

Broadband's Value Proposition

**Daniel Kent, President
& Executive Director**





Broadband's Increasing Value Proposition

- **About “Net Literacy”**
- **The FCC's new focus on reducing the digital divide**
- **The benefits of Comcast's and CenturyLink's low cost broadband service...and future programs' challenges**
- **How the social aspects of human behavior increase adoption**
- **An example of a campaign with broadband partners that reduces key objections to non-adopters**
- **A program that helped create a “tipping point” of access in populations groups with low broadband adoption rates**
- **Where is the industry in the broadband product life cycle?**
- **Closing a broadband sale with a customer's value proposition**



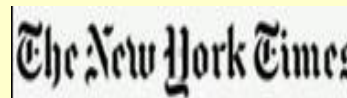
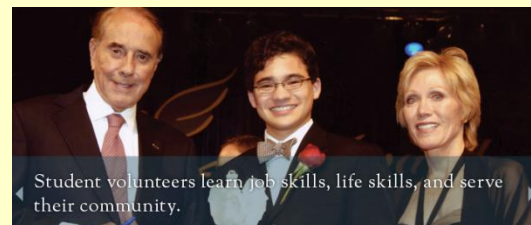
www.NetLiteracy.org

- **A “digital literacy corps” model whose board of directors is 50% comprised of student volunteers**
- **Donated 20,000 computers to schools and nonprofits**
- **Increased computer access to 170,000 individuals**
- **Three programs cited by the FCC’s National Broadband Plan presented to Congress**
- **21st Century Achievement Award Winner by Computerworld Magazine**
- **Cited by the EU’s Commission on Digital Inclusion**
- **Endorsed by Internet associations representing 270,000 Internet companies on six continents**

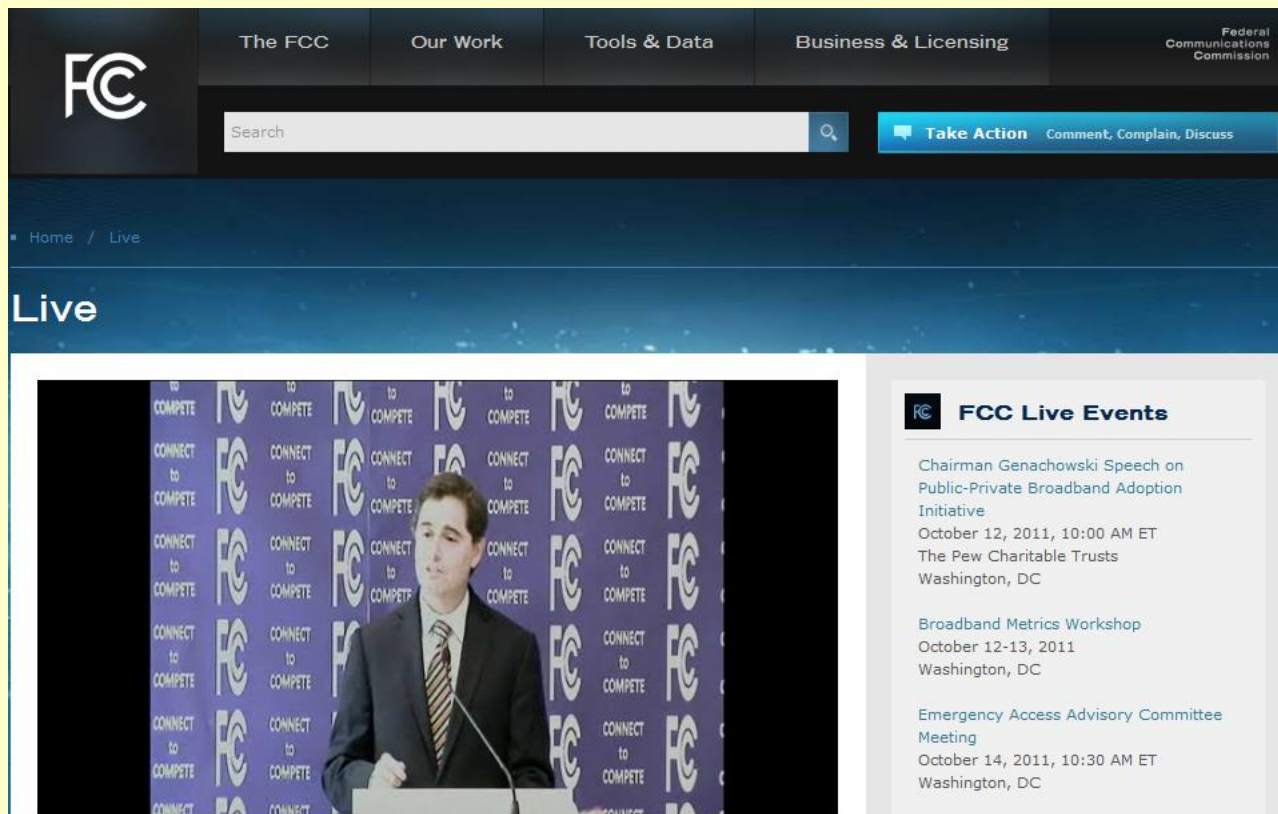
Net Literacy's partners include...



National Impact



FCC Announces a “Connect to Compete” and Plans a “Digital Literacy Corps” (on October 12, 2011)



The screenshot shows the FCC website interface. At the top, there is a navigation bar with the FCC logo and menu items: "The FCC", "Our Work", "Tools & Data", "Business & Licensing", and "Federal Communications Commission". Below the navigation bar is a search bar and a "Take Action" button with the text "Comment, Complain, Discuss".

The main content area is titled "Live" and features a video stream of a man speaking at a podium. The background of the video is a blue wall with the "CONNECT TO COMPETE" logo repeated. To the right of the video is a section titled "FCC Live Events" with the following list of events:

- Chairman Genachowski Speech on Public-Private Broadband Adoption Initiative**
October 12, 2011, 10:00 AM ET
The Pew Charitable Trusts
Washington, DC
- Broadband Metrics Workshop**
October 12-13, 2011
Washington, DC
- Emergency Access Advisory Committee Meeting**
October 14, 2011, 10:30 AM ET
Washington, DC



Internet Essentials and Internet Basics?

Comcast launching Internet Essentials for low-income households

AUG 6 2011 / BY [FRED HOOD](#)

[Tweet](#) 2 [+](#) 0 [Like](#)

Comcast has started offering \$9.95 monthly broadband service and computers to households that meet low-income standards. Their Internet Essentials program will be offered in all 39 states where Comcast offers broadband services.

Don't think that all of this offering is out of the goodness of Comcast's heart. They had to agree to provide this service in exchange for the approval of their acquisition of NBC Universal this year.

Comcast is not the only broadband provider to do this. AT&T has their Naked DSL program. In order for the merger with Bell South to be approved, AT&T was required to offer broadband services to low-income families.

There are some prerequisites and not every low-income family will be able to get this package. The family has to have at least one child who is eligible for the National School Lunch Program and the household has to have less than \$25,000 a year income.

Also, the family cannot be a subscriber to Comcast in the last 90 days before the application. They may not have an outstanding bill with Comcast or have Comcast equipment that has not been returned.

The family will also get a voucher to purchase a new computer for just \$149.99. They will also get literacy training.

When students return to school this fall, those who are eligible will receive a form to fill out and apply for the computer and \$9.95 per month broadband service.

If you're not serious, we should cancel, you may qualify for Internet Essentials from Comcast.

Bring the Internet home for just \$9.95 a month.

The world has gone digital. Internet service has become essential to students. Help us help students succeed. Introducing Internet Essentials. A special service for low-income households. Available only to students who are eligible for the National School Lunch Program. While supplies last. Internet Essentials. Students only.



9.95 per month

no contract

FREE Internet Essentials

LOW-COST COMPUTER for just \$149.99

- Get fast Internet service on the whole family can enjoy:
- DSL
 - Cable
 - DSL
 - Cable
 - DSL
 - Cable
 - DSL
 - Cable

Sign up today!

Call 1-800-8-INTERNET or 1-800-540-8216 for more information. [InternetEssentials.com](#)



FierceCable

[HOME](#) [NEWS](#) [FEATURES](#) [JOBS](#) [EVENTS](#) [WHITEPAPERS](#) [EBOOKS](#) [WEBINARS](#)

CenturyLink duplicates Comcast's \$9.95 monthly high-speed Internet offer

October 3, 2011 — 10:12am ET | By [Steve Donohue](#)

[+](#) 0 [Like](#)

CenturyLink (NYSE: CTL) is marketing a \$9.95 monthly Internet access to low-income households, duplicating a similar offer from Comcast (Nasdaq: CMCSA).



The CenturyLink Internet Basics service, unveiled Monday, offers low-income homes download speeds of 1.5 Mbps, which is the same speed Comcast is offering low-income homes nationwide through its Internet Essentials service. CenturyLink is also offering customers who don't own computers notebooks for \$150, which is the same price Comcast is charging for subscribers in its Internet Essentials program.

Centurylink featured its new Internet Basics service on its website.

But the companies are using different criteria to qualify homes for low-cost Internet access services. Comcast is allowing homes that qualify for the federal school lunch program to sign up for Internet Essentials, while CenturyLink is letting homes that qualify for the Lifeline Affordable Telephone service program buy its Internet Basics package.

The Comcast and CenturyLink offers could compel other broadband ISPs to offer low-income homes Internet access at similar prices. It will be interesting to see if an ISP undercuts the \$9.95 monthly subscriptions from Comcast and CenturyLink.

CenturyLink, which merged with Qwest Communications in April, said it will roll out Internet Basics initially this fall in Foley, Ala., Dumas, Ark., Eagle, Colo., Tallahassee, Phoenix, Galesburg, Ill., Franklin, Ind., Billings and Great Falls, Mont., Las Vegas, Farmington, N.M., Rockingham, N.C., Lorain, Ohio, Columbia River Gorge, Ore., Greenwood, S.C., Seattle and Yakima, Wash., and Glenwood City, Wis. The company, which offers telephone and high-speed service in 37 states--and also resells pay TV programming from DirecTV (Nasdaq: DTV)--said it will expand the low-cost broadband service to additional markets next year.

FREE NEWSLETTER

FierceCable is a daily email news briefing for cable service provider executives. Benefit from our time-saving updates on TV Everywhere, Interactivity, Headend Consolidation, DOCSIS 3.0, and other cable industry business and technology news. Sign up today!

Email address: *

[Sign Me Up!](#)



[About](#) | [Privacy](#) | [Mobile Edition](#)

TOOLS

- [Subscribe](#)
- [Email](#)
- [Print](#)
- [Contact Author](#)
- [Reprint](#)



Internet EssentialsSM 1-855-8-INTERNET (1-855-846-8376)

Sitio en Español | SPREAD THE WORD  

HOME

ABOUT

HOW IT WORKS

FREE LEARNING TOOLS

IN THE NEWS

FAQS

PROGRAM INFORMATION FOR PARTNERS ▶



Introducing Internet Essentials
Fast, affordable home Internet service.
\$9⁹⁵ a month + tax
 If your child receives free school lunches, you may qualify.
[LEARN MORE](#)

While participating in Internet Essentials, customers receive:

AFFORDABLE INTERNET

\$9⁹⁵ a month + tax
no
 • price increases
 • activation fees
 • equipment rental fees

A LOW-COST COMPUTER

\$149⁹⁹ + tax
 Available at initial enrollment

FREE INTERNET TRAINING

Available online, in print and in person

Sign up today:
Call 1-855-8-INTERNET
 (1-855-846-8376)



Educators, community partners and civic leaders:
 See how you can play an important role in bringing affordable Internet home to more people.

[Learn more](#)

Introducing Internet Essentials from Comcast

We want to bring the power of the Internet to more students and families across the country. That's why we created Internet Essentials to offer home Internet service for only \$9.95 a month.

Four ways Internet Essentials gets you connected — for less.

While participating in Internet Essentials:

1. You get fast home Internet service for only \$9.95 a month, plus tax
2. You never have any price increases or pay any activation or equipment rental fees
3. You can buy a computer at initial enrollment for the low price of just \$149.99 + tax
4. You can get free Internet training — online, in print and in person

You also get these benefits:

- Top-rated Norton™ Security Suite (\$160 value) for comprehensive online security, at no additional charge
- Parental controls to help protect kids while they're online

Sign up now for the 2011 – 2012 school year.

If one or more of your children receive free school lunches, your household may qualify for Internet Essentials.

HOW IT WORKS

Attention educators, community partners, and civic leaders:

See how you can play an important role in bringing affordable Internet home to more people.

LEARN MORE

Sign up today:

Call 1-855-8-INTERNET

(1-855-846-8376)





Call Now or
Chat Online Now

Residential | Small - Medium Business | Large Business

Bundles | Internet | Home Phone | TV | Home Security | Verizon Wireless | Moving?

Search



Already a customer?

CenturyLink™ Internet Basics

The technology you need at a price you can afford.

Includes:

- 30-day money-back guarantee
- Security Suite
- Parental controls

Get Started

Program

Requirements

Application Documents

Get Internet that's fast and affordable.

Having the Internet at home makes all the difference- in work, at school and connecting with others. Now you can bring the benefits of the internet home to your family for only

1.5 MBPS HOME INTERNET

\$9⁹⁵
mo.

+ tax and fees
For 12 months

Get Started

Internet access helps you with:

- Homework
- Job searches
- Video and music downloads
- Getting news and information



\$150 NETBOOK

+ tax + S&H.
Available at initial enrollment

**FREE BASIC
INTERNET TRAINING**

Available in person or in print

Helpful documents

Competitive Consideration: Why is Internet Essentials a Win for Comcast?

Comcast.

Internet EssentialsSM

AFFORDABLE INTERNET *

\$**9**⁹⁵
a month
+ tax

no


- price increases
- activation fees
- equipment rental fees



Internet EssentialsSM

The Competitive Opportunities

- 1. The “Right Thing” to do in the eyes of the FCC, media and the public – and Comcast was first to commit to a national program**
- 2. Good public policy – support from schools and elected officials**
- 3. In locations where there is competition – a brand and competitive differentiator**
- 4. Nonprofits can be allies and reduce costs by helping to build and support the digital ecosystem while thanking Comcast**
- 5. Internet Essential customers may be future customers for broadband enabled services such as IPTV and VoIP**



Challenges to All Broadband Providers Providing Similar Programs

- **Rollout challenges**
- **Stock impact? ROI, ARPU, RGU**
- **Meeting the expectation**
 1. **Outreach – partner with supporting community organizations**
 2. **Installation occurs within approximately six weeks after order placement**
 3. **Virtually all families subscribing to the service are installed and do not “give up” because the process seems complicated or unfriendly**
 4. **Training included in the package is “hands-on” and focuses on digital learning or education – this is parents’ most important value proposition**
 5. **The computer hardware is reasonably sturdy for student use**
 6. **Software on the computer enables students to complete basic school work**
 7. **Post training surveys or outreach for continuous improvement**



Culturally Competent Explanations will be Required



IN-CenturyLink Internet Basics PROGRAM APPLICATION

Please Read All Instructions Before Completing

Date: _____

Please fill in all information as completely as possible. The information on this application is strictly confidential and will only be used to verify your eligibility for the CenturyLink Internet Basics program and service. Once you have completed and signed this form please mail or fax the form and copies of supporting documents as instructed at the bottom of the second page. Once your form and supporting documentation is received, CenturyLink will contact you regarding your eligibility and to complete your order if approved. Original documents will not be returned.

Telephone Number or existing Account #	First Name	Middle Initial	Last Name	
Address/Apartment #	City		State	Zip code
Social Security Number of Applicant	Call or can be reached phone number	Best time for us to reach you to complete your order		
Current email address	Number of People In Household (required when qualifying under income criteria)			

PLEASE CHECK programs in which you currently participate and attach a copy of eligibility documentation:

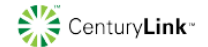
<input type="checkbox"/> Federal Public Housing Assistance / Section 8	<input type="checkbox"/> Additional eligibility criteria may apply to residents of <u>federally recognized tribal lands</u>
<input type="checkbox"/> Supplemental Nutrition Assistance Program (SNAP)	<input type="checkbox"/> Supplemental Security Income (SSI)
<input type="checkbox"/> Medicaid	<input type="checkbox"/> National School Lunch (free program only)
<input type="checkbox"/> Low Income Home Energy Assistance Program (LIHEAP)	<input type="checkbox"/> Temporary Assistance for Needy Families (TANF)
	<input type="checkbox"/> Total household income at or below 135% of the <u>Federal Poverty Guidelines</u>

Please provide the following:

- Signed and completed CenturyLink Internet Basics program application and supporting documents for either #2 or #3 below.
- If you are qualifying under a program, provide a copy of a program identification card or other social service agency documentation showing current participation for each program checked above.
- If you are qualifying based on the size and income level of your household, provide a copy of one of the following:
 - Last year's Federal or State Income Tax Return
 - Current Annual Income Statement from Employer
 - PAYCHECK stubs for most recent three consecutive months
 - Social Security Statement of Benefits
 - Veteran's Administration Statement of Benefits
 - Retirement or Pension Statement of Benefits
 - Unemployment or Worker's Compensation Statement of Benefits
 - Letter of Participation in General Assistance
 - Divorce Decree or Child Support Documentation

Please also indicate the size and income level of your household by selecting one of the following:

Please check Box	Number of people living in home	Household Income: (at or below)	Please check Box	Number of people living in home	Household Income: (at or below)
<input type="checkbox"/>	1	\$14,702	<input type="checkbox"/>	6	\$40,487
<input type="checkbox"/>	2	\$19,859	<input type="checkbox"/>	7	\$45,644
<input type="checkbox"/>	3	\$25,016	<input type="checkbox"/>	8	\$50,801
<input type="checkbox"/>	4	\$30,173	<input type="checkbox"/>	No. ___	\$ _____
<input type="checkbox"/>	5	\$35,330	<input type="checkbox"/>		\$ _____



CenturyLink Internet Basics Program Service Order Form- Please check the boxes below to select your HSI service and equipment. (make one selection (and only one) for each of the sections under the choice of 1 or 2 year term)

1 Year Term Commitment *		2 year Term Commitment *	
Net Book Computer Purchase Net Book computer not available for purchase with the one year Term commitment		Net Book Computer Purchase \$150.00 <input type="checkbox"/>	
Wired Modem Lease \$7.49/month* <input type="checkbox"/>	Wireless Router Lease \$8.49/month* <input type="checkbox"/>	Wired Modem Lease \$7.49/month* <input type="checkbox"/>	Wireless Router Lease \$8.49/month* <input type="checkbox"/>
*Modem lease rate will be discounted to \$0.00 on your bill for the first 12 months of service. In the 13 th month, the lease rate will return to the rate listed above.		*Modem lease rate will be discounted to \$0.00 on your bill for the first 12 months of service. In the 13 th month, the lease rate will return to the rate listed above.	
HSI speeds All speeds may not be available in all areas up to 1.5 M up to 3M 4M up to 10M \$9.95/month 1 st year* \$14.95/month 1 st year* \$19.95/month 1 st year*		HSI speeds All speeds may not be available in all areas up to 1.5 M up to 3M 4M up to 10M \$9.95/month 1 st year* \$14.95/month 1 st year* \$19.95/month 1 st year*	
After first year, prices increase to the following: 1.5M= \$14.95/month up to 3M=\$19.95/month 4M up to 10M=\$24.95/month *Prices do not reflect additional broadband recovery fee of \$1.99/month		After first year, prices increase to the following: 1.5M= \$14.95/month up to 3M=\$19.95/month 4M up to 10M=\$24.95/month *Prices do not reflect additional broadband recovery fee of \$1.99/month	
Required Fees (One Time charge): Self Install <input type="checkbox"/> Tech Install \$22.95 one-time installation <input type="checkbox"/>		Required Fees (One Time charge): Self Install <input type="checkbox"/> Tech Install \$22.95 one-time installation <input type="checkbox"/>	
HSI Activation Fee.....\$15.00		HSI Activation Fee.....\$15.00 Net book shipping and Handling fee.....\$14.95	

*Both one and two year term commitments have a prorated \$200 Early Termination Fee that is applied if customer disconnects before the end of their term. Qualifying customers may keep the CenturyLink Internet Basics program for a maximum of 5 years after service activation provided customer still qualifies during that time. Prices for HSI service return to normal rates after 5 years. Modern Lease/Purchase fees, Install fees, and Required fees, in some areas, may be less. The first bill will include charges for the first full month of service billed in advance, prorated charges for basic service from the date of installation to bill date, and one-time charges for service activation or equipment purchases. Net book purchase must be paid in full prior to shipment. Equipment and service taxes may apply. If you purchase the net book as part of this program the warranty and support for the computer equipment will be covered by the manufacturer or other identified third party, not CenturyLink.

PLEASE READ AND SIGN THE FOLLOWING:

By signing below, I certify under penalty of perjury that 1) the information contained within this application and accompanied documents are true and correct; 2) the HSI service for which I am applying for the discount will be billed in my name; 3) the address listed is my primary place of residence, not a second home or a business; 4) I understand and agree that my household can only receive one HSI discount in total even if my household has more than one internet account; and 5) the number of people in my household as stated above (when qualifying under income criteria) is true and correct. 6.) I currently do not have HSI internet with CenturyLink and have not for the last 90 days.

I authorize CenturyLink or its duly appointed representative to access any records required to verify my statements herein and to confirm my continued eligibility for this HSI discount program. I also authorize social service agency representatives to discuss with and/or provide information to CenturyLink verifying my participation in benefit programs that qualify me for this program. If approved for this program, I authorize CenturyLink or its appointed representative to contact me to gather additional information on my experience with the CenturyLink Internet Basics program. I understand that completion of this application does not constitute immediate approval for the CenturyLink Internet Basics program.

I agree to notify CenturyLink when I no longer participate in any of the above qualifying public assistance programs or when there has been a change in the size or income level of my household. I am aware that CenturyLink may require a yearly re-approval process to ensure continued eligibility for this program and I could be discontinued from the CenturyLink Internet Basics program at the time I no longer am eligible. I am aware that I am allowed to have the CenturyLink Internet Basics program discount only once and it cannot be re-applied for if it is taken off my account or I discontinue service for any reason. I am aware that I can stay on the CenturyLink Internet Basics program for a maximum of 5 years after activation of service providing I meet the qualification requirements continually during that 5 year time and keep the account in good standing. If I elect to purchase the computing equipment as part of the participation in this program, the computer equipment will be covered by the warranty of the manufacturer or third party supplier. I certify under penalty of perjury the above information and attached documentation is true and that I and no one else are receiving benefits at this address for HSI service.

By signing below, I acknowledge that providing fraudulent documentation in order to receive assistance is punishable by law.

Applicant Signature _____ Date _____

DISCLAIMER - Individuals that qualify for the HSI discount program based on eligibility, may experience service limitations. Speed and availability of service are not guaranteed. CenturyLink high speed internet service requires the use of a compatible modem or router. To place your order for HSI, please fill out this form and mail or FAX this completed application and copies of required supporting documents to Original documents are not returned:

CenturyLink Data Services Or Fax to 1-866-810-7530
 555 Lake Border Drive
 Apopka, FL 32703

For answers to questions concerning this program,
 Please call CenturyLink at 1-800-257-3212



- Builds computer labs inside independent living facilities (inside their home)
- Teaches senior citizens how to use the computer and access the Internet by “friendly high school student volunteers”
- One-to-one training customized for the senior citizen
- 45 minutes of training and 10 minutes of value proposition
- Senior “students” recruit new seniors
- Surrogate grandchildren adopted



Teens' company keeps seniors connected

■ **Teens' company** has set up computer labs in independent living facilities to help seniors learn how to use computers and the Internet.

By **William J. Reilly**
 The company, Senior Connects, is a nonprofit organization that provides computer and Internet training to seniors. The company was founded in 1999 and has since grown to serve seniors in many states.

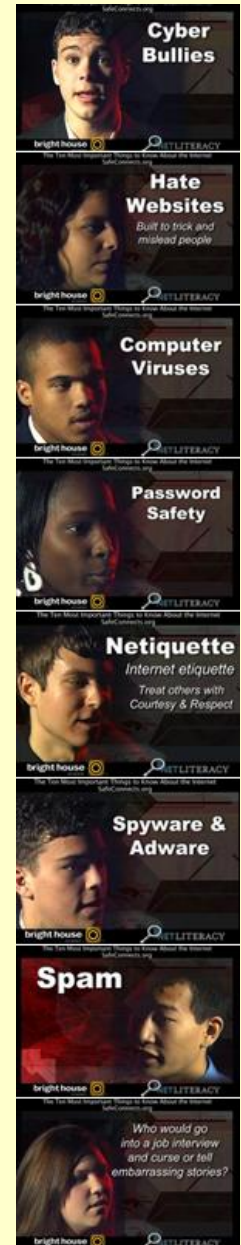
Senior Connects is a volunteer-driven project that has been successful in helping seniors learn how to use computers and the Internet. The company has been successful in helping seniors learn how to use computers and the Internet.

Senior Connects is a volunteer-driven project that has been successful in helping seniors learn how to use computers and the Internet. The company has been successful in helping seniors learn how to use computers and the Internet.





- A 4th through 12th grade “student-to-student-&-parent” program in schools
- Indiana Department of Education approved content
- School districts use (ERate compliant)
- 10,000s have been educated via PSA in annual media awareness campaigns
- Produced three 30 minute Internet safety television programs that will be carried on PEG channels

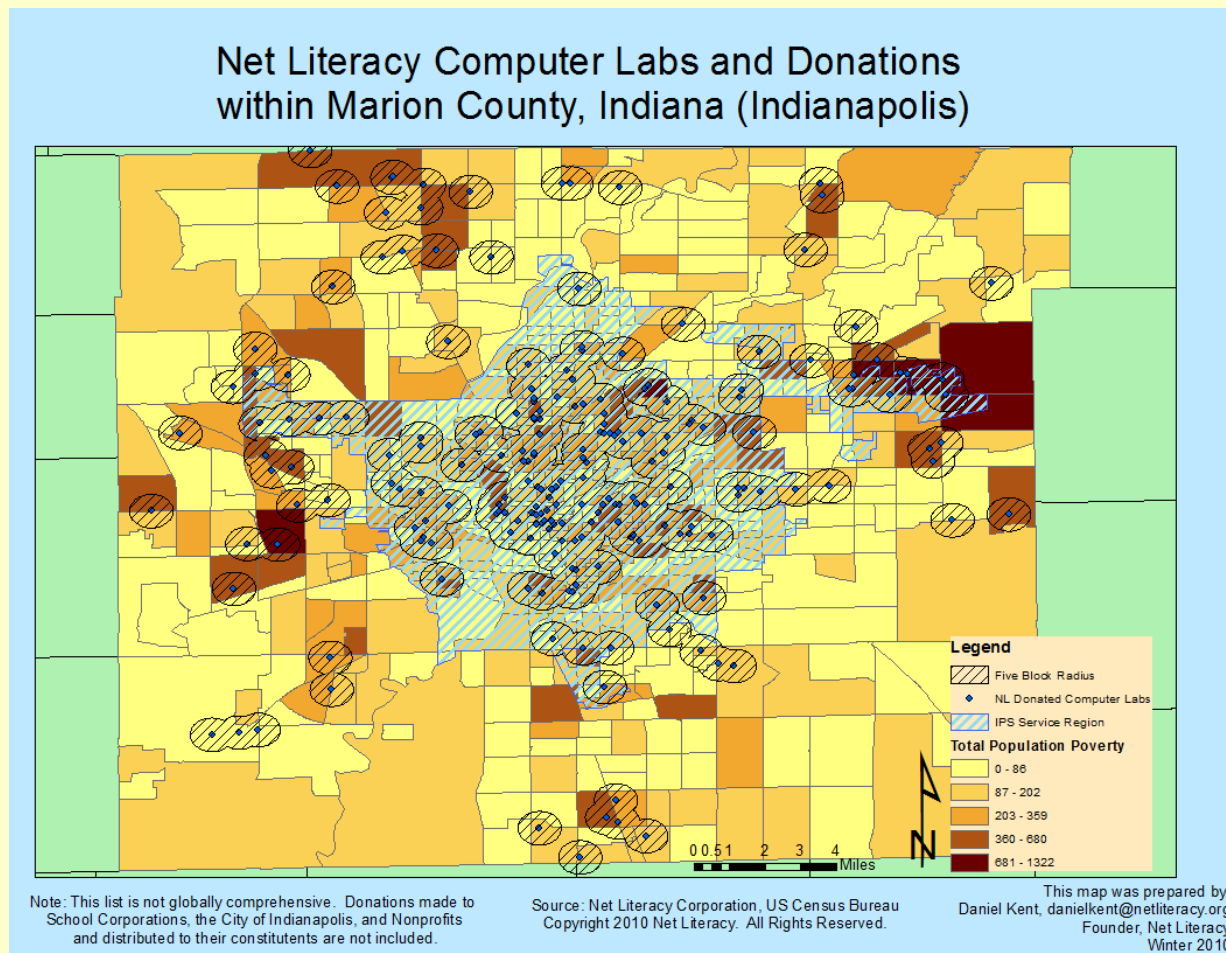




Results of a survey containing 1231 respondents

- 90% of parents learned new information**
- 91% of parents recommended other parents receive this training**
- 93% of parents recommended that other youths receive this training**
- 92% of parents believed their children learned new information**
- 93% of students learned new information**
- 96% of students recommended that other parents receive this training**
- 93% of students recommended that other students receive this training**
- 92% of students believed their parents learned new information**

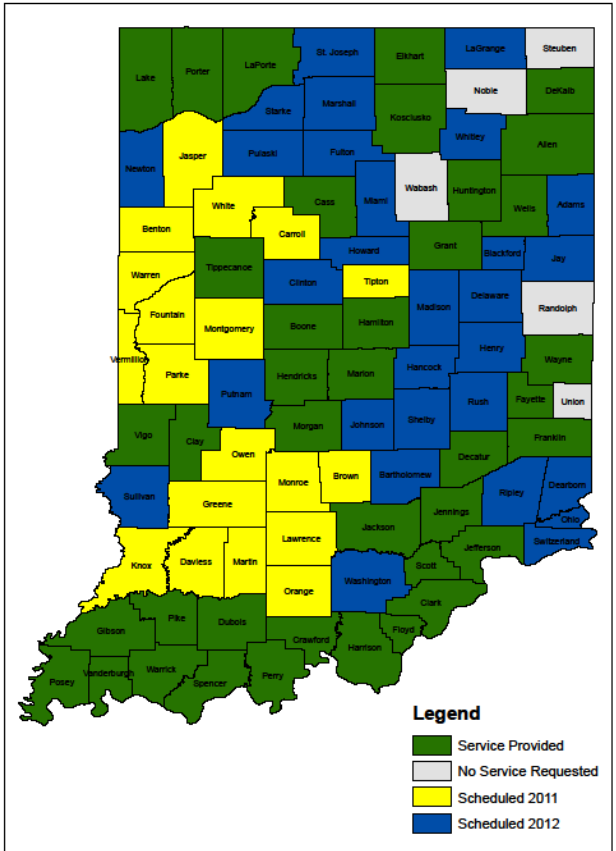
Net Literacy has donated computers to build over 350 computer labs and over 10,000 computers to the families of students without a PC at home



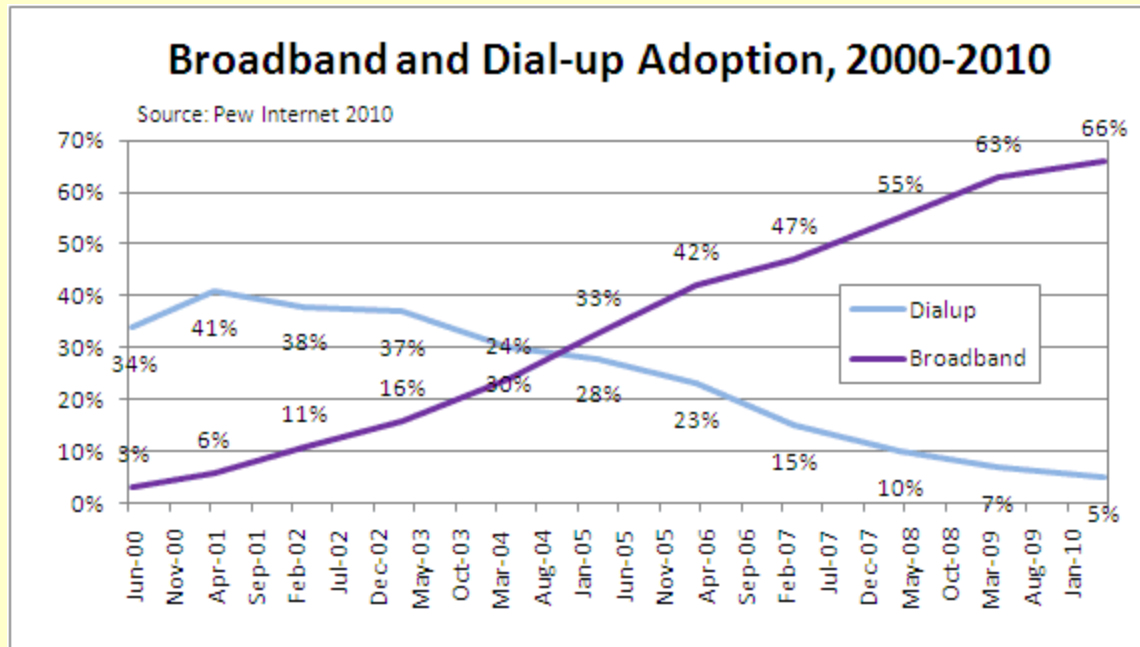


Seeding a Larger Digital Ecosystem With Hundreds of Computer Labs for \$30 per Computer

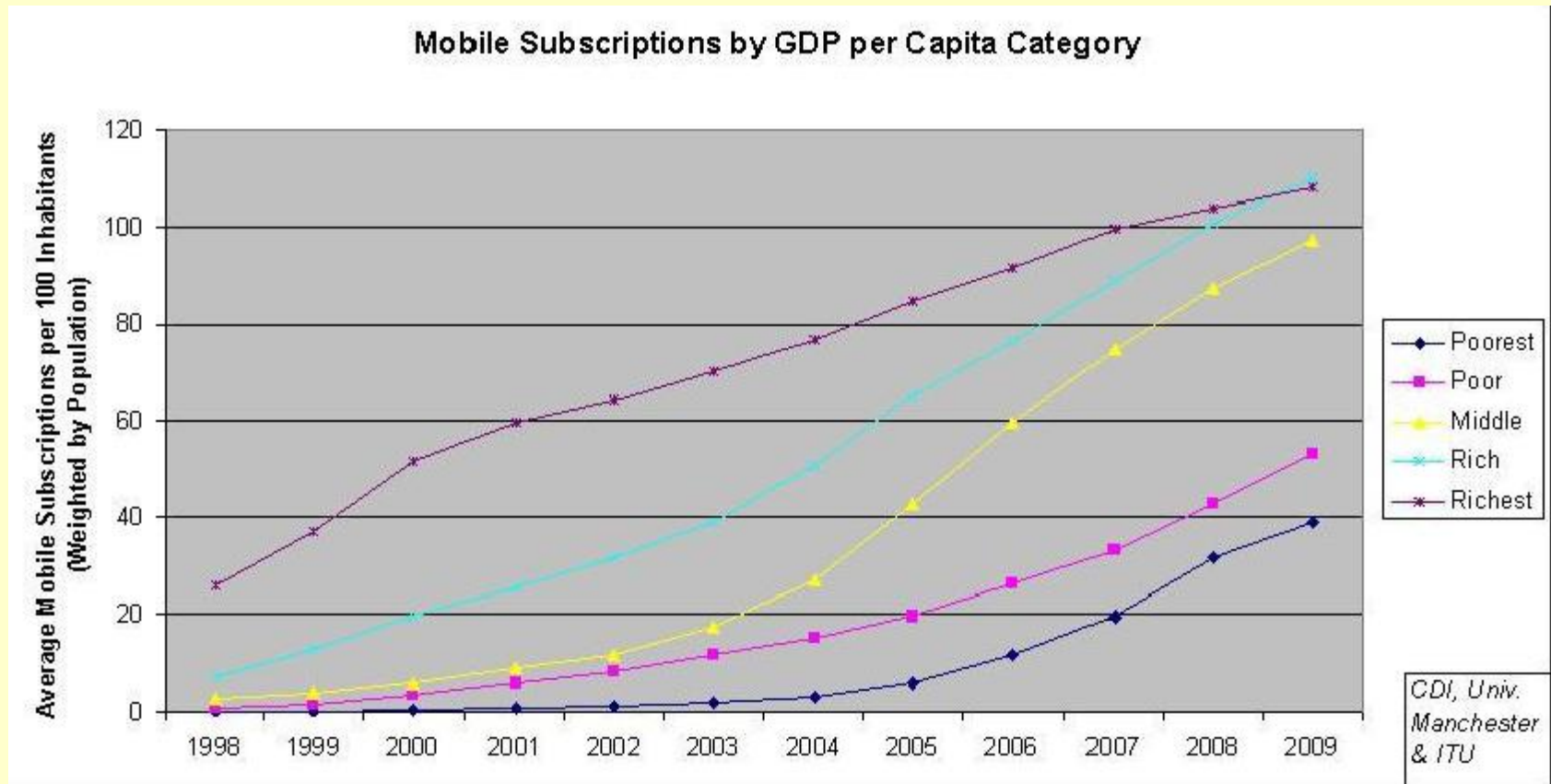
Net Literacy - Indiana Association of United Ways Digital Inclusion Initiative (March 2011)



Broadband Adoption is Increasing



100% Penetration is Not the Limit for Broadband Opportunities





The Value Proposition is the Key

- Relevant to the customer
- Quantified value
- Uniquely differentiating
- Customer benefits rather than product attributes
- Timely
- Target to the market segment



Visit Our Websites for Free Research and Content

(or contact danielkent@netliteracy.org)

- www.NetLiteracy.org
- www.SeniorConnects.org
- www.SafeConnects.org
- www.FinancialConnects.org
- www.ComputerConnects.org
- www.CommunityConnects.org
- www.DigitalLiteracy.org

Broadband's Value Proposition

Daniel Kent, President
& Executive Director

