Order adopted in the above-referenced proceeding,<sup>1</sup> Comcast Corporation, for itself and on behalf of NBCUniversal Media, LLC (collectively, the “Company”), hereby submits its Fourth Annual Report of Compliance with Transaction Conditions. This report summarizes the steps the Company has taken across its various business units to comply with each of the Conditions in Appendix A of the *Transaction Order*. A copy of this combined report is also available as of today at <http://corporate.comcast.com/news-information/nbcuniversal-transaction>.

Please do not hesitate to contact me should you have any questions.

Sincerely yours,



Lynn R. Charytan  
Senior Vice President, Legal Regulatory Affairs,  
Senior Deputy General Counsel  
Comcast Corporation

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<sup>1</sup> *Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees*, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (“*Transaction Order*”).

Ms. Marlene H. Dortch  
February 27, 2015  
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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC**

In the Matter of	)	
	)	
Applications of Comcast Corporation,	)	
General Electric Company,	)	MB Docket No. 10-56
and NBC Universal, Inc.	)	
	)	
For Consent to Assign Licenses and	)	
Transfer Control of Licensees	)	

**FOURTH ANNUAL REPORT OF COMPLIANCE  
WITH TRANSACTION CONDITIONS**

*Comcast Corporation  
NBCUniversal Media, LLC*

300 New Jersey Avenue, NW  
Suite 700  
Washington, DC 20001  
(202) 379-7121

February 27, 2015

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February 27, 2015

**FOURTH ANNUAL REPORT OF COMPLIANCE  
WITH TRANSACTION CONDITIONS**

Comcast Corporation (“Comcast”), for itself and on behalf of NBCUniversal Media, LLC (“NBCUniversal”) (and collectively, the “Company”), submits its fourth annual report regarding the Company’s compliance with the conditions set forth in Appendix A (the “Conditions”) of the *Transaction Order*<sup>1</sup> for the period of January 29, 2014 through January 28, 2015 (the “Reporting Period”). In accordance with Condition XIX of the *Transaction Order*, a copy of this report is available as of today on the Corporate Website.<sup>2</sup>

This report is organized to correspond with each section of the Conditions. Where a particular section is definitional only or otherwise does not include directives requiring or prohibiting certain conduct, this report nonetheless includes a reference for completeness.

As previously reported, transaction compliance is led by David L. Cohen, Comcast Corporation’s Executive Vice President, and supported by dedicated Transaction Compliance Teams at both Comcast and NBCUniversal. The teams collaborate to ensure consistency in compliance methods, interpretation, and oversight across the Company’s numerous business units, train relevant personnel, and review any transaction that may implicate the Conditions.

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<sup>1</sup> *Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc., for Consent to Assign Licenses and Transfer Control of Licensees*, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (as amended by the Erratum released on March 9, 2011). Capitalized terms have the meaning ascribed herein and do not necessarily conform to the terms or definitions used in the *Transaction Order*.

<sup>2</sup> See <http://corporate.comcast.com/news-information/nbcuniversal-transaction> (“Corporate Website”).

The Company also operates an enterprise-wide database to track compliance with each of the Conditions.

## **COMPLIANCE WITH SPECIFIC CONDITIONS**

### **I. DEFINITIONS**

*Provision defining the terms used in the Conditions:* This section is definitional only.

### **II. ACCESS TO COMCAST-NBCUNIVERSAL PROGRAMMING**

*Provision establishing that multichannel video programming distributors (“MVPDs”) may submit program access disputes to commercial arbitration:* NBCUniversal remains committed to good faith commercial negotiations designed to make its programming available to MVPDs at a mutually acceptable price, and on mutually acceptable terms and conditions. No MVPD has submitted any program access dispute to commercial arbitration during the Reporting Period.

### **III. CARRIAGE OF UNAFFILIATED VIDEO PROGRAMMING**

#### **1. Non-Discriminatory Carriage**

*Prohibition on the Company discriminating in video programming distribution on the basis of affiliation or non-affiliation:* Compliance with the program carriage requirements is integrated into the Company’s day-to-day business and guides its carriage decisions; this is also an area of focus for the Comcast Transaction Compliance Team. No program carriage complaints were filed against Comcast during the Reporting Period.

Comcast continued to demonstrate its commitment to the distribution of unaffiliated programming by launching new independent networks and substantially expanding the distribution of several existing independent networks owned by or focused on diverse audiences. Comcast carries over 160 independent networks, including many small, diverse, and international ones, and six of every seven networks carried by Comcast are unaffiliated with the Company.

#### **2. Neighborhooding**

*Requirement that independent news channels be included if Comcast creates news neighborhoods:* As previously reported, Comcast has fully repositioned Bloomberg Television in all relevant markets in accordance with the Commission’s order in *Bloomberg L.P. v. Comcast Cable Communications, LLC*, MB Docket No. 11-104, Memorandum Opinion and Order (rel. Sep. 26, 2013).<sup>3</sup> The Company has received no other neighborhooding requests.

<sup>3</sup> On March 25, 2014, the parties filed a stipulation withdrawing their cross-appeals of the Commission’s order. See *Bloomberg L.P. v. Federal Communications Commission*, Case No. 13-3788 (2d Cir.), Stipulation of Voluntary Dismissal of Consolidated Appeals with Prejudice (Mar. 25, 2014). Bloomberg subsequently filed a petition to allow Comcast to move Bloomberg

### 3. New Independent Networks

*Requirement to launch 10 new independently owned or operated networks within eight years, eight of which are to be minority owned or controlled:* Since 2011, Comcast has added over 20 independent networks (including four independent networks with African American or Hispanic American ownership – ASPIRE, BabyFirst Americas, REVOLT, and El Rey) and has substantially expanded carriage of over 140 independent networks to over 217 million subscribers.

### 4. Program Carriage Complaints

*Procedure for bringing carriage complaints:* This section is administrative in nature.

## IV. ONLINE CONDITIONS

### A. Online Program Access Requirements and Procedures

*Provision setting forth program access requirements that obligate the Company to provide its programming for online display by third parties in certain circumstances:* Agreements with online video distributors (“OVDs”) continue to be a regular part of the Company’s program licensing business, as they were before the Transaction. NBCUniversal entered into or renewed agreements with several OVDs during the Reporting Period, including deals with Amazon, Crackle, Hulu, Netflix,<sup>4</sup> and others, as well as deals with several MVPDs that include access to linear channels across multiple platforms. NBCUniversal also entered into a linear OVD agreement with Sony.<sup>5</sup> Separate from these content distribution deals, NBCUniversal has contracted to produce original programming for Amazon.<sup>6</sup>

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TV out of news channel neighborhoods in certain of Comcast’s systems, notwithstanding the Order, in order to place Bloomberg TV proximate to CNBC. The petition was granted on January 7, 2015. *Id.*, Memorandum Opinion and Order (rel. Jan. 7, 2015).

<sup>4</sup> T. Maglio, *Crackle, NBCUniversal Sign Multi-Year Film Licensing Deal*, The Wrap (Apr. 3, 2014), available at <http://www.thewrap.com/crackle-nbc-universal-feature-films/>; The Deadline Team, *Hulu Inks Exclusive Streaming Deal with NBCUniversal Series*, Deadline.com (Apr. 2, 2014), available at <http://deadline.com/2014/04/hulu-streaming-deal-nbcuniversal-brooklyn-nine-nine-mindy-project-708443/>.

<sup>5</sup> Press Release, Sony Network Entertainment International and Sony Computer Entertainment Unveil PlayStation Vue, a New Cloud-Based TV Service that Pioneers the Future of Television (Nov. 13, 2014), available at <http://www.prnewswire.com/news-releases/sony-network-entertainment-international-and-sony-computer-entertainment-unveil-playstationvue-a-new-cloud-based-tv-service-that-pioneers-the-future-of-television-282517811.html>.

<sup>6</sup> T. Spangler, *Amazon Studios Adds Thriller ‘Hysteria’ From Shaun Cassidy to Next Pilot Wave*, Variety (July 1, 2014), available at <http://variety.com/2014/digital/news/amazon-studios-adds-thriller-hysteria-from-shaun-cassidy-to-next-pilot-wave-1201256222/>.



As previously reported, the applications for review in the Project Concord arbitration remain pending,<sup>7</sup> as does the application for review filed by several content companies challenging the Media Bureau's clarification that OVDs invoking the Benchmark Condition must disclose the terms of the comparable peer agreements to NBCUniversal's outside counsel and consultants to the extent necessary to enable NBCUniversal to carry out its obligations under the Condition.<sup>8</sup>

## **B. Exclusivity/Windowing**

*Restriction on the Company's ability to enter into or enforce provisions designed to limit online video distribution, except in certain circumstances:* The Company carefully reviews proposals to limit online display of video programming, whether in carriage or licensing agreements, to ensure compliance with this Condition. The Company believes that its approach positions it as the most "online friendly" programmer and MVPD in the industry.

## **C. Continued Access to Online Content and Hulu**

### **1. Continued Programming on NBC.com**

*Requirement to continue to provide equivalent programming on NBC.com on equivalent terms and conditions:* During the Reporting Period, NBC.com maintained programming of the equivalent type, quantity, and quality as provided by the site on the date of the *Transaction Order*, and on equivalent terms and conditions.

### **2. Preexisting OVD Deals**

*Obligation to honor any agreement or arrangement entered into before the date of the Transaction Order providing rights to online video programming:* Preexisting licenses for online display of programming continue to be honored until the close of their existing terms, absent material breach by the licensee.

### **3. Provision of Content to Hulu**

*Requirement that NBCUniversal renew its agreements with Hulu on substantially the same terms and conditions as the other two content partners (Disney-ABC Television Group and Fox Entertainment Group):* The parties' interactions in this regard have been conducted in accordance with the provisions of this Condition.

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<sup>7</sup> *In the Matter of Arbitration between Project Concord, Inc. v. NBCUniversal Media, LLC*, MB Docket No. 10-56, Project Concord, Inc.'s Application for Review (filed Dec. 13, 2012); NBCUniversal Media LLC's Application for Review (filed Dec. 13, 2012).

<sup>8</sup> MB Docket No. 10-56, Order (rel. Dec. 4, 2012).

#### **4. Relinquishment of Control over Hulu**

*Obligation to convert NBCUniversal's interest in Hulu to one that is purely economic:* As previously reported, this obligation has been completed.

#### **D. Standalone Broadband Internet Access Service ("BIAS")**

##### **1. Provision of Standalone BIAS**

*Requirement to provide BIAS on a standalone basis and to offer a new 6 Mbps down service at no more than \$49.95 per month:* Comcast continues to offer, on a standalone basis and at reasonable prices, any tiers of BIAS that it offers on a bundled or multi-product basis. Comcast also offers its "Performance Starter" tier, a 6 Mbps down standalone BIAS service, priced at \$49.95 per month. Pursuant to the *Broadband Consent Decree* entered into with the Commission on June 27, 2012, Comcast satisfied the requirement in full by offering Performance Starter through February 21, 2015 and continues to offer the service to date.<sup>9</sup> The *Broadband Consent Decree* also imposes training and other requirements to reinforce Comcast's standalone BIAS obligations, which are discussed in a separate report.

##### **2. Visibly Offer and Actively Market Retail Standalone BIAS**

*Obligation to visibly offer and actively market standalone BIAS:* Comcast regularly promotes standalone BIAS in its general marketing efforts, referencing the standalone BIAS options in advertisements and other promotional materials. As required by the *Broadband Consent Decree*, Comcast supplemented its normal practices during the Reporting Period with a major advertising campaign for its standalone BIAS offerings. Comcast has implemented safeguards designed to ensure that standalone BIAS services are actively marketed, including a requirement that all Comcast's customer service representatives ("CSRs") undergo training, and that all information concerning standalone BIAS offerings, including Performance Starter, is included on Comcast product lists and in ordering systems at Comcast retail locations. Comcast also maintains a linkable web page devoted exclusively to describing (*e.g.*, price and speed) and permitting online purchase of all retail standalone BIAS offerings, including Performance Starter, by both new and existing Comcast customers. In fact, an increasing percentage of the standalone BIAS customers are signing up through the web page. These commitments have been reinforced – and with respect to training, expanded – pursuant to the *Broadband Consent Decree*.

##### **3. BIAS Annual Report**

*Requirement that Comcast file a report regarding its compliance with Condition IV.D.1 annually and upon any standalone BIAS price adjustment:* Comcast filed the reports required by

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<sup>9</sup> *In the Matter of Comcast Corporation*, File No.: EB-11-IH-0163, Consent Decree (rel. Jun. 27, 2012) ("*Broadband Consent Decree*"), at ¶ 15.

this Condition.<sup>10</sup>

## **E. Other BIAS Conditions**

### **1-2. Specialized Service Requirements**

*Requirements that apply should Comcast offer a “Specialized Service” that includes its own or third party content:* Comcast is not offering any “Specialized Service” as described in Condition IV.E.

### **3. 12 Mbps Offering**

*Obligation to offer a BIAS tier of at least 12 Mbps down in all Comcast DOCSIS 3.0 markets:* A “Performance” service tier with at least 12 Mbps download speeds continues to be offered across Comcast’s entire DOCSIS 3.0 footprint. The downstream speed of the Performance tier has been increased to at least 25 Mbps in Comcast’s top 30 markets – and in fact, each of those same markets offers service with downstream speed of at least 105 Mbps.

## **F. “Specialized Service” on Comcast Set-Top Boxes (“STBs”)**

*Provision noting that the requirements of Condition IV.E.1 and 2 will apply should Comcast STBs enable access to a “Specialized Service”:* Because Comcast is not offering any “Specialized Service” as described in Condition IV.E, this Condition does not apply.

## **G. Unfair Practices**

*Prohibition on unfair methods of competition, retaliation, and improper influence:* The requirements of this Condition are consistent with the Company’s ordinary business practices and have been fully complied with.

## **V. NOTICE OF CONDITIONS**

*Requirement that the Company provide notice of the Conditions to OVDs, MVPDs, and video programming vendors in connection with expiring agreement or new requests:* In response to new requests for carriage or programming, or expiring agreements, the Company provides the requesting party with a copy of the Conditions by e-mail. During the Reporting Period, NBCUniversal distributed over 480 notices of Conditions to MVPDs, video programming vendors, and OVDs, and Comcast distributed approximately 246 notices to programmers.<sup>11</sup>

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<sup>10</sup> Letters from Lynn R. Charytan, Senior Vice President, Legal Regulatory Affairs, Senior Deputy General Counsel, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 filed on Feb. 21, 2014; May 9, 2014; Jul. 25, 2014, Aug. 22, 2014, Dec. 24, 2014 and Feb. 20, 2015.

<sup>11</sup> The Company detected a few instances of notices that were sent after the required window (e.g., later than 20 days before the expiration of an existing agreement) and has taken follow up actions, as needed.

## **VI. REPLACEMENT OF PRIOR CONDITIONS**

*Provision replacing Adelphia arbitration procedures:* This Condition is administrative in nature.

## **VII. COMMERCIAL ARBITRATION REMEDY**

*Procedures for arbitration:* This Condition is administrative in nature; however, to the extent that the Company has engaged in arbitration pursuant to the Conditions to date, these procedures have governed.

## **VIII. MODIFICATIONS TO AAA RULES FOR ARBITRATION**

*Modification of the American Arbitration Association's rules:* This Condition is administrative in nature.

## **IX. BROADCAST CONDITIONS**

*Requirement to comply with Sections 2, 3, and 7 of the June 3, 2010 Agreement between Comcast Corporation, NBC Universal, Inc., and the NBC Television Affiliates (the "NBC Affiliates Agreement"), and with all of the terms of the June 21, 2010 Agreement between Comcast Corporation and the ABC Television Affiliates Association, the CBS Television Network Affiliates Association, and the FBC Television Affiliates Association (the "ABC, CBS and Fox Affiliates Agreement"):*

The Company abides by its affiliate market integrity obligations, and it has maintained major sporting events on the NBC Network, including the 2014 Winter Olympics (which dominated primetime ratings for 18 nights in a row), Super Bowl XLIX (the highest-rated telecast in U.S. history),<sup>12</sup> and NFL Sunday Night Football (the No. 1 show in primetime for the past five fall TV seasons). The Company's substantial investment has ensured that NBC will be the broadcast home of the Olympics through 2032.<sup>13</sup>

Further, the Company maintains separation between its cable and broadcast businesses with respect to NBCUniversal's negotiation of affiliation agreements and retransmission consent agreements with non-Comcast MVPDs, and Comcast's negotiations of retransmission consent agreements with broadcasters.

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<sup>12</sup> M. O'Connell, *Super Bowl Smashes Ratings Record, Pulls History 114.4 Million Viewers*, The Hollywood Reporter (Feb. 2, 2015), available at <http://www.hollywoodreporter.com/live-feed/super-bowl-surges-record-ratings-769033>.

<sup>13</sup> T. Maglio, *NBCUniversal Acquires Olympics Rights for \$7.75 Billion Through 2032*, The Wrap (May 7, 2014), available at <http://www.thewrap.com/nbcuniversal-acquires-olympics-through-2032-ioc-nbc/>.

## X. DIVERSITY CONDITIONS

Over the past four years, Comcast and NBCUniversal have taken significant steps toward becoming the most successful model of diversity and inclusion in the communications and entertainment industry. The Company's strategic approaches and detailed plans are designed to achieve and build upon the diversity and inclusion initiatives in five key focus areas that cut across all aspects of the business: Governance, Workforce, Procurement, Programming, and Community Investment. Detailed facts and figures spanning these five focus areas are included in *Seeing the Bigger Picture*, the Company's public, three-year Diversity and Inclusion Progress Report released in mid-2014. This voluntary, best-in-class publication provides a broad assessment of the combined Company's diversity and inclusion plans, initiatives, and progress from year-end 2010 through year-end 2013.<sup>14</sup>

In particular, the Company has been a demonstrated leader in supporting diverse programming and remains committed to delivering programming that reflects the diverse interests of its customers across all platforms, including linear channels, VOD, and Online. Comcast carries more than 100 networks geared toward diverse audiences, including multiple networks owned or operated by minorities. And Comcast is proud to be the nation's largest provider of Latino programming packages, with a television distribution platform that delivers more than 60 Latino networks, in both Spanish and English, to our Latino customers.

Comcast also has expanded the quality and quantity of diverse programming available through its VOD and Online platforms to over 5,800 combined hours in 2014, an increase of 94% over 2013. The Company's comprehensive diverse content offerings are available on the XFINITY VOD platform, where customers can access a special Multicultural folder for a wide array of culturally-relevant content, including Black Cinema On Demand, Hispanic Cinema On Demand, and Cinema Asian America. In addition, entertainment geared towards diverse audiences – *i.e.*, XFINITY.com/CelebrateBlackTV, XFINITY Latino, XFINITY Asia, and XFINITY.com/LGBT – are first-of-their-kind, one-stop Internet destinations for entertainment features and news geared towards diverse audiences. Each of these microsites features audience-specific news, blogs, and XFINITY TV programming – including award-winning movies, TV shows, celebrity interviews, behind-the-scenes footage and entertainment news featuring entertainers, artists, and historical figures. This year also saw the return of XFINITY Freeview Latino, a two week all-access pass to discover and view the best Latino entertainment available in the U.S., totaling in excess of 3,500 programs and 2,500 hours of VOD content.

The Company is also infusing Telemundo with hundreds of millions of dollars in investments. Fueled by the success of its "Super Series," in 2014, Telemundo reached its highest primetime share on record since being measured in Nielsen's National People Meter sample. Telemundo's national news and information programs also delivered their best broadcast year in the network's history, according to Nielsen, bolstered by the launch of several local newscasts and "Noticias Telemundo Fin de Semana," Telemundo's first-ever national weekend newscast. The Super Bowl Sunday debut of NBC Universo (formerly mun2) peaked at 457,000 viewers

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<sup>14</sup> Comcast NBCUniversal Diversity and Inclusion Progress Report (Jun. 2014), available online at [http://corporate.comcast.com/images/Comcast\\_Diversity\\_Report\\_060214.pdf](http://corporate.comcast.com/images/Comcast_Diversity_Report_060214.pdf).

(with 368,000 average viewers throughout the telecast) for its exclusive Spanish-language telecast of Super Bowl XLIX, the most-viewed program outside of soccer in the channel's history (including on its predecessor, mun2).

#### **1. Telemundo Multicast Channel**

*Requirement that the Company launch a new multicast channel on its Telemundo Station Group stations by January 28, 2012, and make this programming available to Telemundo affiliates:* As previously reported, this obligation has been completed.<sup>15</sup>

#### **2-3. Telemundo and mun2 Programming on VOD and Online**

*Requirement that the Company use its Video on Demand ("VOD") and Online platforms to feature Telemundo programming and increase the number of Telemundo and mun2 VOD programming choices from 35 to 100 choices within 12 months and by an additional 200 choices within 3 years:* As previously reported, this obligation has been completed.

#### **4. New Weekly Business Program**

*Obligation to work with an independent producer to produce a new weekly business news program:* As previously reported, this obligation has been completed.

#### **5. Independent Programming Reports**

*Requirement to file quarterly reports concerning the independent programming aired by the Company's owned or controlled stations and programming networks:* The Company filed reports with the Commission containing information on the independent programming aired by each of the Company's owned or controlled stations and programming networks during each calendar quarter.<sup>16</sup> The reports were posted and remain available on the Corporate Website, and are also accessible through a link posted on the homepage of each reporting station or network. While the Condition establishes no target, it is worth noting that, as detailed in the reports, the Company's owned or controlled stations and programming networks collectively aired approximately 130,000 hours of independent programming during 2014, an average of over 32,000 hours per quarter.

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<sup>15</sup> On December 1, 2014, the Telemundo Station Group replaced the Exitos multicast with TeleXitos, a new Telemundo-owned network that offers a mix of popular action and adventure television series and feature films in Spanish.

<sup>16</sup> The reports were filed in MB Docket No. 10-56 on the following dates: Apr. 7, 2014 (first quarter); Jul. 14, 2014 (second quarter); Oct. 10, 2014 (third quarter); and Jan. 15, 2015 (fourth quarter) and are available online at <http://corporate.comcast.com/news-information/nbcuniversal-transaction/independent-programming>.

## **XI. LOCALISM**

### **1. News, Public Affairs, and Other Local Public Interest Programming**

*Obligation to “preserve and enrich the output of local news, local public affairs, and other public interest programming” through the use of certain windows on the NBCUniversal-owned stations, time slots on the cable channels, and Comcast VOD and Online platforms:* Beyond the considerable, long-term investments in local news operations summarized in previous annual reports, the Company continues to preserve and enhance local news by making strategic investments in its owned stations (*see* subsections XI.1.b and c below) and through innovations like the Everyblock hyper-local news platform.<sup>17</sup>

#### **a. Preservation of Current Levels of NBC and Telemundo News and Information Programming**

*Prohibition on reduction of current level of news and information programming on the stations that comprise the NBC Owned Television Stations and Telemundo Station Group divisions:* During the Reporting Period, the NBCUniversal-owned NBC and Telemundo television stations collectively aired more news and information programming than aired in the year preceding the Closing of the Transaction. Total hours of news programming for both station groups are provided in sections XI.2-3 below.

#### **b. Increased Investment in NBC Local News**

*Obligation to expand newscasts at the stations that comprise the NBC Owned Television Stations division:* The NBC Owned Television Stations division continued to make significant investments in its stations during the Reporting Period:

- NBC Southern California/KNBC moved into its new facility – the Brokaw News Center – which co-locates KNBC, Telemundo Los Angeles/KVEA, and the West Coast operations of NBC News, CNBC, MSNBC, and Telemundo News;<sup>18</sup>

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<sup>17</sup> EveryBlock is a hyper-local, free online service and mobile app that aggregates and curates content at the neighborhood level. EveryBlock operates in Chicago and Philadelphia, and Comcast plans to roll out the platform to additional markets, including Houston, TX; Denver, CO; Medford, MA (Boston area); Hialeah, FL (Miami area) and Fresno, CA in the coming months.

<sup>18</sup> Press Release, NBCUniversal Dedicates West Coast News Center to Distinguished NBC News Journalist Tom Brokaw (May 1, 2014), *available at* <http://corporate.comcast.com/news-information/news-feed/nbcuniversal-dedicates-west-coast-news-center-to-distinguished-nbc-news-journalist-tom-brokaw>.

- NBC San Diego/KNSD and NBC10 Philadelphia/WCAU announced they will be moving into brand new facilities in 2016 and 2017, respectively;<sup>19</sup>
- NBC South Florida/WTVJ launched a 4:30 AM newscast;<sup>20</sup>
- NBC Chicago/WMAQ expanded its midday newscast to an hour;<sup>21</sup>
- The NBCUniversal-owned stations – both NBC and Telemundo – hosted and/or aired close to 20 political debates in state and local races throughout the country;<sup>22</sup> and
- The NBC Owned Stations division launched newly upgraded smartphone apps that are sleeker and easier to navigate, offering an interactive weather radar, quicker access to breaking news, and the ability to send video from a mobile device right to a smart television.

c. Increased Investment in Telemundo Local News

*Obligation to increase investment in the Telemundo Station Group's locally-produced newscasts, over three years:* The news operations of the Telemundo Station Group's stations continue to benefit from the Company's multimillion dollar investment to support local news

<sup>19</sup> NBC 7 Announces Move to New Kearny Mesa Location in 2016 (Jun. 23, 2014), available at <http://www.nbcsandiego.com/news/local/NBC-7-Announces-Move-to-New-Kearny-Mesa-Location-264304441.html#ixzz3PUSq6h1p>; A. Burdo, *Comcast Seeks to Redefine Philadelphia and Itself* (Jan. 25, 2014), available at <http://www.nbcphiladelphia.com/news/business/Comcast-Seeks-to-Redefine-Philadelphia-Itself-240313291.html>.

<sup>20</sup> WTVJ Miami Expands Weekday Morning News (Feb. 24, 2014), available at <http://www.tvnewscheck.com/article/74356/wtvj-miami-expands-weekday-morning-news>.

<sup>21</sup> R. Channick, *WMAQ-Ch.5 Expanding Midday Newscast*, *The Chicago Tribune* (Aug. 15, 2014), available at <http://www.chicagotribune.com/business/breaking/chi-wmaq-ch5-expanding-midday-newscast-20140815-story.html>.

<sup>22</sup> See e.g., *Decision 2014: The NBC Connecticut Debate Preview* (Oct. 19, 2014), available at <http://www.nbcconnecticut.com/news/politics/Decision-2014-The-NBC-Connecticut-Debate-Preview-279633722.html>; *Brown, Gansler Clash in Debate; Mizeur Outlines Own Plans* (May 8, 2014), available online at <http://www.nbcwashington.com/news/local/Debate-Maryland-Governor-Anthony-Brown-Doug-Gansler-Heather-Mizeur-258129511.html>; J. Lloyd and S. Khan, *LA County Board of Supervisor Candidates Meet in Debate* (Mar. 28, 2014), available at <http://www.nbclosangeles.com/news/local/LA-Los-Angeles-County-Supervisor-Election-Debate-252506831.html>; V. Milano, *Telemundo Stations Host Gubernatorial Debates Across Various Markets in the United States* (Sep. 5, 2014), available at <http://thehollywoodtimes.net/2014/09/05/telemundo-stations-host-gubernatorial-debates-across-various-markets-in-the-united-states/>.



expansions, bolster newsgathering efforts, and ensure that each news team has the resources it needs to compete in their local markets.<sup>23</sup> Enhancements to the Telemundo-owned stations' news departments during the Reporting Period include:

- Hiring 160 new employees across all 17 stations, primarily in the news departments, to support news and programming expansions. The new hires include reporters, producers and photographers;<sup>24</sup>
- Launching a new half-hour early evening newscast to provide viewers with an additional 150 minutes each week of local breaking news coverage and up-to-the-minute weather reports in their respective markets. The new local half-hour news programs launched in 14 markets (Los Angeles, New York, Miami, Houston, Dallas-Fort Worth, Chicago, the Bay Area, San Antonio, Phoenix, Tucson, McAllen, Denver, Philadelphia, and Las Vegas) at 5:30 PM EST/PST and 4:30 PM CST/MST.
- On top of the early evening news launches, the stations launched more than 35 hours a week of new local newscasts in seven markets, including:
  - Two-and-a-half hours of weekday news at 5:00 AM, 6:00 AM and 10:00 AM at Telemundo San Francisco Bay Area/KSTS;
  - Two 30-minute newscasts at 4:30 PM and 10:00 PM on Saturdays and Sundays on Telemundo Phoenix/KTAZ and Telemundo Tucson/KHRR;
  - Two 30-minute weekday newscasts at 6:00 PM and 11:00 PM on Telemundo Philadelphia/WWSI;
  - Resuming locally-produced news at Telemundo Las Vegas/KBLR by producing two 30-minute newscasts weekdays at 6:00 PM and 11:00 PM;
  - Expanding live news coverage at Telemundo 40/KTLM in Harlingen, TX by producing two half-hour weekday newscasts at 5:00 PM and 10:00 PM and airing two half hours of weekend news at 4:30 PM and 10 PM; and

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<sup>23</sup> S. Bibel, *NBCUniversal Makes Major Investment in its Telemundo Stations to Better Serve Spanish-Language Community* (Nov. 3, 2014), available at <http://tvbythenumbers.zap2it.com/2014/11/03/nbcuniversal-makes-major-investment-in-its-telemundo-stations-to-better-serve-spanish-language-community/323136/>.

<sup>24</sup> D. Marszalek, *Telemundo Ramps UP News in 14 Markets*, TV News Check (Nov. 3, 2014), available at <http://www.tvnewscheck.com/article/80496/telemundo-ramps-up-news-in-14-markets>.

- Resuming locally-produced weekend newscasts at Telemundo Puerto Rico/WKAQ by producing two half-hour newscasts on Saturdays and Sundays at 5 PM and 10 PM.
- Establishing new consumer investigative units at seven Telemundo-owned stations. The new units – known as *Telemundo Responde* (“Telemundo Responds”) – have collectively produced nearly 700 stories and recovered more than \$1 million for consumers since their launch in April 2014. *Telemundo Responde* will expand to four additional markets in 2015;<sup>25</sup>
- Debuting new state-of-the art sets at the Telemundo-owned stations in Los Angeles, Miami-Fort Lauderdale, Dallas-Fort Worth, San Francisco Bay Area, Philadelphia, Phoenix, and Las Vegas;
- Rolling out new on-screen graphics and visual designs across all stations;
- Adding news bureaus in Washington, D.C., Mexico City, and Miami, each with correspondents gathering news for the local stations. These new bureaus are supporting the stations’ efforts to localize major domestic and international developments by providing the latest news and information from all across the United States and Mexico;
- Purchasing new vehicles and cameras to help stations’ live reporting capabilities;
- Integrating a digital web editor at all Telemundo-owned stations, greatly increasing each station’s digital presence; and
- Working more closely with the NBC stations in markets where NBCUniversal owns both a Telemundo and a NBC station, including sharing content and resources in an effort to better serve viewers.

## **2-3. 1,000 Hours of Additional Local News and Information Programming**

### **a. NBC Owned Television Stations**

*Requirement that the stations that comprise the NBC Owned Television Stations division produce an additional 1,000 hours per year of original, local news and information programming to air on multiple platforms:* During 2014, across the 10 stations that comprise the NBC Owned Television Stations division, the Company produced and aired approximately 2,810 hours of regularly scheduled local news programming over and above the amount aired in the

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<sup>25</sup> M. Malone, *Telemundo Stations Recover \$1 Million with ‘Responde’ Programs*, *Broadcasting & Cable* (Jan. 14, 2015), available at <http://www.broadcastingcable.com/news/local-tv/telemundo-stations-recover-1-million-responde-programs/137027>.

year preceding the Closing of the Transaction. This total exceeds the requirement in this Condition by approximately 1,810 hours.

In addition, COZI TV, a 24 hour national network that airs on the NBC-owned stations' multicast channels, offers flexible time blocks for the stations to air expanded of local news and public affairs, such as re-airing NBC New York's regularly scheduled weeknight hour-long newscast, and *Talk Stoop*, a local interview show that airs weekly, and NBC Southern California's weekly program that showcases local news conferences, weekly local news magazine *Life Connected*. In addition, NBC Dallas-Fort Worth carried a number of local political debates on COZI.

b. Telemundo Station Group

*Requirement that at least six of the stations that comprise the Telemundo Station Group division collectively produce an additional 1,000 hours per year of original, local news and information programming:* During 2014, the Telemundo-owned stations collectively produced and aired approximately 4,620 hours of regularly scheduled local news programming over and above the amount aired in the year preceding the Closing of the Transaction. This total exceeds the requirement in this Condition by approximately 3,620 hours.

**4. News and Information Programming Reports**

*Requirement to file quarterly reports regarding the news and information programming aired on the stations that comprise the NBC Owned Television Stations and the Telemundo Station Group divisions:* The Company filed reports with the Commission containing information on the news and information programming aired by the stations that comprise the NBC Owned Television Stations and the Telemundo Station Group divisions during each calendar quarter.<sup>26</sup> The reports were posted and remain available on the Corporate Website, and are also accessible through a link posted on the homepage of each reporting station. While the Condition establishes no target, it is noteworthy that, as detailed in the reports, the stations collectively aired over 28,600 hours of news and information programming during 2014, an average of approximately 7,160 hours per quarter.

**5. Non-Profit News Partners**

*Requirement that half of the 10 stations that comprise the NBC Owned Television Stations division establish cooperative arrangements with locally focused non-profit news organizations:* This obligation was completed during the Reporting Period. Attached as Appendices A and B and incorporated by reference are the reports filed pursuant to and reporting

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<sup>26</sup> The reports were filed in MB Docket No. 10-56 on the following dates: Apr. 7, 2014 (first quarter); Jul. 14, 2014 (second quarter); Oct. 10, 2014 (third quarter); and Jan. 15, 2015 (fourth quarter) and are available at <http://corporate.comcast.com/news-information/nbcuniversal-transaction/news-and-information-programming>.

compliance with this Condition, including the final required report.<sup>27</sup> As required by Condition XI.5.f, copies of both reports were posted and remain available for public viewing on the homepage of each of the 10 NBC-owned stations.

## **6. More VOD Choices at No Additional Charge**

*Obligation to continue providing at least 20,000 VOD choices at no additional charge to Comcast customers within three years of the Closing of the Transaction:* As previously reported, this obligation has been completed.

## **7. Broadcast Content on VOD**

*Obligation to make available certain broadcast content at no additional charge on Comcast's VOD service for three years after the Closing of the Transaction:* As previously reported, this obligation has been completed.

## **XII. JOURNALISTIC INDEPENDENCE**

*Requirement that the Company continue NBCUniversal's policy of journalistic independence:* Comcast maintains a policy to ensure the journalistic independence of the news programming organizations of all NBCUniversal networks and stations. NBCUniversal's policy of journalistic independence remains in effect and is overseen by David McCormick, NBCUniversal News Ombudsman and Senior Vice President, Standards, NBCUniversal News Group, and supported by Kevin Keeshan, Senior Vice President, News Content and Standards of the NBC Owned Television Stations division and Ozzie Martinez, Vice President of News and Standards for the Telemundo Stations Group.

## **XIII. CHILDREN'S PROGRAMMING**

### **1. Additional Children's VOD and E/I Programming**

a-b. *Requirement to add an additional 500 VOD programming choices appealing to children and families to Comcast's central VOD storage facilities by year-one and an additional 1,000 choices by year-three:* As previously reported, this obligation has been completed.

c. *Obligation to provide one additional hour per week of children's "core" E/I programming:* This obligation was completed during the Reporting Period. All 10 stations that comprise the NBC Owned Television Stations division aired an additional (fourth) hour of children's E/I programming every week on their qualifying multicast channels. The Telemundo Station Group also aired an additional hour of E/I programming every week on each station's primary channel, airing two hours of children's educational programming on each station's primary channel on Saturday and Sunday morning, for a total of four hours per week.

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<sup>27</sup> Letters from Lynn R. Charytan, Senior Vice President, Legal Regulatory Affairs, Senior Deputy General Counsel, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56, dated Jul. 28, 2014 and Jan. 28, 2015.

## **2. Ratings Icons and Parental Controls**

### **a. Improved Ratings Icons**

*Requirement that the Company provide clear and understandable on-screen TV ratings information for all original entertainment programming on its broadcast and cable networks in compliance with the cable industry's best-practice standards:* As previously reported, this obligation has been completed.

### **b. Improved Parental Controls**

*Requirement that the Company provide improved parental controls for Comcast program guides and STB applications:* As previously reported, this obligation has been completed.

### **c. Parental Dashboard**

*Obligation to provide a parental dashboard that places all parental controls in one place, and white listing capabilities on tru2way boxes, by the end of 2013:* As previously reported, this obligation has been completed.

### **d. Blocking Capabilities of IP-based STBs**

*Obligations to provide parental controls and blocking capabilities for IP-based STBs:* Comcast has not commercially deployed IP-based STBs, so the obligations in this subsection have not been triggered.

### **e. Online Ratings Icons**

*Obligation to include program ratings information in the Company's produced or licensed programming that the NBCUniversal networks provide to NBC.com, to other NBCUniversal websites, and to Hulu.com:* As previously reported, this obligation has been completed.

## **3. Partnership with Common Sense Media ("CSM")**

*Requirement to expand the Company's partnership with organizations offering enhanced information to help guide family viewing decisions:* The Company continues to use CSM materials as part of its efforts to provide parents with information to help them make educated viewing decisions for their families. CSM content – including thousands of review videos, tip videos, ratings, and recommendations – is integrated into Comcast's VOD service and promoted on XfinityTV.com.<sup>28</sup> On the X1 platform, families can now use CSM ratings to filter age-

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<sup>28</sup> J. Musser Metz, *Common Sense Media Ratings Now Available on All Video Content Platforms*, Comcast Voices (Oct. 6, 2014), available at <http://corporate.comcast.com/comcast-voices/common-sense-media-ratings-now-available-on-all-video-content-platforms>.

appropriate content for live programming.<sup>29</sup> In addition, the Company ran over \$19.7 million worth of public service announcements (“PSAs”) in support of CSM’s digital literacy project during 2014.

#### **4-5. Interactive Advertising**

*Restrictions on the use of “Interactive Advertising” in programming produced primarily for children:* Comcast and NBCUniversal prohibit the insertion of interactive advertisements into networks or programming produced and transmitted primarily for an audience of children 12 years old or younger.

#### **6. PSAs**

*Requirement that the Company, for five years, provide \$15 million worth of PSAs per year on various public interest topics:* From January 1, 2014 through December 31, 2014, the Company aired PSAs with a value of over \$49.7 million on the four topics designated by this Condition (digital literacy, parental controls, nutritional guidelines,<sup>30</sup> and childhood obesity) on networks that have a higher concentration than the median cable network of adults 25-54 with children under 18 in the household.<sup>31</sup> This investment exceeds the yearly \$15 million value required by the Condition by more than \$34 million, raising the cumulative four year value of the topics designated by the Condition to \$161 million. The 2014 value includes the PSAs on childhood obesity that, as required, aired at least once during each hour of NBC’s “core” educational/informational (“E/I”) programming, plus an average of two times a day on Sprout, as well as additional childhood obesity and digital literacy PSAs that ran on Sprout and during NBC and Telemundo’s E/I blocks.

### **XIV. PEG CONDITIONS**

#### **1. No Migration to Digital Delivery**

*Prohibition on migrating PEG (Public, Educational, and Governmental) channels to digital delivery on any Comcast cable system until the system has converted to all-digital distribution:* During the Reporting Period, Comcast did not migrate any PEG channels to digital delivery on any system that has not converted to all-digital distribution.

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<sup>29</sup> J. Steyer, *Common Sense Media Deepens Integration with Comcast’s X1 Platform*, Comcast Voices (Apr. 29, 2014), available at <http://corporate.comcast.com/comcast-voices/common-sense-media-deepens-integration-with-comcasts-x1-platform>.

<sup>30</sup> The Company aired PSAs on the nutritional guidelines promulgated by the U.S. Department of Agriculture.

<sup>31</sup> Qualifying networks were identified using viewership information obtained through The Nielsen Co. and are reviewed on a quarterly basis for changes.

## **2. PEG Carriage on Digital Starter**

*Requirement that Comcast carry all PEG channels on its digital starter (D0) tier:* During the Reporting Period, Comcast maintained carriage of all PEG channels on its digital starter (D0) tier or on an equivalent tier that reaches 85% of subscribers on the applicable Comcast system.

## **3. Quality of PEG Delivery**

*Prohibition on changing the method of delivery of PEG channels that results in a material degradation of signal quality or impairment of viewer reception:* During the Reporting Period, Comcast did not implement any changes in the method of delivery of PEG channels that resulted in a material degradation of signal quality or impairment of viewer reception.

## **4. PEG Pilot Program**

*Obligation to develop a platform to host PEG content on VOD and online:* As previously reported, this obligation has been completed.

## **XV. NCE and LOCAL NCE**

*Requirements with respect to Comcast's carriage of Qualified Noncommercial Educational ("NCE") Stations and Qualified Local Noncommercial Educational ("Local NCE") Stations:* During the Reporting Period, no NCE or Local NCE stations carried on Comcast cable systems relinquished their broadcast spectrum.

## **XVI. BROADBAND DEPLOYMENT AND ADOPTION**

### **1. Broadband Footprint Expansion**

#### **a. 1,500-mile Expansion**

*Requirement that Comcast expand its broadband network by at least 1,500 miles per year for three years and extend its broadband plant to approximately 400,000 additional homes:* As previously reported, this obligation has been completed.

#### **b. Internet Service Upgrades to Rural Communities**

*Requirement to upgrade Internet service to at least six additional rural communities in 2011:* As previously reported, this obligation has been completed.

#### **c. Additional Courtesy Accounts**

*Requirement to provide an additional 600 Comcast courtesy video and BIAS account locations over three years at a rate of 200 additional locations per year:* As previously reported, this obligation has been completed.

## 2. Broadband Adoption – *Internet Essentials*, the Comcast Broadband Opportunity Program

*Requirement to launch the Comcast Broadband Opportunity Program:* Although this Condition was satisfied this past June, Comcast has since extended the service offering indefinitely.<sup>32</sup>

As announced on July 31, 2014, *Internet Essentials* has connected an estimated 1.4 million low-income Americans, or more than 350,000 families, to the Internet at home.<sup>33</sup> In addition to affordable broadband, *Internet Essentials* gives eligible families the opportunity to purchase an Internet-ready computer at a substantial discount, 30,000 of which have been sold to *Internet Essentials* families. The program also includes a comprehensive digital literacy training component designed to empower students and their parents to unlock the full potential of the Internet.

While the Company's original voluntary commitment was unprecedented, the program was vastly expanded and fundamentally transformed over the ensuing years. The Company continued to make core enhancements to the program during the Reporting Period to ensure that its comprehensive broadband adoption program best reaches – and serves – low-income Americans. For instance, in August 2014 Comcast announced an amnesty program for certain low-income families who could qualify for *Internet Essentials*, but have a past due balance. Customers who have an outstanding bill that is more than one year old are now eligible for the program, so long as the customer meets all the other eligibility criteria.<sup>34</sup>

Comcast also undertook special initiatives to help promote the program. For example, the Company announced more than \$1 million in grants to dozens of non-profit organizations across the country to create *Internet Essentials* Learning Zones. The grants are part of a multi-faceted Gold Medal Recognition Program for communities that have done the most to help close the digital divide. In addition to the grants, *Internet Essentials*-eligible families in the Gold Medal-recognized communities who were not currently customers received six months of complimentary Internet service if they applied for the program by March 25, 2014. And, as part of the 2014 back-to-school season, Comcast offered up to six months of complimentary service

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<sup>32</sup> Press Release, Comcast Extends National Broadband Adoption Program for Low-Income Families (Mar. 4, 2014), *available at* <http://corporate.comcast.com/news-information/news-feed/internet-essentials-2014>.

<sup>33</sup> See Appendix C, *Third Annual Compliance Report on Internet Essentials, the Comcast Broadband Opportunity Program* (Jul. 31, 2014). As required by Condition XVI.2.1, a copy of the report was made available on the Corporate Website.

<sup>34</sup> Press Release, Comcast Offers Up to Six Months of Complimentary Internet Service and an Amnesty Program for Low-Income Families (Aug. 4, 2014), *available at* <http://corporate.comcast.com/news-information/news-feed/comcast-offers-up-to-six-months-of-complimentary-internet-service-and-an-amnesty-program-for-low-income-families>.



for any new family that signed up for *Internet Essentials*.<sup>35</sup> Comcast also unveiled a new partnership with Walgreens that extended the reach of its *Internet Essentials* program to nearly 300 Walgreens stores in South Florida. As part of this initiative, Comcast offered up to six months of complimentary Internet service for any eligible family from Palm Beach, Broward and Miami-Dade counties as well as those in Martin, St. Lucie and Indian River counties, who had not yet applied for *Internet Essentials*.<sup>36</sup>

## **XVII. GENERAL**

*Prohibition on the Company entering into any agreement or arrangement or taking any other action that has the purpose or effect of impairing the effectiveness of these Conditions:* The Transaction Compliance Team and the Company's internal review process are in place to oversee compliance with this Condition.

## **XVIII. VIOLATIONS**

*Provision stating that any violation of the Conditions shall be a violation of the Transaction Order:* This section is informational only.

## **XIX. REPORTING REQUIREMENTS**

*Requirement that the Company report to the Commission annually regarding compliance with these Conditions and post each such report on its website:* The filing of this Annual Report satisfies this Condition for the fourth year. A copy is available as of today on the Corporate Website.

## **XX. TERM**

*Provision setting general seven-year term for the Conditions:* This section is informational only.

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<sup>35</sup> D. Cohen, *Comcast to Offer Six Months of Free Internet Service and Announces Amnesty Plan for Back Due Balances*, Comcast Voices (Aug. 4, 2014), available at <http://corporate.comcast.com/comcast-voices/comcast-to-offer-six-months-of-free-internet-essentials-service-and-announces-debt-forgiveness-plan>. The signup period for this promotion was later extended through Sep. 30, 2014.

<sup>36</sup> Press Release, *Comcast and Walgreens Announce Partnership to Address Digital Divide in Florida* (Nov. 5, 2014), available online at <http://www.businesswire.com/news/home/20141105006561/en/Comcast-Walgreens-Announce-Partnership-Address-Digital-Divide#.VJiGC14ACZ>.

# **NBCUniversal Non-Profit News Partners Progress Report**

*July 28, 2014*

**Transaction Compliance Report**

MB Docket No. 10-56

**NBCUniversal Non-Profit News Partnerships**

for the period of January 29, 2014 through July 28, 2014



July 28, 2014

This report provides the information required by Condition XI.5.f of Appendix A (the “Condition”) to the *Transaction Order*<sup>1</sup> regarding NBCUniversal’s non-profit news partnership arrangements during the six month period that began on January 29, 2014 and ended on July 28, 2014 (the “Reporting Period”).<sup>2</sup>

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**Online Copy**

A copy of this report is available on the websites maintained by each of the stations that comprise the NBC Owned Television Stations division (e.g. <http://www.nbcnewyork.com>).

<sup>1</sup> In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) [as amended by an Erratum released on March 9, 2011] (Transaction Order).]

<sup>2</sup> Some of the stories described in this report aired during the last weeks of the reporting period that ended on January 2014 but were not included in the previous report.

## Background

As required by the Condition, and as previously reported, four of the 10 stations in the NBC Owned Television Stations (“NBCOTS”) division established and maintain cooperative arrangements with locally-focused, non-profit news organizations: NBC 4 New York and ProPublica; NBC 5 Chicago and *The Chicago Reporter*; NBC10 Philadelphia and WHYI; and NBC4 Southern California and KPCC Southern California Public Radio. These continuing agreements, plus the ongoing relationship between NBC 7 San Diego and Voice of San Diego, mean that half of the stations in the NBCOTS division have news partnership agreements in place.

In addition, these stations and other NBC-owned stations have been collaborating with other non-profit news organizations. For example, NBC Bay Area recently established a relationship with the Center for Investigative Reporting. In addition, NBC10 Philadelphia and NBC 5 Chicago have been working with additional non-profit news organizations in their markets.<sup>3</sup>

Collaborations between the stations and non-profit partners – which involve sharing data, research, and investigative resources, as well as production assistance – have resulted in more than 50 investigations since the launch of the partnerships in late 2011, and have generated scores of on-air and online news reports for the stations, as well as on the partners’ radio stations and websites. Key collaborations during the Reporting Period are described below.

## NBC 4 New York / WNBC and ProPublica

NBC 4’s partnership with ProPublica has matured into an organic, collaborative relationship. Investigative teams on both sides frequently exchange investigative leads and story ideas outside of their regularly scheduled meetings. In fact, I-Team investigative reporter Chris Glorioso frequently acts as a facilitator between ProPublica and other NBC-owned stations that are interested in pursuing an investigative collaboration. NBC 4 has worked especially well with ProPublica on health care policy stories and it is now quite common for Mr. Glorioso to work on multiple stories at once with ProPublica health care reporter Charles Ornstein.

## Collaboration in Practice

*Post-Traumatic Stress Disorder Treatment.* The NBC 4 I-Team partnered with ProPublica’s Lois Beckett to investigate New York-area trauma centers and their lack of resources to diagnose and treat Post-Traumatic Stress Disorder (PTSD). High-crime urban areas, like military theaters, have populations exposed to high rates of violence and traumatic injuries. Yet urban trauma centers almost never screen violent crime victims for PTSD. An investigation conducted by NBC 4 and ProPublica exposed the lack of PTSD resources in local hospitals and interviewed trauma surgeons who are advocating for more funding dedicated to this cause. This story was featured on the NBC

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<sup>3</sup> The compliance report filed on January 28, 2014 described the collaboration between NBC 6 South Florida and the Florida Center for Investigative Reporting (FCIR). NBC 6 did not renew its partnership with FCIR for 2014, deciding instead to focus on strengthening its investigative unit through the addition of full-time investigative journalists, including the co-founder of FCIR.

4 March 5, 2014 5 p.m. newscast as well as on NBCNewYork.com.<sup>4</sup>

*Troubled Addiction Clinic Closed.* New York State moved to close a Brooklyn addiction clinic following a joint investigation by NBC 4 and ProPublica. NBC 4 had uncovered an alleged scheme whereby the addiction clinic, New York Service Network (NYSN), improperly scheduled patients for more treatment sessions than they needed. According to complaints exposed by the I-Team / ProPublica collaboration, recovering addicts were threatened with eviction from their “sober houses” unless they attended unnecessary NYSN appointments – all at taxpayer expense. This follow-up story aired on NBC 4 on May 1, 2014 during the 5 p.m. newscast and was featured on the station’s website.<sup>5</sup>

*Doctor Visit “Up-coding”.* In collaboration with ProPublica, NBC 4 investigated physicians with billing practices that are costing taxpayers millions. Investigators analyzed Medicare payment records to identify doctors who always bill for the most expensive (“Level-5”) type of consultation. For example, in 2012, Dr. Alan Uliss, a Queens ophthalmologist, billed for the most expensive code for 100 percent of his Medicare patients’ exams, which represents 22 percent of all Level-5 ophthalmology visits in the state of New York. The story aired on NBC 4 on May 20, 2014 during the 5 p.m. newscast and was also made available on the station’s website.<sup>6</sup>

*Ambulance Hustle.* Working with ProPublica, NBC 4 exposed allegations of fraud and bribery in the New Jersey private ambulance industry. Using Medicare payment data, NBC 4 and ProPublica found that some New Jersey ambulance companies were paying for ambulance rides to dialysis appointments at a rate more than three times the national average. The investigation revealed that these ambulance companies usher all of their patients in basic life support ambulances, a costly and unnecessary expense for patients that can reach the clinics on their own. The story aired on NBC 4’s 5 p.m. newscast on June 12, 2014.<sup>7</sup>

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<sup>4</sup> Ann Givins & Chris Glorioso, I-Team: Few Trauma Centers Screen for PTSD, Despite Urging of Doctors (Mar. 5, 2014), <http://www.nbcnewyork.com/investigations/PTSD-Screenings-Traumatic-Injuries-I-Team-248419811.html>.

<sup>5</sup> Chris Glorioso, NY Seeks to Close Troubled Addiction Clinic after I-Team Report (May 1, 2014), <http://www.nbcnewyork.com/investigations/Brooklyn-Addiction-Clinic-New-York-Service-Network--257553681.html>.

<sup>6</sup> Chris Glorioso, I-Team: Some Doctors Always Charge Medicare for the Most Expensive Office Visit (May 20, 2014), <http://www.nbcnewyork.com/investigations/Medicare-Billing-Code-Expensive-Office-Visit-ProPublica-259555431.html>.

<sup>7</sup> Chris Glorioso, I-Team: New Jersey Ranks No. 1 in Ambulance Transports for Dialysis Patients (June 12, 2014), <http://www.nbcnewyork.com/investigations/Dialysis-Medicare-Ambulances-New-Jersey-262925841.html>.

## **NBC 5 Chicago / WMAQ and *The Chicago Reporter***

*The Chicago Reporter* continues to take advantage of NBC 5's online presence to expand the number of collaborative stories, particularly the online companion pieces to the magazine's investigative reports. NBC 5 also takes advantage of the NBCOTS division's partnership with ProPublica to prepare stories based on ProPublica data and investigations. Separately, NBC 5 has continued to collaborate with the Better Government Association, a non-profit watchdog that investigates allegations of waste, fraud, and corruption in local and state government.

The *Chicago Reporter* recently hired a new editor and publisher and a managing editor. The new editors are placing a higher priority on the magazine's online presence. As a result of the editorial transition, the magazine did not publish its regularly scheduled January and March 2014 print editions. NBC 5 plans to increase its web-based partnership stories to complement *The Reporter's* renewed interest in web-based publishing.

### **Collaboration in Practice**

*Local Temporary Staffing Agencies.* The first investigation *The Reporter* published after its re-launch focused on local temporary-staffing agencies. These agencies are often retained by large industries in the Chicago area to supply and transport workers to suburban factories and warehouses. *The Chicago Reporter's* Maria Ines Zamudio found that some temp agencies take advantage of low paid workers who are often undocumented or ex-convicts, with little education or work skills, and who have few other options to find work. Zamudio spent two months examining lawsuits and wage claims filed with the state and talking with labor advocates and workers, who told stories of long hours on the job, unpaid work, and lack of support from the state on their claims for unpaid wages. NBC5 Investigates reporter Tammy Leitner interviewed Zamudio about her findings, as did Alba Mendiola from sister station Telemundo Chicago. The story ran on NBC 5's 5 p.m. newscast on April 9, 2014<sup>8</sup> and on Telemundo Chicago.<sup>9</sup> Both stories linked back to Zamudio's more extensive coverage of her investigation in *The Chicago Reporter*.<sup>10</sup>

### **Additional News Partnerships**

*Emergency Room Wait Times.* NBC 5 was able to localize the results of ProPublica's "ER Wait Watcher" tool to report on the average emergency room wait times in Chicago-area hospitals. The story ran on NBC 5's 10 p.m. news on January 8, 2014, and included an online article with a link to ProPublica's national investigation.<sup>11</sup>

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<sup>8</sup> *The Chicago Reporter*, Temp Workers Claim Unfair Treatment, File Lawsuits (Apr 9, 2014), <http://www.nbcchicago.com/investigations/Temp-Workers-Claim-Unfair-Treatment-File-Lawsuits-254626971.html>.

<sup>9</sup> Telemundo Chicago, Demandas por Supuestas Injusticias (Apr. 4, 2014), <http://www.telemundochicago.com/noticias/Demandas-por-supuestas-injusticias--254649021.html>.

<sup>10</sup> Maria Ines Zamudio, Reclaiming Wages a Tough Road for Temp Workers (Apr 9, 2014), <https://www.chicagoreporter.com/reclaiming-wages-tough-road-temp-workers>.

<sup>11</sup> Chris Coffey, Tool Helps Determine Emergency Room Wait Times (Jan. 9, 2014), <http://www.nbcchicago.com/investigations/Tool-Helps-Determine-Emergency-Room-Wait-Times-239363691.html>.

*Blood Alcohol Levels for Emergency Responders.* In 2013, NBC 5 did a series of investigations with the Better Government Association (BGA) examining the permissible blood-alcohol levels for emergency responders in towns throughout the Chicago area. As a direct result of these reports, Illinois instituted a consistent (and minimal) limit on alcohol consumption for police and fire agencies throughout the state. NBC 5 Investigates' Phil Rogers reported these new policies in a story that aired on the 10 p.m. news on January 15, 2014.<sup>12</sup>

*Embezzlement in Dixon, Illinois.* Working with BGA, NBC 5 Investigates looked at the small town of Dixon, Illinois, which was at the center of an embezzlement scandal nearly two years ago. Back then, the town comptroller pled guilty to taking \$53 million out of the city coffers over the course of two decades. Almost two years later, the city has recouped much of those funds. NBC 5's Phil Rogers reported this story on the 10 p.m. news on February 3, 2014.<sup>13</sup>

*Illinois Department of Natural Resources.* NBC 5 teamed with the BGA to investigate an official with the Illinois Department of Natural Resources who was travelling around the country to compete in fishing tournaments even though he was on paid medical leave from his state job. That story aired on the 10 p.m. news on February 12, 2014 – again with Phil Rogers as the reporter.<sup>14</sup>

*Fire Chief's Retirement Deal.* NBC 5 Investigates' Dick Johnson worked with the BGA to reveal a controversial retirement deal given to the chief of a suburban fire district. The story followed up a year-long investigation by the BGA into questionable spending by the district. The story aired on March 3, 2014 on NBC 5's 10 p.m. news and was also posted online.<sup>15</sup>

### **NBC10 Philadelphia / WCAU and WHYY**

NBC10 and WHYY continue to focus their partnership on cross-promoting content. Over the course of a month, as many as 40 articles from WHYY's Newsworks.org website are showcased on NBC10.com, while a dozen or so WHYY stories are promoted on-air during NBC10's afternoon programs. That promotion includes a description of each WHYY piece with explanation that the story is presented by NBC10's "partners at Newsworks.org"

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<sup>12</sup> Phil Rogers, Agency Seeks Policy Regulating BAC Levels for Cops (Jan. 15, 2014), <http://www.nbcchicago.com/investigations/Agency-Seeks-Policy-Regulating-BAC-Levels-for-Cops-240398341.html>.

<sup>13</sup> Phil Rogers & Better Government Association, Looted City Recoups Most of Stolen Cash (Feb. 5, 2014), <http://www.nbcchicago.com/investigations/Looted-City-Recoups-Most-of-Stolen-Cash-243887111.html>.

<sup>14</sup> Phil Rogers, Patrick McGraney & Courtney Copenhagen, Fired DNR Official Says Doctor Ordered Him to Go Fishing (Feb. 12, 2014), <http://www.nbcchicago.com/investigations/Fired-DNR-Official-Says-Doctor-Ordered-Him-to-Go-Fishing-245313081.html>.

<sup>15</sup> Dick Johnson & Katie Drews, Fire Chief Resigns with Controversial Retirement Deal (Mar. 4, 2014), <http://www.nbcchicago.com/investigations/Fire-Chief-Resigns-With-Controversial-Retirement-Deal--248311961.html>.

NBC10.com also promotes Newsworks.org content on the station's Twitter and Facebook feeds. In both cases, the intention is to drive social media users to the content and to raise awareness of Newsworks.org. To better leverage the size of NBC10.com's social media audience, editors from NBC10.com and Newsworks.org consult on which pieces of Newsworks content should be promoted to drive the maximum audience to their product. In addition, Newsworks.org continues to receive free marketing on NBC10.com in the form of ads that appear across the entire site and in NBC10.com email newsletters.

### **Additional News Partnerships**

In the first quarter of 2014, NBC10.com also featured and promoted content from AxisPhilly.org, a non-profit news and information organization funded in part through a grant from the William Penn Foundation.

In addition, NBC10.com recently started featuring content from ProPublica, and continues to work to establish partnerships with Planphilly.com, philadelphianeighborhoods.com and other non-profit journalism organizations.

### **NBC4 Southern California / KNBC and KPCC**

NBC4 continues to benefit from KPCC's ability to gather and analyze data to supplement its investigations, while KPCC continues augment its live coverage of breaking news by featuring NBC4 reporters during live reports, interviews or talk-backs for KPCC's listeners.

### **Collaboration in Practice**

*Driving with a Suspended License.* NBC4 helped its partner KPCC track down the driving record of an official from the Central Water Basin District who was allegedly permitted to drive a government-owned vehicle despite the fact that his driver's license was suspended years ago. NBC4 provided information that was critical to the KPCC story.<sup>16</sup>

*Calderon Arrest and Indictment.* NBC4 and KPCC collaborated on the coverage of the arrest and indictment of State Senator Ron Calderon and his brother Tom, a longtime political figure. The two news organizations traded information throughout the day of the arrest, improving the coverage for both stations. The Calderon story received heavy play for several days, including at least eight online stories.<sup>17</sup>

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<sup>16</sup> Karen Foshay & Paul Clickman, Central Basin Water Board Censures Art Chacon, Keeps General Manager (Mar. 13, 2014), <http://www.scpr.org/news/2014/03/13/42786/central-basin-board-censures-art-chacon-keeps-gene/>.

<sup>17</sup> Sean Fitz-Gerald, California Sen. Ron Calderon Accused of Accepting \$100,000 in Cash Bribes (Feb. 21, 2014) <http://www.nbclosangeles.com/news/local/246570291.html>; Kim Baldonado, Troy McLaurin & Sergio Lelevier, CA Sen Ron Calderon Indicted in Corruption Scandal (Feb. 21, 2014), [http://www.nbclosangeles.com/on-air/as-seen-on/CA-Senator-Ron-Calderon-Indicted-in-Corruption-Scandal\\_Los-Angeles-246635501.html](http://www.nbclosangeles.com/on-air/as-seen-on/CA-Senator-Ron-Calderon-Indicted-in-Corruption-Scandal_Los-Angeles-246635501.html); Andrew Lopez, California Sen. Ron Calderon Pleads Not Guilty To Corruption, Bribery Charges (Feb. 25, 2014), <http://www.nbclosangeles.com/news/local/California-Sen-Ron-Calderon-Expected-to-Surrender-to-Federal-Authorities-246880131.html>; Frank Stoltze, KPCC, 2014 Election: The Trouble With Being A Calderon These Days (Updated) (Jun. 5, 2014), <http://www.scpr.org/issues/calderon>.



*Worker's Compensation Fraud.* NBC4 and KPCC collaborated on coverage of the indictment of an Inland Empire businessman, several doctors, pharmacists, and others in a massive scheme to defraud the California Worker's Compensation fund. The defendants are accused of creating a purported medicinal cream that was prescribed to those injured on the job. The cream was inexpensive to make, but billed at astronomically high rates. In addition, the defendants' product was cited as the cause of death of an infant who came into contact with it.<sup>18</sup>

In addition to collaborating on stories and investigations, NBC4 also provides resources to KPCC. For example, NBC4 reporter Whit Johnson provided commentary for KPCC from the Sochi Winter Olympic Games.<sup>19</sup> KPCC also had NBC4's Joel Grover on its AirTalk show in February 2014 to promote his tour bus safety investigation piece and talk about the policy changes the federal government is taking in response to his investigation.<sup>20</sup>

### **NBC Bay Area / KNTV and Center for Investigative Reporting**

Last year, NBC Bay Area entered into a partnership with the Center for Investigative Reporting (CIR), a non-profit journalism organization with numerous news outlet partners that feature its reporting on their platforms. KNTV and the CIR have established good communication between their reporters, producers and management, including a weekly call to discuss story progress and ideas.

### **Collaboration in Practice**

*Inspection and Complaint Information Regarding Day Care Facilities.* NBC Bay Area and CIR investigated California's lack of public access to inspection and complaint reports filed against the nearly 48,000 state-licensed day care, preschool, and afterschool programs. The story initially aired on January 30, 2014 on NBC Bay Area's 11 p.m. newscast and was posted on the station's website.<sup>21</sup> A follow up story on proposed legislation to give parents access to inspection and complaint records on daycare facilities aired on April 1, 2014.<sup>22</sup> The stories also ran on CIR's website.<sup>23</sup>

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<sup>18</sup> Tena Ezzeddine, Keith Esparros & Jason Kandel, Major Donor to Obama's Re-Election Campaign Facing Criminal Charges (Jun. 22, 2014), <http://www.nbclosangeles.com/investigations/Major-Donor-to-Obamas-Re-Election-Campaign-Indicted-264183311.html>; Karen Foshay, Baby's Death Linked to Alleged Massive Worker's Comp Scheme (Jun. 23, 2014), <http://www.scpr.org/news/2014/06/23/44919/baby-s-death-linked-to-alleged-massive-workers-com/>.

<sup>19</sup> Shirley Jahad, Sochi Winter Olympics: Southern California Athletes Complete; Local Skater Disappoints (Feb. 8, 2014), <http://www.scpr.org/news/2014/02/08/42083/sochi-winter-olympics-southern-california-athletes/>.

<sup>20</sup> Air Talk, Tour Bus Safety, A Year after the Deadly Crash in San Bernardino (Feb. 4, 2014), <http://www.scpr.org/programs/airtalk/2014/02/04/35876/tour-bus-safety-a-year-after-the-deadly-crash-in-s/>.

<sup>21</sup> Katharine Mieszkowski, California Lags Behind in Childcare Oversight (Jan. 31, 2014), <http://www.nbcbayarea.com/investigations/Californias-lack-of-online-child-care-records.html>.

<sup>22</sup> Stephen Stock, Julie Putnam & Felipe Escamilla, California Lawmakers Push to Put Daycare Inspections Online (Apr. 3, 2014), <http://www.nbcbayarea.com/investigations/CA-Lawmakers-Push-to-Put-Daycare-Inspections-Online-253249361.html>.

*US Navy Site on Treasure Island.* Following up on a CIR investigation, the investigative team at NBC Bay Area reported that land slated for development on a former Navy base on Treasure Island contains elevated concentrations of cesium-137, a by-product of nuclear fission that has been associated with an increased risk of cancer. These findings came after the Navy initially denied the presence of radiation at the Treasure Island site. This story initially aired on March 24, 2014 on NBC Bay Area's 11 p.m. newscast<sup>24</sup> and was covered on the CIR's website.<sup>25</sup> A follow up story ran on NBC Bay Area's website on April 12, 2014.<sup>26</sup>

*Superfund Site at Moffett Field.* NBC Bay Area partnered with CIR following up on ongoing investigations of problems with a superfund site at NASA's Moffett Field and the Mountain View community.<sup>27</sup> The most recent report ran on NBC Bay Area on the station's 11 p.m. newscast and was posted to its website on February 18, 2014.<sup>28</sup>

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<sup>23</sup> Katharine Mieszkowski & Jennifer LaFleur, CIR Puts Child Care Center Records for 2 Bay Area Counties Online (May 20, 2014), <http://cironline.org/blog/post/cir-puts-child-care-center-records-2-bay-area-counties-online-6372>; Katharine Mieszkowski, California's lack of online child care records leave parents in dark (Jan. 30, 2014), <http://cironline.org/reports/california%E2%80%99s-lack-online-child-care-records-leaves-parents-dark-5819>.

<sup>24</sup> Vicky Nguyen, Liz Wagner & Jeremy Carroll, Navy to Test All Treasure Island Homes for Radiation (Mar 25, 2014), <http://www.nbcbayarea.com/news/local/Navy-to-Survey-All-Treasure-Island-Homes-for-Radiation--252080811.html>; Matt Smith & Katharine Mieszkowski, In Reversal, Navy to Survey Treasure Island Residences for Radiation (Mar. 24, 2014), <http://cironline.org/blog/post/reversal-navy-survey-treasure-island-residences-radiation-6194>.

<sup>25</sup> Nguyen et al., *supra* note 24, at <http://www.nbcbayarea.com/news/local/Navy-to-Survey-All-Treasure-Island-Homes-for-Radiation--252080811.html>; Smith & Mieszkowski, *supra* note 24, at <http://cironline.org/blog/post/reversal-navy-survey-treasure-island-residences-radiation-6194>.

<sup>26</sup> Matt Smith & Katherine Mieszkowshi, Treasure Island Soil Tests Find Nuclear Byproduct in Future Development Site (Apr. 12, 2013), <http://www.nbcbayarea.com/news/local/Treasure-Island-Soil-Tests-Find-Nuclear-Byproduct-in-Future-Development-Site-202623601.html>.

<sup>27</sup> Susanne Rust & Matt Drange, Cleanup Silicon Valley Superfund Site Takes Environmental Toll (Mar. 17, 2014), <http://cironline.org/reports/cleanup-silicon-valley-superfund-site-takes-environmental-toll-6149>; Stephen Stock & David Paredes, Moffett Field Toxic Plume Concerns (Feb 22, 2013), <http://www.nbcbayarea.com/investigations/Moffet-Field-Toxic-Plume-Concerns-192436521.html>.

<sup>28</sup> Stephen Stock, David Paredes & Scott Pham, Are Sewers Source of Toxic Hot Spots in Mountain View (Feb. 18, 2014), <http://www.nbcbayarea.com/investigations/sewers-source-toxic-hot-spots-in-Mountain-View.html>.

# **NBCUniversal Non-Profit News Partners Progress Report**

*January 28, 2015*

## Transaction Compliance Report

MB Docket No. 10-56

### NBCUniversal Non-Profit News Partnerships

for the period of July 29, 2014 through January 28, 2015



January 28, 2015

This report provides the information required by Condition XI.5.f of Appendix A (the “Condition”) to the *Transaction Order*<sup>1</sup> regarding NBCUniversal’s non-profit news partnership arrangements during the six month period that began on July 29, 2014 and ended on January 28, 2015 (the “Reporting Period”).

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#### Online Copy

A copy of this report is available on the websites maintained by each of the stations that comprise the NBC Owned Television Stations division (e.g. <http://www.nbcnewyork.com>).

<sup>1</sup> In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (as amended by an Erratum released on March 9, 2011) (*Transaction Order*).

## Background

As required by the Condition, and as previously reported, four of the 10 stations in the NBCUniversal Owned Television Stations (“NBCOTS”) division established and maintain cooperative arrangements with locally-focused, non-profit news organizations: NBC 4 New York with ProPublica; NBC 5 Chicago with *The Chicago Reporter*; NBC10 Philadelphia with WHY?; and NBC4 Southern California with KPCC – Southern California Public Radio. These agreements, in addition to the ongoing relationship between NBC 7 San Diego and the Voice of San Diego, satisfy the Condition’s requirement that half of the NBCOTS stations establish cooperative arrangements with non-profit news organizations.

Beyond the Condition’s requirements, these stations have also established partnerships with other non-profit news organizations. NBC 4 New York has a collaborative arrangement with WNYC, the local public radio station in New York. NBC4 Southern California has partnered with the Center for Investigative Reporting (CIR), a non-profit journalism organization with numerous news outlet partners that either partner with CIR or feature its reporting on their platforms, as well as with Fair Warning, an online, non-profit publication that provides public interest journalism on issues of health, safety and corporate conduct, and Maplight, a nonpartisan research organization that researches and compiles data about campaign contributions. As previously reported, NBC 5 Chicago and NBC10 Philadelphia have been working with non-profit organizations in their markets to enhance their coverage of local news.

Other NBCOTS and Telemundo-owned stations also have partnered with non-profit organizations to support their local news coverage. For instance, NBC’s Bay Area station, KNTV, has established a relationship with CIR, and KXAS and KXTX, the NBC and Telemundo stations in Dallas-Fort Worth, have partnered with the local PBS affiliate, KERA, on coverage of statewide political debates and a news series on topics of interest to Texas voters. And, during 2013, the NBC owned station in Miami-Ft. Lauderdale, NBC 6 South Florida, established a partnership with the Florida Center for Investigative Reporting.

These collaborations between the stations and non-profit partners – which involve sharing data, research, investigative resources, and production assistance – have resulted in more than 50 investigations since the launch of the partnerships. They have also generated dozens of on-air and online news reports for both the stations and the news partners’ radio stations and websites. Key collaborations during the Reporting Period are described below.

## NBC 4 New York / WNBC and ProPublica

The NBC 4 New York relationship with ProPublica continues to generate impactful stories spanning health care, labor, business, education, and criminal justice issues affecting the New York area. Each news organization's audience has benefitted from the added investigative depth afforded by the collaborative public interest journalism resulting from this partnership. For instance, NBC 4 New York investigative reporter Chris Glorioso continues to cover health care policy issues in collaboration with ProPublica Health Care reporter Charles Ornstein. Mr. Ornstein has won numerous awards for his investigations covering health care and the pharmaceutical industry.

Due in part to the success of its ProPublica partnership, NBC 4 New York has sought to collaborate with other non-profit media entities. For example, in the last two quarters, the NBC 4 New York I-Team of investigative reporters collaborated with WNYC Radio on at least three stories.<sup>2</sup>

### Collaboration in Practice

*Restraints and Seclusions in Public Schools.* NBC 4 New York I-Team reporter Pei-Sze Cheng worked with ProPublica's Heather Vogel to investigate the frequency of severe disciplinary actions such as handcuffing small children or locking students in rooms.

The investigation found that many large school districts were under-reporting their use of restraints. For instance, the report revealed that the New York City Department of Education was underreporting these types of incidents by excluding cases in which students had to be handcuffed by the NYPD. Because police officers oversee most serious disciplinary cases in New York City schools, the number of reported incidents was lower than actual occurrences. Just one day after this report, the City of New York announced that changes would be made in the City's policy on restraining students. The story was broadcast on September 30, 2014 at 11pm. A version was also posted online.<sup>3</sup>

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<sup>2</sup> SchoolBook Service Walks Parents Through Admissions Process (Oct. 8, 2014), available online at <http://www.nbcnewyork.com/news/local/SchoolBook-WNYC-Admissions-Middle-School-Email-Service-277493551.html>; Ann Givens, NYC 2050: Summers in New York City Will Feel Like Alabama (Oct. 13, 2014), available online at <http://www.nbcnewyork.com/news/local/nyc-2050-climate-change-new-york-city-rising-tides-flooding--279023091.html>; Low-Level Suspects Seriously Hurt: Report (Aug. 21, 2014), available online at <http://www.nbcnewyork.com/video/#!/investigations/Low-Level-Suspects-Seriously-Hurt--Report/269146291>; Chris Glorioso, I-Team: In NJ, Cops Sue Own Departments More Than Civilians (Jun. 29, 2014), available online at <http://www.nbcnewyork.com/investigations/new-jersey-police-lawsuits-cops-suing-cops-litigation-263522891.html>.

<sup>3</sup> I-Team: 5-Year-Old Handcuffed in School (Sep. 30, 2014) available online at <http://www.nbcnewyork.com/on-air/as-seen-on/I-Team-Investigation--5-Year-Old-Handcuffed-in-School-New-York-277692451.html>; Pei-Sze Cheng, Gabrielle Ewing, and Ann Givens, School Policy on Restraining Students Will Change: de Blasio (Oct. 1, 2014), available online at <http://www.nbcnewyork.com/news/local/public-schools-restraints-soft-handcuffs-seclusion-277802161.html>.

*Affordable Care Act.* NBC 4 New York partnered with ProPublica to produce a story revealing expensive changes hidden in New Jersey Affordable Care Act health plans. The NBC 4 New York/ ProPublica investigation showed that insurance premiums have generally increased since adoption of the Affordable Care Act, despite more competition among insurers, and that out-of-pocket costs – especially for emergency room visits – are rising much more rapidly in New Jersey than in the rest of the country. NBC 4 New York aired the story three days before the deadline for Affordable Care Act participants to declare changes to their coverage and provided consumers with a tool to compare the prices and benefits of hundreds of plans available in New Jersey and throughout the country. The story aired on December 12, 2014 at 6pm. The same day, NBCNewYork.com published an online version of the story, along with links to the ProPublica “Obamacare Compare” online tool.<sup>4</sup>

### **NBC 5 Chicago / WMAQ and *The Chicago Reporter***

*The Chicago Reporter* continues to take advantage of NBC 5's online presence to promote online companion pieces. NBC 5 also takes advantage of the larger NBC partnership with ProPublica, airing stories based on ProPublica data and investigations. As previously reported, 2014 was a transition year for *The Chicago Reporter*. The magazine's new editors are placing a higher priority on the magazine's web presence and on generating more frequent investigations and stories by pushing more original content to the web. NBC 5 will seize this opportunity to increase news coverage designed for the station's Internet audience. NBC5 looks forward to continuing this partnership, as well as the collaboration with the BGA, into the future.

### **Additional News Partnerships**

In addition, NBC 5 has continued to collaborate with the Better Government Association (BGA), a non-profit watchdog that investigates allegations of waste, fraud, and corruption in local and state government.

### **NBC10 Philadelphia / WCAU and WHY Y**

As previously reported, NBC 10 Philadelphia and WHY Y continue to focus their partnership on cross-promoting content. Over the course of a month, as many as 40 articles from WHY Y's Newsworks.org website are showcased on NBC10.com, while a dozen or so WHY Y stories are promoted on-air during NBC10's afternoon shows.

Articles by Newsworks.org staffers are featured on NBC10.com and its mobile sites and apps smartphone and tablets on a daily basis. These articles feature links designed to drive NBC10 digital readers to WHY Y content located on Newsworks.org. In addition, at least once a week, Newsworks.org content is promoted by a NBC10 staffer on-air. That promotion includes a description of the content as well as an explanation that it is from

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<sup>4</sup> Chris Glorioso and Evan Stulberger, I-Team: Despite More Competition, Obamacare Plans get More Expensive in NJ (Dec. 15, 2014), available online at <http://www.nbcnewyork.com/investigations/obamacare-new-jersey-affordable-care-act-health-insurance-premiums-285644451.html>; Comparing 2015 Obamacare Plans,” (Dec. 4, 2014), available online at <http://projects.propublica.org/aca-enrollment/>.

NBC10's "partners at Newsworks.org." Over the course of a month, as many as 40 pieces of Newsworks.org content are showcased in NBC10's digital products and approximately one dozen are promoted on-air.

In addition, NBC10.com promotes Newsworks.org content on Facebook and Twitter in order to raise Newsworks.org's traffic and awareness among NBC10 359,000 "likes" and 149,000 "followers." In addition, the social media editors at both organizations often consult with one another to ensure that their goals are aligned.

### **Additional News Partnerships**

In addition to the partnership with WHYY's Newsworks.org, NBC10.com features content from ProPublica, and the station has entered into an additional partnership with PublicSource.org, a non-profit investigative news organization that focuses on Pennsylvania issues ([www.publicsource.org](http://www.publicsource.org)). In addition, NBC10 is continuing to work on developing journalistic partnerships with non-profit organizations including Planphilly.com, a site dedicated to covering design, planning, and development issues in Philadelphia, and PhiladelphiaNighborhoods.com, a hyperlocal online publication hosted by Temple University's Department of Journalism.

### **NBC4 Southern California / KNBC and KPCC**

NBC4 Southern California continues to benefit from KPCC's investigative resources, while KPCC continues augment its live coverage of breaking news with NBC4 reporters providing frequent on-air reports for KPCC's listeners. KPCC airs content from NBC4 almost daily and identifies "our partners at NBC4" in its on-air reporting.

### **Collaboration in Practice**

*Inglewood Schools.* NBC4 Southern California and KPCC recently collaborated on an investigation of poor conditions in the schools of the Inglewood Unified School District. The investigation resulted in an on-air report on NBC4 at 5pm on November 5, 2014.<sup>5</sup> The story was also carried on KPCC radio and on the NBC4 and KPCC websites.<sup>6</sup> Only

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<sup>5</sup> Michael Larkin and Lolita Lopez, Rats, Filthy Restrooms among Problems at Inglewood Schools (Nov. 7, 2014), available online at <http://www.nbclosangeles.com/news/local/Rats-and-Filthy-Restrooms-Among-Problems-at-Inglewood-Schools-281896401.html>.

<sup>6</sup> Karen Foshay and Paul Glickman, Inglewood Schools: Rats, Damage despite Millions in State Funds (Nov. 6, 2014), available online at <http://www.scpr.org/news/2014/11/06/47754/hard-times-at-inglewood-unified-school-district/>.



days after these reports aired, the District announced steps to clean up the schools.<sup>7</sup>

*Los Angeles Department of Water and Power Refunds.* Through the partnership with KPCC, NBC4 was able to expand the reach of its reporting on problems with the Los Angeles Department of Water and Power's rebate program. The story aired on NBC4 at 5pm and 6pm on December 18, 2014.<sup>8</sup> Because the story was also carried on KPCC's radio broadcast, it was able to reach many more consumers throughout the Los Angeles market.<sup>9</sup>

*Miramonte Elementary School.* As reported in the July 2012 news partnerships report, NBC4 Southern California and KPCC have collaborated on coverage of a major child abuse scandal involving Miramonte Elementary School in the Los Angeles Unified School District ("LAUSD"). Throughout both organizations' extensive coverage, NBC4 and KPCC reporters shared information and helped each other investigate the LAUSD's efforts to withhold information during a lawsuit brought against it. A report of the settlement of the case was reported on NBC4 at 5pm on November 21, 2014,<sup>10</sup> and by KPCC on the same day.<sup>11</sup>

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- <sup>7</sup> Lotita Lopez and Ernesto Torres, Inglewood Cleaning up Schools (Nov. 10, 2014), available online at [http://www.nbclosangeles.com/on-air/as-seen-on/Inglewood-Cleaning-Up-Schools\\_Los-Angeles-282234411.html](http://www.nbclosangeles.com/on-air/as-seen-on/Inglewood-Cleaning-Up-Schools_Los-Angeles-282234411.html); Inglewood High School Cleanup Follows KPCC Report (Nov. 10, 2014), available online at <http://www.scpr.org/news/2014/11/10/47981/inglewood-high-school-cleanup-follows-kpcc-report/>.
- <sup>8</sup> Amy Coral and Randy Mac, DWP Customers Complain about Slow Rebate Program," (Dec. 18, 2014), available online at <http://www.nbclosangeles.com/news/local/DWP-customers-missing-out-on-savings-because-of-slow-solar-rebate-program-286284821.html>.
- <sup>9</sup> NBC4's LADWP Solar Panel Rebate Investigation (Dec. 18, 2014), available online at <http://www.scpr.org/programs/take-two/2014/12/18/40820/nbc4-s-ladwp-solar-panel-rebate-investigation/>; Amy Corral and Randy Mac, DWP Customers Complain about Slow Rebate Program," (Dec. 18, 2014), available online at <http://www.nbclosangeles.com/news/local/DWP-customers-missing-out-on-savings-because-of-slow-solar-rebate-program-286284821.html>.
- <sup>10</sup> John Cadiz and Jason Kandel, Record \$139M Settlement Reached in Miramonte School Sex Abuse Case (Nov. 21, 2014), available online at <http://www.nbclosangeles.com/news/local/Jury-Selection-Continues-in-Miramonte-Case-283136071.html>.
- <sup>11</sup> Karen Foshay and Paul Glickman, \$140M Settlement in Miramonte Civil Suit against LAUSD (Nov. 21, 2014), available online at <http://www.scpr.org/news/2014/11/21/48132/140m-settlement-in-miramonte-civil-suit-against-la/>.
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### Additional News Partnerships

*Fair Warning.* In 2014, NBC4 Southern California also collaborated with Fair Warning, a non-profit new organization focused on health, safety, and corporate conduct. For instance, NBC4 covered a Fair Warning report about the efficacy of ads by the alcoholic beverage industry advising consumers to drink responsibly. The story aired on NBC4 on November 18, 2014 at 5pm.<sup>12</sup> NBC4 is in discussions to do more collaborations with Fair Warning in 2015.

*Maplight.* NBC4 Southern California also worked with Maplight to create an online tool for the 2014 elections that allowed people to search and view candidate information and the money behind them.<sup>13</sup>

*Center for Investigative Reporting (CIR).* In the last six months, NBC4 Southern California collaborated on two investigative projects with CIR. The first examined the Los Angeles Sheriff Department's plans to gather and record biometric data from individuals questioned as suspects of crimes. This story aired at 5pm on September 24, 2014.<sup>14</sup> The second story revealed the biggest water users among government agencies that have direct influence over water policy. The water waste project aired at 11pm on October 6, 2014<sup>15</sup> and was published online on October 9, 2014.<sup>16</sup>

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<sup>12</sup> Stuart Silverstein, They Say 'Drink Responsibly,' But What Does It Mean? (Nov. 18, 2014), available online at <http://www.nbclosangeles.com/news/local/They-Say-Drink-Responsibly-But-What-Does-It-Mean-283152931.html>; Conan Nolan and Ernesto Torres, Is the Alcohol. 'Drink Responsibly' Tagline Effective? (Nov. 18, 2014), available online at <http://www.nbclosangeles.com/on-air/as-seen-on/Is-the-Alcohol-Industry-s-Drink-Responsibly-Tagline-Effective-Los-Angeles-283144461.html>.

<sup>13</sup> See <http://www.nbclosangeles.com/on-air/as-seen-on/Test-Page-Voters-Edge-Election-2014-277619082.html>.

<sup>14</sup> Carolyn Johnson and Phil Drechsler, Outrage Over Biometric ID System's Quiet Rollout (Sep. 24, 2014), available online at <http://www.nbclosangeles.com/on-air/as-seen-on/Outrage-Over-Biometric-ID-System-s-Quiet-Rollout-Los-Angeles-277018861.html>; Ali Winston, LA County to Collect More Personal Data Without Public Notice (Sep. 24, 2014), available online at <http://www.revealnews.org/article-legacy/la-county-to-collect-more-personal-data-without-public-notice/>.

<sup>15</sup> Lance Williams and Katharine Mieszkowski. Water Officials Aren't Following Own Call for Conservation (Oct. 9, 2014), available online at <http://www.nbclosangeles.com/investigations/California-Water-Officials-Drought-Conservation-278236801.html>.

<sup>16</sup> California Water Officials Aren't Following Own Call for Conservation (Oct. 9, 2014), available online at <http://www.nbclosangeles.com/investigations/series/drought-water-waste/California-Water-Wasters-278363461.html>; Lance Williams and Katharine Mieszkowski, California Water Officials Aren't Following Own Call for Conservation," (Oct. 6, 2014), available online at <https://beta.cironline.org/reports/california-water-officials-arent-following-own-call-for-conservation/>.

## NBC Bay Area / KNTV and the Center for Investigative Reporting

NBC Bay Area has an ongoing partnership with CIR. In the first year of the partnership, KNTV and the CIR have established good communication among their respective reporters, producers and management, including a weekly call to discuss story progress and new ideas.

### Collaboration in Practice

*H1B Visas and the Tech Industry.* NBC Bay Area's Investigative Unit and CIR undertook an investigation to answer questions about a visa program set up to recruit foreign workers to the United States. The investigation probed whether the program is a necessary business model for a quickly changing high tech economy or a form of indentured servitude in the high tech age. The story aired at 6pm and 11pm on November 3, 2014<sup>17</sup> and was posted online. CIR also created a page entitled "Techsploitation" where it aggregated stories related to the investigation.<sup>18</sup>

*California Day Care.* Early in 2014, NBC Bay Area and CIR collaborated on a series of reports on California's inspection of day care centers and the lack of information available to parents.<sup>19</sup> NBC Bay Area and CIR spent months creating a database so that parents can easily access the inspection records.<sup>20</sup> As a result of the investigation, California

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<sup>17</sup> Stephen Stock, Julie Putnam, Scott Pham, and Jeremy Carroll, Silicon Valley's 'Body Shop' Secret: Highly Educated Foreign Workers Treated like Indentured Servants (Nov. 4, 2014), available online at <http://www.nbcbayarea.com/investigations/Silicon-Valleys-Body-Shop-Secret-280567322.html>.

<sup>18</sup> Techsploitation, (Dec. 5, 2014), available online at <https://beta.cironline.org/investigations/techsploitation/>; see, e.g., Matt Smith, Silicon Valley Tech Workers Locked in Jobs with Dubious Legal Tactics (Oct. 31, 2014), available online at <http://www.revealnews.org/article-legacy/silicon-valley-tech-workers-locked-in-jobs-with-dubious-legal-tactics/>.

<sup>19</sup> See, e.g., Katherine Mieszkowski, California Lags Behind in Child Care Oversight (Jan. 31, 2014), available online at <http://cironline.org/reports/california%E2%80%99s-lack-online-child-care-records-leaves-parents-dark-5819>; Katherine Mieszkowski, California's Lack of Online Child Care Records Leaves Parents in Dark (Jan. 30, 2014), available online at <http://www.nbcbayarea.com/investigations/Californias-lack-of-online-child-care-records.html>.

<sup>20</sup> Julie Putnam, Scott Pham, Stephen Stock, Mark Villarreal, and Felipe Escamilla, CA Day Care Records: Investigative Unit Puts Them Online (Aug. 11, 2014), available online at <http://www.nbcbayarea.com/investigations/260021571.html>; Searchable Daycare Records, <http://www.nbcbayarea.com/brchannel/Searchable-Daycare-Records-Santa-Clara-and-Napa-Counties-260040651.html>; CA Daycare Records: Investigative Unit Puts Them Online (May 20, 2014), available online at [http://www.nbcbayarea.com/on-air/as-seen-on/CA-Daycare-Records\\_-Investigative-Unit-Puts-Them-Online\\_Bay-Area-260065131.html](http://www.nbcbayarea.com/on-air/as-seen-on/CA-Daycare-Records_-Investigative-Unit-Puts-Them-Online_Bay-Area-260065131.html); Day Care Records: Investigative Unit Puts Them Online (Aug. 11, 2014), available online at [http://www.nbcbayarea.com/on-air/as-seen-on/CA-Daycare-Records\\_-Investigative-](http://www.nbcbayarea.com/on-air/as-seen-on/CA-Daycare-Records_-Investigative-)

lawmakers have fundamentally changed the way parents can access data and information on daycare. The story on these changes aired at 6pm and 11pm on December 22, 2014.<sup>21</sup>

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[Unit-Puts-Them-Online\\_Bay-Area-260065131](http://www.revealnews.org/article/day-care-center-records-for-alameda-contra-costa-counties-now-online/); Katherine Mieskwoski and Jennifer LaFleur, Day Care Center Records for Alameda, Contra Costa Counties Now Online (Jan. 15, 2015), available online at <http://www.revealnews.org/article/day-care-center-records-for-alameda-contra-costa-counties-now-online/>.

<sup>21</sup> Stephen Stock, Julie Putnam, and Felipe Escamilla. Big Changes for California Day Care Oversight,” (Dec. 22, 2014), available online at <http://www.nbcbayarea.com/investigations/Big-Changes-for-California-Day-Care-Oversight-286615441.html>.

**Comcast**  
***Internet Essentials***<sup>TM</sup>  
**Annual Compliance Report**

*July 31, 2014*

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.**

In the Matter of	)	
	)	
Applications of Comcast Corporation,	)	
General Electric Company,	)	
and NBC Universal, Inc.	)	MB Docket No. 10-56
	)	
For Consent to Assign Licenses and	)	
Transfer Control of Licensees	)	

**THIRD ANNUAL COMPLIANCE REPORT ON *INTERNET ESSENTIALS*,  
THE COMCAST BROADBAND OPPORTUNITY PROGRAM**

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July 31, 2014

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**Before the  
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Transfer Control of Licensees	)	

July 31, 2014

**THIRD ANNUAL COMPLIANCE REPORT ON *INTERNET ESSENTIALS*,  
THE COMCAST BROADBAND OPPORTUNITY PROGRAM**

Comcast Corporation (“Comcast”) submits this report regarding the third year (June 22, 2013 through June 28, 2014) of its *Internet Essentials* offering, the Comcast Broadband Opportunity Program required by Condition XVI.2 of Appendix A to the *Transaction Order*<sup>1</sup> (the “Condition”).

Because Comcast has completed the final year of the Condition, this report is structured slightly differently from the prior annual reports. Part I provides a high level overview of Comcast’s satisfaction of each of the Condition’s requirements. Part II provides a more detailed discussion of how *Internet Essentials* has met, and in many cases significantly exceeded, each component of the Condition. Parts III and IV provide the specific information required by subpart XVI.2.m of the Condition: the results of the program to date and an analysis of its effectiveness, including the results of a landmark study conducted by the leading researcher on broadband adoption issues, Dr. John B. Horrigan, head of research for the National Broadband Plan and a former research director with Pew Research Center’s Internet and American Life Project. Lastly, the report summarizes the many enhancements Comcast has made to continue improving *Internet Essentials* above and beyond any of its original commitments.<sup>2</sup>

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<sup>1</sup> *In the Matter of Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees*, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (“*Transaction Order*”).

<sup>2</sup> As required by Condition XVI.2.m, a copy of this report will be posted on the Comcast corporate site (<http://corporate.comcast.com/news-information/nbcuniversal-transaction>).



## I.

### **SUMMARY OF COMCAST'S FULFILLMENT OF THE CONDITION**

As voluntarily proposed by Comcast and adopted by the Commission, Comcast agreed to offer a broadband adoption program with the following components:

- It would provide participants with the Economy version of Comcast’s broadband service (then 1.5 Mbps downstream) for \$9.95 a month with no installation or modem charges or fees;
- The program would be offered to low-income households in the Comcast footprint if (i) at least one child is eligible to receive free lunches through the National School Lunch Program (“NSLP”); (ii) the household is not the subject of a current Comcast collections activity; and (iii) the household has not subscribed to a Comcast Internet service within 90 days prior to installation.
- Participation would be solicited through school districts’ NSLP enrollment processes, and Comcast would rely on that enrollment process to determine eligibility;
- Prospective participants would be directed to a dedicated call center that would verify NSLP eligibility;
- In addition to the low-priced service, the program would include the option to purchase an Internet-ready computer at a subsidized price below \$150;
- Comcast and its community partners would provide free access to web-based, print, and classroom-based digital literacy training;
- Comcast would implement the program in coordination with state education departments and local school districts;
- Comcast would publicize the availability of the program, in coordination with community partners, to areas with high concentration of low-income residents; and
- Comcast would offer the program for three school years (although the program would continue to provide the price-capped service to households that qualify during the three-year program for as long as they have a student in the household who qualifies).

The Condition did not include any specific requirements regarding the marketing of and publicity for *Internet Essentials* to the eligible population, define the objectives and scope of the digital literacy training requirements, or address how the program would accommodate the Spanish-speaking population with no Internet access at home. All these matters were left to Comcast’s discretion.

Comcast’s *Internet Essentials* offering not only satisfied the Condition, but also was, and continues to be, an unparalleled success.

- It is the nation’s largest and most comprehensive broadband adoption program;
- Participation in the program has now surpassed 350,000 homes or 1.4 million low income Americans;
- Surveys of *Internet Essentials* customers reflect very high user satisfaction and engagement:
  - 90% are “highly satisfied” with the service
  - 98% would recommend *Internet Essentials* to others (84% have already done so)
  - 97% said their children needed it for school work
  - 84% said that either they or others in the household use the Internet at home using their *Internet Essentials* service at least occasionally, and 63% use it every day;
- Comcast voluntarily expanded and improved upon the program’s initial design in multiple ways every year. With input from thousands of partners, including major service organizations like Big Brothers/Big Sisters, Easter Seals, the NAACP, and NCLR, Comcast increased the speed of the service, expanded eligibility, created an instant approval process, and made dozens of other enhancements;
- Comcast’s marketing and outreach effort and investments in support of the program have gone far beyond any expectations that the Commission had in accepting Comcast’s voluntary commitment;
- And, as has been publicly announced, Comcast has extended the program indefinitely – even though the Condition has now been fully satisfied.

The table below illustrates in summary fashion how Comcast has satisfied, and in so many cases exceeded, the Condition’s requirements:

<b>What the Condition Requires</b>	<b>How Comcast Met and Surpassed the Requirement</b>
Launch the program within nine months of the Closing of the Transaction ( <i>i.e.</i> , by October 28, 2011).	Over-delivered. Comcast launched <i>Internet Essentials</i> ahead of schedule in May 2011 in an effort to engage educators and community groups to help publicize the program in time for the back-to-school season.
Offer eligible households Comcast’s Economy broadband service for \$9.95 per month.	Over-delivered. Comcast offered its 1.5 Mbps Economy broadband service tier as part of the initial <i>Internet Essentials</i> offering, but voluntarily increased the speed of the service to 3 Mbps in April 2012 and to 5 Mbps in August 2013, which is faster than Comcast’s entry-level Economy service in most markets (and no lower than it is in any market), for \$9.95 a month.

<b>What the Condition Requires</b>	<b>How Comcast Met and Surpassed the Requirement</b>
No installation or modem charges or fees.	Over-delivered. Comcast not only exempted <i>Internet Essentials</i> customers from installation or modem charges or fees, but also expanded on this no-hassle sign up approach by allowing enrollment without credit checks and without having to sign any contracts to take the service for a specified period of time. This enhancement to the Condition has been in place since inception of the program.
Offer a reduced-price computer for less than \$150.	Done. Comcast has supplied nearly 30,000 low-cost computers since launch. Originally offered as netbooks, earlier this year Comcast replaced the netbooks with a larger-screen laptop model and broadened the computer choices to include either the laptop or a family-oriented desktop, all at the same low price of \$149.99.
Provide free access to web-based, print and classroom-based digital literacy training programs.	Over-delivered. Although the Condition did not specify the components of the program's training requirement, Comcast went to great lengths to develop best-in-class digital literacy training options and invested millions in cash and in-kind support to train people through the program's non-profit digital literacy partners. Training options designed for <i>Internet Essentials</i> participants – and made available to the general public at no charge – included in-print guides on digital literacy and online safety, an innovative online Learning Center (revamped in 2012 to include a virtual guided tour for easier navigation, a social media section, and new digital literacy education videos), and classroom-based training sessions designed and conducted by community partners who are experts in delivering their own digital literacy curricula. In-person training sessions were offered in both English and Spanish, another program feature that exceeded the Condition's requirements. Comcast also awarded over \$1 million to community partners across the country to create <i>Internet Essentials</i> Learning Zones that will host additional training opportunities.
Offer the program for a total of 36 months (i.e., through the end of the 2013-2014 school year) across the Comcast footprint.	Over-delivered. This requirement has been completed. On March 4, 2014, near the completion of the third and last school year period required by the Condition, Comcast announced that it was extending <i>Internet Essentials</i> indefinitely.

<b>What the Condition Requires</b>	<b>How Comcast Met and Surpassed the Requirement</b>
Implement the program in coordination with state education departments and local school districts.	Done. Comcast met this general condition by aggressively pursuing such coordination throughout its service area: the company made information about the program available at 30,000 schools and 4,000 school districts in the 39 states, plus the District of Columbia, and continues to do so today.
Require participants to have a child that is eligible to receive free lunches through the NSLP.	Over-delivered. Although the Condition originally required that families be eligible to receive free lunches through the NSLP, Comcast acted in the first year to expand the eligibility criteria to a broader range of low-income families. Specifically, in April 2012, Comcast extended eligibility to families with children eligible to receive a NSLP reduced-price school lunch, and then in April 2013 expanded the eligibility criteria yet again to families with homeschooled, private, and parochial students who otherwise meet the NSLP reduced-price eligibility criteria.
Rely on the established NSLP certification process to qualify participants.	Over-delivered. Although Comcast complied with the requirement that all applicants must submit proof of NSLP eligibility, in January 2012, Comcast created an instant approval process so that families with children who attend schools with high NSLP participation would not need to submit proof of eligibility for <i>Internet Essentials</i> . Instant approvals account for 56% of all <i>Internet Essentials</i> orders received from December 22, 2013 through June 28, 2014.
Request that school districts include program information with their first communication to families in advance of the school year and in each NSLP communication, using collateral materials provided by Comcast.	Over-delivered. Comcast more than satisfied this requirement, collaborating with thousands of schools to send literature to families before and during each school year. And notwithstanding the absence of any such requirement, Comcast also conducted a “spread the word” campaign featuring collateral created by Comcast in English, Spanish, and 12 other languages. Collateral is redesigned at least once a year to keep the content up-to-date and focus on the messaging theme chosen for each campaign.

<b>What the Condition Requires</b>	<b>How Comcast Met and Surpassed the Requirement</b>
<p>Educate school professionals who work closest with NSLP-eligible families about Internet Essentials.</p>	<p>Over-delivered. Comcast engaged educators leading up to and through each back-to-school season through continued personal engagement and a direct mail campaign targeting superintendents and principals in the school districts in the Comcast footprint with the greatest NSLP participation. Understanding that 97% of <i>Internet Essentials</i> customers recognize that schoolwork is the main driver for subscribing to broadband access at home, <i>Internet Essentials'</i> promotional campaign has featured testimonials from teachers who have witnessed first-hand the many advantages of having Internet access at home. Teachers also receive access to the Partner Portal on the <i>Internet Essentials</i> website so they can sign up for program updates and newsletters, as well as download form notices to parents and other collateral. Comcast also engaged dozens of national education organizations to collaborate on best practices in student and educator engagement and to get their membership involved in publicizing the benefits of <i>Internet Essentials</i>.</p>
<p>Direct prospective participants to a Comcast phone number dedicated to this program to verify eligibility.</p>	<p>Over-delivered. Here too Comcast met and exceeded the Condition's requirements. The requirements of the Condition were met through the establishment of a dedicated call center reachable by toll-free number, as required. But Comcast also established a toll-free number staffed by Spanish-speaking customer representatives and translated most collateral to Spanish – exceeding the Condition's requirements. It also launched a dedicated website that has acted as a program information conduit to nearly 2.2 million visitors. Comcast recently added an online application tool to the <i>Internet Essentials</i> website so that eligible families can apply for the program from anywhere, including mobile devices. Comcast has received over 428,000 applications to date, including 10,000 through the online application tool.</p>

<b>What the Condition Requires</b>	<b>How Comcast Met and Surpassed the Requirement</b>
<p>Publicize the availability of the program, in coordination with community partners, to areas with high concentration of low-income residents and especially through vehicles that are targeted to eligible households.</p>	<p>Over-delivered. Comcast zealously pursued this requirement. The company invested millions in promoting <i>Internet Essentials</i> in paid media, including tens of thousands of radio and print ads in local media, and by holding dozens of launch events across the country at the beginning of each school year. Most events featured high-profile guests whose involvement raised the profile of the program and helped schools drive awareness and interest from students and their parents, including U.S. Secretary of Education Arne Duncan, several FCC Commissioners, and <i>Internet Essentials</i> spokesperson coach Tony Dungy. These events have generated over 3 billion earned media impressions for <i>Internet Essentials</i>. Comcast has also run special promotional campaigns, including membership drives offering free months of <i>Internet Essentials</i> service, laptop giveaways, and pre-paid service via <i>Internet Essentials</i> Opportunity Cards.</p>
<p>Promote <i>Internet Essentials</i> through public service announcements (“PSAs”), as well as through segments of Comcast Newsmakers.</p>	<p>Over-delivered. Comcast easily satisfied this requirement, going beyond anything that the Condition could have been reasonably construed to require. Comcast aired nearly 4 million PSA spots in English and Spanish with a value of more than \$51 million and produced 49 “Comcast Newsmakers” public affairs segments in support of <i>Internet Essentials</i>.</p>
<p>Distribute <i>Internet Essentials</i> materials to its partners who work with low-income communities.</p>	<p>Done. Comcast satisfied this requirement by again going above and beyond expectations. It built a unique Partner Portal that allows <i>Internet Essentials</i> partner organizations to download program materials directly or order materials, which are shipped for free regardless of the quantity ordered. Nearly 25,000 individuals and organizations registered for the Partner Portal and requested nearly 37 million pieces of promotional collateral. All promotional collateral was delivered to program partners at no cost to them.</p>
<p>At the time of installation, each participating household shall receive basic instructional materials and a phone number for a dedicated support desk.</p>	<p>Done. The self-install kit sent to every <i>Internet Essentials</i> customer included printed guides on how to connect to the Internet, plus a toll-free support number where customers can obtain 24/7 support for any questions or issues about using their XFINITY Internet service.</p>

What the Condition Requires	How Comcast Met and Surpassed the Requirement
Each low-cost computer offered by the program shall ship with Norton security pre-installed.	Over-delivered. Comcast met this requirement by ensuring that each computer included the Constant Guard all-in-one security dashboard (a \$360 value), at no additional charge. Constant Guard includes the Norton Security Suite's top-rated tools for core protection against viruses and other cyber threats.

## II.

### **COMPLIANCE WITH THE SPECIFIC REQUIREMENTS OF THE BROADBAND ADOPTION CONDITION**

#### **A. Eligibility Criteria** (*Condition XVI.2.f*)

As proposed by Comcast in connection with the NBCUniversal transaction and set forth in the Condition, Comcast initially offered the program based on the eligibility criteria outlined in Condition XVI.2.f: a household was eligible to participate in *Internet Essentials* if it (1) is located where Comcast offers Internet services (over 99% of the Comcast service area); (2) has at least one child eligible for a free school lunch through the National Lunch School Program (“NSLP”); (3) has not subscribed to Comcast Internet service within the last 90 days; and (4) does not have an overdue Comcast bill or unreturned equipment.

As described in last year’s report, Comcast went beyond the initial eligibility criteria outlined in the Condition and, in 2012, extended eligibility to families with children eligible to receive *reduced-price* school lunches. This enhancement made close to 300,000 additional households in Comcast’s service area eligible for *Internet Essentials* – raising the total number of *Internet Essentials*-eligible households to an estimated 2.3 million families. In April 2013, Comcast expanded the eligibility criteria yet again to include families with homeschooled, private, and parochial students who otherwise meet the NSLP eligibility criteria. This enhancement made nearly 200,000 additional families eligible for *Internet Essentials* in Comcast’s service area – bringing the total to nearly 2.6 million eligible families, which is 30% more than the initial estimated eligible population.

#### **1. Reliance on NSLP Eligibility** (*Condition XVI.2.g*)

To determine eligibility for the *Internet Essentials* program, Comcast proposed, and the Condition requires, that eligibility for the program be based on the well-established certification processes for participation in the NSLP.

#### **2. Eligibility Verification** (*Condition XVI.2.j*)

Third party verification specialist Solix continues to assist Comcast with eligibility verification of *Internet Essentials* applicants. Solix’s experience with income-based

qualification programs like NSLP allows it to expeditiously handle verification requests, including any customer care issues that may arise during the verification process.

To help expedite the eligibility verification process, in 2012 Comcast implemented the *Internet Essentials* instant approval process at schools that qualify as “Provision 2” schools (generally those with a high percentage of low income students) and for all schools with 70% or more NSLP participation based on National Center for Education Statistics (NCES) data, irrespective of their Provision 2 status. This means that families of students attending the tens of thousands of schools across the Comcast footprint that are either Provision 2 or NCES-validated can be instantly approved for the program and are not required to submit eligibility verification. Instant approvals significantly reduce the amount of time it takes to provision the service after the application is submitted – averaging just 5 days from the moment the application is received to shipment of the self-install kit to the customer.

Instant approvals are another voluntary enhancement to the *Internet Essentials* application process that goes far beyond Comcast’s original commitment. The enhancement has facilitated participation for many families: instant approvals account for a majority (56%) of all *Internet Essentials* orders,<sup>3</sup> a share that has been steadily increasing since the instant approval process was launched in 2012, when it captured 39% of all orders for that year.

#### **B. Launch and Duration of the Program** (*Conditions XVI.2.a; XVI.2.d*)

In March 2014, Comcast announced that the *Internet Essentials* program had been extended indefinitely, meaning that eligible households will be able to enroll in the program beyond the three school year period originally proposed by Comcast and adopted by the Condition. Enrolled households will remain eligible for the program so long as at least one child in the household continues to meet the program’s NSLP eligibility requirements (including the eligibility enhancements made by Comcast).

#### **C. *Internet Essentials*’ Principal Components**

The *Internet Essentials* program has three principal components:

##### **1. Low Cost Internet Service** (*Conditions XVI.2.c.i; XVI.2.c.ii*)

*Internet Essentials* provides eligible low-income families in the Comcast service area affordable access to high-speed Internet service from their homes. For just \$9.95 per month, plus tax, eligible families receive Comcast’s XFINITY Internet service with speeds up to 5 Mbps downstream and up to 1 Mbps upstream. Downstream speeds for all *Internet Essentials* customers have been increased twice since the launch of the program, first from 1.5 Mbps to 3 Mbps in 2012, and then from 3 Mbps to 5 Mbps in 2013.

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<sup>3</sup> Percentage of total *Internet Essentials* orders for the period beginning on December 22, 2013 and ending on June 28, 2014.



Participants do not have to pay monthly modem or other equipment fees, installation charges, or activation fees for as long as the family remains eligible and maintains the service. In addition, *Internet Essentials* families are not subject to standard credit checks or asked to sign any contracts to take the service for a specified period of time.

## **2. Discounted Computers** (*Condition XVI.2.c.iii*)

Working with the program's partners, Comcast offers *Internet Essentials* families the opportunity to purchase an Internet-ready computer at a discounted price of \$149.99 plus tax. *Internet Essentials* families now have the option to purchase a family-oriented desktop or a mobile-friendly laptop. Both options include Microsoft Office, a 90-day limited warranty, and all the hardware needed to connect to the Internet right out of the box. Computers offered through the program come with web browser and security software. As described in the "Ordering the Discounted Computer" section below, the Welcome Kit sent to new program participants includes a voucher with instructions on how to purchase the discounted computer.

## **3. Digital Literacy Training** (*Condition XVI.2.c.iv*)

The third pillar of *Internet Essentials* addresses the need to increase the program participants' digital and computer skills to help them understand the value, the relevance, and the ease of using the Internet. Since 2011, Comcast has invested more than \$200 million in cash and in-kind support to help close the digital divide, reaching more than 1.75 million people through the program's non-profit digital literacy partners and special initiatives like the Comcast Digital Connectors program.

*Internet Essentials* customers have multiple options to access free digital literacy training in print, online, and in-person. For in print training, Comcast designed detailed guides on digital literacy topics such as avoiding online threats and safeguarding personal information online. Hard copies of these guides are included in every Welcome Kit that is mailed to each new *Internet Essentials* customer and are available on the *Internet Essentials* website for download.

As described in last year's report, the concept and execution of the program's online and classroom-based training components has been significantly enhanced since launch. In compliance with Comcast's original commitment to feature "web-based" training, the *Internet Essentials* website featured video tutorials on fundamental digital literacy topics. Last year's re-launch of a completely revamped online Learning Center on the *Internet Essentials* website enhanced Comcast's central hub of online digital literacy training materials. The Learning Center is available in both English and Spanish, and features tutorials on how to set up e-mail, guard against viruses and other malware, keep children safe on the Internet, and locate useful resources. And, in March 2014, Comcast announced that it was bolstering *Internet Essentials*' digital literacy component by partnering with the Khan Academy and its world-class online educational website ([www.khanacademy.org](http://www.khanacademy.org)). By providing unprecedented promotion and support, this partnership aims to expose millions of students to the acclaimed video lessons available for free at Khan.

The program's in-person training model has also dramatically changed since launch. In the first six months of the program, Comcast developed a best-in-class digital literacy training curriculum and worked with its local CBOs to deliver the modules. In 2012, the program was improved through moving to a sponsorship model and worked with local partners who were experts in the field in delivering their own digital literacy curricula. Comcast sponsored partners in major markets where it provides service, and after six months of implementing the new model, attendance had increased by 65% compared to the previous six months. This is the model that continues today, and Comcast's training partners include numerous public libraries, Boys & Girls Clubs, LIFT, LULAC, city recreation centers, local affiliates of the National Urban League, technology learning centers, and many more. To facilitate attendance, the *Internet Essentials* website features a lookup tool that allows users to search and sign up for training sessions in their area. Users can also sign-up to receive e-mail alerts when a class is scheduled to be held nearby.

**D. Operationalizing *Internet Essentials*** (Condition XVI.2.j)

The experience obtained since the launch of the program has allowed Comcast to further refine the application and intake processes to ensure a smooth customer experience and efficient, timely sign-ups. The process involves the following elements:

**1. Avenues to Get Information and Request an Application**

a. Dedicated *Internet Essentials* phone numbers and branded website

Comcast operates dedicated phone numbers for English and Spanish speaking consumers – 1.855.8.INTERNET (1.855.846.8376) and 1.855.SOLO.995 (1.855.765.6995) – which connect participants to customer account executives (“CAEs”) at a dedicated call center specifically trained to assist with *Internet Essentials* enrollment and answer questions about the program. These dedicated phone lines continue to be the central tool that Comcast uses to ensure that interested consumers get the information they need.

In addition, Comcast operates InternetEssentials.com to promote the service, inform potential customers of application requirements, and serve as a portal to information about the program, including the Partner Portal and the online Learning Center. And, as described in section II.D.1(c)(2) *infra*, Comcast has enhanced the application process by deploying an online application tool on the *Internet Essentials* website.

b. General customer service support

Customers can find *Internet Essentials* information through other contacts with Comcast, including training regular CAEs to redirect *Internet Essentials* applicants to the dedicated toll-free number. Customers who visit Comcast.com can find information about the program by searching for “*Internet Essentials*” or using other descriptive terms (*e.g.*, “low-cost broadband”) on the site's search tool.

c. The application process

Comcast's objective is to make the application and intake processes as simple and efficient as possible, providing applicants with clear instructions, guidance, and regular reminders throughout the process. For example, Comcast made students at tens of thousands of schools eligible for instant approval, an enhancement that is benefiting a majority of current applicants. To complement the dedicated toll-free number, this year Comcast deployed an online application tool to ensure that eligible families can apply from anywhere, even mobile devices.

(1) *Dedicated phone numbers*

The primary signup mechanism used by *Internet Essentials* customers continues to be the dedicated toll-free numbers that are staffed by the program's specially-trained CAEs. As of June 28, 2014, *Internet Essentials*' dedicated call center had processed close to 420,000 applications.

After a customer calls to enroll, Comcast sends an application – by regular mail or email, based on the customer's preference – that is pre-populated with information provided by the caller. The pre-populated application is generated in either English or Spanish, printed, and sent to the customer within one business day from the initial call date. Comcast tracks the application and follows up on its completion through a “remind and resend” procedure: if the completed application is not received within 30 days, Comcast sends a replacement application to the home, and a second notice is sent if a response is not received within 60 days.

Next, customers send their completed *Internet Essentials* application and supporting documentation by mail, email, or fax to Solix for verification. Verified applications are forwarded to a Comcast order entry center for provisioning of the new *Internet Essentials* account. Comcast will then mail a Welcome Kit with everything needed to set up the household's Internet service and receive the program's free Internet training. As a general matter, customers can expect to receive their *Internet Essentials* equipment within 7-10 days after Comcast receives the required documentation. Applicants can check the status of their application on the *Internet Essentials* website by entering the phone number associated with the application or calling the dedicated toll-free line.

As described in the “Eligibility Verification” section, above, Comcast has simplified the application process for families with children that attend one of the tens of thousands of instant approval schools. As a result, applicants in qualifying school districts can now complete the *Internet Essentials* application over the phone and be instantly approved for the program without having to send eligibility documentation to Solix.

## (2) *Online application tool*

Comcast launched an online application tool available in English and Spanish in August 2013.<sup>4</sup> Depending on the school information entered in the online form, the applicant will receive a message confirming instant approval or information about how to complete the application process via mail or email. Customers who cannot or do not wish to complete the online form may contact the dedicated toll-free numbers in order to obtain personalized assistance and answer any questions about the signup process. In order to accommodate the growing use of smartphones and other mobile devices, Comcast optimized the online application form so that families can complete the form easily via a mobile device. Comcast will soon enhance the online application tool to allow customers from non-instant approval schools to upload eligibility documentation through the website. As of June 28, 2014, Comcast had processed close to 10,000 applications originated through the online tool since the application's launch.<sup>5</sup>

## (3) *Additional signup mechanisms*

Eligible households may also receive *Internet Essentials* through a bulk registration program which allows non-profits, community-based organizations (“CBOs”), faith-based organizations, school districts, and community colleges to make bulk purchases of *Internet Essentials* service for households that are “sponsored” by each organization.

To further enhance bulk purchasing opportunities, Comcast started selling *Internet Essentials* Opportunity Cards so non-profit partners and others can purchase up to a year of *Internet Essentials* service for qualified families. Comcast's partners have purchased more than \$30,000 or approximately 3,000 months' worth of Opportunity Cards for distribution to eligible families. In addition to making them available for bulk purchase, Comcast has allocated over \$130,000 or approximately 13,000 months' worth of Opportunity Cards for distribution at the public events in which the company convenes the program's school and community partners.

## **2. Service Activation**

The service activation process remains unchanged since last reported: once a household has been approved for *Internet Essentials* service, Comcast ships a self-install kit that includes the broadband service modem, cabling, and a self-install guide. Customers who require assistance with the activation process may contact the support line indicated in the installation materials and a service visit will be scheduled at no charge to the customer. Comcast contacts new *Internet Essentials* customers to promptly schedule an installation visit in those cases where the Company's records suggest that the customer's home is not pre-wired for Comcast service,

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<sup>4</sup> Comcast also created direct URLs to the application in both English (<https://apply.internetessential.com>) and Spanish (<https://aplicar.internetbasico.com>).

<sup>5</sup> Comcast expects that the proportion of online applicants will remain low considering that many of the program's prospective customers have no broadband access at home.

since this suggests that the customer would not be able to use the self-install process without assistance.

### **3. Ordering the Discounted Computer**

The Welcome Kit sent to each *Internet Essentials* participating household includes a voucher with a unique code and instructions on how to obtain the discounted computer. To place an order, *Internet Essentials* customers must call the toll-free number indicated on the voucher and use one of the vendor's payment methods to complete the purchase. The vendor also provides end-to-end customer service including sales, technical support, and warranty coverage for the discounted computer. Organizations participating in the bulk registration program also have the option of purchasing discounted computers for *Internet Essentials* participants during the initial enrollment.

#### **E. Publicizing *Internet Essentials* to Eligible Families** (*Condition XVI.2.k*)

Comcast continues to undertake significant efforts and investments to publicize the program, and in doing so, has gone well beyond the original commitment. The components of this broad and ongoing promotional campaign are described below.

##### **1. *Internet Essentials* Website and Partner Portal**

The *Internet Essentials* outreach plan includes a dedicated website which serves as a one stop destination for information, resources, and collateral on *Internet Essentials*. Built into this website is a Partner Portal that allows *Internet Essentials* partner organizations to download program materials directly or order materials which are shipped for free regardless of the quantity ordered. Registered partners also receive program updates, including regular newsletters and other announcements. As of June 28, 2014, the dedicated website, including the *Internet Essentials* Learning Center, had received nearly 2.2 million visits, with nearly 25,000 individuals and organizations registered for the Partner Portal, and partners requested and received nearly 37 million pieces of promotional collateral – all at no charge.

##### **2. “Hyper-local” Paid Media**

By the end of 2014, Comcast will have placed close to 24,000 radio spots and 1,500 print advertisements in hyper-local media to promote *Internet Essentials* among NSLP-eligible families. The 2013 campaign placed more than 6,100 spots on local radio stations and more than 410 print ads in 93 community and minority-owned print publications in 12 metropolitan areas. For 2014, the paid media campaign has been expanded to 15 metropolitan areas and will feature an estimated 6,400 radio spots, print ads in 104 community and minority-owned publications, 87 local community events, and a broader mobile and social media presence. In addition, Comcast utilized PSAs running on its cable systems to promote the program, as discussed in section II.F.4, below.

### **3. Earned Media**

Through June 28, 2014, Comcast has generated more than 3 billion media impressions for *Internet Essentials* through sustained media efforts across print, online, broadcast, and radio outlets. *Internet Essentials* launch events marking the start of the 2013-2014 school year were once again the centerpiece of the earned media strategy, galvanizing a broad range of stakeholders around the mission of urging as many eligible families as possible to enroll. Comcast held 30 launch events across the country, including events in Washington D.C., Chicago, Miami, Atlanta, Denver, Pittsburgh, and Sacramento. The estimated 500 million media impressions generated by coverage of these launch events continued generating millions of dollars' worth of earned media for *Internet Essentials* during the rest of the school year.

Each event featured a speaker from Comcast describing the program and included public officials, school superintendents, community leaders, and special guests like Coach Tony Dungy – all helping to drive the message of the importance of broadband. For example, Comcast Executive Vice President David L. Cohen was joined by FCC Commissioner Jessica Rosenworcel and other civic and community leaders to kick off year three of *Internet Essentials* during a special event held on September 24, 2013 at Neval Thomas Elementary School in Washington, D.C. In addition to re-launching *Internet Essentials* in the Washington, D.C. area, Comcast and the DC Promise Neighborhood Initiative (DCPNI) announced a partnership to help increase digital literacy and connect more families to the Internet in the Kenilworth-Parkside neighborhood in the Northeast section of the District. As part of the partnership, families with children who attend Neval Thomas Elementary School, the Parkside Campus of Cesar Chavez Public Charter Schools for Public Policy, and Educare of Washington, D.C. were eligible to receive a free computer upon enrollment in the *Internet Essentials* program.<sup>6</sup>

In addition to hosting launch events, Comcast attended close to 75 community events held in low-income areas during 2013 and will have a presence at nearly 90 additional events before the end of 2014.

### **4. Public Service Announcements (“PSAs”) and Comcast Newsmakers**

Comcast also conducted a bilingual PSA campaign promoting the availability of *Internet Essentials* across its service area. Since August 2011, the Company has aired nearly 4 million PSA spots with a value of more than \$51 million. In addition, Comcast has produced 49 “Comcast Newsmakers” public affairs segments in support of *Internet Essentials*, 17 of those in

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<sup>6</sup> Comcast Voices, *Comcast’s Internet Essentials Forges Neighborhood Partnership in D.C.* (Sep. 24, 2013), <http://corporate.comcast.com/comcast-voices/comcasts-internet-essentials-creates-opportunities-in-d-c-through-neighborhood-partnership>.

the last year.<sup>7</sup> Segments produced this year included interviews with key stakeholders, plus coverage of launch events.

## **5. Comcast Employees**

Comcast empowered its employees to directly connect eligible families in their communities through its *Internet Essentials* Ambassadors Program. Interested employees could call on existing relationships with schools, libraries, or CBOs in their neighborhoods and help these organizations prepare for the 2014 *Internet Essentials* back-to-school season. Since May 2012, the *Internet Essentials* Ambassadors Program has been replicated and launched in almost every market across the Comcast footprint. The program counts nearly 1,300 Ambassadors across the country working with Comcast's Government Affairs representatives to connect with schools, community organizations, and religious institutions. *Internet Essentials* Ambassadors have reached over 647 organizations, distributed over 208,000 pieces of *Internet Essentials* materials, attended more than 630 events which drew in more than 1,275,000 members of the public, and offered over 2,150 volunteer hours.

## **F. Comprehensive Stakeholder Campaign (Conditions XVI.2.g-i)**

Comcast's 8,000 *Internet Essentials* partners are the cornerstone of the program. These non-profit organizations, CBOs, libraries, school districts, members of faith-based organizations, as well as federal, state, and local elected officials have helped build the digital literacy infrastructure of the communities served by *Internet Essentials*. Comcast worked with these partner organizations to help educate eligible families about *Internet Essentials*, distribute promotional materials, and spread the word about the benefits of this broadband adoption opportunity.

### **1. Schools**

Thousands of schools helped promote *Internet Essentials* to eligible families by allowing Comcast to send literature to students and families at the start of the 2013-2014 school year and will continue to help promote the program during the upcoming back-to-school season. The campaign consisted of extensive outreach to students in private, parochial, online, and charter schools, as well as public schools, to ensure that our newly-eligible families were aware of the program. Direct mail campaigns, emails to school officials, and distribution of promotional materials were all leveraged to build program awareness.

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<sup>7</sup> Comcast Newsmakers is a five minute public affairs program that aired on various platforms, including HLN (f/k/a CNN Headline News) on Comcast Cable systems at 24 and 54 minutes past the hour, on Comcast's video on demand platform – with both national and local placement – as well as on the Newsmakers website, [www.comcastnewsmakers.com](http://www.comcastnewsmakers.com). HLN has begun phasing down these cut-ins, thus reducing segment availability on the network, and has informed Comcast that the six minute windows will no longer be available for preemption by Comcast cable systems as of November 2014.

Schools also have access to a full range of *Internet Essentials* promotional materials ranging from professional-looking posters to simple letters – and all of them are available through the online Partner Portal in English, Spanish, and 12 other languages, including: Arabic, Oromo, Somali, Tibetan, Chinese Mandarin, Haitian Creole, Portuguese, Hmong, Korean, Vietnamese, Polish, and Russian.

Comcast will be distributing redesigned consumer and partner-facing marketing campaign for the 2014 back-to-school season which will focus on demonstrating the ultimate value of home broadband through best-in-class educational content and the myriad of digital tools available to prepare high school students for college, including financial aid resources. *See Appendix A.* Comcast will continue to engage educators leading up to and through the upcoming back-to-school season with continued outreach and a hybrid e-mail and direct mail campaign targeting all program partners.

## **2. Community Partners**

More than 4,000 CBOs, including churches, libraries, and parent-teacher associations have partnered with Comcast to help spread the word about *Internet Essentials*. Comcast continues to work with CBOs that have both strong national and local presences to facilitate the growth of partnerships across the nation, including the Boys & Girls Clubs, the National Urban League, United Way, LIFT, LULAC, and Easter Seals. These partners helped create an atmosphere of support and excitement around *Internet Essentials* by leveraging their relationships with the education community, sharing “best practices” with Comcast and each other, and by driving other organizations to register at the Partner Portal.

The success of *Internet Essentials* would not have been possible without the tireless support of hundreds of community partners nationwide. To honor the efforts of these community partners, Comcast awarded more than \$1 million in grants to non-profit organizations in 15 communities across the country whose school districts have done the most to close the digital divide. The grants are part of the Comcast Gold Medal Recognition Program and they will enable these communities to create *Internet Essentials* Learning Zones. Each Learning Zone will feature: (1) enhanced public Internet access, including indoor Wi-Fi service at community-based organizations; (2) digital literacy training programs in community settings designed to teach parents and children how to use the Internet effectively and safely, and parents how to monitor their children’s online activity and school work; and (3) events designed to inform parents about *Internet Essentials* and how they can enroll. The Learning Zones will bring together partners and institutions to create a continuum of connectivity that begins online in the classroom, extends to libraries, computer labs, and after-school programs, and then ends in the home.

To further celebrate the success of the Gold Medal communities, Comcast offered an opportunity for all eligible families in all 15 Gold Medal communities, plus five additional communities that were deemed “most improved”, to receive free *Internet Essentials* service for six months if they registered with the program during a three-week period in March 2014. Comcast gave Opportunity Cards to cover six months of service to each of the more than 4,300 households who signed up for *Internet Essentials* under this promotion, a donation worth close to



\$260,000. The free service promotion was in addition to the hundreds of free laptop computers that Comcast has given away to families at community events, more than 200 laptops in the last year.

### **3. Federal, State, and Local Officials**

Public officials continue to play an essential role in promoting awareness of *Internet Essentials*. As of June 28, 2014, Comcast had delivered the *Internet Essentials* message to more than 3,000 federal, state, and local elected or appointed officials.

### **4. Education Associations**

Comcast continues to engage national education organizations to collaborate on best practices in student and educator engagement and to get their membership involved with publicizing the benefits of *Internet Essentials*, including the National Parent Teacher Association, National School Boards Association, American Association of School Administrators, Consortium for School Networking, Council of the Great City Schools, State Education Technology Directors Association, National Alliance for Public Charter Schools, and the American School Counselor Association.

## **G. More Than Just Broadband Service**

### **1. Computer Setup Support** (*Conditions XVI.2.1.i-iii*)

The self-install kit sent to every *Internet Essentials* customer includes printed guides on how to connect to the Internet, plus a toll-free support number where customers can obtain 24/7 support for any questions or issues about using their XFINITY Internet service. *Internet Essentials* customers can also take advantage of the comprehensive support tools available online, including live chat with CAEs and comprehensive online self-help tools.

### **2. Free Security Software** (*Condition XVI.2.1.iv*)

To ensure that *Internet Essentials* users have a secure online experience, all *Internet Essentials* subscribers enjoy access to the Constant Guard all-in-one security dashboard (a \$360 value), at no additional charge. Constant Guard includes the Norton Security Suite's top-rated tools for core protection against viruses and other cyber threats, plus powerful tools to help protect passwords, secure credit card information, and setup safe, one-click access to online accounts. The service also includes a Safe Search feature that provides safety ratings that clearly identify dangerous and malicious sites before customers visit them.

### **3. Digital Literacy Training** (*Condition XVI.2.c.iv and XVI.2.1.v*)

As described in the "Digital Literacy Training" section, above, *Internet Essentials* participants have the choice of using the comprehensive printed digital literacy guides included in the service Welcome Kit mailed to each new *Internet Essentials* customer (copies of which are accessible on the *Internet Essentials* website), accessing the courses featured in the online

Learning Center, or attending an in-person training session hosted by one of Comcast's community-based digital literacy partners.

### III.

#### YEAR THREE RESULTS

As of June 28, 2014, *Internet Essentials* has connected more than 350,000 households to the power of the Internet – a number that represents more than 1.4 million children and their families. The program also sold nearly 30,000 low-cost computers.

### IV.

#### ANALYSIS OF THE PROGRAM'S EFFECTIVENESS

As in previous reports, Comcast has conducted analyses of *Internet Essentials*' effectiveness as measured by application process statistics and customer satisfaction results. Year three's analysis is supplemented by the findings of a March 2014 study published by the leading researcher on broadband adoption issues, Dr. John B. Horrigan. The survey "explored what drew [*Internet Essentials*] customers to the service and what has engaged them in becoming active (or not) online users, yielding lessons on how to accelerate the process of drawing non-users to broadband."<sup>8</sup>

##### **A. "The Essentials of Connectivity" Study**

The Horrigan report was based on an in-depth survey of nearly 2,000 *Internet Essentials* customers who signed up for the service in the latter part of 2013. To understand the survey respondents' reasoning for subscribing to *Internet Essentials*, Horrigan surveyed "why people bought service, the influential factors behind the decision, and whether outside expectations played a role."<sup>9</sup>

The results showed that institutions are "important drivers in encouraging non-broadband users to purchase service, with schools having a preeminent role". In fact, almost all (98%) *Internet Essentials* customers had signed up because their children needed it for school.<sup>10</sup> Among those who had not had home Internet service in the past, 93% said their children drove the decision to get home Internet service through *Internet Essentials* and 64% cited a child's

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<sup>8</sup> See John B. Horrigan, Ph.D., *The Essentials of Connectivity: Comcast's Internet Essentials Program and a Playbook for Expanding Broadband Adoption and Use in America* (Mar. 2014) ("Horrigan"), at 5 (attached hereto as Appendix B).

<sup>9</sup> *Id.*, at 17.

<sup>10</sup> *Id.*, at 5.

teacher.<sup>11</sup> Community institutions came into play as well. Overall, 31% of respondents cited either a public library or a CBO as an influential factor behind getting *Internet Essentials* – a figure on par with the influence of family and friends. These findings validate Comcast’s strategy of engaging school districts and its CBO partners to help spread the word about the program and the benefits of broadband Internet access at home.

When asked to rate how much the Internet has helped them or their household, school work leads, “with an overwhelming majority (84%) saying broadband has helped with school work a lot.”<sup>12</sup> The results also established a clear correlation between having received training and saying that the Internet helps “a lot” for a greater range of activities (*e.g.*, job searches and access to government services). “[T]raining makes a difference in how people engage with the Internet, but there needs to be a variety of training resources to ‘meet users where they are’ in their Internet adoption process.”<sup>13</sup> For example, nearly half (48%) of respondents said that the most helpful way to learn new things is to teach themselves through reading or online videos. Accordingly, Dr. Horrigan recommends that “broadband adoption programs should collaborate with online training resources such as those available at Khan Academy.”<sup>14</sup> As with *Internet Essentials*’ training resources, the survey revealed that purchasing a low-cost computer through the program generated higher rates of respondents saying the Internet helps “a lot” for school work, job search, staying touch with others, accessing entertainment, and learning about government services.<sup>15</sup>

The study also validated Comcast’s outreach strategy to the *Internet Essentials* eligible population. Horrigan’s research found that the population of *Internet Essentials* customers is more Latino than the population at-large without broadband at home.<sup>16</sup> One of Comcast’s priorities has been to rollout new features like the online application tool in both English and Spanish. Indeed, the availability of Spanish language information and signup mechanisms, bilingual CAEs, and the Learning Portal are proving vital to a significant number of program participants.

Horrigan’s “playbook”, along with Comcast’s ongoing research on *Internet Essentials* effectiveness and customer satisfaction, will continue to guide the planning and execution of the company’s broadband adoption strategy.

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<sup>11</sup> *Id.*, at 17.

<sup>12</sup> *Id.*, at 20.

<sup>13</sup> *Id.*, at 3.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*, at 28.

<sup>16</sup> *Id.*, at 15.

## **B. Usage Statistics**

The program is having a real and meaningful impact on families and the communities in which they live. In a survey of *Internet Essentials* customers conducted on May 22, 2014, 63% of respondents said they use the service every day; an even higher percentage said they use it periodically (84%). School work is the most prevalent use (97%), followed by finding general information (91%), and email (80%). Regarding the impact that *Internet Essentials* has had on their children's education, 94% of respondents felt the service helped improved school grades. For those using the service for job hunting, nearly two-thirds claimed it helped in their search.

## **C. Application Process Statistics**

Key metrics of the program's effectiveness include the call statistics tracked by the dedicated *Internet Essentials* call center. Since launching *Internet Essentials* in the 2011 back-to-school season, the call center has received nearly 2,315,000 phone calls inquiring about the program. Call center statistics through June 28, 2014 break-down as follows:

- 364,488 calls were ineligible for *Internet Essentials* (15.8% of the total and 19.2% of the callers who did not request applications).
- 243,304 calls were follow-ups to previous orders (10.5% of the total and 12.9% of the callers who did not request applications).
- 147,107 were dropped calls or hang ups (6.4% of the total and 7.7% of the callers who did not request an application).
- 1,140,784 were calls requesting general information about the program (49.3% of the total and 60.2% of the callers who did not request applications).
- 419,075 were calls that resulted in applications (18% of the total). Of those:
  - 77.7% or 325,660 were submitted and accepted (includes instant approvals); 2.4% or 10,030 were submitted but returned to the customer for correction. Comcast followed up with these families by providing a replacement application and asking them to correct the application and then resubmit it for approval.
  - 19.9% or 83,385 were never returned by the customer. Comcast's "resend and remind" program followed up with these families by providing a replacement application and asking them to complete the application and return it for approval.

## **D. General Satisfaction**

Satisfaction with *Internet Essentials* continues to be very high. The results of the May 2014 survey of *Internet Essentials* customers cited above showed high satisfaction ratings consistent with those obtained during the program's first two years: 90% of *Internet Essentials* customers surveyed are "highly satisfied" with the service, and 98% of these surveyed customers

would recommend *Internet Essentials* to others (and 84% have already done so). The priority that Comcast has placed on customer care also received high marks from survey participants: 90% stated that they were “highly satisfied” with Comcast’s customer service and 94% of those who required an on-site Comcast technician to install their *Internet Essentials* service indicated they were satisfied with the installation. In addition, a very high number (86%) of survey respondents also said they were “highly satisfied” with the reliability of their *Internet Essentials* broadband connection.

## V.

### **SUMMARY OF ENHANCEMENTS TO THE PROGRAM**

The implementation of *Internet Essentials* has gone far beyond Comcast’s voluntary commitment. As Comcast has gained insights from hands-on experience, it has implemented significant enhancements to *Internet Essentials* along the way. Enhancements made to the program since launch include:

- Extending the program indefinitely – beyond Comcast’s initial three-year commitment.
- Expanding the eligibility criteria for *Internet Essentials* twice, first by extending eligibility to families with children eligible to receive reduced-price school lunches, and then by including parochial, private, cyberschool, and homeschooled students.
- Increasing the broadband speeds for *Internet Essentials* customers twice in less than two years; *Internet Essentials* now offers up to 5 Mbps downstream, which is triple the speed offered at the beginning of the program, and faster than Comcast’s entry-level service (3 Mbps) in most of its markets.
- Expanding an instant approval process for families whose students attend schools with 70 percent or more NSLP participation (previously, the threshold was 75 percent), which enhanced participation rates.
- Creating an online application tool on the *Internet Essentials* website to make it easier and faster for a family to apply for *Internet Essentials*. The online application form is now available in English and Spanish, and is optimized for use on mobile devices.
- Enabling Comcast’s community partners to help connect low-income families to the Internet by purchasing Opportunity Cards that can be used toward the cost of paying for *Internet Essentials* service.
- Launching an enhanced version of its online Learning Center to provide families with enhanced and dynamic content, including interactive content in Spanish.

- Creating the Gold Medal Recognition Program to award grants to communities that have done the most to help close the digital divide and create *Internet Essentials* Learning Zones.