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CETF and Charter Ink Settlement Agreement That Provides Significant Public Benefits in Broadband Deployment and Adoption

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The California Emerging Technology Fund (CETF) is pleased to announce it has signed a Memorandum of Understanding (MOU) with Charter Communications that provides significant public benefits arising from Charter's proposed acquisition of Time Warner Cable and Bright House Networks. The five-year partnership, to begin when the California Public Utilities Commission (CPUC) approves the "New Charter" corporate consolidation, comes out of a mutual desire to close the Digital Divide by accelerating broadband and adoption in California, particularly to low income and rural consumers.

As a result, CETF enthusiastically supports the prompt approval of the proposed transfer of control, so long as the MOU is made a condition of the approval and the Commission will enforce the MOU.

Charter's Public Benefit Commitments for Broadband Adoption

- New Charter will provide Internet access at speeds higher than any current comparable service (30 Mbps download /4 Mbps upload) at an initial price of \$14.99 per month to households with children enrolled in the National School Lunch Program (free or reduced lunch) and to seniors receiving Supplemental Security Income (SSI).
- Within 5 years, New Charter agrees to make a good faith effort to enroll 350,000 broadband low-income customers in its California service area.
 - Outreach to target low-income communities will be by community-based organizations, schools, libraries and other non-profit organizations.
 - An outreach plan will be developed by June 30, 2017.
- New Charter and CETF will collaborate on communication, marketing, and outreach efforts to low-income communities about the availability of affordable broadband service, including in language and in culture using ethnic media that serve the target communities. New Charter may also provide its local programming resources for this effort.

- New Charter will provide CETF \$6.5 million annually over 5 years, for a total commitment of \$32.5 million, to invest in community partnerships with nonprofit organizations, including schools and libraries, that can serve as “trusted messengers” for encouraging low-income customers to subscribe to high-speed Internet service at home in the New Charter service areas.
 - CETF will work with organizations that serve people with disabilities to ensure equitable outreach to this population and opportunity for broadband adoption.

Charter's Public Benefit Commitments for Broadband Deployment

- Within three years of the close of the transaction, New Charter will provide service to new broadband passings for approximately 70,000 homes and businesses in Kern, Modoc, Monterey, San Bernardino, and Tulare Counties that currently are capable of receiving analog-only cable TV service.
- Within four years of the close of the transaction, New Charter will provide service to new broadband passings for 80,000 additional homes and businesses in Monterey, Tulare, Kern, Stanislaus, San Bernardino, Riverside, Imperial, and Modoc Counties. At least 50% of these new broadband passings must be in communities where more than 25% of households speak a language other than English at home.
- Within four years of the close of the transaction, New Charter will deploy at least 25,000 out-of-home wireless broadband hotspots in underserved areas, with 50% of those wireless hotspots in communities where a quarter of the population does not speak English.
- New Charter will provide free broadband service to 75 anchor institutions in rural areas and low-income urban areas and will identify these anchor institutions by January 30, 2018 in collaboration with CETF.

Accountability and Enforcement

- New Charter will report annually to the CETF leadership and more informally on a quarterly basis on the progress being made in enrolling eligible low-income households to the affordable broadband offer program. CETF will report annually to New Charter leadership on the broadband adoption fund disposition and uses.

- If New Charter fails to perform what it has promised, CETF has the right to go to the CPUC to ask for enforcement of condition.

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