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FEDERAL COMMUNICATIONS COMMISSION
Consumer Advisory Committee Meeting

9:10 a.m.

Wednesday, June 30, 2010

445 12th Street, S.W.

Room TW-C305

Washington, D.C.

P R O C E E D I N G S

1
2 MS. BERLYN: Good morning, everyone and
3 welcome. I have a couple of announcements to make.
4 First I want to thank the Dish Network for -- Alex
5 Constantine is here today representing Dish, and thank
6 you so much for sponsoring our food today. Unexpected
7 pleasure to have breakfast actually, so thank you very
8 much.

9 We'll do a round of introductions, but let
10 me just point out a couple of folks first and say to
11 welcome Chris Soukup, welcome. You are taking Karen's
12 spot -- saw Karen's in back of the room -- Karen
13 Peltz-Strauss's spot representing Communication
14 Service for the Deaf, so welcome and thank you. Bill
15 Belt is here for CEA this morning, and Alex
16 Constantine is here for Dish Network, so thank you
17 all.

18 So why don't we do a quick round of
19 introductions. I'm Debbie Berlyn representing the
20 National Consumers League.

21 MR. DANIELS: Good morning. My name is
22 Lawrence Daniels representing the National Association

1 of State Utility Consumer Advocates.

2 MS. CRESPIY: Good morning. I'm Mary Crespy
3 with Verizon.

4 MR. STEPHENS: I'm Brandon Stephens for the
5 Eastern Band of Cherokee Indians.

6 MR. McELDOWNEY: Ken McEldowney, Consumer
7 Action.

8 MR. BARTHOLME: Ed Bartholme with Call for
9 Action.

10 MR. CONSTANTINE: Alex Constantine, Dish
11 Network.

12 MR. BELT: Bill Belt, Consumer Electronics
13 Association.

14 MS. BOBECK: Ann Bobeck, National
15 Association of Broadcasters. Good morning, everyone.

16 MR. STOUT: Good morning, everyone. I am
17 Claude Stout.

18 UNKNOWN MALE SPEAKER: You have to turn the
19 mic on.

20 MR. STOUT: Yes, good morning. And I am
21 Claude Stout, and I am with the Deaf and Hard of
22 Hearing Consumer Advocacy Network.

1 MS. HAMLIN: Lise Hamlin, Hearing Loss
2 Association of America.

3 MR. SOUKUP: Chris Soukup, Communication
4 Service for the Deaf.

5 MS. HEPPNER: Cheryl Heppner, Northern
6 Virginia Resource Center for Deaf and Hard of Hearing
7 Persons.

8 MR. DEFALCO: Mark Defalco with the
9 Appalachian Regional Commission.

10 MR. COLE: John Cole with the Hawaii Public
11 Utilities Commission.

12 MR. CRAIG: Lew Craig with the Alaska
13 Attorney General's Office.

14 MS. LEECH: Irene Leech, with the Consumer
15 Federation of America.

16 MR. MARSHALL: I need to talk in the
17 microphone, too. I'm Scott Marshall with the
18 Commission.

19 MS. BERLYN: And someone just walked in,
20 Charles?

21 MR. BENTON: Charles Benton, Benton
22 Foundation.

1 MS. BERLYN: Now, for anyone who is new to
2 the room, a couple of technical issues here. When you
3 want to speak, just make sure you do raise your hand.
4 You'll see others doing that, and that's to make sure
5 the folks in the booth back there turn on your mic.

6 The other thing is when we do discussion
7 later in the afternoon, and if you have questions from
8 any of our presenters, we'll use the name cards on its
9 side to say you want to make a remark, and then I'll
10 track that. It's an organized way of doing
11 discussion.

12 Well, welcome, everyone. We have a very
13 full day today, and I think we're ready to get our
14 agenda started. Does anyone have any questions about
15 the day before we get started?

16 [No response.]

17 MS. BERLYN: Okay. We will have remarks
18 from I believe two commissioners this morning. As you
19 all know, we are completely flexible, and so we'll
20 stop business when they come in the room. But we'll
21 continue with our agenda until that point. So I would
22 love to welcome Karen Peltz-Strauss.

1 MR. MARSHALL: A lady who needs no
2 introduction.

3 MS. BERLYN: Exactly. Karen needs no
4 introduction. Karen was a long-time member of this
5 CAC and is now a Deputy Bureau Chief with the Consumer
6 and Government Affairs Bureau. So welcome, Karen.
7 Thank you so much.

8 MS. PELTZ-STRAUSS: I'm glad I came down
9 early.

10 MS. BERLYN: Me, too.

11 MR. MARSHALL: You and me both.

12 MS. PELTZ-STRAUSS. I see, there's actually
13 still some muffins. I don't know if I'm allowed to
14 take them anymore.

15 MR. MARSHALL: We won't tell.

16 MS. PELTZ-STRAUSS: Yeah, don't tell, as we
17 broadcast this across America. It's like those talk
18 shows are, I don't really want to tell anybody, I'm
19 just telling 50 million people.

20 So it's great to be here from this point of
21 view. As you know, I'm the Deputy Bureau Chief of
22 Consumer and Governmental Affairs, and my focus really

1 is mostly disability. And I've actually invited
2 Elizabeth Lyle to come down at 9:30 as well to talk
3 about the Accessibility and Innovation Forum, which is
4 what I'm listed on on the program, but actually she is
5 really the leader or the person spearheading the
6 actual forum.

7 So what I thought I would do is talk more
8 about some of the things that we've done in the Bureau
9 since I arrived, and some of the things that the
10 Bureau and the Commission has in the planning stages
11 for the coming year with respect to disability
12 proceedings.

13 So this was a big week here at the
14 Commission, because just Monday, we released several
15 items on relay services. We released a Notice of
16 Inquiry on Relay and the new rates for the coming
17 year.

18 I am recused from the rate issue, and I will
19 state for the record that I actually was the last
20 person probably in America to know the rate. I
21 refused to let anyone even tell me it until Monday
22 morning, and they said, how do you not know? The

1 entire world knows that this rate is? I said, no, I
2 don't know.

3 So I'm not going to tell about the rate
4 issue, but the Notice of Inquiry accompanying the rate
5 is designed to take a fresh look at relay services
6 going forward -- I'm allowed to work on this.

7 It's basically looking at the compensation -
8 - not only the compensation of relay, but really the
9 whole video relay program, and this is mostly focused
10 on video relay for the NOI, both in terms of whether
11 the compensation methodology that we're using makes
12 sense in a new technological environment.

13 For example, it's coming to be that video
14 communications is finally becoming more mainstream.
15 For example, the introduction of the iPhone 4, and now
16 just now last night I learned that the Droid has Skype
17 capability. There's going to be able to be video
18 communication point to point by anybody.

19 So right now, the VRS providers have been
20 providing point to point along with the relay service.
21 Well, does that make sense in the future? And right
22 now, people get their video equipment only from

1 providers. Consumers probably want to be able to get
2 equipment off the shelf from retail establishments,
3 but that retail equipment right now doesn't really
4 work with our numbering system.

5 And so it kind of asks about how people get
6 their equipment, it asks about certification of relay
7 providers, because we have a certification process
8 right now. It's not clear that there's enough
9 oversight of relay providers, so we want to ask about
10 that.

11 And it asks a whole range of questions about
12 whether consumers are getting their needs met and
13 whether the compensation scheme is fair and just.
14 There's huge diversity in the way providers report
15 their compensation and should there be greater
16 equivalents in terms of accounting methods, and really
17 should the Commission just take a completely fresh
18 look at this whole program.

19 So that's what the NOI asks. A few weeks
20 ago, we also released a Notice of Proposed Rulemaking,
21 which asks for greater accountability by video relay
22 providers as well. And looks at a couple of other

1 things along those lines on the relay program. So
2 that's one of the things that we're working.

3 The rely, the Notice of Inquiry is first,
4 then it's going to be followed by Notice of Proposed
5 Rulemaking and then an order, and that's going to take
6 us through a lot of the year. And so we're kind of on
7 a fast track on this because we need to get everything
8 resolved in time for the relay providers to submit
9 their cost data, which will be in the late winter. So
10 we're on a very, very fast track.

11 Something else that we did a couple of
12 months ago, or about a month ago -- Elizabeth Lyle is
13 going to join me, just came down -- is that we had a
14 Wireless Accessibility workshop. And Elizabeth is
15 actually now a part of the Wireless Bureau.

16 And this has been a huge success, which was
17 a way to learn from consumers about the problems that
18 they're having accessing wireless phones, and hear
19 from the industry on some possible solutions. And it
20 really laid the groundwork for some additional work
21 that we're hoping to do in the future.

22 You should be hearing more from us on that

1 point, but the goal is to make sure that Section 255,
2 which requires wireless phones to be accessible to
3 people with disabilities, is implemented to a greater
4 extent than it has been in the past and that it's
5 enforced to a greater extent.

6 And one of the things that Elizabeth is
7 going to be talking about is that one of the ways
8 we're going to be looking at doing this is through
9 facilitated dialogs and other ways to have industry
10 communicate with consumers on solutions to this and
11 other accessibility problems.

12 We also had a mini summit on deaf-blind
13 issues. I call it a mini summit because it was really
14 only -- it was kind of one-sided. It was 12 deaf-
15 blind adults that came to our offices in conjunction
16 with a program run by the National Helen Keller
17 Center, and it was absolutely phenomenal.

18 Just the orchestration of interpreters, we
19 had two interpreters for almost each person. And each
20 person, people who are deaf-blind communicate in
21 different ways. It's not that everybody communicates
22 in the same way.

1 So we had really almost like an orchestra of
2 different kinds of interpreting in the room. Some
3 people have some vision, some people have some
4 hearing, some people have tunnel vision. And we
5 learned from this group firsthand what their needs
6 are, and it was very, very enlightening.

7 So we're going to be following up with that.
8 They are going to be having a national summit on deaf-
9 blind issues next year. We've already made plans to
10 try to attend that. That's going to be in Kentucky.

11 We also in the past couple weeks got our
12 video programming registry up and running. And that's
13 a registry that allows -- our rules require video
14 programming distributors to provide their contact
15 information and get it entered into the registry or
16 enter it themselves for the purposes of having,
17 enabling consumers to know which their provider is,
18 which their distributor is for the purpose of filing
19 complaints.

20 And these are complaints that would be --
21 were expressing concerns, either immediately at the
22 time that the program is on. If captioning falls off,

1 they could have a contact person to call and say,
2 there's no captions, please fix it, or to file
3 complaints with the Commission for resolution on a
4 longer term basis. So that registry is up and
5 running, and has been usually successful in terms of
6 enabling consumers to file complaints more easily, and
7 enabling us to find out where the providers or the
8 distributors are.

9 Looking around -- because I think that some
10 people from the Disability Rights Office may stop off
11 down here so I can introduce you to them, but I don't
12 see too many now. And we are going -- so in the
13 coming months, what we are going to be doing -- oh,
14 and here are some of them.

15 So over there is Amy Brown -- if you could
16 stand up -- and Arlene Alexander, and they actually
17 both worked on this registry that I just talked about.
18 And Amy's focus is specifically on closed captioning
19 issues, and Arlene's does web and a ton of other
20 things in the Bureau that need to be taken care of.

21 So in the future, we're going to be doing a
22 lot of different things. Oh, and here's some more

1 staff. So there's Greg Hlibok, and many of you know
2 him, Greg works on relay issues. And Sherita Kennedy,
3 and Sherita works on the complaints. So she's been
4 the recipient of handling many of the closed
5 captioning complaints that I just described.

6 And one of the things that we're trying to
7 do is get our staff out in the open a little bit more
8 so that when you have issues, complaints, et cetera,
9 you know who to go to. You can place a face with a
10 name and feel more comfortable contacting us. Because
11 we are part of the Open Government effort, and we want
12 to be able to answer peoples' concerns.

13 So in the future, as I mentioned, we have a
14 lot on the agenda. One of the things I said is we're
15 going to be following up on the Wireless Accessibility
16 Workshop, trying to figure out how to create
17 consensus.

18 There have been consensus in the past on
19 hearing and compatibility issues, and we're hoping to
20 achieve greater consensus on some of the accessibility
21 issues, especially for people who are blind or deaf-
22 blind and don't have access to cell phones. We are

1 going to be looking at ways to improve the Wireless
2 Bureau.

3 We'll be looking at ways to improve the
4 hearing and compatibility rules. We are going to be
5 looking at ways to improve the closed captioning
6 rules. There's still an outstanding petition that was
7 filed in 2004 or '05 -- '04? '04. We issued a Notice
8 of Proposed Rulemaking on that in 2005 accepting the
9 petition, but there have been no rules that have been
10 issued. So we're looking at that.

11 And then of course we have the
12 implementation of the Broadband Plan, and that is
13 going to be huge. That's over the next year as well
14 and the year after. And that includes several
15 proceedings, starting with an NOI on real-time text,
16 which is a means of enabling people who use text to
17 communicate with other people who use text in real-
18 time, not type and send. And it would be a means of
19 enabling this in the digital environment, because TTYs
20 and the analog environment are on their way out.

21 We also are going to be doing an update of
22 the Section 255 rules so that we can extend their

1 application to Internet-based services and equipment,
2 and of course this is also a little bit mired in the
3 Commission's reclassification or efforts to extend
4 rules to certain Title II provisions. Of course, that
5 has a lot of other implications that you are all aware
6 of.

7 Something else that you may be aware of is
8 that HR-3101, which deals directly with this, is being
9 marked up today in the House. Probably everybody
10 knows that. And the Senate looks like it's also
11 interested in marking it up and getting it passed this
12 year, which would eliminate for disability issues, any
13 of the reclassification Comcast/ancillary jurisdiction
14 issues.

15 And then finally -- or maybe not so finally
16 next is --

17 [Laughter.]

18 -- access to Internet video programming.

19 This is of course, making sure that the closed
20 captioning rules that now apply to television
21 programming extend to the Internet, also looking at
22 access to devices used with Internet video

1 programming.

2 And that would not only be limited to closed
3 captioning but also access by people with vision
4 disabilities, especially user interfaces. We're also
5 going to be looking at generally user interface issues
6 with respect to not only digital television but also
7 Internet-based devices.

8 Again, obviously this is an enormous agenda.
9 We're not going to be doing all of this overnight.
10 It's going to take some time.

11 And finally, we have a constant stream of
12 relay issues on just -- it's just an enormous number
13 of issues that have been pending that we're going to
14 be trying to resolve, including numbering for hearing
15 people, questions again about certification, about
16 white labels. But also specifically focusing a little
17 bit more on improving relay services for groups that
18 have not really been as much on the radar.

19 And that will include people who use speech-
20 to-speech relay services and people who are deaf-
21 blind. And so we're already in the process of talking
22 and discussing ways to improve our existing relay

1 rules and possibly implementing new guidance for these
2 kinds of services.

3 I think one more person came from the
4 Disability Rights Office, and that's Andy Mulitz --
5 two people, actually -- and Susan Kimmel. If you
6 could stand up? There's Andy, and Andy works on relay
7 issues and other things, and Susan is one of the
8 Deputies of the office, and she works on a variety of
9 issues.

10 So I'm going to hand it over to Elizabeth,
11 and she'll talk about the Accessibility and Innovation
12 Forum, and then maybe we could take a couple of
13 questions.

14 MS. LYLE: Good morning. I think you can
15 tell that Karen has a huge agenda, and I don't know
16 how we ever survived without her, and we're so happy
17 that she's here.

18 MS. PELTZ-STRAUSS: Thank you.

19 MS. LYLE: One of the recommendations in the
20 National Broadband Plan I think is, I might have
21 discussed last time I was here, was the establishment
22 of an Accessibility and Innovation Forum. And we have

1 been -- we're going to be launching that on July 19 at
2 a celebration of the ADA.

3 We have been doing extensive outreach and
4 talking to many of you, we've had a lot of meetings.
5 We have had blog posts where we sought input on issues
6 dealing with, you know, how we should establish a
7 clearing house, what that would look like, and also a
8 problem-solving commons.

9 We talked about having a Chairman's award
10 and what we should do to implement that. That's
11 questions about the use of more extensive new media
12 tools, including using guest blog posts. And we also
13 asked lots of questions on what kind of field events
14 and workshops we should have as part of this.

15 I mean what this is, is we're trying to have
16 both online and in-person meetings where we can do a
17 lot of collaborative problem solving, and using some
18 of the Open Government tools that Karen talked about
19 also.

20 We're really excited about these efforts. I
21 think we're learning that we cannot do this by
22 ourselves. We're going to need a lot of help from the

1 other people in the public sector and private sector
2 to put this together.

3 It's going to be scalable. We're going to
4 start off with some initiatives on July 19, but we're
5 going to be building it over the next year, year and a
6 half, two years, and we look forward to working with
7 you on that effort.

8 MS. PELTZ-STRAUSS: So we'd love to take
9 some questions, and I just want to say that Elizabeth
10 keeps me honest. She's the one that you should
11 definitely go to when you want a chief consensus.
12 She's the one that says, we've got to work this out.
13 So we're a good balance.

14 I want to introduce one other person,
15 Marilyn Abraham, if you could stand up, who's also
16 with our Disability Rights Office. And Marilyn
17 handles - some - she looks at inquiries and handles
18 TRS complaint logs and various other issues also
19 related to complaints in TRS. Yes, Ken?

20 MR. McELDOWNEY: I must say it's nice to see
21 you on that side of the table. I have a question that
22 may be sort of outside of the scope of what you guys

1 are working on, but one of our new staff members is
2 blind. And he was sort of looking at various social
3 media sites and discovered at Facebook, which now has
4 like 500 million members or something, is really
5 inaccessible to folks who are blind.

6 And I guess one of the issues I have is just
7 in terms of, as the Commission is moving more toward
8 broadband access, are there any efforts being taken in
9 terms of making sure that at least the major Web sites
10 are accessible to people with disabilities?

11 MS. PELTZ-STRAUSS: That's a good question,
12 and it's a hard question actually, because both our
13 rules, were we to extend them under Section 255 and
14 the provisions in HR-3101, which would formally give
15 us the authority to do so -- both would not reach
16 Facebook. But what they would reach are the ramps to
17 Facebook.

18 So it would reach the user interfaces, so if
19 you're trying to -- it's a fine distinction, and I get
20 myself in trouble when I start trying to figure out
21 where that line is drawn. That's the best image that
22 I can create, that it's the ramp to but it stops at

1 the Web site.

2 Now, the Department of Justice is also now
3 looking at updating its rules, and they've made this
4 public in a hearing couple of weeks ago, to expand its
5 ADA rules on Title II and Title III to Web sites. But
6 even that would probably not reach social media sites.
7 Rather, it would reach places of public accommodation
8 and state and local governments.

9 So as of now, I don't know if any plans in
10 place to reach these megasites. That's not to say
11 that it's not something that the Commission would
12 consider, or at least that I think -- maybe if not the
13 Commission, that somebody would consider, because I'm
14 not sure that we're the right ones.

15 It may be the Department of Justice. I
16 think it may fall under their jurisdiction more than
17 ours, as more of an ADA-type issue. It's something to
18 consider. And then, also, well why don't I give it to
19 Elizabeth, because she'll work it out with the
20 industry.

21 MS. LYLE: I would add that's what's really
22 promising about the Accessibility Innovation Forum is

1 we don't have to worry about where those lines are.
2 It would be more of a common sense approach. We're
3 talking about broadband accessibility. Of course that
4 would be an important thing.

5 So the question is what kind of tools would
6 we use to help foster that and facilitate that. If
7 you had a problem-solving commons, for example,
8 someone could post, here's a challenge, or we could
9 sponsor a challenge. I mean I think there are lots of
10 tools that we're going to be looking at to get
11 involved in a non-regulatory way as well.

12 MS. PELTZ-STRAUSS: See, I told you, she's a
13 non-regulatory and I'm the regulatory. But she's
14 right, because actually right now -

15 UNKNOWN MALE SPEAKER: She's the consensus
16 right?

17 MS. PELTZ-STRAUSS: Right -- no, I mean no.

18 MS. LYLE: She's right, too.

19 MS. PELTZ-STRAUSS: See, we work very well
20 together. No, but it - you know Netflix is now
21 starting to finally make its videos accessible online,
22 and that is not regulated.

1 So the wonderful thing about the Internet is
2 that there are technical solutions that can be
3 implemented if people put their minds to them. So you
4 know I think that this is probably a good one for a
5 non-regulatory approach rather than wait for the
6 regulatory to catch up. Charles?

7 MR. BENTON: Karen, it's not only great to
8 see you here in your current role, but it's inspiring
9 that the number of your staff has shown up. This is
10 one of the outstanding -- we want to, as an advisory
11 committee, we want to be relating to the staff, and to
12 have your staff here in force to support you is really
13 inspiring, and we're thrilled.

14 Let me just ask the obvious question.
15 Having been on the other side of the issues here, as a
16 longtime member of the CAC, what can the CAC do to
17 help you? How can we help you, because you must have
18 some things where you need help and where you have
19 barriers that are hard to overcome. I'm just
20 wondering, can you help us set the agenda on how we
21 can help you?

22 MS. PELTZ-STRAUSS: Well, first of all I

1 want to say that I find that I don't have that many
2 barriers, other than time. That this Commission in
3 wholly dedicated to doing the right thing when it
4 comes to implementing laws to protect people with
5 disabilities. So that's a good thing. I would love
6 more staff --

7 MS. LYLE: Hours in a day.

8 MS. PELTZ-STRAUSS: Hours in a day. But you
9 can see, as you just pointed out, the staff is here,
10 and that's wonderful, and they're very, very
11 dedicated.

12 I just want to actually comment that we're
13 all going to be leaving shortly, because I have
14 meetings at the White House. And so I apologize
15 because we won't be here most of the day. But the
16 staff is incredibly dedicated, the Commission is
17 incredibly dedicated.

18 Having said that, it always helps when an
19 advisory body to the Commission makes recommendations.
20 And to the extent that you can make recommendations,
21 let CGB know about it and let the Commissioners know
22 about it, that's going to go a huge way. So you know,

1 basically do what you've done in the past but just do
2 more of it.

3 MS. BERLYN: Thanks. Can you take one more
4 question?

5 MS. PELTZ-STRAUSS: Sure.

6 MS. BERLYN: Lise?

7 MS. HAMLIN: I'd also like to echo what
8 everyone else has been saying. It's so nice to see
9 you and your staff here.

10 MS. PELTZ-STRAUSS: Thanks.

11 MS. HAMLIN: I really applaud everyone for
12 all your hard work, really. You've been terrific, and
13 you were terrific even before you were there. But let
14 me -- Charles asked a broad question. I'm going to
15 ask a real narrow one, and maybe one of your staff can
16 answer.

17 Recently the captioning rules changed so
18 that you can get -- so the FCC gets directly
19 captioning complaints. Are you planning to put out
20 reports periodically that shows what kinds of
21 complaints are coming in, not just how many, but like
22 types of complaints so that we can sort of look at the

1 picture, what it's looking like as it comes in?

2 MS. PELTZ-STRAUSS: We are actually talking
3 about that right now, and we do want to report on the
4 existence of the complaints. What we need to find out
5 is how much detail we can report. But you know that a
6 working group was formed on digital television. It
7 hasn't met for a while, but that doesn't mean that
8 we're not working on these issues.

9 So it's helpful to know that you want that
10 kind of information, and we will take that back. I
11 have time for one or two more.

12 MS. BERLYN: Does anyone else have -- yeah,
13 Bill?

14 MR. BELT: Question for Karen, and it is
15 great to see you. I haven't seen you since you
16 started your new job. So it must have been
17 fascinating, I imagine, to meet with the deaf-blind
18 community and to hear about their needs.

19 And I'm curious, did you learn anything in
20 particular that you didn't know before that you think
21 is so important, may be worth mentioning to this group
22 today?

1 MS. PELTZ-STRAUSS: Yes, and in fact we did
2 -- I did learn things, and we all did, I think. First
3 of all, I myself knew that there was a range of people
4 who were deaf-blind, but to see it in action was very
5 informative. As I said, there were different people
6 in different parts of the room that had different
7 abilities, and it was just very helpful to see that.

8 The other thing that I know that I learned
9 was that there are many, many things that can be done
10 by relay services now, instantly, that could help
11 these people communicate. For example, having plain
12 backgrounds, having people wear a certain color of
13 clothing, having video relay service interpreters be
14 patient.

15 There were just like a list of things that
16 they pointed out that could be done right now that
17 could facilitate their communication. We also learned
18 that most cell phones are not compatible with Braille
19 displays, which I don't think we had really focused on
20 before, and so the question is why.

21 So yes, we did learn a lot of things. I
22 don't know if Susan, whether you want to add anything.

1 You don't have to.

2 MS. KIMMEL: We were really thrilled to meet
3 with these young people who were advocates for the
4 deaf-blind, and saw this as a very good first step in
5 beginning the Summit and other types of activities
6 that we need to research further to take this to the
7 next step. So it was a very exciting opportunity that
8 day.

9 MS. PELTZ-STRAUSS: I think Claude had a
10 question, maybe that will be the last one?

11 MS. BERYLYN: Yes, Claude.

12 MR. STOUT: Karen, I'd like to thank you for
13 having your team here with us this morning. We really
14 appreciate it.

15 I'd also like to mention something for the
16 record for everyone in our community to know that
17 Karen and the team at the DRO have had more open
18 dialog with us, the consumer groups.

19 First we wanted to have meetings every
20 couple of weeks, and it didn't end up being possible.
21 As you also heard that Karen was talking about time
22 being a big challenge. But we've been meeting with

1 them about every six weeks or so.

2 And in those meetings, we have already had
3 two formal discussions with them. At our first
4 meeting, we focused on TRS issues. At our second
5 meeting, which we just had recently, we were talking
6 about some remaining TRS issues, and we're going to be
7 going into some emergency communication issues in
8 subsequent meetings as well.

9 Those two meetings we've already had have
10 been great. We've already been talking about getting
11 together some more meetings about captioning issues.
12 And I want to really thank you for your willingness
13 and your commitment to continue meeting with us and to
14 continue our open dialog about those important issues.
15 Thank you again.

16 MS. PELTZ-STRAUSS: You know, meeting with
17 all of you, and not only the consumer groups but I
18 mean we've also had -- I can't count the number of
19 meetings that Elizabeth has set up with the industry -
20 - is enormously helpful to us. Because we are here to
21 serve the public, so it's mutual, it's a mutual
22 benefit.

1 I just wanted to mention two more things.
2 One is, I mentioned that the Chairman and the
3 Commissioners are very supportive. I also wanted to
4 reiterate that Joel Gurin, who is the Chief of CGB, is
5 incredibly supportive as well of everything that we
6 do.

7 He's out of the office this week and that's
8 why he's not here. But he is somebody that is very
9 approachable for anybody that wants to meet with him.
10 And I encourage you that if you know, as a group, CAC,
11 if there's anything you ever want to take up with him,
12 his door is wide open.

13 And then the last thing I wanted to mention
14 is that we are having an ADA, an anniversary, 20th
15 anniversary of the Americans with Disabilities Act
16 event on July 19th. That is morphing into something
17 bigger than we could have ever imagined, which may
18 have some involvement or significant involvement by
19 the White House. And so hopefully by the end of this
20 week or the beginning of next week you're going to
21 hear more about it.

22 There may be a change of venue. We were

1 originally -- we're having a Technology Expo to
2 demonstrate and exhibit modern and innovative
3 technologies that are accessible to people with
4 disabilities, both mainstream and assistive. And we
5 were going to have it here, and that may be moved to a
6 bigger location. So just stay tuned. It will still
7 be in Washington, D.C., but we wanted to let you know
8 that it's going to have a lot of different components
9 to it.

10 The afternoon will have a performance by a
11 deaf troupe, deaf theater troupe. And one of the
12 other things that the event is going to have is a
13 video that contains historical chronicles of people
14 who are deaf and/or blind or low vision, hard of
15 hearing, cerebral palsy, people with disabilities, and
16 how technology has changed their lives.

17 And we have incredible staff that have been
18 literally pouring day and night into making this video
19 work -- taking the videos and cutting and editing.
20 I've never seen such dedication before. So we're
21 really looking forward to that that video ultimately
22 will be put on our Web site and will be available for

1 anybody to see, but it will be debuted on the 19th.

2 MS. BERLYN: Thank you so much, Karen for
3 being here and for brining so many of your staff. We
4 look forward to working with you. So thank you very
5 much.

6 MS. PELTZ-STRAUSS: Thanks.

7 [Applause.]

8 MS. BERLYN: As Karen mentioned, Joel Gurin
9 couldn't be here. He's out this week, but we have the
10 abundance of riches here with Karen speaking and also
11 Yul Kwon, who is another Deputy Bureau Chief and is
12 going to fill us in on what the CGB is up to. So
13 thank you very much, Yul, for being here.

14 MR. KWON: Thank you, and it's a pleasure to
15 be here. I saw the love that went to Karen and I'm
16 hoping some of that rubs off on me. So please pretend
17 I'm Karen.

18 [Laughter.]

19 MR. KWON: So Joel Gurin, who's our Chief,
20 regrets that he's away on vacation. But I'm just here
21 to provide sort of a very high level overview of some
22 of the initiatives that we've been working on. A lot

1 of these are going to be covered in greater depth over
2 the course of the day from other people giving
3 briefings, but just wanted to give kind of a high-
4 level picture of where we're going.

5 I think in general we feel pretty good about
6 the Bureau and the fact that we've been able to have a
7 number of pretty high visibility, high profile
8 initiatives really servicing consumers and reaching
9 out to consumers.

10 We've done this both internally as a Bureau
11 and as part of a larger consumer task force within the
12 Commission, which is an effort to ensure that all the
13 different bureaus are coordinating together on a
14 larger agenda that benefits consumers.

15 So just at a very high level, the Task Force
16 I think has started building a pretty good track
17 record of different initiatives. We did a public
18 campaign on bill shock, and we've released survey
19 results showing how consumers see bill shock and early
20 termination fees.

21 We've begun a national test on broadband
22 speeds, and we've worked with the International Bureau

1 to launch Wireless World Travel Week. So I'll go into
2 those in a little bit more detail.

3 A lot of this kind of started with an NOI
4 that was released last August, something we called a
5 Consumer Information and Disclosure NOI, which sought
6 comment on whether there were opportunities to protect
7 and empower American consumers by ensuring sufficient
8 access to relevant information about consumer
9 services.

10 On May 11 we released the Bill Shock Public
11 Notice, News Release and Tip Sheet. The Public Notice
12 asked whether there are technological or other reasons
13 U.S. wireless carriers cannot implement the anti-bill
14 shock measures recently required in the European
15 Union.

16 The PN also asked what U.S. carriers are
17 already doing to prevent bill shock. And if people
18 don't know what bill shock is referring to, it's
19 something that I'm sure many of us have experienced.
20 It's when you open up your bill and you go almost into
21 a heart attack.

22 So the comments from PN on bill shock are

1 due on July 6th with reply comments due on July 19th.
2 We have also started a national effort to test
3 broadband speeds. We recently released results from a
4 survey showing that most Americans have no idea what
5 kind of broadband speeds they're actually getting.

6 There are two components to this -- fixed
7 broadband speed testing. We've contracted with a
8 company called SamKnows to test speeds of 10,000
9 volunteers, which was a much larger response than we
10 had expected, but lots of people were very excited
11 about this initiative.

12 On the mobile side, the Commission released
13 a Public Notice on June 1st, proposing to test speeds
14 for mobile broadband. The Public Notice asked how
15 that should be done, given the distinct
16 characteristics of mobile and how to do it in a way
17 that protects user privacy, and comments for the PN
18 are due July 8th.

19 We also recently had Wireless World Travel
20 Week, which was a campaign we initiated in
21 coordination with the International Bureau. That
22 basically given the fact that we're kicking off the

1 summer season, lots of people are going overseas, we
2 wanted to make sure that consumers understood that
3 when they go overseas, they could be subject to
4 additional charges that they may not have been aware
5 of.

6 We've been hearing lots of comments from
7 consumers who have had a certain number of horror
8 stories. So we had a full week devoted to this issue.
9 Every day we focused on a different issue and we went
10 out to different outlets, through social media. I and
11 a bunch of people from our Consumer Affairs Outreach
12 Division spent the day in Dulles International
13 Airport, going around giving tip sheets to different
14 consumers and asking them about their experiences.

15 And the reality is, some people were very
16 informed about what they could do. They knew that if
17 you go to another country, you had different options.
18 For example, you could rent phones, you could buy a
19 SIM card and essentially turn the phone into a local
20 phone, you could get calling cards.

21 But I'd say the majority of people really
22 hadn't thought it through, and they didn't realize

1 that they could be hit with these fees, and they
2 hadn't really taken steps actively to contact their
3 carriers to figure out whether they could get onto an
4 affordable global calling plan. So we think we've
5 made at least a dent in this issue and gotten some
6 pretty good publicity on this front.

7 Global calls. The Commission has issued an
8 NPRM on January 22nd. Among other things, it proposes
9 that the FCC harmonize its global cause rules with the
10 Federal Trade Commission's. Specifically an NPRM
11 asked whether it should require that commercial
12 callers get written consent from consumers before
13 leaving prerecorded messages on consumer phones.
14 Reply comment deadline was June 21st.

15 A couple of other initiatives that we've
16 been pretty active on -- childhood obesity. Michelle
17 Obama, the First Lady, launched a very public campaign
18 to fight childhood obesity, and President Obama
19 convened a task force on childhood obesity of which
20 the FCC was a part. We worked closely with the FTC,
21 the FDA, Health and Human Services to draft your
22 report recommendations to the President on how we can

1 address this epidemic and end it within a generation.

2 We're also excited to really start moving
3 forward on some of the recommendations of the National
4 Broadband Plan to help native and tribal communities.
5 Specifically, as many of you know, broadband access on
6 tribal lands is far behind virtually every other part
7 of the country.

8 And so the National Broadband Plan made a
9 real concerted effort to try to address of some of the
10 issues and specific challenges faced by Native
11 communities. We are moving forward with the process
12 of creating an office of Native Affairs and Policy.

13 Previously we only had one tribal liaison on
14 focusing on these issues, but with a dedicated staff
15 and an office, we think we'll be able to make more
16 progress in terms of consulting with the over 500
17 Federally recognized American Indian and Native
18 Alaskan tribes.

19 We're also excited to announce the recent
20 addition and return of Geoffrey Blackwell to the
21 Commission. Geoff Blackwell had served for a number
22 of years as a tribal liaison within the Commission.

1 And he has accepted our offer to come back to lead the
2 new Office of Native Affairs and Policy.

3 Geoff will be starting shortly after the
4 July 4th weekend, and we're incredibly excited to have
5 him come back. There's probably no other person in
6 the country who has a combination of experience with
7 Indian Country, with communications issues, and really
8 understands how the Commission works. So we're really
9 excited to have him on board and see what we can do
10 under his leadership.

11 In addition to that, we've been in the
12 process of putting together an FCC-Native Nations
13 Broadband Task Force, which will pull together
14 different representatives across the different bureaus
15 and offices in addition to having representation from
16 the different tribes to figure out how we can really
17 address some of these issues.

18 On the disabilities front, Karen and
19 Elizabeth just gave a far better explanation than I
20 could. But again, Karen has been an absolute asset to
21 this Bureau and to the Commission. I think just in a
22 very short period of time, she has really, really made

1 a big difference in kind of transforming the office
2 into something that's able to engage with many of you.
3 And it's just wonderful to have someone of her
4 leadership and caliber and reputation with us at the
5 Commission.

6 Our Consumer Affairs and Outreach Division
7 is really trying to focus a little bit more -- in the
8 past, a lot of what we had done was based on going out
9 to different events and manning booths and so forth,
10 which is obviously important. We want to have our
11 presence there.

12 But at the same time we're not a large
13 agency, so what we've been trying to do is really
14 build our expertise using new media and online
15 resources to put a lot of the information that we have
16 and increase contacts with consumer groups over the
17 web.

18 And that's one of the areas that our Bureau
19 Chief has really been trying to ramp up, given his
20 experience working in Consumers Union, and his success
21 in building the Consumer Reports Web site, which is
22 one of the most successful consumer Web sites in the

1 country. So we're excited to be doing that.

2 For consumer inquiries and complaints, our
3 Consumer Center is now updating its automated phone
4 system to handle both DTV and other inquiries more
5 efficiently. This is a first step in updating the
6 Center's systems to make better use of internal staff
7 time, allowing them to focus on mediation where it's
8 needed and less on routing complaints and inquiries.

9 On the intergovernmental affairs front, our
10 Intergovernmental Affairs Office has run a successful
11 webinar for state and local officials, and it's
12 building closer working relationships with these
13 governments and organizations that represent them. As
14 part of the National Broadband Plan, it will also be
15 facilitating a rights-of-way task force to promote the
16 development of broadband infrastructure throughout the
17 country.

18 So that's basically at a very high level, a
19 lot of different initiatives that we've been working
20 on. It's a lot, I can tell you that. We've been
21 working very, very hard, but I think we were just
22 really excited to be able to bring people aboard like

1 Karen, like Geoffrey Blackwell, and really leveraging
2 the staff that we have to change this Bureau and the
3 Commission especially, become much more pro-consumer,
4 consumer friendly and work more closely with you.

5 We're incredibly excited that there's so
6 much energy in this room and that you've been
7 repeatedly telling us that you want to be more
8 actively engaged. And we're looking forward to
9 working with you as strong partners to really help
10 consumers in this country.

11 Happy to answer any quick questions, as long
12 as they're not too hard.

13 MS. BERLYN: Thank you very much, Yul.
14 Going around the room, I see Brandon, Gloria, and then
15 Mark.

16 MR. STEPHENS: First of all, Yul, I
17 appreciated the opportunity a little while ago to meet
18 with you. I don't know if you remember when we met
19 earlier. I'm also glad to hear that Geoffrey
20 Blackwell is coming back to serve Indian Country.

21 When do you expect to start up the Advisory
22 Committee that could start working on Indian

1 initiatives?

2 MR. KWON: I think the timing on this is,
3 Geoff, I think will be formally starting probably
4 around July 7th, I believe. A lot of what we've been
5 doing, we've been kind of building up the foundation,
6 but we really want to wait until he's on board because
7 we want him to be able to shape a lot of these
8 initiatives.

9 In terms of creating the office itself,
10 we're in the final stages of doing that in terms of
11 getting the paperwork processed. We expect to
12 announce that pretty much any day. In terms of
13 creating the FCC Native Nations Broadband Task Force,
14 we've already staffed it internally, and we sent that
15 to PN, soliciting applications and recommendations
16 from around the country from Indian Country. We
17 expect to close out within the next week or two, and
18 shortly thereafter formally stand this up.

19 MR. STEPHENS: Couple other things. I hope
20 that you guys get in touch with Paxton Myers, who's
21 with the Native American Caucus, who works on many
22 broad issues in Indian Country. I can give you

1 contact on that.

2 Another thing, too, is I hope that you guys
3 continue to work, as Geoffrey comes back in, to get
4 another meeting with the Indian Telecommunications
5 Initiative to distribute some of these things.

6 And then the third thing is, in Indian
7 Country where technology -- and I can't say it's just
8 in Indian Country, but the Appalachian region, where
9 also I live in Western North Carolina, I mentioned
10 this, technology flows very slowly.

11 But not just pushing technology into it, but
12 also making sure that there's some basis of
13 understanding technology and helping out in that
14 capacity to enrich the understanding of how it works,
15 rather than just pushing the hardware and the software
16 and the technology down to Indian Country that way.
17 Because otherwise, it's of no use.

18 MR. KWON: Right.

19 MR. STEPHENS: So I appreciate it

20 MR. KWON: Brandon, those are excellent
21 points. We are planning on having a very robust ITI
22 sometime this fall, which Geoff will help kind of

1 coordinate and lead. We recognize that we also have
2 to provide more assistance to Native communities and
3 tribal communities and understanding their technology
4 needs.

5 A lot of the recommendations of the
6 Broadband Plan, do try to address some of those
7 issues. One thing that we recommended was for
8 Congress to provide more funding to support ITIs so
9 that we could send more people out there to provide
10 expertise and also provide funding for representatives
11 from the tribes to attend FCC University at no cost to
12 help them develop technical skills.

13 So these are all wonderful comments, and we
14 look forward to working with you.

15 MS. BERLYN: Yul, Commissioner McDowell is
16 in the room. And as we always do, we interrupt our
17 business. Are you okay with sitting tight for just a
18 bit?

19 MR. KWON: Yeah, absolutely.

20 MS. BERLYN: Back to more Q&A. And
21 Commissioner, if you want to just take the seat right
22 there, we can do it that way. And Yul, you can stay

1 at the table and join us for this.

2 MR. KWON: Sure.

3 MS. BERLYN: So thank you, Commissioner, for
4 joining us this morning. It's always a pleasure to
5 have you here and to hear from you. We appreciate it,
6 so thanks.

7 COMMISSIONER McDOWELL: My pleasure, Madame
8 Chair. Thank you, and good morning to all, and I'm
9 sorry to interrupt your business. That's not what I
10 want to do. I actually want to just to continue to
11 get your advice and keep your working so we can get
12 your valuable advice and insight.

13 But I do want to thank all of you for
14 serving on this Committee. And as I have said many,
15 many times, this is now the completion of my 48th
16 month here at the FCC, but who's counting? And I have
17 always enjoyed working with you and receiving your
18 advice and my office in particular, has really learned
19 quite a bit.

20 So really, I think all of our missions is
21 really to help focus on the issues through the eyes of
22 consumers, and while on the Commission I've found that

1 ensuring that consumers have choices through
2 competition has been the most effective way to protect
3 their interests. And to that end, I have pursued
4 policies that have tried to create opportunities for
5 the construction of new delivery platforms especially
6 in the last mile.

7 In looking at the current marketplace,
8 American consumers have actually more choices in the
9 last mile now than ever before, especially when
10 considering the contributions of the wireless market.
11 Not that we don't have a long ways to go, but we do
12 need to be mindful of a few facts. Seventy-six
13 percent of all Americans have a choice of at least
14 five wireless providers, and 94 percent have a choice
15 of four.

16 And to increase additional last mile choices
17 for consumers, I've advocated that the FCC focus on
18 next steps to help facilitate the unlicensed use of
19 the television white spaces. I think we need to press
20 forward with that.

21 Twenty months ago, that was all the rage, it
22 was quite the fashion, and we need to restart and

1 rekindle some of that momentum, because I think it's
2 going to help resolve a lot of policy disputes and
3 challenges, whether it's broadband deployment or
4 adoption, or whether it's things such as
5 anticompetitive conduct in the last mile, also known
6 maybe as net neutrality. But unlicensed use in this
7 spectrum could really be an anecdote for a lot of
8 these challenges.

9 In addition to consumer trace, access to
10 information is an empowering tool for consumers. It's
11 my understanding that today you are working on
12 recommendations that you would present to the Consumer
13 and Governmental Affairs Bureau on what information
14 and disclosures consumers need to make communications
15 decisions and what could be the best way to deliver
16 this information.

17 I also look forward to your ongoing advice
18 on how we can better help those with disabilities, and
19 it's been a strong interest in my office since I got
20 here. And also to help connect those throughout
21 America who are not connected, be they in high-cost
22 areas or Lifeline/Link-Up or be they on Native lands,

1 Native Alaskan lands or tribal lands throughout
2 America. But we need to get everybody connected to
3 21st century technologies.

4 And as these issues are discussed, I hope
5 that everyone within earshot is mindful that one size
6 does not fit all and that healthy competition in the
7 marketplace often drives industry to find creative
8 ways to keep their customers informed. In essence,
9 it's my goal that we have a competitive marketplace
10 where market players who are knocking the stuffing out
11 of each other in order to please consumers and keep
12 them happy, and that would be the ultimate goal for
13 me.

14 So anyway, thank you so much for your
15 commitment to this Committee, to the mission that
16 you're pursuing, and I do look forward to learning
17 more from your insight. Thank you.

18 MS. BERLYN: Thank you, Commissioner. Does
19 anyone have a question and do you have time if there
20 are any?

21 COMMISSIONER McDOWELL: Sure. Questions,
22 comments, complaints. Here's a chance to yell at your

1 Federal government, make sure your tax dollars are at
2 work.

3 MS. BERLYN: Irene?

4 MS. LEECH: Thank you, two questions. One,
5 with respect to the white space and so forth, is that
6 something that the individual stations are going to be
7 able to auction off, or what really is the status of
8 that?

9 COMMISSIONER McDOWELL: Excellent question.
10 So what we did in November of 2008, we had a unanimous
11 5-0 decision after years of study actually, on an
12 issue that started under Chairman Michael Powell, to
13 look at actually unlicensed use of the unused portions
14 of the TV spectrum in a given market. So the white
15 spaces are the unused TV channels.

16 So for instance, in this market if we have
17 hypothetically Channels 5, 7 and 9, Channels 6 and 8
18 might be considered to be white spaces, for instance.
19 And so can we have unlicensed use there? Is it -- was
20 the technology at a point where we could essentially
21 have unlicensed use, or Wi-Fi on steroids, some have
22 called it, without causing harmful interference to

1 broadcasters.

2 And after years of testing and debate, the
3 Commission, in an unprecedented, by the way,
4 unprecedented open process for testing of equipment,
5 the Commission approved this concept. But basically
6 at the same time it took a giant leap and a baby step
7 all at the same time.

8 So what we did is we approved the concept of
9 the prototype, but we left a lot of other questions
10 unanswered for future Commissions. And that was over
11 a year and a half ago. So this would not be
12 auctioned. By definition it's unlicensed use.

13 We thought at the time that unlicensed use
14 would help the technology spur more quickly, deploy
15 more quickly, just like we saw WiFi, just catch fire
16 and go across the country. You'd see a lot more
17 offerings of free wireless broadband, just like you
18 did with WiFi. And certainly there's going to be --
19 I'm sure there'll be business models to charge for it
20 as well.

21 But these signals travel a long distance in
22 very strong what they call propagation

1 characteristics. So the signals can travel 20 or 30
2 miles sometimes and penetrate buildings and carry a
3 high degree of throughput, have a high degree of
4 throughput -- a lot of bandwidth, in other words.

5 So it's absolutely terrific. It's my goal
6 that for the holiday season a year and a half from now
7 we could have devices on the shelves for American
8 consumers that would use these spaces and give them
9 tremendous benefit.

10 MS. LEECH: I got a specific question from
11 somebody in Virginia yesterday, but who's trying to
12 work with a station who thought maybe they would have
13 some that they could sell or something, and that's
14 where my question comes from.

15 COMMISSIONER McDOWELL: So in the National
16 Broadband Plan, there is discussion of a number of
17 ideas of what could be done to use the current license
18 spectrum by broadcasters, TV spectrum in particular.
19 Can we harvest some of that for broadband use, for
20 wireless broadband use?

21 So it's my view that the statute Title III
22 actually allows broadcasters to lease portions of

1 their spectrum today. That's something for
2 discussion. The Chairman has announced that there
3 will be a spectrum reallocation item forthcoming later
4 this year, and so there will be plenty of chances to
5 comment.

6 I think it could be a win/win situation, as
7 your friend in Virginia has teed up, for broadcasters,
8 consumers. We could make sure there's more spectral
9 efficiency, more efficient use of the spectrum. If
10 there's a broadcaster willing to lease their spectrum
11 for wireless broadband uses, that could also provide
12 them an extra income stream at this time, which is so
13 difficult for broadcasters to have any income. So I
14 think it could be win/win for everybody.

15 MS. LEECH: Thanks.

16 MS. BERLYN: And Charles, you have a
17 question for the Commissioner?

18 MR. BENTON: Yes. I'm very happy that
19 you're here. Yesterday, I participated in a meeting
20 with Bill Freedman of the Media Bureau about enhanced
21 disclosure, which the Commission I think unanimously
22 put forward in early 2008.

1 And I'm wondering, it came out that the form
2 that the Commission had approved needs to be approved
3 by the OMB, but the Commission never sent the form
4 over to the OMB. And apparently the Chairman has to
5 decide to send the form over to the OMB.

6 Anything you could do to push that forward
7 would really be wonderful, because we need to -- it is
8 just very clear, and apart from the future of media
9 review that's going on, if there's to be any public
10 participation in broadcasting and broadcasting
11 renewal, the public has to know what the broadcasters
12 feel that they're doing to serve the public interest
13 and meet their public interest obligations.

14 So having a disclosure, a form, that is
15 required so that everyone does know and have it on the
16 Internet so it isn't hidden in a file in the station
17 that is very hard to get to and et cetera, et cetera,
18 it seems to me this is a no-brainer. And anything you
19 could do to get that form sent to the OMB would really
20 be wonderful.

21 COMMISSIONER McDOWELL: First of all, it
22 wasn't exactly a unanimous decision. I'm all for more

1 disclosure. That particular form was quite
2 controversial in terms of the granularity and in terms
3 of the burden on broadcasters where they have to hire
4 two more people, for instance, just to fill out the
5 form and submit it.

6 I don't know, to actually answer your
7 question, if it was ever submitted directly to OMB. I
8 do, know, though, under both the Bush OMB and the
9 Obama OMB, had concerns under the Paperwork Reduction
10 Act and it was hung up in that review as well.

11 I'll be happy to check into that for you.
12 Of course, I'll check with the Chairman's Office and
13 the Bureau as well, because they kind of control the
14 trains that run out of the building such as that. But
15 we'll be happy to see what the status of all of that
16 is for you.

17 MR. BENTON: Thank you.

18 MS. BERLYN: And one more question from
19 Bill.

20 MR. BELT: Thank you. I had a question
21 going back to the white spaces question. Won't
22 encumbering the TV broadcast band with white spaces

1 devices complicate the FCC's efforts under the
2 National Broadband Plan to find 120 megahertz of free
3 spectrum in the TV broadcast band? That's part one.

4 And then secondly, if TV broadcast band has
5 white spaces devices in it, won't it be less valuable
6 if portions of it go to be auctioned later to make
7 room for that 120 megahertz?

8 COMMISSIONER McDOWELL: On the second part
9 of your question, that was an argument that was made
10 you know, way back, that you should really auction all
11 of it. The sort of technical -- there's a technical
12 issue there, among other issues.

13 One is, the configuration of the white
14 spaces. So if you think of a broadcast contour of a
15 TV station, it's essentially a circle around the
16 antenna, right. But the white spaces aren't a circle,
17 because you've got different markets, different
18 channels in use at any given time, so they can be sort
19 of salamander shaped or odd shaped.

20 So it becomes much more difficult to license
21 because of technical difficulties such as that. So
22 unlicensed use really seemed to be the logical path,

1 although there are those who think that all of this
2 should be auctioned.

3 I don't think that actually it's
4 diametrically opposed to the National Broadband Plan
5 at all. In fact, I think it's complementary. And one
6 of the most difficult areas will be to get new
7 spectrum will be in the large urban areas, the largest
8 of markets.

9 And so that may be where there are the most
10 challenges for white spaces anyway, regardless. But
11 for broadband deployment, especially in urban -- or in
12 rural areas, rather, I think white spaces is a
13 fantastic choice.

14 MS. BERLYN: Thank you very much,
15 Commissioner. As always, pleasure to have you down
16 here, and let us know how we can be helpful to you.
17 And we look forward to working with you.

18 COMMISSIONER McDOWELL: Thank you.

19 MS. BERLYN: Thank you so much.

20 [Applause.]

21 MS. BERLYN: Yul has ten minutes, so let's
22 get back to our quick question period here with Yul.

1 Gloria, do you want to go next?

2 MS. TRISTANI: Sure. Thank you. Is this
3 on? Thank you so much for giving us the big picture
4 view and telling us all the good work that the Bureau
5 is doing to protect consumers and to enhance
6 disclosure.

7 I for one loved seeing the Wireless Travel
8 Week initiative, because I think I'm a real world
9 traveler, but I'm always befuddled about what to do
10 about connecting when I leave town. It was good to
11 find all that information in one place.

12 I do have a question on -- you mentioned the
13 Child Obesity Task Force and that the Bureau had been
14 working with the White House -- I don't know if you
15 said the FTC and others. But could you be a little
16 bit more specific about what the FCC's role is here
17 and what you're doing?

18 MR. KWON: Sure, so basically the President
19 convened a task force, Interagency Task Force on
20 Childhood Obesity and asked that a report be delivered
21 with a set of recommendations. The FCC was part of
22 that Task Force, and I helped to work on some of those

1 recommendations.

2 The areas that we focused primarily were on
3 the marketing side. So to the extent that children
4 are seeing a lot of messages that either encourage
5 unhealthy eating habits or don't see a lot of messages
6 that encourage healthy eating habits, what are some of
7 the potential ways that government could work with
8 industry to come up with meaningful changes that would
9 ensure that children are getting the right mix of
10 messages and so forth.

11 So a lot of the work that we are doing,
12 we're trying to kind of leverage the work that the FCC
13 had done before under the Joint Task Force with the
14 Commissioners here, along with Senators Brownback and
15 Harkin. But we feel like there's been kind of a
16 fundamental shift in the mood of the country at large.

17 There's been broader recognition that this
18 is a real epidemic, that it's going to require a
19 multi-faceted effort to really combat this. And with
20 the White House as kind of taking the leadership on
21 this issue, I think we're up to making some pretty
22 good progress.

1 So coming out of the report, some of the
2 recommendations were for food and beverage companies
3 to take meaningful measures to ensure that there are
4 more advertisements for healthier foods, that they
5 adopt a set of uniform nutritional standards so that
6 you can actually gauge what constitutes a healthy food
7 as opposed to having a subjective standard, limiting
8 the use by media companies to use licensed characters
9 to promote unhealthy foods.

10 And there was even one recommendation in
11 there that at some point, you know if industry has not
12 made meaningful progress on this front, that -- one of
13 the recommendations was coming out of this report --
14 for the FCC to consider potentially initiating some
15 sort of inquiry into this issue.

16 So those are on a broad level some of the
17 recommendations focused on the marketing end. But it
18 was a very broad report that addressed healthy eating
19 in schools, healthy eating at the home, the fact that
20 it's very difficult for people who are not well off to
21 actually go out and buy healthy foods, where there's a
22 huge prevalence of junk foods around our schools and

1 in poor neighborhoods. So again, it's a multi-faceted
2 effort, and we'll just be glad to be part of the
3 effort to address this.

4 MS. TRISTANI: Thank you.

5 MS. BERLYN: Great thanks. Mark?

6 MR. DEFALCO: Yul, perhaps some computers
7 have this on them, but mine does not. But it would be
8 maybe a nice thing if every computer had a little two
9 little icons in the bottom of the screen towards the
10 bottom. One could be a speed meter that would -- you
11 know, perhaps not ongoing, but every ten minutes or
12 something it could check the speed. And perhaps you
13 could work with the computer manufacturers or the
14 software of the operating systems to get that.

15 And the second would be a usage meter so I
16 would know how much bandwidth I'm consuming. And
17 maybe that one maybe you could reset every month so
18 that as you're -- you could keep tabs on your monthly
19 usage, because one, more providers are migrating
20 toward caps.

21 And if people could start getting used to
22 how much usage they're going through before the caps

1 kick in, that might help them to learn how much
2 they're using so they would know what package to buy.

3 MR. KWON: Absolutely, absolutely. Those
4 are great ideas. These are the sort of ideas that
5 we're hoping to find over the course of our
6 proceeding. You know, we've sent out a public notice,
7 please submit comments. But this is exactly the type
8 of solutions and ideas that we're looking to find.
9 But you're absolutely right. I'd love to have those
10 on my computer.

11 MS. BERLYN: Thank you very much, Yul.
12 Appreciate your coming down. And thank the Bureau
13 Chief, Joel for making you available today, and we
14 appreciate working with you.

15 MR. KWON: Thank you so much. Have a
16 wonderful day.

17 [Applause.]

18 MS. BERLYN: We are going to take a short
19 break. Let's take 10 minutes and then come back in
20 the room at 10:35. Thanks.

21 [Break.]

22 MS. BERLYN: Our next topic of discussion

1 is, as Yul mentioned, the issue of bill shock, and we
2 have Karen Johnson. And Karen, you're with the Policy
3 Division of the CGB; correct?

4 MS. JOHNSON: Yes, that's right.

5 MS. BERLYN: Thank you very much for joining
6 us. And sitting next to Karen is Colleen Heitkamp,
7 who is Chief of the Policy Division. So we appreciate
8 your both coming down this morning to talk to us about
9 these issues. Thanks.

10 MS. JOHNSON: You're very welcome. Good
11 morning, and thank you all for having me here. I have
12 a PowerPoint presentation, and we're going to see how
13 good our technology is here today, or how good I am --
14 let me not blame the technology.

15 We'll begin with bill shock. Bill shock is
16 the unwelcome surprise that some consumers experience
17 when their monthly wireless bill is larger than
18 expected. We also have an FCC survey that's been
19 commented upon and released earlier -- I guess towards
20 the end of last month and beginning of this month of
21 June, where there's been revealed that 1 in 6 mobile
22 users, that would be 30 million Americans, experienced

1 bill shock.

2 And among those who have experienced bill
3 shock, 84 percent said their cell carrier did not
4 contact them when they were about to exceed their
5 allowed minutes, text messages, or data downloads.
6 And 88 percent said their cell phone company did not
7 contact them after the bill suddenly increased. I
8 provided here a link to the survey and a summary,
9 which can be found on our fcc.gov page.

10 Also, on May 11, 2010, the FCC released a
11 Public Notice asking whether it should adopt usage
12 control measures that will help consumers avoid
13 receiving higher than expected bills for their
14 wireless communication services. Comments are due on
15 July 6, 2010, and reply comments are due July 19,
16 2010.

17 So please, let us hear from you. Some of
18 the specific questions that have been asked in that
19 Public Notice; do technological or other differences
20 exist that would prevent wireless providers in this
21 country from adopting similar usage controls now
22 required by the European Union?

1 The types of EU measures in place are:
2 default notifications regarding wireless services;
3 free text detailing roaming prices for sending and
4 receiving voice, data and text messages; notice to
5 consumers when data usage is approaching preset
6 limits; when data usage limit is reached, the carrier
7 stops service until the customer contacts the
8 provider.

9 I'm a little belated on my PowerPoint here,
10 but those are the four points of note from the
11 European Union and the measures that they've adopted
12 to assist their consumers.

13 We also asked to what extent do consumers
14 currently have the means at their disposal to monitor
15 on a real-time basis their wireless usage and the
16 means to be aware of the consequences of exceeding
17 their predetermined allocations of voice minutes, text
18 messages, and data usage?

19 Also, we asked to what extent are U.S.
20 providers already offering such monitoring and
21 notification features, and at what cost to the
22 consumer and/or provider?

1 Another very important question is, do U.S.
2 wireless providers offer accommodations to persons
3 with hearing, visual, cognitive and other disabilities
4 to ensure access to monitoring and notification
5 information? The FCC also released a press release
6 entitled "Mobile Minutes Made Simple". And here are
7 some of the tips for avoiding bill shock now.

8 One, understand your calling patterns for
9 voice, and ask your provider for a plan that best
10 suits your needs. If you're an infrequent phone user,
11 consider a prepaid plan, and understand what your
12 roaming charges are and where you will incur them.
13 Understand your options for data and text plans.

14 Importantly, if you expect to take your
15 phone outside of the United States and potentially to
16 use it for voice or data, and data includes e-mail,
17 ask your provider what charges may apply before you
18 leave.

19 We had a blog entry detailing how a person
20 activated their e-mail service while in flight. It
21 began in the U.S., but he didn't log off and it just
22 continued to accumulate the charges over time. And it

1 was a disastrous result. As it so happens, I forget
2 the carrier, but the carrier was accommodating to him
3 once that situation was explained. But there's a
4 little tip -- be careful and log off.

5 Ask as well, how many peak and non-peak
6 minutes are included in your plan. What are the peak
7 and non-peak hours? These vary from plan to plan.
8 Some end at 9:00 -- oh, I'm sorry, some begin at 9:00,
9 some begin at 7:00. Another question, does the
10 wireless provider charge more for roaming service, and
11 if so, how much? And does the wireless provider offer
12 notice when a call generates a roaming charge?

13 The proliferation of text messaging and
14 family plans and minors taking these privileges. Ask,
15 are text messages included in your plan, and if not,
16 how much will you be charged to receive and send each
17 text? Will your wireless provider notify you when the
18 text messaging limit is approaching? And can you or
19 the wireless provider block text messaging as a
20 feature? Just do that at your own risk and household
21 harmony.

22 [Laughter.]

1 MS. JOHNSON: Is your wireless phone web-
2 enabled is another feature to be aware of. And if you
3 have a web-enabled phone, are charged even if you
4 don't use the web? Do you have a data allowance in
5 your plan? And how much is the charge to access the
6 web? Can the wireless provider notify you if you are
7 approaching the data limit for your plan? And can you
8 or the wireless provide a block web access?

9 There are ways, too, to lock your phone from
10 phase to phase, especially if you have a flat-front
11 phone -- that's very important, especially for women
12 or people who carry even a bag or a briefcase, because
13 items will press and activate various features on your
14 phone as it tumbles around. So I've had that issue
15 myself. My carrier was very generous, like oh, yes,
16 we see.

17 Again, those comment dates for this Public
18 Notice on bill shock is going to be July 9, and the
19 reply comment date is -- I'm sorry. The comment date
20 is July 6, 2010, and the reply date is July 19, 2010.

21 MS. BERLYN: I'm sorry, did you say July 20?

22 MS. JOHNSON: 2010, July 6 and July 19.

1 MS. BERLYN: 19.

2 MS. JOHNSON: Mmm-hmm.

3 MS. BERLYN: Thank you very much. Are you
4 done?

5 MS. JOHNSON: Well, I can break and take
6 questions on bill shock, or I can continue into the
7 mobile survey. We did a -- the FCC commissioned a
8 survey, and Scott and I discussed presenting
9 information on that.

10 MS. BERLYN: Why don't you go ahead with
11 that, and then we'll take questions. Thanks.

12 MS. JOHNSON: Okay, great. The FCC survey
13 on Consumer Mobile Experience. The FCC conducted a
14 survey from April 19 to May 2, 2010, finding that 1 in
15 6 mobile users -- 30 million Americans report
16 experiencing bill shock. This is the information that
17 we covered earlier.

18 I just wanted to substantiate for you that
19 the source was a survey conducted here by a third
20 party. That's the 84 percent that were not contacted
21 as they approached their limit, and 88 percent were
22 not contacted, even after the limit was exceeded.

1 The survey also revealed that 29 percent of
2 those surveyed who experienced bill shock said their
3 bills increased between \$25 and \$99. Twenty-three
4 percent of those surveyed who experienced bill shock
5 said their bill increased over \$100.

6 The survey also discussed early termination
7 fees and sought feedback on that issue. Those early
8 termination fee is charged to a consumer if the
9 contract for service is ended prior to the time
10 expressed in the contract.

11 The survey found that 28 percent of wireless
12 customers said they would not have to pay an ETF,
13 early termination fee, to cancel their service.
14 Fifty-four percent of cell phone users expect to pay
15 an ETF to cancel their service, and 43 percent expect
16 the ETF fee to exceed \$150.

17 There was speculation that these varying
18 results and opinions about whether an ETF applied and
19 how much it would be is probably because it's not
20 reflected clearly in the bill. Here, we have 36
21 percent of cell users familiar with the bill report
22 that ETF was very clear. But an almost equal amount,

1 34 percent, either did not know if the ETF information
2 was clear or stated that the ETF information was not
3 too clear or not clear at all. And in the middle we
4 have 12 percent saying that the ETF information was
5 somewhat clear.

6 The survey also asked questions about the
7 coverage area and the experiences of cell phone users.
8 So on a brighter note, over 87 percent of personal
9 cell phone users reported that they were at least
10 somewhat satisfied with cell phone coverage. That
11 information, that 87 percent, can be broken down with
12 58 percent saying they were very satisfied, and 29
13 percent saying they were somewhat satisfied.

14 So the information also went on to -- the
15 survey extended beyond cell phone usage and ventured
16 into the consumer's broadband experience, verifying
17 that 80 percent of home broadband users do not know
18 the speed of their home Internet connection.

19 Seventy-one percent of men reported that
20 they do not know what Internet access speed they are
21 getting, as did 90 percent of women. Seventy-three
22 percent of persons between the ages of 18 to 29 do not

1 know their broadband speed. That percentage jumps up
2 significantly for those persons 65 years and over to
3 88 percent not knowing their broadband speed.

4 Compare that information with the response
5 here, that 91 percent of broadband users say that they
6 are very or somewhat satisfied with the speed they get
7 at home. And 71 percent of mobile broadband users
8 indicate that they are satisfied.

9 We thought that was very peculiar. You're
10 91 percent satisfied, but you don't really know how
11 fast your Internet connection is. So there's a little
12 disconnect between those two. Maybe you are really
13 satisfied and you have the maximum, but you could save
14 some money and scale back the speed that you're
15 paying, the amount you're paying for that speed to
16 your carrier.

17 Here I've provided the Web site, the link to
18 test your speed. It's [www.broadband.gov/
19 qualitytest/about](http://www.broadband.gov/qualitytest/about). And that's a speed meter that the
20 FCC has in beta. You can test it immediately on the
21 site and at least know what you're receiving during
22 different parts of the day, which is also an area of

1 divergence in the survey.

2 Twenty-one percent of broadband users say
3 that they expect to pay a fee or penalty if they
4 terminate service or switch to another company.
5 Forty-one percent of broadband users report that they
6 would not have to pay a fee, and 38 percent, an almost
7 equal number, indicate they did not know whether a fee
8 would apply.

9 All this information is being used and being
10 sought. We have a Public Notice that's out where
11 we're asking for broadband network measurement
12 information, that's DA 10-988, has a common date of
13 July 1. That's tomorrow.

14 MS. HEITKAMP: It was extended.

15 MS. JOHNSON: It has been extended, okay,
16 great. And it's been extended to July 8th. So please
17 make us aware of your experiences and your various
18 capacities, and that will certainly inform us and help
19 us to move along as we try to improve our consumer's
20 awareness. Thank you very much. Any questions?

21 MS. BERLYN: We do have questions. Before
22 we address questions, I was wondering if we could get

1 a copy of the PowerPoint that you have here?

2 MR. MARSHALL: I already sent it out the
3 Committee.

4 MS. BERLYN: Oh, good.

5 MS. JOHNSON: Oh, okay. Well maybe we can
6 distribute that, because I did make an edit or an
7 update.

8 MR. MARSHALL: Sure.

9 MS. BERLYN: Great, so we all have it and we
10 have the Web site references, which is perfect.

11 MR. MARSHALL: I believe that I sent it out
12 early this morning.

13 MS. LEECH: Well he's already sent it so I
14 was looking at it as you were --

15 MS. BERLYN: It's already been sent and
16 emailed to us this morning.

17 MR. MARSHALL: I -- last night and I believe
18 that I sent it out early this morning.

19 MS. BERLYN: For those of us who have the
20 ability to check that, we have it. Excellent. Thank
21 you so much, Karen. That was very informative, very
22 helpful to have all that information moving forward.

1 Are there questions around the room? Marti, I think I
2 saw your hand go up. Is that right?

3 MS. DONEGHY: I just wanted to see if we
4 could get a copy of the presentation. I have it on
5 the BlackBerry. It was sent.

6 MS. BERLYN: Okay, and by the way, Marti,
7 Doneghy with AARP has joined us. And Gloria, I don't
8 think you had an opportunity to introduce yourself
9 either. We went around the room, but you've asked
10 enough questions that I think everybody knows who you
11 are. So thanks.

12 MR. BREYAUULT: Are we taking questions from
13 the audience?

14 MS. BERLYN: Yes, John.

15 MR. BREYAUULT: [Mic off.] Question on the
16 bill shock survey. What prompted that survey? There
17 were a number of articles in New York Times and other
18 publications about --

19 UNKNOWN FEMALE SPEAKER: I can't hear, I'm
20 sorry.

21 MS. BERLYN: Is his mic on?

22 MR. MARSHALL: No.

1 MR. BREYAULT: Is this on now?

2 MS. BERLYN: Yes, it's on now, John, so
3 start again.

4 MR. BREYAULT: That's okay. The question
5 was, what prompted the decision to do the bill shock
6 survey? I know there are a number of articles in the
7 media about sort of these multi-thousand dollar bills
8 that you discussed, the data roaming, the out of
9 control text messaging. But then also, I noticed that
10 there was parts of the survey where you talked about
11 much lower bill shocks in the \$25 to over \$100 range.

12 So do you have data on sort of the number of
13 complaints that you were getting about bill shock, or
14 was it that and a combination of the news articles?
15 I'm just looking for a little background on that.

16 MS. HEITKAMP: Sure.

17 MR. BREYAULT: Thank you.

18 MS. JOHNSON: Thanks, John. The FCC
19 actually teed up the question about notifications and
20 awareness of data limits and voice limits for cell
21 phone and broadband in the Truth and Billing NOI,
22 Notice of Inquiry, sorry. That was in 2009, I think

1 it was August, July/August time frame. And that kind
2 of I guess, initiated a lot of comment and a lot of
3 feedback on that particular issue.

4 There were a myriad of things discussed in
5 that NOI, of course, but this was one of them. And of
6 course, we've had complaints and comments that have
7 come in from that and from the broadband proceeding as
8 well, when they've had various public notices along
9 the way. So those were some of the bases from which
10 we launched this survey and public notice.

11 MR. BREYAUULT: Thank you.

12 MS. BERLYN: I have a question, Karen. As
13 far as speed goes for consumers, I think most
14 consumers don't really understand what that speed
15 offers them. And I was wondering if you thought about
16 a way to help consumers understand the question of
17 speed and what you need to do online.

18 MS. JOHNSON: Well, sure. There's -- of
19 course, we have a staff, a great staff of several
20 attorneys. And there's one that's handling that in
21 particular, but I do know that in that particular
22 proceeding, under consideration is to have some type

1 of comparative basis for the consumer.

2 So if the carrier says, oh, we have 1 meg
3 up, 5 megs down, there would be a corresponding column
4 saying, the types of media applications that would
5 require such a speed. Or if it would be a lesser
6 gigabyte measurement, that that is sufficient for
7 watching videos or doing e-mail. But you would need
8 more back in the megahertz realm for downloading a
9 movie and watching that full stream without
10 interruption.

11 So there's an effort underway to suggest
12 that and to consider that to have the service
13 providers actually make a correlation in its
14 advertising.

15 MS. HEITKAMP: If I could add, that is
16 something that we're very, very interested in right
17 now. So if there's any advice that you could give us,
18 it's something that we're interested in and hope to be
19 moving forward on this maybe this summer, early fall.

20 So it's a matter of great importance to us,
21 in terms of how to educate consumers, and perhaps even
22 what kind of labeling rules or disclosure rules might

1 be appropriate in this area of helping consumers
2 understand what they need, what a certain speed gets
3 them. So it's of immediate interest to us.

4 MS. BERLYN: Yes, Lawrence?

5 MR. DANIELS: Karen, Lawrence Daniels from
6 NASUCA. Did the survey at all touch on whether or not
7 consumers would, if they had information about the
8 early termination fees prior to purchase, whether or
9 not that would change their decision as to which
10 carrier they would go with?

11 MS. JOHNSON: I don't have the actual survey
12 with me, but I do recall there being a question asked
13 about whether or not the early termination fee would
14 impact their decision-making in selecting a carrier or
15 selecting whether they would have a prepaid service or
16 incur a contracted service. So it was discussed, but
17 I don't have the specifics as to what granular level
18 it was inquired upon.

19 MR. DANIELS: Okay.

20 MS. HEITKAMP: And the whole summary of the
21 survey is available, and maybe we need to just send
22 that --

1 MR. BERLYN: That would be great.

2 MS. HEITKAMP: -- that link for you, because
3 there's a much more lengthy summary than what Karen
4 was able to give you.

5 MS. BERLYN: Excellent. That's great.
6 Thank you.

7 MS. HAMLIN: I missed the end of what you
8 said. They had inaudible there. Could you repeat the
9 end of where it was available, where the survey would
10 be available?

11 MS. HEITKAMP: We'll give you the link.
12 There is a public link. There's a link to a summary
13 of the survey, but it's a little long. It can be
14 found by scrolling to June 1 on the front page of the
15 Commission site.

16 MS. BERLYN: We'll get that --

17 MS. HEITKAMP: But we'll get you the link.

18 MS. BERLYN: Yeah, we'll get that site and
19 send it out -- that link and send it out to everybody.
20 Does anyone have any other questions?

21 [No response.]

22 MS. BERLYN: Okay, well, thank you so much,

1 Karen and Colleen, for coming down and joining us.

2 Appreciate it. Thanks for your good work.

3 MS. JOHNSON: Thank you very much.

4 [Applause.]

5 MS. BERLYN: I don't see our next speaker in
6 the room. Scott, we have Irene as on at 11:15, so
7 we're running a little early.

8 MR. MARSHALL: What time is it?

9 MS. BERLYN: It's 11:05.

10 MR. MARSHALL: All right.

11 MS. BERLYN: No, it's only 11:00, we're
12 early.

13 MR. MARSHALL: I'll call her.

14 MS. BERLYN: Okay. Talk amongst yourselves,
15 but don't leave.

16 [Off the record.]

17 MS. BERLYN: First of all, for recoding
18 purposes, it's important that you talk right into the
19 mic. So make sure it's brought right up to your
20 mouth. And secondly, when you do speak, if you could
21 identify yourself. It'll make it much easier for the
22 recording folks.

1 One thing I wanted to mention in relation to
2 our last speaker is, as you know we've had a task
3 force that's been working on the consumer information
4 and disclosure issue. And Scott and I have talked
5 about the possibility of having a similar task force
6 look at the issue that Karen and Colleen just brought
7 up of what do consumers need to know about their
8 broadband speed. And they're looking for some advice
9 over the next couple months.

10 So we may form a task force. I'll send
11 something out to see who's interested in participating
12 in that, knowing that these task force meetings happen
13 usually every other week, every couple of weeks to
14 three weeks, so that we can get some good help for
15 them and some information in that regard.

16 So that's something, food for thought. I
17 still don't see our next speaker. So let's take a
18 quick don't leave break, because I assume that Irene
19 will be down any moment. But if you could just sit
20 tight and we'll be back shortly.

21 [Break.]

22 MS. BERLYN: All right, if everybody could

1 take a seat. Can everybody take a seat so that we can
2 get started. Our next presenter is here.

3 For any of you who have been participating
4 in the Broadband Working Group discussions, you know
5 that one of the issues we're looking at is Universal
6 Service, Lifeline and Link-Up programs. And we are
7 fortunate to have Irene Flannery with us this morning
8 to talk about this.

9 Irene is now Deputy Chief of the Wireline
10 Competition Bureaus -- this is a mouthful --
11 Telecommunications Access Policy Division, TAPD. It's
12 the Division responsible for all Universal Service
13 matters within the Wireline Competition Bureau. It's
14 great to have Irene here and back, and we appreciate
15 your coming to talk to us this morning. Thanks.

16 MS. FLANNERY: Good morning, everyone. I
17 know that Scott had indicated that many of you --
18 those on the, I believe it's the subgroup on broadband
19 -- spent a lot of time yesterday talking about
20 Lifeline and Link-Up.

21 So I'm not going to give much of an overview
22 in terms of the programs, aside from the fact that the

1 Low-Income programs are one of the four pieces of the
2 pie of Universal Service, as you probably know. The
3 Universal Service Fund is comprised of the High Cost
4 Fund, the Schools and Libraries Program, the Rural
5 Health Care Program and the Low-Income Program, which
6 includes Lifeline and Link-Up.

7 If you think of the overall size of the fund
8 this year, which is -- will be close to \$8 billion
9 dollars, roughly half of that or a little over half of
10 that is attributed to the High Cost Fund, about \$4.5,
11 \$4.6 billion dollars. The Schools and Libraries
12 Program, otherwise known as the e-rate, is capped at
13 \$2.25 billion per year.

14 The Rural Health Care program, this year I
15 believe we are estimating roughly 60, \$70 million
16 dollars. And the Low Income program, for the first
17 time last year, exceeded \$1 billion or reached \$1
18 billion dollars. And we're estimating about \$1.2,
19 maybe \$1.3 this year.

20 One of the big items that is before us now
21 with respect to the Lifeline and Link-Up programs, and
22 just so you know, with Lifeline and Link-Up, there is

1 another small piece called Toll Limitation Support.
2 But if you consider the pie of the Low Income
3 programs, Lifeline is by far the largest component of
4 that, largest piece of that pie. It is comprised of a
5 monthly recurring discount off the cost of service, of
6 basic local telephone service.

7 Link-Up is a one-time nonrecurring discount
8 that consumers receive for the cost of installing
9 phone service. On the Lifeline program, on the
10 Federal side, we're talking a maximum of \$10 per
11 month. There are various tiers.

12 That is for low income consumers not living
13 on reservations. Low income consumers living on
14 tribal lands are also eligible for an additional \$25
15 discount per month, up to an additional \$25 discount
16 per month.

17 With respect to Link-Up, it's a maximum \$30
18 discount off the cost of service, unless you are
19 eligible for the enhanced Link-Up program, which again
20 is available to low income consumers living on tribal
21 lands. And that is up to an additional \$70, so a
22 maximum \$100 discount.

1 As I mentioned, Toll Limitation Support.
2 Low income consumers, if they choose toll limitation,
3 which includes toll blocking and toll control.
4 Essentially toll blocking allows you -- you're not
5 allowed to make any long-distance calls, and toll
6 control is limited to a certain number of minutes.

7 But consumers don't have to pay for toll
8 limitation service, and carriers are allowed to go to
9 the Universal Service Fund to recover. It's the
10 incremental cost of providing toll limitation service.
11 We're basically talking pennies on the dollar. It's a
12 very small piece of the fund.

13 One of the big issues before the Commission
14 now, or at least before the Federal State Joint Board,
15 is a referral of certain low income issues to the
16 Joint Board. As you probably know, the Joint Board is
17 an entity that is created by statute.

18 It's comprised of three Federal
19 Commissioners. At this point, Commissioner Clyburn is
20 the Chair of the Joint Board, and Commissioners Baker
21 and Copps are also the Federal members, the other
22 Federal members of the Joint Board.

1 There are four state public service
2 commissioners who are also members of the Joint Board
3 and a State Consumer Advocate. The state members are
4 Commissioner Baum from Oregon, Commissioner Burke from
5 Vermont, Commissioner Landis from Indiana, and
6 Commissioner Cawley from Pennsylvania. And then Simon
7 ffitich is the State Consumer Advocate. He is from the
8 State of Washington.

9 The Commission at times has referred issues
10 to the Federal State Joint Board. The Universal
11 Service Joint Board was formed back in 1996 at the
12 time of the passage of the 1996 Act. And as part of
13 the Act, the Commission was required to refer
14 Universal Service issues to the Joint Board at that
15 time.

16 Since then, the referrals to the Joint Board
17 have largely been voluntary on the part of the
18 Commission. Over time, many referrals have had to do
19 with high cost issues. This is the first time in a
20 long time that low income issues have been referred to
21 the Joint Board.

22 And the Commission, understanding that it

1 has been a long time, a number of years since the low
2 income rules have been reviewed, and because of the
3 important role of the states in administering the Low-
4 Income programs, the Commission decided to refer
5 certain issues to the Joint Board, realizing that the
6 marketplace has changed. The technology has changed
7 dramatically, such that back in 1996 it was largely --
8 1996-1997, it was largely wireline companies, with a
9 few wireless companies.

10 Today, we have a much larger number of
11 wireless companies, and as you probably know, we also
12 have a number of pre-paid wireless resellers that are
13 also eligible to receive low income support. In order
14 to participate in the Low-Income Program, you have to
15 be eligible telecommunications carrier, which requires
16 that you be designated either by the state, generally
17 it's by the state, or if the state doesn't have
18 jurisdiction then the FCC does the designation. The
19 FCC has designated a number of wireless companies and
20 also tribally owned companies, which are generally not
21 subject to state jurisdiction.

22 The Commission referred three categories of

1 issues to the Joint Board. First is eligibility, the
2 second is verification, and the third is outreach.
3 There are a number of questions. The Joint Board
4 Referral Order is probably only about -- I think it's
5 12 or 15 pages. You'll see that the largest number of
6 issues teed up are in the eligibility category.

7 For example, one of the categories includes
8 eligibility requirements. Should the eligibility
9 requirements today be changed? And remember, there
10 are a lot of questions and I certainly won't go
11 through all of them, but some that I think might be of
12 particular interest to you.

13 Should certain classes of consumers, for
14 example, consumers who are homeless, should they be
15 automatically eligible? That's one question that was
16 raised. Should there be additional documentation
17 required on the part of low income consumers?

18 One of the challenges with the rules today
19 is that, taking into consideration the dual Federal
20 and state role, if a state has its own Low-Income
21 Program, it is permitted to determine the eligibility
22 criteria for consumers living in that state who would

1 be eligible for the discounts off their bill,
2 resulting from the Federal fund.

3 There are, I believe, 10 what we call
4 Federal default states, which are states that do not
5 have their own Low-Income programs, and the rules
6 specific how you have to qualify in order to be
7 eligible.

8 Basically, even if the state determines the
9 eligibility requirements, everything has to be based
10 on income. So it's either an income level or
11 participation in income assistance programs, like
12 Medicaid, food stamps, TANF.

13 But one of the issues before the Joint board
14 is should there be additional or consistent
15 eligibility requirements across the states and for the
16 Federal default states. One of the issues underlying
17 all this is the need to mitigate against potential
18 waste, fraud and abuse of the program.

19 Also included within eligibility were
20 questions about best practices across the states. We
21 realize that the states are on the ground in a much
22 different way than the Federal government is, and if

1 we can benefit from the best practices that many of
2 the states are using.

3 There are also a number of questions with
4 respect to automatic enrollment. Should the
5 Commission mandate automatic enrollment, for example.
6 That question was asked and answered a number of years
7 ago, and the Joint Board recommended against mandating
8 automatic enrollment. But that's an issue that we've
9 asked the Joint Board to look at again.

10 Another issue has to do with electronic
11 certification and verification, taking into
12 consideration the fact that technology has changed,
13 and are there better ways to verify eligibility.

14 One of the issues that's raised -- and
15 again, I think this would be an issue of particular
16 interest to you, has to do with the nationwide
17 database. Questions are raised, should there be a
18 nationwide database? If there is a nationwide
19 database, what are the privacy concerns, and how do
20 you deal with the privacy concerns with individual
21 consumers?

22 And/or are there other means of real-time

1 verification? We know that the states have experience
2 -- some states have developed fairly sophisticated
3 databases of their own, and perhaps there is
4 information that we can learn from them.

5 Another issue that is raised within
6 eligibility is the notion of duplicate claims. This
7 was not an issue really back in the beginning of the
8 Low-Income Program, or at least post-'96. Low-Income,
9 Lifeline and Link-Up have been in existence since
10 1983.

11 In a wireline world, it is fairly easy for
12 the companies -- and because there isn't as much
13 competition among the wireless companies -- it's
14 fairly easy to determine that a consumer's only
15 receiving the benefit of one discount, because the
16 rule is one per household.

17 But with the advent of new technologies,
18 wireless technologies for example, there is certainly
19 the possibility that a consumer, out of either not
20 understanding the rules or in the event of actually
21 seeking two discounts, there's the possibility that
22 someone could be receiving discounts off more than one

1 service or more than one line.

2 So there are questions with respect to what
3 can we do about that, what can -- are there additional
4 rules that we can adopt to again, try to mitigate
5 against the potential for waste, fraud and abuse.

6 Other issues include carrier document
7 retention requirements, which I would suspect is not
8 as big an issue for you. And then included within
9 each of the categories referred to the Joint Board are
10 questions with respect to the potential expansion to
11 broadband.

12 As I'm sure you're aware, the National
13 Broadband Plan recommended that Lifeline support also
14 be available and be expanded to broadband. So there
15 are questions in terms of, would the Joint Board's
16 recommendation to change in any way if the Commission
17 decided to expand Lifeline and Link-Up support to
18 broadband?

19 As I mentioned, the second category of
20 service, of issues raised before the Joint Board is
21 verification. The rules draw somewhat of a dichotomy
22 between what we refer to as certification and

1 verification. Certification is what happens initially
2 so that a consumer -- so that a carrier can determine
3 that a consumer is eligible to receive the discounts.

4 Verification is more of an ongoing process,
5 and there are certain rules, particularly for the
6 Federal default states. Where carriers have to do a
7 survey of a certain percentage of their customers on
8 an annual basis to ensure that they're still eligible.

9 There are a variety of questions raised
10 within the verification section. One of which is,
11 should the sample sizes be different? Should carriers
12 be required to verify the eligibility of all consumers
13 on an annual basis? And there are questions about the
14 administrative burden of that, and whether doing a
15 cost benefit analysis, whether that would make sense.

16 Should there be consistency? As I'd
17 mentioned with eligibility in the same sense that the
18 eligibility rules are somewhat bifurcated, so are the
19 verification rules, depending on whether a state has
20 its own Low-Income Program.

21 The question of a nationwide database is
22 again raised in the verification context. Because

1 verification and certification, while they're somewhat
2 different -- they're different sides of the same coin,
3 because you're trying to determine that only consumers
4 that are eligible are receiving the benefit of the
5 discounts. And again, the question of the potential
6 expansion to broadband, would the Joint Board's
7 recommendations change at all?

8 And then the final category is outreach.
9 And I think we all know how vitally important outreach
10 is to get the word out to consumers that this benefit
11 is available for their benefit.

12 One of the questions today, the rules are
13 not terribly specific. The rules basically require
14 that carriers advertise in a way that is -- I believe
15 the language is, most likely to reach those consumers
16 eligible for the discount.

17 The Commission a number of years ago
18 referred this issue to the Joint Board, and the Joint
19 Board's recommendation was to have guidelines. So the
20 Commission did adopt an order, I believe it was in
21 2004, to establish more detailed guidelines in terms
22 of what is acceptable outreach.

1 As I'm sure you know from an enforcement
2 perspective, guidelines can have their own challenges.
3 So the question is asked, should there be mandated
4 rules that are more specific than the rules in place
5 today? And again, the broadband question, if the
6 Commission was to extend Lifeline and Link-Up to
7 broadband, would the Joint Board's recommendations be
8 any different?

9 The Commission did just recently -- the
10 Joint Board did just recently release a Public Notice,
11 as I'm sure you're aware, seeking comment on the
12 issues raised, referred to the Joint Board. The
13 comments are due July 15th, and reply comments are due
14 July 30th.

15 In the referral order, the Commission asked
16 the Joint Board release its recommended decision
17 within six months, and that would put us into early
18 November. So it's a short time frame, particularly in
19 the world of Joint Board referrals, which sometimes
20 are, take a longer period of time. But the Commission
21 felt very strongly that they would like to move
22 forward and get this processed.

1 Because once a -- as you may know, once the
2 -- what the Joint Board will produce is a recommended
3 decision. The Commission then likely will have to go
4 out with a Notice of Proposed Rulemaking and then an
5 order before any changes to the rule are adopted. So
6 there is a time frame, and that was one of the reasons
7 that the Commission decided that the Joint Board
8 referral period should be relatively short.

9 So I would be happy to answer any questions,
10 either procedurally or about the program or about the
11 process that we're going through with the Joint Board.

12 MS. BERLYN: Thank you, Irene. I saw Mark
13 and then Lise and then Claude.

14 UNKNOWN FEMALE SPEAKER: And Ken.

15 MS. BERLYN: And Ken. I'm so sorry, Ken.

16 MR. DEFALCO: Irene, thank you for coming.
17 Mark Defalco with the Appalachian Regional Commission.

18 You mentioned that the guidelines are not
19 maybe as enforceable as a rule would be. Do you have
20 reason to suspect that the providers have not been
21 following the guidelines?

22 MS. FLANNERY: The Commission has taken

1 enforcement action. It has been a number of years.
2 There were a couple of consent decrees and at least
3 one order in situations in which there was little, if
4 no, outreach or advertising, going on.

5 I don't think the Commission has any reason
6 to believe now that carriers are in direct violation
7 of the rules necessarily. But the practices vary
8 considerably in terms of outreach.

9 There was a time when companies were
10 basically relying on things like bill inserts. And we
11 all know that if you don't have a phone you don't get
12 a bill, so that's not terribly effective. Or
13 advertisements in phone books. Again, if you don't
14 have a phone you don't get a phone book, and you're
15 not going to look on page 400 of the phone book to
16 find the ad.

17 But I think companies are -- and I'm not
18 saying that companies are doing anything in bad faith,
19 but I think that there are some companies that do an
20 extraordinary job and there are other companies that
21 fulfill the basic requirements but don't go too far
22 beyond.

1 So in the referral order, I'm trying to find
2 information about carriers that are doing in state --
3 or states that are doing a particularly good job of
4 outreach. The FCC has tried to take more of a role.
5 There is for example, a Lifeline Awareness Week now.

6 We're going into the second year of doing
7 that. I think it's the week after -- the second week
8 after Labor Day, I believe. NARUC is involved, the
9 State Commissions are involved, just trying to provide
10 a little more publicity about the program.

11 MS. BERLYN: I think it's the week of
12 September 13th.

13 MS. FLANNERY: Is that what it is?

14 MS. BERLYN: Yeah.

15 MS. FLANNERY: Okay, thanks.

16 MS. BERLYN: Lise?

17 MS. HAMLIN: Thank you. I'm Lise Hamlin
18 from Hearing Loss Association. And I had two
19 questions. First thing, as you're moving to wireless,
20 you're leaving from mobile handsets, are you looking
21 at hearing aid compatibility on the ability of the
22 providers to get a handset to people that are hearing

1 aid compatible?

2 MS. FLANNERY: I believe -- I would have to
3 go back and see what the actual requirements are.
4 Because the Commission doesn't do all of the
5 designations, we don't always have control over that
6 process. The newer category of companies that the FCC
7 has designated are, as I'd mentioned the pre-paid
8 wireless resellers.

9 As one of the conditions of -- one of the
10 requirements for being designated as an eligible
11 telecommunications carrier is that the company provide
12 service, at least in part, over its own facilities.
13 So you can provide service in part over your own
14 facilities and then do some resale.

15 Pre-paid wireless -- or reseller, by
16 definition, doesn't have its own facilities. So
17 TracFone was actually the first company to come to the
18 Commission a number of years ago and ask for
19 forbearance because it's a statutory requirement --
20 ask for forbearance from the facilities requirement.

21 And the FCC did grant forbearance to
22 TracFone and also has granted forbearance to Virgin

1 Mobile. And there are a number of other companies
2 that have filed similar forbearance petitions. I
3 would have to -- with those companies, they also have
4 compliance plans.

5 We've required that they submit a compliance
6 plan and we approve it before the designation is
7 final. So I would have to go back and whether that --
8 that may very well be one of the conditions that we
9 imposed. I would have to check.

10 MS. HAMLIN: Okay, thank you on that. And
11 the second piece was again, when you look at outreach,
12 I know that many people are hard of hearing, and
13 particularly who come to me who are lower income have
14 no idea there's programs out there.

15 So I don't know if you're already looking
16 at, and part of your plan for outreach is working with
17 people with disabilities across the board who tend to
18 be lower income, and how do you reach those people?

19 MS. FLANNERY: Yes -- no, thank you very
20 much. And as I said, we're also hoping that with the
21 states, that some of the states may have some good
22 information for us in terms of what they've done to

1 help us as we decide what to do going forward. Thank
2 you.

3 MS. BERLYN: I have Claude next, then Ken
4 and Marti and Charles.

5 MR. STOUT: Hello, and I'd like to introduce
6 myself. I'm Claude Stout with the Deaf and Hard of
7 Hearing Consumer Advocacy Network. I'm really happy
8 to hear you say that you are considering shifting the
9 Universal Service Fund over towards people who want to
10 use broadband services and get access to equipment to
11 use broadband.

12 I know that Lise and I both represent deaf
13 and hard of hearing consumers, and there are some
14 petitions that are requesting that we extend the
15 eligibility or criteria, rather, to allow that fund to
16 be used for some of us who are considered low income,
17 in order to get access to broadband services, in order
18 to buy a videophone, for example, with the support of
19 the Universal Service Fund in order to get a discount.

20 Have you received that petition and are you
21 aware of that petition?

22 MS. FLANNERY: I am aware that a petition

1 has been filed. Whether that is within my Bureau or
2 has been filed with the Consumer Governmental Affairs
3 Bureau, I'm not certain.

4 One thing to -- as I'm sure you know, to
5 understand is that today is the Low-Income Program
6 support service. It doesn't support equipment today
7 in the same way that the High Cost Program supports --
8 well, the High Cost Program actually supports the
9 network.

10 The Schools and Libraries Program is similar
11 to the extent that it does not support end user
12 equipment. It doesn't support computers and those
13 sorts of things. But I will double-check and make
14 sure that we have -- I have heard of the petition so
15 that I know that it is here at the Commission.

16 MR. STOUT: Great. And I would be happy to
17 work with you more closely on that if necessary. If
18 we need to resubmit that petition, I would be happy to
19 do so for your July 15th procedural deadline. So we
20 would love to help support you on that.

21 MS. FLANNERY: Thank you. Thank you very
22 much.

1 MS. BERLYN: Ken?

2 MR. McELDOWNEY: Ken McEldowney from
3 Consumer Action, and also I chair the California
4 Lifeline Administrative Committee, so I'm sort of
5 wearing several hats today.

6 I guess one of the concerns -- I've got two
7 comments. One is that I think there has been in terms
8 of eligibility, there's been far too much emphasis
9 placed on suspicions of fraud. The actual subsidy is
10 really so low for individual consumers, that at least
11 in California when we've done surveys, we have found
12 relatively little fraud. The most recent ones, a
13 number of years ago was 10 percent fraud.

14 But we were basically forced by the FCC to
15 change to income verification, which has basically
16 gutted our program. This is despite there being a \$5
17 million independent outreach program that is funded by
18 a portion of the surcharge, the Lifeline surcharge in
19 California.

20 It's meant really that seniors, recent
21 immigrants, and folks like that have dropped off
22 Lifeline, have not signed up for Lifeline. We

1 probably lost 40 percent of our Lifeline customers.
2 So I think as you're looking at the different ways of
3 certifying, I think you have to really look very
4 carefully in terms of making it be very seamless, so
5 it doesn't deter people.

6 The second thing is in terms of outreach, I
7 think you need to go beyond asking or requiring the
8 carriers to do advertising. I mean, they're skilled
9 in terms of advertising to customers, to existing
10 customers, the high-use customers, the ones that can
11 maybe you know, pay \$100 a month.

12 The only way you're going to reach low
13 income consumers is through community groups, through
14 in language media. I think there has to be
15 independent efforts that hopefully are subsidized by
16 the surcharge that could be done at the Federal level
17 by the FCC in cooperation with community groups, or at
18 the state level with a PUC.

19 I recognize there's some jurisdictional
20 things, issues here, but I think recommendations could
21 be made in terms of making sure that there is a
22 coordinated effort that involves not just the carriers

1 but also community groups.

2 MS. FLANNERY: You raise some very good
3 points and some very valid points. And I would
4 encourage you to file comments in the proceeding,
5 which would be very helpful.

6 One issue, as I'm sure you know, is -- and I
7 don't mean to imply that because it's the Low-Income
8 Program that there is any heightened concern about
9 waste, fraud, and abuse. We have this -- the
10 Commission has an obligation to ensure that the entire
11 Fund is used in the appropriate manner.

12 But if there are ways that you can suggest -
13 - keeping in mind, knowing that it is a concern of the
14 Commission across all of the programs -- to ensure
15 that the money is being used properly. And as I'm
16 sure you know, it doesn't necessarily take a big
17 ticket item. It takes one rather high profile problem
18 that then weights down the program, which none of us
19 wants to see happen.

20 And in terms of the outreach, I agree with
21 you that some sort of team approach is the way to go.
22 The challenge with respect to the use of the money is

1 both statutory and a concern about the size of the
2 fund. As I mentioned, the fund is approaching \$8
3 billion dollars, and we all pay for it with the line
4 items that the carriers are permitted to pass through
5 to all of us. So it's a balancing act.

6 So to the extent that you can provide the
7 Joint Board with information that would be really
8 helpful as they deliberate, that would be wonderful.

9 MS. BELRYN: Marti?

10 MS. DONEGHY: Hi, Irene. Thanks for coming.
11 Very helpful. My questions actually were along of the
12 same lines as Ken, who put things much more elegantly.

13 But I'm here for AARP, and there is some
14 concern or I guess, hopeful interest regarding the
15 link between Universal Service funding and getting
16 access to the broadband, and in using those Lifeline
17 funds, especially for the aging, you know senior
18 community.

19 And it's not to say that the 50-65-plus
20 population is not already on board. A significant
21 number, already very accomplished and tech-savvy. I'm
22 not one of them. But our populations that are 65 and

1 over, there is a significant drop there in terms of
2 being able to access these services for cost and other
3 reasons. And we see them as having an even greater
4 need because of the advent of tele-medicine and some
5 other things that could really improve their lives.

6 So if you could talk a little bit more about
7 the July 15th announcement which, I'm sorry, I missed
8 that. And also, Schools and Libraries we see as a
9 real pivotal point for the senior community, because
10 many of them can't afford it in their homes.

11 But I've talked to some people with the -- I
12 guess it's the Association of Libraries or whatever,
13 about the Universal Fund. And they were just ecstatic
14 about the way it's been so helpful in many of the
15 communities in bringing people in. But they obviously
16 could use even more help, so if you could just talk a
17 little bit about those two things, that would be
18 great.

19 And I think the outreach component just
20 really has to be ramped up, and really use more grass
21 roots groups to let the low income households and
22 those who are eligible know more about the service,

1 because it's just not out there.

2 MS. FLANNERY: Great, starting first with
3 the e-rate program -- that's the School and Libraries
4 Program.

5 Until recently the Commission adopted an
6 order back in February, that we refer to as the
7 Community Use Order. Until that order was adopted,
8 for the most part the services that schools and
9 libraries receive under the e-rate program fall into
10 three categories.

11 They receive support for telecommunication
12 services, Internet access and what we refer to as
13 internal connections. Basically it's all
14 technologically neutral, but basically the wiring, the
15 connections that are necessary to get the Internet all
16 the way either to the classroom or to the individual
17 library patron.

18 The programs are -- each of the four
19 programs is very different from one another, based on
20 the statute, based on the way in which the statute was
21 written. So the language in the statute with respect
22 to the e-rate program in particular, was much broader

1 than the legislation with respect to the High Cost,
2 for example, and Low-Income programs, which is one
3 reason that the Low-Income Program is not as expansive
4 as the e-rate, the Schools and Libraries Program.

5 But until recently, if a school wanted to
6 open its doors off-hours, and as we know -- I'm a
7 former teacher -- as we know, schools are basically
8 closed after about 6 o'clock at night and they're
9 closed over the holidays and frequently over the
10 summer and on the weekends.

11 If schools wanted to open their facilities
12 that they received by virtue of the e-rate program,
13 they could do that. They could open their facilities
14 to the public. But they had to cost allocate the cost
15 of the services that they were providing off hours,
16 because the rules are very specific and say services
17 have to be used for educational purposes.

18 A number of years ago, the Commission waived
19 its rules at the request of the State of Alaska,
20 because of the particular challenges in Alaska and the
21 fact that there were not as many public libraries and
22 the schools were basically the community resource.

1 But there were pretty tight restrictions put on that
2 waiver, that grant of the waiver request.

3 But the Commission, in looking right before
4 the National Broadband Plan was coming out, it was an
5 obvious thought to, what can we do to help community
6 access with little if no impact on the Universal
7 Service Fund? And that was to allow schools --
8 because the whole cost allocating component deterred
9 many schools, frankly, because it resulted in them
10 getting less money, and it's also an administrative
11 burden.

12 So the Commission waived that requirement
13 for the current funding year and the next funding year
14 with the option to make that permanent. The
15 Commission put a Notice of Proposed Rulemaking out
16 saying, should we make that a permanent rule, that you
17 can open your doors to members of the community.

18 Now, there are certain restrictions imposed
19 on that. They can't be funded, they can't get any
20 additional funding because they're opening their doors
21 to the community. It's only the funding that they
22 would get for the benefit of the children. But

1 acknowledging the fact that schools are closed and the
2 equipment just is remaining unused for extended
3 periods of time.

4 But the whole idea being that schools as a
5 community setting, it doesn't require schools to do
6 this. They can if they want, to open their doors off
7 hours to members of the community. So we're hopeful
8 that that will help more members of the community have
9 access to broadband.

10 In terms of the July 15th deadline, what we
11 do here at the Commission is we frequently seek
12 comment on a variety of things. Whether it is through
13 a formal rulemaking proceeding or if someone files a
14 petition, we put it out for comments so that members
15 of the public have a chance to tell us what they
16 think.

17 What we did with the Joint Board Referral
18 Order, and that's the order that teed up the issues
19 that the Joint Board is going to be looking at --
20 we're also interested in what, and the Joint Board
21 wants to know, what the public thinks about each of
22 those issues.

1 So we issued a public notice, and a plain
2 vanilla public notice, and just attached the Joint
3 Board referral order to it, and said, please, tell us
4 what you think, give us your thoughts. And the
5 deadline for that first set of comments is July 15th.
6 And then there's always a reply comment cycle, so
7 there is the opportunity to file reply comments, and
8 they're due 15 days later, on July the 30th.

9 And we would welcome input. We're really
10 looking -- I'm the Federal Staff Chair for the Joint
11 Board, and we've broken down into subgroups. And
12 we're looking for as much information as we can
13 possibly get to help us as we formulate
14 recommendations.

15 MS. BERLYN: Thanks. Charles?

16 MR. BENTON: Charles Benton, the Benton
17 Foundation. Delighted you're here. And I wanted to
18 ask two questions, one about the eligibility of the
19 states and the Federal issue. And the other is about
20 broadband, because we've focused on the Lifeline/Link-
21 Up as the point of concentration of our Broadband
22 Subcommittee, and we -- I want to come back to that

1 point.

2 But on the states front, I wonder, we need
3 facts. We don't have any data in our committee. And
4 I would be -- it would be really interesting to know
5 what you have learned. Your point about consistent
6 eligibility requirements across states -- that's a
7 compelling point.

8 I'm wondering what you may have learned from
9 the ten states that you're serving that don't have
10 state programs, as they might apply across the board
11 to all 50 states. And then in the states which do
12 have state programs, which ones are working the best?
13 So some kind of best practices understanding from your
14 experience with those.

15 Furthermore, I would be very interested to
16 know how much Lifeline/Link-Up money is going by
17 state, so we can look at just the state populations
18 versus how much funding they're getting. That would
19 give us a very quick understanding of -- I mean
20 superficially, of course, but a very quick
21 understanding of where this is taking hold state by
22 state. So that's the data point that we really need

1 in our subcommittee in order to make rational
2 recommendations that will be helpful to you.

3 Now, the broadband point, I know that there
4 was a very terrific hearing in this room on the 23rd
5 about pilots, pilot projects. I watched it from
6 Evanston. Outstanding hearing, very smart comments,
7 very well organized, just a really good hearing on
8 this.

9 The intent, I understand, is to move as much
10 as possible, or to give consumers the choice to move
11 from telephone only, voice only, to broadband, which
12 presumably would include voice. So it's not either
13 or.

14 But how would the eligibility requirements,
15 in particular in the outreach, change by adding
16 broadband as a consumer choice, and what are your
17 plans on this, and how can we help in giving you
18 advice about the transition from voice only to
19 broadband? That's my second question. So it's the
20 states issue and the broadband issue.

21 MS. FLANNERY: That's a lot of information.
22 If I could just give you -- having a little knowledge

1 about my background might help you to understand why
2 I'm going to point you in one direction.

3 I was here at the Commission from '95 to
4 2000 and had the pleasure of working with Commissioner
5 Tristani and worked on Universal Service for the vast
6 majority of that time. I then went to USAC, the
7 Universal Service Administrative Company, which is the
8 independent not-for-profit entity that administers all
9 four of the programs.

10 And I was actually the VP for the High Cost
11 and Low-Income Programs. So it does my heart good to
12 see the level of interest in Lifeline and Link-Up,
13 because that was one of the challenges, initially was,
14 why isn't anybody paying attention to the Low-Income
15 Program?

16 The amount of money that was going out the
17 door was pretty flat, and so we actually started --
18 and USAC does this I believe on an annual basis still,
19 doing a participation study, to try to figure out
20 who's doing a good job, as you said, where's the money
21 going, what impact is outreach having.

22 And actually, what I would -- I'm going to

1 encourage you to go to the USAC web site for a couple
2 of different things. One is to take a look at their
3 most recent participation study. The web site is
4 www.usac.org, and when you get to the home page,
5 you'll see a tab for each of the programs, and you
6 want to click on Low Income.

7 I wish I could tell you -- I can get the
8 information to you if you have a hard time finding the
9 participation study, but basically there is a map.
10 And you -- well no, that's for the participation
11 information. If you have a hard time finding -- I
12 think it is not the most intuitive place in the world
13 to find the participation study.

14 MR. MARSHALL: Send us the link --

15 MS. BERLYN: If you get us the link.

16 MR. MARSHALL: -- that would be wonderful.

17 MS. FLANNERY: Okay, I will send you the
18 link. But basically what it does is breaks all of the
19 states down into categories in terms of the percentage
20 of eligible households participating.

21 And there are a number of states not far
22 from us, including Maryland, where I live, where less

1 than 10 percent of the eligible households participate
2 in the program. There has been an amazing level of
3 improvement in some of the states where there has been
4 a much higher participation rate, but some states are
5 still very low and below the 10 percent threshold.

6 In terms of where the money is going, again,
7 USAC is required on a quarterly basis to file with the
8 Commission both demand numbers and the carrier's
9 revenue information. That's how we figure out what
10 the contribution factor is. That's basically what
11 ends up being reflected on your bill in terms of a
12 surcharge.

13 And if you go onto again, and I can provide
14 you with the link to the USAC Web site, on a quarterly
15 basis they submit dozens of appendices of information
16 that slice and dice the data in a variety of ways.
17 For example, state by state, you can find out how much
18 money is going to each state; carrier by carrier, how
19 much money is going to each carrier. So there is a
20 wealth of information on the USAC Web site.

21 In terms of best practices, I wish I could
22 tell you that I knew all of the best practices.

1 That's what we are looking for, actually, and that's
2 how our colleagues at the state level, we're hopeful
3 will be able to provide us with a great deal of
4 information.

5 We also are aware that GAO has recently sent
6 out a survey to each of the states, asking a variety
7 of questions about the Low-Income program. We don't
8 have access to that information right now, but we do
9 know that that survey exists.

10 So I wish I could say that I had the data to
11 give you. We are actually looking for the same data,
12 to the extent that it doesn't exist with respect to
13 the USAC information that we have access to.

14 MR. BENTON: Just a small PS on that point.
15 I'm looking at the map here, the Lifeline
16 participation rate by state, and I notice Illinois is
17 under, is 10 percent or below. I'm on the -- the new
18 Governor's appointee to the Partnership for a
19 Connected Illinois, and by God, we're going to get on
20 this case. This is a fabulous map, wonderful. Thank
21 you so much. We're going to get cracking in Illinois,
22 I can promise you.

1 MS. FLANNERY: One other -- and I'll get to
2 your other question in just a second -- but one other
3 item that the FCC has before it and is part of the
4 Chairman's broadband implementation timeline, is what
5 we're referring to as the Lifeline Flexibility Notice
6 of Proposed Rulemaking, that is slated to come out in
7 the third quarter of this year.

8 In the National Broadband Plan, the plan
9 noted that in some instances consumers are restricted
10 in terms of what they're allowed to apply their
11 Lifeline discount to. And so one of the
12 recommendations was that consumers, as you were
13 mentioning, consumers should be able to apply their
14 discount to bundles of services that would include
15 voice but could also include for example, broadband.

16 That is an issue that the Commission will
17 have on its agenda in the third quarter. All of this
18 obviously requires Commission action. So the first
19 step is the Notice of Proposed Rulemaking, where
20 you'll have an opportunity to comment, and then the
21 Commission will ultimately adopt an order.

22 In terms of the pilot, the roundtable, I'll

1 pass that along. Thank you very much. That's my
2 staff, who did all of the hard work of getting the
3 roundtable together. I'm trying to remember what --
4 can you -- I wrote very -- my notes are so cryptic
5 that I can't remember what the question was. Your
6 second set of questions?

7 MR. BENTON: The question was how to create
8 incentives for enlarging the consumer choice
9 Lifeline/Link-Up from voice only to broadband.
10 Broadband, which presumably and hopefully would
11 include voice as well. So it isn't either/or, but
12 and.

13 MS. FLANNERY: And again, that is an issue
14 that will be before the Commission. As I mentioned,
15 the item that will be coming up in the third quarter
16 has to do with the consumer's ability to apply the
17 discount to a bundle of services. That comes short of
18 declaring broadband a supported service under the Low-
19 Income Program.

20 That's an issue that the Commission -- if
21 the Commission decides to move forward with that
22 recommendation, the Commission will have to move

1 forward. That will require obviously action on the
2 part of all of the commissioners.

3 As you probably know, the Commission is
4 looking at the whole Title I and Title II distinction
5 and the third way proposal. And there is a notice --
6 it was either a Notice of Inquiry or a Notice of
7 Proposed Rulemaking that was released recently, where
8 the Commission is working with that legal issue of
9 what does the statute allow and what does the
10 Commission need to do in order to permit broadband to
11 be a supported service for both the purposes of the
12 High Cost and Low-Income Programs?

13 Broadband is a supported service for the
14 Schools and Rural Health Care programs, but again,
15 because of the way the statute is written, the Schools
16 program in particular is more expansive.

17 MS. BERLYN: Gloria? And I think that's our
18 last question, so thanks.

19 MS. TRISTANI: Irene, it's an absolute
20 pleasure to have you here. And I will tell everyone
21 that there's probably no one in this Commission that
22 knows more about Universal Service in total and who is

1 more devoted to Universal Service. I had the pleasure
2 to work with Irene when I was on the Commission, and
3 she was terrific.

4 And it's been almost nine years since I've
5 worked on Universal Service issues, particularly on
6 the low income issues, so I needed some clarification.
7 I have two questions. One's a follow-up to Charles'
8 question, or maybe more of a comment -- maybe you can
9 clarify.

10 I understood that the whole issue of
11 supporting broadband is somewhat teed up in the Joint
12 Board referral. Maybe you can expand on that. And
13 the second question, again, because it's been so long.
14 And I know that Lifeline is much more strict as to
15 what you can apply discounts to.

16 But for the Link-Up piece of it, which I
17 know is for connections. Someone mentioned yesterday,
18 and this did not ring a bell, but that that there was
19 also a possible piece that was a loan, an amount of
20 money for loaning. And I couldn't remember what that
21 was, or is that some other program?

22 So what can you tell us about Link-Up?

1 MS. FLANNERY: There is a provision that, as
2 I understand, not too many people avail themselves of
3 or not too many carriers use. And it's not a loan but
4 it is deferred interest payments on -- if your
5 installation, your connection charge is very high,
6 carriers I believe do have the option to defer
7 interest on that money and recoup under the Link-Up
8 Program through the Universal Service Fund. My
9 understanding, just anecdotally is that's not widely
10 used.

11 Because as you probably know, the \$30 can be
12 -- up to \$30 can be very helpful in some places in
13 terms of connections. But if you have special
14 connection charges, particularly in many of the rural
15 and remote areas, \$30 -- that's why the Commission
16 moved forward in Tribal Areas to provide a greater
17 discount.

18 In terms of the Joint Board referral, the
19 issue of whether broadband should be a supported
20 service is not explicitly teed up. What is teed up is
21 if the Commission goes down that road and declares
22 broadband to be a supported service, would the Joint

1 Board's recommendations change at all?

2 So in terms of for example, eligibility, if
3 broadband was a supported service, should the
4 eligibility requirements be different than they are
5 for voice? And the same is true of verification and
6 outreach. The Joint Board did recommend a number of
7 years ago, I believe, that broadband should be a
8 supported service. So that explicit question is not
9 teed up.

10 MS. TRISTANI: Thank you.

11 MS. FLANNERY: You're welcome.

12 MS. BERLYN: Quick?

13 MR. DEFLACO: Yeah, quick.

14 MS. BERLYN: Because our lunch is waiting,
15 and Irene has been here for a long time.

16 MR. DEFALCO: Irene, Mark Defalco at the
17 Appalachian Regional Commission again. Could you
18 expand just a little bit on the Title I, Title II, and
19 specifically, if the Commission does not get Title II,
20 do they have the authority to use the High Cost
21 dollars to support broadband?

22 MS. FLANNERY: That is a very volatile

1 question. And what I can say is that the Commission
2 is looking very closely at the legal issues associated
3 with making broadband a supported service, and there
4 is an open proceeding. So if the Commission's
5 analysis, for whatever reason, does not prevail, the
6 Commission would have to figure out what other options
7 it would have. But I'm not really comfortable
8 speculating.

9 MR. DEFALCO: Thank you.

10 MS. FLANNERY: Sure.

11 MS. BERLYN: Thank you very much, Irene.

12 MS. FLANNERY: You're welcome.

13 MS. BERLYN: This has been great. We
14 appreciate it.

15 MS. FLANNERY: Sure.

16 MS. BERLYN: Look forward to talking to you
17 again.

18 MS. FLANNERY: Absolutely.

19 [Applause.]

20 MS. FLANNERY: Please feel free, if you have
21 any questions, we're very easy to find at the
22 Commission, and Scott can always find me. But if you

1 go to Find People on our Web site, you can find me.

2 Thank you.

3 MS. BERLYN: Thanks. So we now have lunch
4 over here, thanks to Dish Network, and we are going to
5 take a break. We are going to start promptly at 1
6 o'clock so we can keep ourselves on schedule for the
7 afternoon. We do have quite a bit to talk about with
8 our working group recommendations, so please be here
9 promptly at 1:00. Thanks.

10 [Break.]

11 MS. BERLYN: We're ready to get started
12 again. And the first order of business is our
13 Consumer Protection Working Group Report, and for that
14 I will turn to Lawrence. Thank you, Lawrence.

15 MR. DANIELS: Thank you, Debby and good
16 afternoon.

17 [Off the record discussion.]

18 MR. DANIELS: Can we have the captions up
19 please?

20 MR. MARSHALL: It's a remote captioning
21 service.

22 MR. DANIELS: Okay.

1 MR. MARSHALL: So they should be there,
2 hopefully.

3 MR. DANIELS: Not yet. Is that something we
4 control here or is it somewhere else?

5 MR. MARSHALL: No, we don't control it here.

6 UNKNOWN FEMALE SPEAKER: What are we waiting
7 for?

8 MR. DANIELS: We're waiting for the
9 captioning service.

10 MR. MARSHALL: We're waiting for the
11 captions to come back up.

12 MR. DANIELS: They're not back up.

13 MR. MARSHALL: But they should be. Say
14 something into the microphone occasionally.

15 MR. DANIELS: At this point we're going to
16 wait a few minutes until the captioning service comes
17 back up.

18 MR. MARSHALL: You're up.

19 MR. DANIELS: We're now up, okay. Again,
20 good afternoon. I am Lawrence Daniels representing
21 NASUCA. And I'm currently Chairing the Consumer
22 Protection Committee. And today I want to give you an

1 update on where we are with the task force that was
2 organized.

3 Back in March of this year, at our last CAC
4 meeting, the FCC asked the CAC to put together a
5 label, or piece of information that consumers could
6 have prepurchase, that would help them make their
7 purchase decisions for four different types of
8 telecommunications services; wireless, wireline,
9 broadband and video service.

10 And what we did was to form a task force,
11 the Consumer Information Disclosure Task Force. And
12 we've had several meetings, and what we did in those
13 meetings to bring together a tangible document that
14 would entail all the information that we believe is
15 important to consumers to have prepurchase.

16 We had several meetings, and what it
17 entailed was first a list of what was important for
18 each one of those services; wireless, wireline,
19 broadband and video, what information we thought would
20 be pertinent to a consumer. And then we looked at all
21 the criteria that was in common for all those four, to
22 try and have a one-size-fits-all document.

1 From there we focused on how do we actually
2 put it in a format? And we are experts at
3 understanding what consumers need to have. And I
4 think we kind of hit our heads up against the wall
5 looking at the format, but at the end of the day what
6 we want is to have the information conveyed to
7 consumers that's most important to them prepurchase.

8 There were five questions that the FCC gave
9 us back in March in the NOI, that they wanted us to
10 focus on to kind of guide our discussion. The most
11 important one is what information should be contained
12 in the label.

13 And the document that I passed out just
14 during lunch, number 4, is really the meat of it. And
15 this is a list of the things that we believe, at this
16 point, should be included in whatever format we're
17 going to have -- whatever information we deliver to
18 consumers.

19 And just to back up just a little bit -- one
20 of the most important things that the FCC, reasons why
21 they wanted us to do this is because they found that
22 consumers were overbuying on all four of these

1 services; wireless, wireline, broadband and video. So
2 they wanted to make sure that consumers wouldn't be
3 stuck in that situation so they would understand
4 exactly what it is they were buying for the money that
5 they were spending.

6 So to help do that, we came up with the
7 response to the question, what information should be
8 contained in the label? And we have about six or
9 seven things right now.

10 One is a total of all the startup costs: the
11 fees for installation, initial connection; deposit,
12 activation, equipment costs or any other startup fees.

13 The minimum monthly costs for basic service of any
14 one of those four services, and a full description of
15 what basic service is provided for that minimum cost.

16 A disclosure as to whether or not a contract
17 is involved in the purchase of that service, and if
18 so, what is the fee for early termination, early
19 cancellation. And also, a list of features, of
20 accessibility features for people with disabilities.
21 We wanted that to be a part of the information.

22 An explanation of the company's privacy

1 policy. And we had decided at this point that given
2 that privacy statements are numerous pages, that we
3 would have a link to that information. And lastly, a
4 disclosure as to whether the services available are
5 part of a bundled service package.

6 Another one of the difficulties that we face
7 as a group was that the bundles created just a variety
8 of alternatives that could be provided, and all of
9 that couldn't be captured in a label. So right now,
10 we're not going to put something forward to the CAC at
11 this point today, but in the very near future we would
12 like to.

13 And our focus going forward in the next few
14 meetings that we're going to have is going to focus on
15 two primary areas. One, what additional information
16 do we need to have in here, aside from what we've
17 talked about already.

18 And secondly, we want to get some input from
19 the industry as to how we actually convey that
20 information. We're not going to be stuck with just
21 worrying about the type of format, i.e., a label or a
22 computer database or central database that can process

1 the information for you. But really look at focusing
2 on the information that needs to be provided to the
3 consumers.

4 So at the end of the day what we want to
5 have is a product or a service that will inform
6 consumers about the necessary criteria they need to
7 have prior to purchase. So again, we're not going to
8 forward anything to the CAC today, but probably within
9 the next three to four weeks Debby and Scott and I are
10 going to talk about timing and how we'll do that
11 procedurally.

12 But at this point I'd like to open the floor
13 to discussion for additional information that you
14 think needs to be included, and also, especially from
15 industry, meetings by which we could actually do that.

16 And another thing that we're trying to keep
17 in mind is a healthy balance between giving basic
18 information and giving too much information, because
19 at some point you're going to reach a tipping point
20 where people are going to say, it's just too much
21 information for me to compare and not use it. And we
22 don't want that, we want a useful document.

1 So if there are any other points in addition
2 to what's already provided in number 4 in the memo, we
3 would definitely welcome your discussion at this time.

4 MS. BERLYN: Let me just jump in and say
5 that the working group had a great discussion
6 yesterday, and then when we came back as a group
7 yesterday, we had subsequent discussions.

8 And I think some of the issues that were
9 raised we will be looking at over the course of the
10 next couple of weeks, to fine-tune this and to discuss
11 whether or not some of the threshold questions, of
12 whether or not there can be one, actually one sort of
13 label or not, how to get all this information, what
14 consistencies across services or what differences in
15 services we need to address in terms of information.

16 Gloria?

17 MS. TRISTANI: I think pretty much
18 everybody, not everybody -- almost everybody was in
19 the room yesterday where I discussed a lot of my
20 concerns. But for the benefit of those that weren't,
21 did you talk at all about these sheets?

22 MR. DANIELS: Well, today we didn't. I

1 talked about it in terms of the process that we went
2 through, in terms of looking at all four services, the
3 criteria that were important for each one, how we'd
4 narrow it down.

5 MS. TRISTANI: Because for those -- I know
6 for example, Ken wasn't here yesterday when we were
7 discussing what information should be provided to the
8 consumer. And I was of the mind that while I
9 understood the need to have something concise and
10 simple for the consumer, there might be some
11 information that the consumer would want to know
12 before comparing different products that is not
13 provided in this particular list.

14 And one of the difficulties is that we're
15 talking about different kinds of services. We're
16 talking about wireless, we're talking about video,
17 cable or FIOS service, we're talking about broadband.
18 And I said for example, if you were looking for a
19 broadband service, you might want to know the speed,
20 and that wouldn't appear in this list.

21 And if you were looking at wireless, you
22 might want to know additional charges such as for

1 texting and roaming, and I'm not sure whether this
2 would be covered here. And if you were looking at
3 video subscription services, you might want to know
4 different packages.

5 So I don't want to complicate things.

6 Although I understand that there is overload, I'm of
7 the opinion that -- in my years working from the other
8 end on this, I hardly ever heard from a consumer who
9 said, I got too much information before I purchased a
10 product.

11 MR. DANIELS: Right.

12 MS. TRISTANI: But I understand how
13 difficult it is, and appreciate very much you've
14 incorporated some of our concerns here as well.

15 MR. DANIELS: Okay, and I definitely
16 appreciate your comments. And I think one of the
17 recommendations yesterday from Ed was that we would
18 have, you know if you would, a label for each one of
19 the four services, which could capture actually some
20 of the things you talked about, like speed and roaming
21 for wireless.

22 So those are options, but really what we're

1 looking for now is content, what is it we think is
2 most important for those four services? And we're
3 going to leave the formatting to people who are
4 experts at formatting and let them determine exactly
5 how that should best be presented.

6 And another thing we're going to take a look
7 at as well, the survey that was presented this
8 morning, I believe Karen Johnson presented to us,
9 about ETFs and bill shock. Some of the elements that
10 actually create that situation, if we could have some
11 of that information up in front in this prepurchase
12 information, could help avoid some of that -- some of
13 those issues. So there's some other things that we're
14 going to do, fact-finding, to strengthen what we have
15 so far.

16 MR. BENTON: And just point of information,
17 what is the blue and the yellow? What does this mean?

18 MR. DANIELS: Sure.

19 MR. BENTON: I don't understand.

20 MR. DANIELS: Well the reason for the blue
21 and yellow, the colors don't mean anything in
22 particular in terms of the substance.

1 MS. BERLYN: Did everybody get that? I
2 don't know.

3 MS. TRISTANI: It's in that --

4 MS. BERLYN: Oh, it's in our packet.

5 MR. DANIELS: Right. So if you're taking a
6 look at that, the top box I believe are the criteria
7 that were in common across all four services. And the
8 ones on the bottom were the ones that were germane to
9 that particular service.

10 MR. BENTON: I see. Okay, thank you.

11 MR. DANIELS: So again, at the time, we were
12 looking at doing it one label to fit all four. Now
13 we're kind of expanding our thinking to think maybe we
14 need multiple ones to fit each service. Again, the
15 bundles are going to present somewhat of an obstacle.
16 But again, we're going to focus right now, going
17 forward on the actual content and leave the formatting
18 to people who are good at formatting.

19 So as Debby said, we did have a pretty good
20 discussion yesterday in our subcommittee and also when
21 we came back in the afternoon. So I think we pretty
22 much covered it, but we are open to any other

1 suggestions that anyone would have to help us bring
2 something to the full CAC at the next meeting.

3 MS. BERLYN: What I also might suggest,
4 Lawrence, is that when we have our next task force
5 meeting to discuss how we proceed, that we may notify
6 the full CAC. So if someone wants to participate in
7 that discussion, you would be welcome so that we get
8 the benefit of maximum input from the full CAC. So
9 we'll make sure that happens so that we can hopefully
10 get to a result that works for everybody. Gloria?

11 MS. TRISTANI: I just wanted, before I
12 forgot to say thank you to Lawrence and all of you on
13 the task force. You've done a tremendous job with
14 some very challenging questions.

15 MR. DANIELS: Okay, I appreciate it.

16 MS. BERLYN: Okay, that's great. Thank you,
17 Lawrence.

18 MR. DANIELS: All right.

19 MS. BERLYN: And we'll be back to folks with
20 the next step, and we'll be talking about that after
21 the Broadband Working Group's report as well. So
22 thanks, Lawrence.

1 Okay, Broadband Working Group. Lew?

2 [Pause.]

3 [Off the record discussions.]

4 MS. BERLYN: Have the three documents made
5 their way around? Mary, did you get them?

6 MR. MARSHALL: And again, all these went out
7 electronically a few minutes ago.

8 UNKNOWN FEMALE SPEAKER: There's four.

9 MS. BERLYN: Oh, there's four. I think you
10 can start as people are getting their materials.

11 [Pause.]

12 MR. CRAIG: Can you hear me?

13 MS. BERLYN: No, raise your hand.

14 MR. CRAIG: Can you hear me know?

15 MS. BERLYN: Yes, now we're set.

16 MR. CRAIG: This is our report from the
17 working group. We've had a teleconference that some
18 of you were on previous to coming. And then yesterday
19 we all met, we had a good session. And actually of
20 the three, or maybe four documents, I understand that
21 you have, the important one is the memorandum, and
22 that's the two-page. The other is background.

1 You should have the Public Notice and then
2 you have a summary that incorporates the roundtable
3 discussion that I was not able to attend, but Amina
4 from Charles Benton's office prepared the summary of
5 that. She sat in on that and has been helping us
6 quite a bit. Thanks to Charles for that, by the way.
7 Thanks to the Benton Foundation.

8 MS. BERLYN: Gloria?

9 MR. CRAIG: And what we've prepared is an
10 outline or talking points, and our goal here is to get
11 the rest of the Committee's input on this, and
12 understanding the timelines are tight. What we would
13 hope to do is -- and we'll let Debra tell us a little
14 more about that -- is have another meeting by
15 teleconference with the full Committee later to vote
16 or take whatever action we need to make a further
17 recommendation to the FCC. We're not trying to meet
18 the July 15th comment deadline, because that would
19 probably be impossible, from everything I understand.

20 And I also believe Lawrence may be prepared
21 to talk to us about the NASUCA -- I know he's got to
22 leave. And NASUCA has some resolutions that I think

1 would be important for us to hear a little bit about.

2 If you're prepared, I'll turn it over to you.

3 MR. DANIELS: Hello, okay. This past,
4 NASUCA's latest meeting held in San Francisco, we
5 adopted as an organization, a resolution entitled,
6 "Calling for Reform of the Lifeline Program,"
7 including reform for prepaid wireless Lifeline
8 services.

9 The reason for this -- just a little
10 background on how this came to be. NASUCA has
11 realized that Lifeline is a very, very important
12 service for low income individuals, to make sure that
13 they are connected to the network and that they can
14 participate, as all other citizens do, with
15 telecommunication services.

16 We also recognize that there is a shift
17 going on from wireline service to wireless services,
18 and that the discount that applies for Lifeline should
19 also apply in some respects to wireless service.

20 And this resolution that you see before you
21 outlines some of the proposals that NASUCA believes
22 that the FCC should take up in making that transition

1 from wireline to wireless. One in particular is that
2 the FCC should consider establishing minimum standards
3 service for prepaid wireless Lifeline service.

4 And another one is that the Lifeline
5 services should not be cut off if the consumer has
6 paid the cost for the basic service, but if other
7 services are not paid, that the basic service should
8 not be cut off. That's another one of the resolve
9 clauses.

10 Again, it's all centered on connectivity to
11 telecommunications services. And again, this was just
12 passed about a week or two ago in San Francisco, but I
13 wasn't actually involved in the drafting of it because
14 I'm not on the Telecom Committee. I'm now on the
15 Electric Committee doing a lot of work with them.

16 But it's pretty straightforward. I can tell
17 you it's very thoughtful. The process took several
18 months, a lot of people involved on the legal side and
19 also the technical side. A lot went in to making sure
20 that the recommendations put forth here would cover
21 Lifeline customers, both wireline customers and also
22 as we make the transition as a nation, to wireless

1 services.

2 MS. BERYLN: Thanks, Lawrence. Back to you.

3 MR. CRAIG: Okay. Am I on?

4 MS. BERLYN: Yeah.

5 MR. CRAIG: Okay, good. I'm not sure what
6 the best process would be to go through this. I think
7 the second page is our discussion points. And I guess
8 I can read this to everyone, but you can probably read
9 it yourself, too.

10 Our major focus was to actually -- we
11 actually looked at it after discussing it at length
12 and to try and decide how many details to go into.
13 What we came back with was, we believe that the
14 current requirements -- well, let me back up.

15 What we decided was probably the best
16 approach was to simply expand the current requirements
17 to broadband, and I suppose that goes with the caveat,
18 as was explained to us today, that if in fact the
19 broadband services can be a supported service, we're
20 obviously not getting into that question.

21 So I'm not sure that we've gone to the level
22 of detail that the FCC would like us to at this point,

1 but we wanted to take a broad high-level policy
2 approach, and see where we stand on that. And then to
3 the extent we need to add details and the rest of the
4 group thinks there's some areas we can go more in
5 depth, that would be helpful to our process.

6 [Pause.]

7 MR. CRAIG: And at the risk of another
8 resounding silence --

9 [Laughter.]

10 MR. CRAIG: -- are there any questions on
11 what we've seen so far, or the comments I've made?
12 And I also invite Charles to step in also, if I've
13 left anything out regarding our discussions yesterday,
14 or anyone else.

15 MR. BENTON: Well, let me just add to what
16 Lew has said here. For those of you who were not part
17 of that discussion yesterday, I think maybe just a
18 little more background on why we zeroed in on
19 Lifeline/Link-Up might be useful, Lew.

20 This, of course, is one of the four
21 Universal Service Programs. We were, I think blessed
22 by having Irene here, and thank you, Debra, for

1 getting her to meet with us earlier. She was really
2 very informative and obviously very well -- great
3 experience and knew a lot about this.

4 The High Cost area is so complex, so big,
5 that we were uncertain that really the CAC maybe at
6 this point could contribute a lot to that discussion.
7 E-rate, in like manner, though there is an NPRM on the
8 e-rate, seemed a bit daunting.

9 This one, because of the -- we thought
10 actually that it was in the hundreds of millions, and
11 didn't find out until very -- well yesterday,
12 actually, that it was over a billion, and we were told
13 today that it's 1.2 to 1.3 billion, so it is a lot
14 bigger than we thought. And the fourth area is a very
15 small area, a mere 50, 70 million, this year, by
16 comparison, with the Rural Health Care.

17 So we decided to focus on this because it is
18 in the three barriers to broadband adoption that are
19 highlighted in the National Broadband Plan. The first
20 is the area of cost, the second is the area of
21 literacy, and the third is the area of relevance.

22 So the cost area, as John Horigan, who did

1 the research on this -- that's of the low income, or
2 of the unserved/underserved folks -- was the largest
3 percentage the problem, and the chief barrier was
4 cost. The second one was the literacy area and the
5 third was relevance.

6 Of course all of these are interrelated.
7 These are not separable. They really are all
8 interrelated. But the cost area is the biggest area,
9 and for that reason we decided to kind of focus in on
10 Lifeline/Link-Up.

11 I think that's the first -- are we on the
12 right track with focusing on the Lifeline/Link-Up.
13 And I know Debra was enthusiastic about this, but
14 maybe we can see if we're all are enthusiastic,
15 because that would give affirmation to the work of the
16 subcommittee.

17 Secondly, we're sorry we couldn't get this
18 material to you earlier, but it was shaped very
19 substantially by the meeting yesterday afternoon. And
20 John Breyault, we certainly thank you, John, for
21 getting the final material in shape, and this is
22 great.

1 So Lew, how do you want us to focus on the
2 recommendation number 86? How would you like us to
3 focus on this, what do you feel how we can best spend
4 our time?

5 MR. CRAIG: I think we should start, just go
6 through the numbers, start, go through the
7 recommendations one at a time and see if we have
8 discussion, each one. I think your first question we
9 might want to answer.

10 I don't know if we need a vote necessarily,
11 but whether or not we're on the right track in terms
12 of Lifeline/Link-Up. I know the -- I think we, as a
13 group, in a working group believed we were. But if
14 others have some other advice or objection, it'd
15 probably be a good time now to hear about that.

16 MS. BERLYN: Mark?

17 MR. DEFALCO: I'm Mark Defalco with the
18 Appalachian Regional Commission. The Lifeline/Link-Up
19 is probably the single issue in the four areas of the
20 High Cost that affects consumers the most directly.

21 You know the High Cost Fund is where
22 certainly the largest amount of dollars is, but the

1 High Cost dollars flow to the providers who you could
2 certainly make a claim that that is going to flow down
3 into the consumer through reduce rates or whatever.

4 But the Link-Up is directly to the consumer,
5 they see it monthly on their bill, they get that
6 credit. So I think the decision to go with the
7 Lifeline/Link-Up is probably the best one for the
8 consumers, and something we're capable of doing.

9 MS. BERLYN: Ken? I'm having trouble with
10 that. I must have like --

11 MR. McELDOWNEY: She's having trouble with
12 this whole side of the room.

13 [Laughter.]

14 MS. BERLYN: No, it just stops at you.

15 MR. McELDOWNEY: I know, right. No, this is
16 certainly an issue that in California we've been
17 grappling with for a long time. And one of the real
18 concerns I have is certainly one of cost.

19 The California Program, which is one of the
20 most extensive in the country, the subsidy is
21 basically like \$2.50 for measured rate and like \$5 for
22 flat rate. That level of contribution for broadband

1 access would be nothing. I mean it would be no
2 significant whatsoever in terms of the -- even for
3 dial-up, which is now you know, \$15, \$20, \$25 a month,
4 and this isn't even counting the cost of having to get
5 a computer.

6 And so while I think that it's very laudable
7 and certainly needed to expand Lifeline to include you
8 know, Internet access, whether dial-up or broadband, I
9 think we need to have some sort of statement in there
10 in terms of where we think the money's going to come
11 from for this.

12 Because one of the fears that I have is that
13 on the march to broadband, that there's going to be
14 cutbacks in terms of access to voice grade service.
15 Which is still, as the map shows, is still in a number
16 of states, very, very low. And so I think it has to
17 be done side by side and also some sort of realistic
18 way of trying to figure out what the actual cost would
19 be for buying the broadband.

20 MR. CRAIG: So should we just -- let's start
21 going through the recommendations. The first one is,
22 consider the potential expansion of the program to

1 broadband. And I think, Ken, your comment might have
2 been somewhat directed to that in terms of the cost.

3 So I guess I'll ask, if you have any idea of
4 how we might craft some language that would address
5 your concern without -- still with the idea that we
6 would want to stick with this recommendation. Or,
7 alternatively, do you believe perhaps we should not be
8 recommending that it be expanded to broadband?

9 MR. McELDOWNNEY: Well, no, I think we
10 should. I just think we have to sort of maybe have
11 another sentence in there that indicates that the CAC
12 recognizes that there is going to be you know, real
13 cost implications of this. And urge the Commission
14 and the Joint Board to take those steps that are
15 necessary to ensure broadband access to low income
16 consumers, even if it means a significant increase --
17 which even recognizing it would be a significant
18 increase in the Fund and the surcharge.

19 MS. BERLYN: Lew, we discussed this briefly
20 yesterday in our working group. And I don't see this
21 reflected here, but I think we had discussed calling
22 for efficiencies in reform to the Universal Service

1 Fund itself in order to move forward with proposed
2 transition to allow for broadband. So I think that
3 that might be one way -- perhaps not all the way, but
4 at least one way to start to address that cost issue.

5 MR. CRAIG: Okay, I'm taking notes.

6 MS. BERLYN: Cheryl and Chris? Is that
7 Chris?

8 MS. HEPPNER: I have a feeling that we both
9 want to speak to the same issue. Let me run it back.
10 While we're on the subject of Lifeline and Link-Up, I
11 don't see anything so far about addressing a very real
12 concern, that unless we expand it to broadband, that
13 any segment of the deaf community that required
14 broadband in order to have telecommunication.

15 MR. SOUKUP: And Chris Soukup from
16 Communication Service for the Deaf. I think it's
17 vital that the members of the deaf and hard of hearing
18 population have the opportunity to participate in the
19 Lifeline Program and are able to be the beneficiaries
20 of this resource.

21 Currently standard phone service really
22 doesn't have a benefit in modern society for deaf and

1 hard of hearing consumers because of their reliance on
2 the computer to access communication resources. And
3 so something to consider might be prioritizing access
4 to broadband services for consumers that most need it
5 or most rely upon it in order to communicate on a
6 daily basis. And for those that wouldn't have the
7 same benefit from standard phone services, maybe those
8 consumers ought to be given priority consideration for
9 access to broadband at a discounted rate.

10 The other consideration that I want to put
11 out there would be the high level of unemployment
12 within the deaf and hard of hearing population. And
13 so you have -- it kind of dovetails together, where
14 you have high unemployment and you have a reliance on
15 broadband for assisting in day-to-day communications,
16 communications with the outside world.

17 So I just wanted to put that out there for
18 the group's consideration.

19 MR. CRAIG: Any other comments? Those were
20 great comments, by the way. Thank you. Any other
21 comments on our first point?

22 MS. BERLYN: I'm sorry, Scott. Give me one

1 second. Yeah, on number 1, I think it's important to
2 reflect that this is a transition and that we need to
3 maintain support for wireline voice service. So we
4 don't want to appear to be saying, let's move Lifeline
5 and Link-Up to broadband.

6 So I think we need to have something that
7 reflects -- yesterday we talked about being able to
8 use Lifeline/Link-Up for either service, and so I
9 think we want to reflect that in our comments here.

10 MR. CRAIG: Okay, so so far for
11 recommendations for 1, we have the point about
12 recognizing that there's cost implications, even if it
13 means some other means of collecting. Whether it
14 means increase the surcharge or in any event, that the
15 Joint Board needs to examine.

16 MS. BERLYN: Look for efficiencies.

17 MR. CRAIG: Needs to examine that, look for
18 efficiencies. We'll work on the language. I just
19 want to make sure I've got -- there needs to --

20 The other recommendation was to possibly
21 prioritize for those most needing to rely on broadband
22 for daily communications -- excellent point. I may

1 have some more questions about how to craft that
2 language.

3 And then the last point was the transition
4 point, that we don't want to necessarily, particularly
5 in the interim, substitute broadband for voice,
6 leaving voice out. So those are the three points from
7 the larger group that I have to add to this point.

8 MS. BERLYN: Lise?

9 MS. HAMLIN: Can I just clarify there? When
10 you write in language for that you may want it to --
11 for people who depend on, I think you should make it
12 that general. You shouldn't say for deaf and hard of
13 hearing, because there are some hard of hearing people
14 who use voice, some people who don't.

15 So classifying it -- saying it the way you
16 did. I just want to emphasize it, that for those who
17 rely on broadband to communicate, that should be in
18 there, no matter what their disability is or lack of
19 disability, for that matter.

20 MR. CRAIG: Okay, good. I'll move on to the
21 next point. And this is considering changes to
22 eligibility.

1 We had a good discussion. It ranged from in
2 extreme to -- I called it in extreme -- but ranging
3 from actually saying that we should move to 150
4 percent. There was some concern that that might tie
5 the states a little too much, and that's why we ended
6 up with this language.

7 We tried to be careful with this.
8 Eligibility can implicate things to the states that
9 may or may not work for them, but I'm open to
10 suggestions, as we all are. So if there's -- having
11 taken a look at this, if there's some way we can
12 improve this section to maybe even be a little more
13 specific if the group feels that's what we should do.

14 [Pause.]

15 MR. CRAIG: I'll also note that this was --
16 Irene Flannery I know talked a lot about this, and it
17 seems to me that the FCC might be looking for more
18 help than we're actually providing here. It was a
19 sense of our working group that that was going to be
20 difficult for us to do, but maybe with the wider
21 group, we may have come up with some better ideas.

22 MS. BERLYN: Gloria?

1 MS. TRISTANI: I also listened to Irene
2 emphasize this and mention the homeless, and so I
3 think we need to -- although I was, in this case, for
4 keeping it simple and not getting deep into it. To
5 the extent we can, I think we need to focus a little
6 bit more and see whether we want to add to it, unless
7 the group disagrees. But I think clearly they want
8 our input on this.

9 MR. CRAIG: Any suggestions in response to?

10 MS. TRISTANI: I don't know if NASUCA might
11 be helpful in that area.

12 MR. DANIELS: You mean in terms of
13 eligibility?

14 MS. TRISTANI: Yes, in answering this
15 question. And I don't mean right now, but if there's
16 something that --

17 MR. DANIELS: Right.

18 MS. TRISTANI: -- you know that --

19 MR. DANIELS: Yes, that's something that I'm
20 going to take back for advisement for the Telecom
21 Committee. I haven't been on that committee for a
22 while. But I know that eligibility was something we

1 talked about actually in our last meeting. It's a
2 touchy subject, because I think what we talked about
3 yesterday about states don't want to be told how to do
4 it by the Federal government, or mandated. It's
5 particularly the third rail of it. But I'll take it
6 back for advisement, and forward any recommendations
7 to you Lew.

8 MR. CRAIG: Okay, that would be great. I'd
9 like to emphasize that I don't believe that this was
10 the last chance to comment on this. And we will
11 circulate it widely, but this is just an opportunity
12 to jump in right now if you can.

13 What we're looking for again is the sense,
14 just make sure we're moving in the right direction as
15 we try to craft something else. So if we're going the
16 right way, please tell us. If we're going the wrong
17 way, definitely tell us now.

18 Okay, should I move on to the third point?

19 MS. BERLYN: Ken?

20 MR. McELDOWNNEY: I'm on the wrong side of
21 the room again.

22 MS. BERLYN: You just sneaked that card up,

1 because I was looking for it.

2 MR. McELDOWNNEY: Since California's sort of
3 a special case, don't other states have program
4 eligibility as well? I think that should be clarified
5 here, because you can either be eligible by being in a
6 program, or you can be eligible by income. So I think
7 that's important to say.

8 The other thing, I think another advantage
9 in terms of increasing the threshold to 150 percent,
10 is it makes outreach much easier if you can talk about
11 you know, being able to qualify for more than one
12 program. And if, in fact, the states are already
13 using the LIHEAP at 150, it does not seem like we have
14 that much of a stretch or that controversial to make
15 Lifeline consistent with it.

16 MS. BERLYN: Marti?

17 MS. DONEGHY: Yeah, I was thinking about the
18 automatic enrollment and the cross enrollment
19 assistance that already exists in a lot of the states,
20 New Jersey just to think of one, where enrollment in
21 one program, but it does have the 150 percent
22 eligibility, automatically enrolls all the way across

1 in every available assistance program, and triggers a
2 database once the person is eligible so that either a
3 counselor can make the client aware of the other
4 programs that automatically they're eligible for
5 because of that 150 percent, or at least make an
6 inquiry if they're interested in receiving it.

7 And with this program, since phone and some
8 broadband may already be established in the home or
9 with the person, the counselor inquiry, but definitely
10 150 percent I think across the Board is critical to
11 having like what they call SNAP -- Supplemental
12 Assistant Programs that exist in a lot of the states
13 now.

14 MS. BERLYN: Lise, your card is up from
15 before, right?

16 MS. HAMLIN: From before.

17 MS. BERLYN: No, I just want to make sure.

18 MS. HAMLIN: Sorry.

19 MS. BERLYN: Okay.

20 MR. CRAIG: So for point 2, it sounds like
21 I'm hearing an argument or maybe a preference for
22 being more definite about the 150 percent threshold

1 instead of leaving it as an open question. At least
2 I'm getting some nodding heads. And I believe that
3 was both the points, also from Marti talking about
4 auto enrollment. You were supporting moving to the
5 150 percent.

6 MS. DONEGHY: Exactly, and then that would
7 make the documentation requirements uniform so that
8 there's not a different threshold to get Lifeline.

9 MR. CRAIG: Okay, thank you. Good
10 arguments. I think I'm more convinced than I was
11 yesterday. I have to say thank you for helping me
12 out. Now is it time to move on to point 3?

13 And this, consider changes to outreach. I
14 think we heard from Irene Flannery about outreach. We
15 heard from others, the FCC. Outreach is a difficult
16 issue. We were looking at the map earlier, and it may
17 be -- this may actually be another NASUCA question in
18 terms of maybe getting some ideas on experience. And
19 Lawrence, I can help with that, too. I'm also on the
20 Telecom Committee, although haven't been very active
21 recently, so maybe we can talk about it some more.

22 MR. DANIELS: Okay.

1 MR. CRAIG: But it struck me that sometimes
2 we're able to do some short surveys with the members.
3 We may get more sense if there's some different kinds
4 of outreach out there that we can pass on through our
5 comments here.

6 MR. DANIELS: Okay.

7 MR. CRAIG: And if anybody else here has any
8 other ideas -- I mean I think we covered as broadly as
9 we could, how to approach outreach. But it's a
10 difficult -- I know working through it in Alaska it
11 was one of the most difficult.

12 When Lifeline/Link-Up first came out, it was
13 very difficult to find the people that qualified that
14 wanted to be part of the program or knew about the
15 program who were able to keep up with it. So any
16 other --

17 MS. LEECH: There's a group of low income
18 advocates working on telecom that's kind of loosely
19 organized through the National Consumer Law Center
20 that we may want to connect with on this.

21 MS. BERLYN: Interesting.

22 MS. DONEGHY: Yeah, Olivia Wine and John

1 Howard out of Boston.

2 MR. CRAIG: Great. So we have some research
3 to do as well as some more drafting on that point.

4 MR. McELDOWNEY: Can I have a bell for my
5 tent card?

6 MS. BERLYN: You do it quite effectively.

7 MR. McELDOWNEY: Why do I raise it?

8 MS. BERLYN: Does anyone else see his card
9 go up? Yes Ken.

10 MR. McELDOWNEY: I'm going to start being
11 ruder.

12 [Laughter.]

13 MR. McELDOWNEY: I would sort of -- I think
14 this maybe should be broadened a little. I mean
15 particularly in the areas where low income people
16 don't even know about voice grade Lifeline service.
17 To just talk about doing educational stuff around
18 broadband, I think sort of misses some of the boat.
19 So I think it's sort of important to say there needs
20 to be greatly expanded outreach on Link-Up that
21 includes both voice grade and also broadband.

22 The second thing is I think there has to be

1 a recognition, particularly when you're talking about
2 broadband, that there have to be hard copies of
3 materials to put in peoples' hands. Toolkits aren't
4 going to do it if there's not money for community
5 groups to sort of reproduce the materials or be able
6 to get them. You know, community groups need stuff
7 free.

8 And so I think there should be something in
9 here that sort of speaks about the need for enhanced,
10 increased funds going into educational efforts. You
11 might want to reference California as being one way of
12 doing it, where it comes out of the surcharge. We
13 spend like \$5 million a year on it, in terms of
14 outreach.

15 And I think the other thing is that it might
16 be also be a good place here to talk about that it
17 might be time to sort of move past having each
18 individual carrier do their own advertising, but have
19 that be more consolidated and being more coordinated
20 in terms of coordinated efforts that's done by
21 commissions carriers but also nonprofits.

22 MS. BERLYN: Lise?

1 MS. HAMLIN: I was going to actually say the
2 same thing, that when you list nonprofits here they
3 often are so strapped that they don't have funding to
4 do it. So we need the resources. I'm thinking of the
5 DTV transition where there's some grants that went out
6 there, so that could be a suggestion.

7 But the other thing I would also include,
8 that in these communities you look to the disability
9 community, because again across the board people with
10 disabilities are underemployed or unemployed. They
11 may not have the funds and may qualify for these
12 programs, and so it should be a targeted community as
13 well.

14 MS. BERLYN: I just want to raise a
15 question. I completely agree with figuring out a way
16 to expand outreach efforts. I'm not so sure about the
17 idea of grants, because I don't know where that money
18 -- the money would come from the Fund, which comes out
19 of ratepayers' pockets.

20 So I just don't know if we want to propose
21 substantial funds that are outside -- right now
22 outside of the reach of the Universal Service Fund,

1 but others might have --

2 MR. McELDOWNEY: Yeah, I think again,
3 California's been funding their Outreach from a
4 surcharge for years and years and years with no
5 objections whatsoever. And given the size of the
6 Fund, even \$5 million in California is very, very
7 little. It's a very small fraction of it.

8 So that having some sort of an aggressive
9 national outreach program would not add that much plus
10 if in fact you were able to get the commitment from
11 the carriers that the money that they were spending,
12 in terms of advertising, if that was, instead of going
13 to the carriers it went to a joint fund, that that
14 would also greatly reduce the added money that's
15 needed.

16 Because in California, again I'm not sure
17 how it's done in other states, but in California the
18 carriers are reimbursed for their advertising efforts
19 in terms of bill inserts and things like that. Why
20 couldn't that fund, that money instead be used for
21 joint programs?

22 MS. LEECH: Ken, what group coordinates that

1 fund?

2 MR. McELDOWNNEY: It's the Commission. It
3 used to be the Administrative Committee, but it got
4 taken away from us. There was an earlier POC ruling
5 years ago that we participated in that set the Fund
6 up. But it's coordinated by the state. They do RFPs
7 for call center for certification and also for
8 advertising, grants going to individual community
9 groups and things like that.

10 MS. BERLYN: Marti?

11 MS. DONEGHY: Sources for funding always
12 seem to be a bit sensitive, so I hear your point about
13 taking away from the Fund itself.

14 But I'm wondering in the National Broadband
15 Plan itself -- I know that's in the future, hopefully
16 not too far out there, might there be some mechanism
17 or is there a discussion of some type of grant funding
18 or outreach assistance to bolster the kind of outreach
19 effort for Lifelink to all communities, disabilities,
20 seniors. You know might there be something in that
21 plan that speaks to that? I don't know for sure. Or
22 perhaps we could recommend or suggest?

1 MS. BERLYN: Gloria?

2 MS. TRISTANI: Thinking about the outreach
3 again, one thing that Irene Flannery stated -- I
4 think, Mark, you asked her a question about having a
5 problem of carriers complying. And she indicated that
6 generally they were complying, but there were some
7 maybe iffy ones.

8 Your question came after she stated that the
9 Notice asked about whether they needed something
10 better than guidelines. Guidelines are guidelines;
11 they're not rules. And she seemed to say, we need
12 more enforcement authority here.

13 And I don't know if this is something we
14 should be commenting on, because we're all assuming
15 everybody's doing what they're supposed to do. Except
16 what they're supposed to do is very loose, it's very
17 vague. So I don't know if we want to get into that at
18 all.

19 I mean I don't even know what carriers are
20 doing. Irene said most of them have gone away from
21 bill inserts because bill inserts reach people that
22 have phone service, so those are not the people you

1 need to reach, right. Although for broadband, if
2 we're looking at broadband, that might be.

3 So does anybody have a sense, or is that
4 something NASUCA would be tracking on what carriers
5 are doing overall? I don't know. I have no clue. I
6 mean, they're the ones that are supposed to be doing
7 the outreach, which is what we're talking about.

8 MR. DEFALCO: I think we are covered by what
9 the language is in here, because there's a strong
10 emphasis on trying to go to community outreach,
11 community organizations, nonprofits, things of that
12 nature, which would really I would hope get the word
13 out in the low income community, that there's a
14 program here that might be beneficial. I think that
15 covers it for you.

16 MS. TRISTANI: Well, I think that adds to
17 it, but are you going to say all of a sudden then
18 carriers don't have a responsibility to do? I don't
19 know. I mean the FCC does ask about that.

20 MR. DEFALCO: Well I thought --

21 MS. TRISTANI: I mean, I don't know in
22 California whether carriers have the responsibility to

1 do this for the state low income fund.

2 MS. BERLYN: Ken?

3 MR. McELDOWNEY: Yeah, but they're
4 reimbursed for every cent they spend. I mean so it's
5 like -- I'm saying, instead of giving that money to
6 the carriers, why not give it to a central fund?

7 MS. TRISTANI: But I don't know about the
8 Federal. We're now talking about the Federal
9 outreach. This is where it would be useful to have a
10 staffer.

11 MS. BERLYN: Yeah, I don't -- does anyone
12 know? We can certainly get an answer to that
13 question.

14 MS. TRISTANI: Would Verizon -- might our
15 representative from Verizon know?

16 MS. CRESPI: I know some of the things we
17 do, but I don't know everything. Like we will do
18 advertisements in the newspaper and things like that
19 on a high level, but I don't think it's our expertise
20 in reaching out --

21 MS. TRISTANI: No, I'm not asking --

22 MS. CRESPI: -- to the community.

1 MS. TRISTANI: Do you know whether you get
2 any kind of reimbursement or any kind --

3 MS. CRESPI: I don't know.

4 MS. TRISTANI: You don't know.

5 MS. CRESPI: I can find out.

6 MS. TRISTANI: Can you find out?

7 MS. CRESPI: Yes.

8 MS. TRISTANI: That would be helpful.

9 MS. CRESPI: Mmm-hmm.

10 MS. TRISTANI: Thanks.

11 MR. CRAIG: I think we're ready to move on?

12 MS. BERLYN: Yeah, go move on.

13 MR. CRAIG: Point 4. The recommendation is
14 the Commission should explore methods to ease
15 enrollment in the Program. And at least this
16 recommendation would have, using existing enrollment
17 mechanisms.

18 And this may go somewhat to the outreach
19 question that we just had. Any comments on this
20 particular, any way we can improve this particular
21 point?

22 MS. BERLYN: Ken?

1 MR. McELDOWNEY: That worked much better.

2 MS. BERLYN: I looked to you.

3 MR. McELDOWNEY: I guess I'm having trouble
4 -- are you saying you want to improve, you want to
5 make it easier for people to enroll? Because ease
6 enrollment was sort of confusing to me.

7 MS. BERLYN: I think part of the focus of
8 this was to make the enrollment for broadband no more
9 burdensome than it is today, for wireline.

10 MR. CRAIG: For wireline, right.

11 MR. McELDOWNEY: Oh, maybe that should be
12 stated.

13 MR. CRAIG: Okay.

14 MS. BERLYN: That was the intent. Is that
15 correct, Lew?

16 MR. CRAIG: That's correct.

17 MS. BERLYN: Okay.

18 MR. McELDOWNEY: Never mind.

19 MS. BERLYN: Yeah, it's a little vague in
20 the language.

21 MR. CRAIG: If it's not clear to you it
22 might not be clear to others.

1 MS. DONEGHY: It seemed very similar to the
2 eligibility. I see the distinction, but it seemed
3 very close to the eligibility as well as the outreach.

4 MR. CRAIG: Right, and I wonder if it could
5 not be a subheading under eligibility even. Is there
6 enough difference that it needs its own category, or
7 is it really a subcategory of eligibility? That may
8 be a way to clarify it more, as Ken suggested, but
9 also not make it more than it appears to be.

10 MS. BERLYN: Yeah.

11 MR. CRAIG: The draft will reflect that.

12 MS. BERLYN: Mark?

13 MR. DEFALCO: Oh, I hate to bring this up,
14 especially with the larger group, but I thought when
15 we discussed this yesterday -- and maybe I had a
16 misunderstanding on it, but this gets into the whole
17 issue of the size of the fund and things like that.

18 We talked about an either/or. You get the
19 subsidy for landline or you get the subsidy for
20 broadband, but as we discussed this, it's starting to
21 sound like if you get the subsidy for landline and you
22 would like to get it for broadband, let's make it easy

1 for you to sign up for the broadband portion of it,
2 too. And if you allow that, then the size of the fund
3 potentially could double, to the degree that everybody
4 who's getting the subsidy right now for landline would
5 want to get it for broadband.

6 So if we're -- I think we need to clarify,
7 is this an either/or, or is this an in addition to?
8 Because if it's an in addition to, then the size of
9 the fund is going to go way up, because current
10 recipients of the landline would then qualify and want
11 to get it for broadband, and now you're going to have
12 a lot more money requirement.

13 MS. BERLYN: Brandon?

14 MR. STEPHENS: I think yesterday's
15 discussions also mentioned that we were -- generally
16 the Lifeline/Link-Up recipients are folks who cannot
17 afford telephone service. And on Indian reservations,
18 we get it for -- the recipients in those programs,
19 their subscription is reduced to \$1. It's generally
20 from \$1 to \$10, depending on what part of America
21 you're in.

22 So generally those folks are not able to

1 afford telephone service. Now, going strictly just to
2 say, well, I'm going to have broadband or telephone
3 service, you would not be able to afford telephone
4 service because just having the broadband service.

5 Generally you have to subscribe to something
6 like Vonage or something else to get your telephone
7 service, so you're not going to be able to afford the
8 voice service. But to be able to -- you're going to
9 have to almost go down that path of saying, give me
10 both on USF using those funds, or otherwise you're
11 going to disconnect some folks.

12 Now, we also discussed the need for
13 broadband versus voice, and there seemed to be -- well
14 I heard that people would probably need the wireline
15 telephone service and the broadband service. Then we
16 discussed -- and I think I brought up the point to
17 saying, well, look, you need to have broadband in the
18 sense of the elders or the elderly with tele-medicine
19 and everything else, plus the youngsters needing it
20 for education.

21 So the balance there is that you're probably
22 just going to have to open the door for the

1 opportunity to allow broadband, while probably older
2 folks probably wouldn't be surfing the net. It's not
3 just a way to get quicker connections, but it's to
4 open the door for those opportunities to have enhanced
5 services there.

6 Because the world is probably migrating away
7 from the telephony that we knew what this service
8 serves. But if you just said broadband, then probably
9 you limit the ability to get telephone service. So
10 that's what this service was intended to do. At least
11 in most of the communities that I know of.

12 So I think that you have to go down that
13 path and when the fund -- either enhance the fund,
14 broaden it out, or you just say, here's the money that
15 we have and let's try to serve as many people as we
16 can with telephone and broadband.

17 MR. DEFALCO: I think -- I mean I understand
18 what you're saying and I don't disagree with you. But
19 if we are saying in addition to, I think we need to
20 say in addition to. That you know, it isn't one or
21 the other, we're saying that this would be, you know a
22 -- eligibility would go for both broadband and

1 landline phone service. And then have to recommend
2 that you have to deal with the funding issue however
3 you deal with it.

4 MS. BERLYN: Gloria?

5 MS. TRISTANI: I don't want to get away from
6 that -- well, let me backtrack.

7 I thought yesterday when we had this
8 discussion that the Joint Board Referral and the
9 questions asked for, should the fund be expanded to
10 broadband. I asked Irene Flannery whether that was
11 teed up here, and she said no. In effect what they're
12 saying, if it were expanded, should we change
13 eligibility -- or how should we treat eligibility, how
14 should we treat this, how should we treat that?

15 So we could take a pass because they're not
16 explicitly asking.

17 MS. BERLYN: Right.

18 MS. TRISTANI: Now I don't necessarily
19 believe we should do that. I think it's an
20 opportunity for us to say, yes, this has been
21 suggested in other places. Because Irene also said,
22 prior Joint Board actually recommended doing this four

1 years back.

2 MS. BERLYN: Yes.

3 MS. TRISTANI: So I don't think we should
4 say it, but if you wanted to leave that for another
5 day, you could do it. But I don't think -- I'm not
6 there.

7 MS. BERLYN: Yeah, I was just going to say,
8 it's already been a recommendation of the Joint Board
9 to support broadband.

10 MS. TRISTANI: But the only thing is, it's
11 not teed up here. I know I'm being hypertechnical but
12 it's not teed up here.

13 MS. BERLYN: Right.

14 MS. TRISTANI: I think it would be foolish
15 for us not to go there, because I think we all believe
16 that it should be done.

17 MS. BERLYN: We actually already have a
18 recommendation to that effect.

19 MS. TRISTANI: We do?

20 MS. BERLYN: Yes, as the CAC. Yes, we do.

21 MS. TRISTANI: Well then --

22 MS. BERLYN: Charles, remember, you proposed

1 and drafted and we approved Universal Service support
2 for broadband?

3 MR. BENTON: We did, yeah.

4 MS. TRISTANI: Well, then, I think we should
5 footnote that.

6 MR. BENTON: We should reaffirm.

7 MS. BERLYN: Yeah, yeah.

8 MR. BENTON: Establish to reaffirm.

9 MS. BERLYN: Charles?

10 MR. BENTON: Yes. I think Mark is making a
11 really good point, and we need to be perhaps a little
12 more explicit. There's something else that is absent
13 from this list that maybe could be included. And
14 maybe that's the reason for keeping the considered
15 changes in enrollment separate from the first
16 eligibility point.

17 And that is this whole idea of pilot
18 programs, we're not going to pay for everyone in low
19 income. It's just -- it's not going to -- it's -- if
20 we try to do every single low income person across the
21 board in America with this we would be -- it really
22 would be many billions of dollars.

1 So the pilot program aspect, it has not been
2 addressed here, but maybe to figure out on a pilot
3 basis, where pilots would be appropriate. Because
4 this is -- in a sense of where it's successful, if we
5 can get people out of poverty by using these powerful
6 tools, then it expands the market for the providers.
7 And that's win/win for everybody.

8 So maybe we need to expand -- I need help in
9 getting this formulated better. But we could add the
10 pilot programs to point number 4 here, as an option to
11 try to be comprehensive, which is I think Mark's
12 concern about the cost.

13 This is not to negate the need, but it's to
14 take a more considered step-by-step process towards
15 the ultimate goal of universal broadband. The
16 ultimate goal is universal broadband for everybody.
17 But we're not going to get there with a snap of the
18 fingers.

19 So the role of pilot projects seems to me,
20 we might strengthen this point 4. John, I hope you're
21 taking notes. That's a possibility. What does
22 everyone think about that?

1 MS. BERLYN: Ken?

2 MR. McELDOWNEY: I guess I would suggest --
3 I'm not sure it makes sense just to have a pilot thing
4 just for number 4. I think you might want to have
5 like a number 6 or something like that, that you know,
6 specifically talks about sort of recognizing there's
7 going to be cost and things like that and suggesting
8 there's going to be a pilot. But that should be an
9 overall pilot, not just a pilot looking at changes in
10 enrollment.

11 MR. BENTON: I have no problem with that. I
12 just think the pilot idea is absent from this whole
13 outline, and I was trying to differentiate the
14 enrollment issue from the eligibility issue,
15 comprehensive versus partial. So I have no problem
16 with Ken's amendment.

17 MR. CRAIG: Charles, just to clarify, then.
18 Point 4 would continue to be subsumed back into --
19 like we talked about earlier?

20 MR. BENTON: I think that was your
21 suggestion, yes.

22 MR. CRAIG: Okay, and then add a point 6.

1 MR. BENTON: A point five, yes.

2 MR. CRAIG: Well, point 6 -- Ken suggested
3 it.

4 MR. BENTON: Next point -- another point,
5 separate point.

6 MR. CRAIG: Okay, okay.

7 MS. TRISTANI: Can I just add something,
8 please?

9 MS. BERLYN: Yeah.

10 MR. BENTON: Through the Chair?

11 MS. BERLYN: Go Gloria.

12 MS. TRISTANI: That's what I was waiting.

13 MS. BERLYN: Go, go.

14 MS. TRISTANI: No, no. We have a copy of
15 the chapter on Lifeline/Link-Up -- the broadband plan.
16 And on the second page it talks -- there are a couple
17 of paragraphs on pilot programs right there. So I
18 mean the plan very much envisions that, and it's
19 something we might want to look at as we draft our
20 recommendation.

21 And it starts out, to ensure USF money is
22 used efficiently, the FCC should begin to expansion of

1 Lifeline to broadband by facilitating pilot programs,
2 et cetera, et cetera, et cetera.

3 MS. BERLYN: Ed?

4 MR. BARTHOLME: Kind of back to what Mark
5 said. He mentioned a possible doubling of the USF. I
6 think if you look overall at the different things that
7 are being brought up here, doubling will not begin to
8 cover what we're discussing. I mean we're talking
9 about expanding eligibility from 135 to 150.

10 Ken made the point earlier that if you use a
11 current subsidy and apply that to a broadband
12 scenario, it's not really a practical application. So
13 we mentioned that we need to add an affirmation that
14 we would have to have an increased subsidy.

15 And when you start to add all those things
16 up, doubling isn't -- you know. And I don't know
17 where -- what exponential we're going to talk about on
18 that, but it's going to have huge ramifications and I
19 just wanted to kind of throw that out there, too, as
20 something we're thinking about.

21 MS. BERLYN: Mark?

22 MR. DEFALCO: Maybe we don't have to mention

1 the cost. Maybe we just have to acknowledge that
2 there is going to be a cost, but we think that this is
3 from a public policy perspective the right thing to do
4 and the way to do it, and then just acknowledge that
5 there will be increased costs that will have to be
6 dealt with -- in the recommendation.

7 MR. CRAIG: I'm moving on to point five.
8 Consider changes to verification, reiterate the need
9 for strong measures pertaining to fraud, waste and
10 abuse of the program.

11 And I think there was some discussion with
12 Irene Flannery about that, as to the need for --
13 whether there was widespread fraud or not. But then I
14 think there was some further clarification later when
15 -- it may have been Gloria, discussing the difference
16 between guidelines and rules. And perhaps what she
17 was really seeking was guidance on rules as opposed to
18 guidelines. Is that?

19 MS. TRISTANI: Well, I think the guidelines
20 and rules were on the outreach. But I think she
21 emphasized the waste, fraud and abuse. And let's face
22 it, there's a political reality that even when it's a

1 small -- one little case gets the eye of the reporters
2 and then of Congress and then it's the whole program
3 is a boondoggle.

4 So I think we really need to be very
5 cognizant that that's part of the responsibility of
6 the FCC and of the administrators of the program. So
7 we've got to support that. At the same time, we need
8 to balance that. It doesn't become so difficult to
9 enroll for let's say, in verification and all of that
10 that prevents people from even trying. But maybe we
11 don't comment there -- I don't know.

12 MR. CRAIG: What we have here is fairly
13 general, and I guess my question to the group would
14 be, do we need to be more specific, or is this
15 adequate?

16 [No response.]

17 MR. CRAIG: I think we were purposely
18 general without having specific information as a group
19 that there was a problem or we had some sort of fraud.

20 MS. BERLYN: Ken?

21 MR. CRAIG: I didn't see your card, Ken --
22 sorry.

1 MR. McELDOWNEY: No, that was a test.

2 MS. BERLYN: It failed.

3 MR. McELDOWNEY: I know.

4 [Laughter.]

5 MR. McELDOWNEY: I think there are like
6 three different points in number 5, and probably need
7 to be separated out. So for example, the fact, the
8 Program Neutral, I think is a point in itself. It
9 really has nothing to do with fraud. So I would say
10 that should be a separate point.

11 I'm not sure with the sentence, what you
12 mean by greater cost efficiencies by capitalizing on
13 the technological advances of voice and broadband
14 service. I'm not sure what -- how that saves money.

15 But finally, I would like to do like
16 Congress does. Instead of saying, take a close look
17 at the structure, I would say we should call for a
18 study, to see whether or not there is fraud,
19 significant fraud that would justify, you know new
20 efforts to combat it.

21 Again, it's like one of the things as I
22 mentioned earlier was, every time you try to take some

1 steps in terms of, "preventing fraud", whether it's
2 imaginary or not, you knock off a large number of
3 people who should be on the program who are just you
4 know, just deterred by the whole thing.

5 So I would think it would be good to call
6 for a study as opposed to calling for more fraud
7 mechanisms. If in fact, you want to call for more
8 fraud mechanisms, I think you have to at the same
9 time, emphasize that as they're being considered, that
10 one must also look at the potential impact of these
11 measures in terms of deterring folks who are eligible
12 from applying or in fact getting on the program.

13 MS. BERLYN: Well, Ken, I support your last
14 point there, that it shouldn't be a deterrent, and we
15 want to make sure that that point is made.

16 As I read this, I didn't see us calling for
17 more in that area, but rather just supporting an
18 effort to prevent fraud, waste and abuse, which I
19 think is the mantra of any government spending. So
20 I'm not sure how we don't state that.

21 MR. McELDOWNNEY: Oh, no, I agree. My first
22 thing was utopian. It talks about, it's important

1 that the fraud not increase the cost, but I think it's
2 equally as important if not more important to say that
3 it not deter people who are eligible for the program.

4 MS. BERLYN: Ed?

5 MR. BARTHOLME: Just in kind of quickly
6 reading the overall introductory sentence, it said,
7 say reiterate the need for strong measures, which
8 implies if there's a current need for, it's not
9 already there. So therefore something needs to be
10 developed. So I mean that kind of goes along the
11 lines of creating new things.

12 MR. CRAIG: And I think what may help in
13 this particular situation is the heading might be
14 stronger than our language is. And I think that's --
15 there's a mismatch, I'll agree. And that's probably
16 the best edit we could do, because I think that
17 Debby's right, that we weren't really trying to make
18 any particular go-forward statement, but then I think
19 our heading maybe was too strong, so that's probably a
20 good edit.

21 MR. BARTHOLME: And I think going back to
22 what was mentioned previously of dividing it out.

1 MR. CRAIG: And actually maybe I need a
2 little help on that. I thought, Ken, that you
3 mentioned three points -- or I wasn't quite sure I
4 quite got your points.

5 MR. McELDOWNEY: Oh, I'm sorry. One was
6 that there should be a separate point about Program
7 Neutral.

8 MR. CRAIG: Okay.

9 MR. McELDOWNEY: And then I could not -- I
10 did not understand the first sentence. And I wonder
11 if you could sort of clarify what you meant by the
12 first sentence.

13 MR. CRAIG: I'm not sure I can, as I sit
14 here. I'm reading it, too and it's --

15 [Laughter.]

16 MR. McELDOWNEY: You're what?

17 MR. CRAIG: I said I'm reading it also, and
18 I'm not sure.

19 MR. McELDOWNEY: I rest my case.

20 MR. CRAIG: But what was the third -- I
21 still don't know what the third complaint was.

22 MR. McELDOWNEY: No, that was the one of

1 them. Then one was the fraud issue and the platform
2 was the third.

3 MR. CRAIG: Got it, okay.

4 MS. TRISTANI: I think that second sentence
5 belongs someplace else.

6 MR. CRAIG: Mmm-hmm.

7 MS. TRISTANI: It's nothing to do with --
8 the second one clearly has nothing to do with waste.
9 It's more about expansion or including, making sure
10 people have options.

11 MR. CRAIG: And this is a true committee
12 document, and I'll do some drafting.

13 MS. TRISTANI: I know.

14 MR. CRAIG: And we'll work on this and see
15 if we can make it make sense. I think we're to the
16 end of walking through our points, point by point. I
17 guess I would just ask one last question.

18 Does anybody have anything else to add now
19 that we've walked through this and everybody's had a
20 chance to listen to others discuss it, so that we can
21 move forward with our -- I'm not quite sure
22 procedurally where we are, so I'm going to defer to

1 Debby on this part.

2 MS. BERLYN: I was just asking Scott if we
3 need to vote to move forward. But procedurally, the
4 plan is for comments to be drafted to match this
5 outline, and then to distribute that and have a CAC
6 conference call meeting as soon as the timing works in
7 terms of the public notice, to vote on those two.
8 Consider those comments, and then vote.

9 MR. MARSHALL: And the consumer stuff, too.

10 MS. BERLYN: And at the same time, we would
11 probably look at what the Consumer Protection Working
12 Group has in terms of the disclosure information
13 recommendations as well.

14 So first there's probably two questions
15 here. Does anyone have anything else to add? And the
16 second question is, is it the sense of the CAC that we
17 should move forward with drafting comments? I mean I
18 would want to make sure of that before we go forward.
19 And cards are popping. I'll go right down here, if
20 it's okay with you. Charles -- Mary, Brandon,
21 Charles.

22 MS. CRESPI: Hi, I'll be very brief. I did

1 hear back. Verizon and other carriers do not get
2 reimbursed for the outreach that they do at a Federal
3 level. They might in certain states, to Ken's point,
4 but not the Federal level.

5 MS. BERLYN: Thank you. Brandon?

6 MR. STEPHENS: If it's not inappropriate or
7 if it's necessary, to make a move to say that we
8 direct the Broadband Working Group to draft comments,
9 allow for the appropriate publication in the Federal
10 Register for a conference call to be held while those
11 comments and the draft comments couldn't be made
12 available to the entire CAC, and during that
13 conference call to take a vote. I would make that
14 move, if I have all that in line and appropriate.

15 MS. BERLYN: We don't need a formal motion.

16 MR. STEPHENS: Okay.

17 MS. BERLYN: Do we, Scott?

18 MR. MARSHALL: No.

19 MR. STEPHENS: Okay, then I would withdraw
20 any move, or make that --

21 MS. BERLYN: Good to have that. You've
22 captured it well.

1 UNKNOWN MALE SPEAKER: I'll second that and
2 withdrawal.

3 MR. MARSHALL: There you go.

4 MS. BERLYN: Second for the recommendation
5 and the withdrawal. Charles?

6 MR. BENTON: To your first point about
7 adding, under the pilot projects point that I've
8 raised, there is at the other sheet that was passed
9 out, the Lifeline/Link-Up sections National Broadband
10 Plan, as Gloria pointed out, the middle of the second
11 page, it sort of goes through the points about pilots.

12 And it seems to me, we should maybe shorten
13 this a little bit but draw from that second half page
14 over to the third page. Right, we should draw from
15 that for the number 6 or number 5, whatever the
16 project's last section is, Lew, we should draw from
17 that.

18 And I think that because of the different
19 reimbursement rules in tribal lands, we ought to
20 recommend specifically that at least one or more
21 pilots be in tribal lands as well. So that it would
22 be -- and especially with Geoff Blackwell being on

1 board here. I'm sure he would be very happy and put
2 some oomph into participating.

3 So I just -- anyway, pilots following the
4 recommendation of the National Broadband Plan, but
5 including -- being sure to include at least one if not
6 more, in tribal lands, would be my suggested addition,
7 or clarification of the last point.

8 MS. BERLYN: So I think -- so has everyone
9 gotten their comments in for the first question about
10 anything else? So is it the sense of the CAC that the
11 working groups should move forward with drafting
12 comments to reflect?

13 MS. TRISTANI: Yes.

14 MS. BERLYN: Okay, hearing any opposition to
15 that? Ken?

16 MR. McELDOWNEY: No, it's not an opposition.
17 I assume this isn't the way we act in the past, that
18 we're not completely bound by the deadlines. Is that
19 the case?

20 MR. MARSHALL: Right.

21 MS. BERLYN: That's correct.

22 MR. McELDOWNEY: Okay, I just wanted to

1 clarify that.

2 MS. BERLYN: We understand that -- we can
3 submit comments whenever we wish. But at the same
4 time we understand that the earlier we provide our
5 input, the better. So we are -- Scott's going to
6 probably move on the notice --

7 MR. MARSHALL: As soon as we can.

8 MS. BELRYN: -- ASAP, which means -- and
9 Scott, would you mind just going over what the
10 requirements are for the Public Notice and how long it
11 takes?

12 MR. MARSHALL: Sure. The basic requirement
13 is that we have to have a 15-day notice in the Federal
14 Register before our meeting. As a practical matter,
15 though, it's going to take probably somewhere in the
16 neighborhood of about two weeks to get the notices out
17 of here over to the Federal Register and ready for
18 publication.

19 So we'll push that as quickly as we can.
20 There is an emergency procedure with the Federal
21 Register that would dispense with the 15-day
22 requirement, but I don't think that we probably, would

1 apply in this situation.

2 MS. BERLYN: Gloria?

3 MS. TRISTANI: So do we even make the reply
4 comments date under that time frame?

5 MR. MARSHALL: It's going to be pretty
6 tight.

7 MS. BERLYN: It's unlikely.

8 MR. MARSHALL: Unlikely.

9 MS. BERLYN: Unlikely.

10 MR. MARSHALL: And what we've done in the
11 past is submitted ex parte, and what I can also do is
12 alert -- as soon as we have something available, we
13 can alert the staff that it's coming. And then it's a
14 matter of getting the formal imprimatur of the
15 Committee. It's not a good situation sometimes. It's
16 all meant for openness in government and stuff, but it
17 can be a challenge.

18 MS. BERLYN: Charles, did you have another
19 point with your card, or is that from before?

20 MR. BENTON: No.

21 MS. BERLYN: Okay. So what that means,
22 unfortunately, is that our call would probably be end

1 of July or early August. Early, early August, we
2 hope, because we know how difficult August can be.
3 And we probably also would assume that our call may
4 generate a few more edits that will take a few days to
5 put into final form. That possible. Mark?

6 MR. DEFALCO: Deb, not to violate the
7 transparency intent or anything, but is it possible
8 that the comments could be filed under somebody else's
9 authority -- in other words, somebody in this room
10 could file the comments under you know -- well I
11 wouldn't do it, but you know, file them as the
12 Appalachian Regional Commission, and then they get on
13 the record and then they get in in the time frame
14 that's needed to allow people to reply to the
15 comments.

16 I mean I don't know. I mean it has the hint
17 of not being transparent, but part of the process is
18 that you also want to get the ability for other
19 parties to reply to whatever comments you throw out
20 there. And if we file our comments as ex parte after
21 the reply comment cycle, then I don't know that that's
22 out there, either.

1 MS. BERLYN: Well a couple of thoughts on
2 that. One is, no one is precluded -- no individual is
3 precluded in this room from filing comments. And if
4 you want to reflect any of the -- agree with any of
5 the points that we have mentioned here, that I'm sure
6 no one objects to that, but they'll be under your hat,
7 under your banner.

8 I don't think that works for the CAC's
9 comments, because for one thing we want to be
10 identified with these comments, and so I think that
11 that's part of the process. Procedurally, whenever we
12 do file this, if someone wants to respond, they can so
13 do via an ex parte as well. So it does allow for
14 that. Gloria?

15 MS. TRISTANI: I have a question.

16 MR. MARSHALL: Yes.

17 MS. TRISTANI: If this committee wanted to
18 file this as an ex parte, does it still have to go
19 through the procedure of Federal Register?

20 MR. MARSHALL: Yes, because --

21 MS. BERLYN: It's still a recommendation.

22 MR. MARSHALL: It's an action of this

1 committee in providing advice to the Commission. And
2 if you don't go through the notice procedure, what
3 happens is the action becomes a nullity.

4 MS. TRISTANI: Mmm-hmm, okay.

5 MR. MARSHALL: So that's you know -- that's
6 not my role, that's the --

7 MS. TRISTANI: No, no, just a question. The
8 other thing I wanted to mention to Mark is that as a
9 practical matter, in a whole host of proceedings, the
10 Commission keeps taking comments even after reply
11 comments close.

12 MR. DEFALCO: I could ask these questions.
13 I'm not an attorney.

14 MS. TRISTANI: And the other thing, too, is
15 there's always -- if somebody finds something so aptly
16 compelling, probably they'll want to pose, they'll
17 probably file an ex parte letter or visit the
18 Commission in response to us. So more likely to
19 oppose what we say. That would be my guess.

20 MS. BERLYN: Okay, great. Well, so look for
21 a notice about when we are going to meet. Scott and I
22 will work via teleconference, yes, via conference

1 call. Gloria?

2 MS. TRISTANI: Just wanted to note, and I
3 think you are all aware of this, but this is a
4 recommendation to the Joint Board, which will then
5 make a recommendation to the Commission.

6 MR. MARSHALL: Right.

7 MS. TRISTANI: And then there will be
8 another opportunity to comment.

9 MS. BERLYN: Exactly.

10 MR. MARSHALL: Another bite of the apple.

11 MS. TRISTANI: So there's a lot of process
12 left here.

13 MS. BERLYN: Excellent. Okay, thank you
14 very much, Broadband Working Group for all that work.
15 We now turn to our Disability Working Group. And
16 Cheryl?

17 MR. MARSHALL: Could we ask how much time do
18 they're expecting to have so I can queue up the next
19 speaker?

20 MS. BERLYN: Sure. Cheryl, we have one last
21 speaker, so Scott just wanted to get a sense of how
22 much time your working group might need so we can call

1 down the speaker at the appropriate time.

2 MS. HEPPNER: We're going to need about five
3 hours.

4 [Laughter.]

5 MS. BERLYN: Calling in for dinner.

6 MR. MARSHALL: Calling in for dinner, okay.

7 MS. BERLYN: We actually are now -- we knew
8 this was going to happen -- we're actually behind
9 schedule, but that's okay. Moving forward, we have --
10 but do you have a sense of that so we can just make
11 sure that our speaker is ready?

12 MS. HEPPNER: Well, I thought we were
13 actually ahead of our time.

14 MS. BERLYN: No.

15 MS. HEPPNER: I think we can work through
16 this pretty quickly, but I don't want to rush
17 everybody.

18 MS. BERLYN: No, no, I think we're fine.

19 MS. HEPPNER: Because of the fact that Eric,
20 the co-chair, isn't here, I have taken control and
21 delegated to each one of the committee members a
22 segment of the report. Fortunately Eric was out of

1 the room when the plan was made so he has exempt. But
2 we will count the room at the end to see if anybody
3 else needs to add anything we might have missed, or to
4 add local color whenever suits you.

5 Okay, let's see. Yesterday we all met all
6 of the five of us who were here, including Eric
7 Bridges, who is at a hearing today, so he couldn't be
8 with us. And we had a good long discussion about a
9 number of points. And as we discussed, our working
10 group had some requests of the FCC.

11 And I will address the first area. As many
12 of you know, we've had a Digital Television Technical
13 Working Group that is supposed to be looking into
14 issues related with closed captioning and video
15 description. It was established, much to our surprise
16 actually we didn't know it was coming.

17 And there were a number of meetings, both
18 here and by conference call. And suddenly it sort of
19 disappeared some months ago. We're not sure what's
20 happening to it. So we as our first group of things
21 we discussed, we would like to have an update from the
22 FCC on that technical working group.

1 We have five questions. One is, what the
2 progress is and what the timelines are for advancing
3 the problems and spacing it out. Our second question
4 is given that, what can still be done with it. Third,
5 what are the expected take aways for what this working
6 group will accomplish.

7 Fourth, what's the status of the request for
8 waivers by the non-consumer members of the working
9 group. And fifth, what's the progress of and plan for
10 resolving the privacy concerns between the monthly
11 video program distributors and other attributes in
12 sharing consumer data in working to resolve the
13 captioning complaints.

14 Because there seems to be some issue with
15 the fact that when consumers send in complaints about
16 captioning problems, they give a lot of information,
17 like their name, address, phone, number, information
18 for when to contact them. And we're not sure if this
19 is true, but apparently if the place where they send
20 the complaint can't address it, they can simply pass
21 the information on to whoever they feel is responsible
22 to address it. So I will turn on to you.

1 MR. SOUKUP: Okay, we spent some time
2 yesterday talking about the need for more information
3 and an opportunity to dialog about the Commission's
4 process for handling of captioning complaints and how
5 complaints are being addressed.

6 And just to give you all a little bit of
7 visibility into the discussion yesterday, we talked
8 about the aggradation and collection methodology of
9 data within the deaf and hard of hearing population,
10 and talked a little bit about a pull versus push
11 methodology.

12 Currently consumers are asked to file
13 complaints rather than a mechanism for extracting
14 information from consumers. There's been some
15 discussion today about volume and frequency of
16 information, and that's a very important
17 consideration.

18 But also the appropriateness of the
19 formatting is something that is very essential as
20 well. The information that is put out there needs to
21 be digestible and readily understood by all consumers,
22 regardless of language comprehension and technological

1 literacy.

2 Karen gave a wonderful example this morning,
3 I thought very poignant and very indicative of the
4 range of consumers that we deal with within this
5 segment of the population. Karen was talking about a
6 meeting that she had with deaf-blind consumers, and
7 how they had 12 deaf-blind consumers in a room and it
8 required an entire orchestra of interpreters in order
9 to facilitate the meeting.

10 Within the deaf and hard of hearing
11 population, you have a vast continuum of different
12 kinds of hearing loss. And each kind of hearing loss
13 requires a different type of consideration. You have
14 consumers that have recently lost their hearing,
15 members of the aging population that are just coming
16 to terms with hearing loss for the first time but have
17 an essential need for services.

18 And then you have consumers that were born
19 profoundly deaf, and their native language is sign
20 language. And their English language comprehension is
21 nowhere near the mainstream. And so how do you put
22 out information for this segment of the population

1 that covers that entire range? And so that
2 consideration needs to be folded into the process as
3 well.

4 We talked about the aggradation of data to
5 discern trends and other frequently occurring problems
6 with closed captioning. There's been some discussion
7 today about a national database, and I think that
8 there needs to be an opportunity for dialog about how
9 do we share information in an appropriate and useful
10 way so that those top-level trends can be identified.

11 Let's knock off the top ten issues that
12 affect consumers as far as closed captioning is
13 concerned. But how do you identify what those
14 prevailing concerns are if you don't have access to
15 that information?

16 And so is there an opportunity for the
17 Commission to work with consumer groups and industry
18 groups to exchange information in a way that is
19 considerate of the privacy considerations of
20 individuals?

21 Another part of this is -- I think that
22 there's an inherent obligation to understand the way

1 that closed captioning issues are impacting consumer
2 access to information as well as safety and security
3 considerations as well. Weather and news -- you know
4 how much degradation in terms of consumer access to
5 information is taking place today, and what can we do
6 to attack those as a priority consideration?

7 In the Broadband working group, we talked a
8 little bit about the Commission's efforts to support
9 the DTV transition as a model of an effective
10 Commission-led outreach effort. During the DTV
11 transition CSD, we had the opportunity to collaborate
12 with the Commission to create a temporary
13 clearinghouse for information for deaf and hard of
14 hearing consumers.

15 And we went about it in a way that allowed
16 us to interact with consumers via a variety of
17 different modalities; voice, text, video, as a way of
18 getting information out to consumers. I think that's
19 really what this discussion has been driving towards,
20 is creating a multi-channel environment whereby that
21 information can be facilitated.

22 And then the final point was, what

1 opportunity is there for the Commission to issue
2 regular reports on the types of captioning complaints
3 that they are seeing. And this again I think ties to
4 the ability to access and interpret data in a
5 meaningful way, and then be able to carve out the
6 larger elements from that data and present it in a
7 summary format. So that all of the stakeholders
8 involved have an opportunity to be cognizant of those
9 issues and have an opportunity for dialog about those
10 ledger elements.

11 And I think if we approach this from kind of
12 a triage perspective and take the top ten issues and
13 knock those out of the way and then come back a year
14 later and look at the next top ten issues, we're going
15 to make some, I think, very substantial progress.

16 MS. HAMLIN: Okay, so the next thing we
17 talked about that we needed information on was looking
18 at the equipment and looking at how or whether the FCC
19 is testing and certifying electronics for mandated
20 accessibility features.

21 And this came out of -- Cheryl related a
22 story. One consumer came to her and said that he had

1 a set top box that when he turned on the captions,
2 that left him running, screaming from the room because
3 the captions were so unreadable and horrible that he
4 couldn't believe that this equipment was given to him.
5 It was switched out to another piece of equipment that
6 actually worked, so clearly, what was going on was the
7 equipment.

8 So what we were wanting to know is, is
9 anybody watching? If there are mandated features, if
10 broadcasters are mandated to provide captions, how are
11 we certain that the equipment that the consumer has is
12 actually going to work?

13 So we're asking, does the FCC run tests to
14 ensure captioning and video description follows
15 standards? Do these tests check for possible
16 conflicts with other technologies, because there's all
17 kinds of links in the system. Does it work?

18 Were you referring also to HDMI cable
19 specifically? I'm not sure that's what you were
20 talking about, but that's one of the questions. Are
21 there cables, are there things that are made that
22 don't even take into consideration the fact that they

1 need to pass through captions? Do tests -- yeah, go
2 ahead.

3 MS. BOBECK: I have a little bit of a color
4 commentary from a -- can you hear me?

5 MS. HAMLIN: We need another microphone on,
6 please?

7 MS. BERLYN: I think you're on.

8 MS. BOBECK: Okay I can --

9 MS. BERLYN: No, not yet.

10 MS. BOBECK: I think from the consumer
11 standpoint in setting up my mom's Blu-ray DVR, and you
12 set it up and you work the captions. If you ran it
13 through the regular cable system, the captions worked;
14 you ran it through the HDMI cable, the captions didn't
15 recover.

16 So there are technical challenges out there,
17 just for the average consumer, even if you may be in
18 the industry. So I think that's some of the everyday
19 challenges that folks that are setting up more than
20 one device may run into with, both on the 608 and the
21 708 side.

22 And not to throw -- we always joke at NAB,

1 we love receiver standards. And not to joke with
2 Bill, who's sitting next to me from the CEA. But
3 that's just, how does the FCC certify the multitude of
4 receivers that come into the United States.

5 I think that was just a threshold question
6 that we were asking, and maybe the FCC can enlighten
7 us about products that are coming in, how do they
8 check in terms of captioning requirements for the
9 equipment.

10 You know there's equipment that's in the
11 field in terms of set top boxes, in terms of consumer
12 receivers, in terms of products that are sold to
13 industry. Who's looking at the big picture, I guess,
14 is one of the questions that we were asking. Am I
15 capturing that correctly?

16 MS. HAMLIN: I think that's what we were
17 talking about. And not only that, and how do they --
18 we were just saying here, the last point, was how do
19 they connect with a variety of televisions.

20 And with that I would add -- and I didn't
21 mention it yesterday but I'll bring it up now, is that
22 -- for example, in Maryland there's now been a law

1 passed that says that places of public accommodation
2 must turn on the captionings on request.

3 Now, this is under the ADA, but when you put
4 it under the local law, there's more enforcement --
5 easier enforcement, let me put it that way. But if
6 somebody in a place of public accommodation doesn't
7 know how to turn on the captions, even if they really
8 want to accommodate somebody, they can't.

9 So I would add to that we really need a
10 clearinghouse of information publicly available and
11 easily available and maybe from the FCC also that
12 says, okay, this is how you turn on the set top box,
13 this is how you do this. If you have this kind of
14 set-up, this is what you need to do.

15 Because I'm here to tell you, I don't have
16 my 708 captions on now because I haven't figured it
17 out yet, and I'm sitting in this committee here. So
18 it's not an easy process to do, and we need more
19 information out there. Now I'm going to turn it over
20 to Claude.

21 MR. STOUT: I know Cheryl already commented
22 about updating on the DTV Technical Working Group --

1 has to do with DTV captioning. We also talked about
2 how the FCC is handling complaints from consumers.
3 And Lise also talked about how we can work with
4 manufacturers in order to ensure that caption
5 capabilities are included with all equipment and
6 devices and that they will all be 100 percent
7 compatible moving forward.

8 Now, we are not making any official
9 recommendations at this time. However, what we want
10 to do is to have the CAC keep in mind for the future
11 that we need to work with the FCC staff. We have four
12 distinct issues we want to talk about.

13 First is awareness about the DTV Technical
14 Working Group. We know that there are some engineers
15 working in that group. And there are some concerns
16 because they do not want their companies to be hung
17 out to dry and then liable for problems that have not
18 been -- you know when captions are not passed through.

19 They want the FCC to first give them some
20 limited liability waiver, so that they can openly
21 discuss those problems without fear of some kind of
22 retribution. There's no liability that would keep

1 them from working in a completely transparent manner.
2 Now, if we do give them that limited liability waiver,
3 they are hopefully going to be able to get those
4 solutions implemented in a shorter time frame.

5 Second, we also want to see the FCC come up
6 with a public relations campaign in order to inform
7 consumers about the process of submitting complaints.
8 So the consumers can be aware that they don't only
9 have the option of filing complaints with the FCC, and
10 they should not feel any anxiety about filing their
11 complaints with their service providers, with
12 broadcasters, and other private industry entities. If
13 they file a complaint with those program providers,
14 with the broadcasters, then they can also send a
15 complaint to the FCC.

16 We of course know that the FCC has a number
17 of -- how should I say it -- call centers. They have
18 reports about the breakdown of what complaints they're
19 receiving by type, by number, and which forms are
20 being completed.

21 However, what we would like to see is the
22 FCC give us a very specific breakdown, perhaps on a

1 quarterly basis or monthly basis, about captioning-
2 related complaints that have been filed with the FCC,
3 or hopefully that have been filed with private
4 industry as well.

5 That way the FCC can get a more long-term
6 view and try to get an idea of patterns that are at
7 work in caption complaints. The FCC might be able to
8 identify some common issues that need to be addressed
9 and resolved.

10 You all also know that the FCC is very open
11 about taking complaints via e-mail, via phone, via
12 physical letter. We would also like to add the
13 ability for deaf consumers, deaf or hard of hearing
14 consumers who would prefer to use sign language as
15 their main mode of communication, to file those
16 complaints rather than via e-mail, rather than via
17 letter, but via videoconference or video phone.

18 For some of these consumers, American Sign
19 Language or other sign languages are their primary
20 mode of communication, and we would like to see a
21 video phone-based complaint system so that those
22 consumers can feel that they have access to the FCC in

1 a way that is most accessible to them. And that was
2 it.

3 MS. BOBECK: We as industry fully support
4 all of those goals. And the video phone is a terrific
5 idea. I think that that certainly helps, and to the
6 extent that the FCC can help implement that and then
7 refer those inquiries -- and it doesn't just
8 necessarily have to be complaints.

9 If there's a video phone inquiry that comes
10 over, just says, hey, last night the 6 o'clock news or
11 last night the you know, Rachel Ray Cooking Show, the
12 captions were loused up, and can put those referrals
13 in more quickly.

14 Because remember, the complaint process is
15 there's 30 days to respond, but if there's something
16 that can be rapidly turned around and there can be a
17 video conferencing that resolves inquiries on a more
18 rapid basis.

19 I think that -- it doesn't have to be a
20 formal complaint process -- if that can increase the
21 dialog and fix the captionings on an expedited basis,
22 I think that you'll find all of the industry is behind

1 that.

2 MS. BERLYN: Cheryl?

3 MS. HEPPNER: Because of the pressure of
4 time, we didn't feel that we had enough advanced
5 notice to have language in the Federal Register to be
6 able to make a formal recommendation. So these are
7 mostly preferred as considerations or potential
8 recommendations that we would like to make. And
9 hopefully we can move forward on some of them without
10 waiting for the process to go another six months.

11 The Technical Working Group, it's very
12 frustrating. We have very little to show for all the
13 time and effort invested in it.

14 MS. BERLYN: Just to let you know, Cheryl,
15 that some of the -- you and I have talked about this,
16 and that has been shared with the CGB, so just to let
17 you know. Alex?

18 MR. CONSTANTINE: I think going back to
19 Ann's point on expediting the complaint process. The
20 PR campaign that you brought up about sort of letting
21 people know that they can submit their complaints to
22 their service provider or whatever, that's a very good

1 idea.

2 Because I can tell you from personal
3 experience, we often get complaints from the FCC that
4 have been made two or three months before. Then we
5 respond to them starting two or three months after
6 they've already been filed.

7 MS. BERLYN: Does that conclude your report,
8 Committee?

9 Thank you all very much. Marti, do you want
10 to add something to this?

11 MS. DONEGHY: Well, I guess I just wanted to
12 follow up, so what happens now? Since they did not
13 make the Federal Register, what happens next?

14 MS. BERLYN: Ann?

15 MS. BOBECK: Debby, do you think it would be
16 appropriate for us to at least ask Karen or Joel, the
17 Chief, just for a response to some of our questions in
18 the interim? So that between now and November maybe
19 we could have -- it doesn't have to be a formal
20 response. We all have e-mail through the CAC, but at
21 least maybe we could get a status of some of these
22 questions.

1 For example, if they're aggregating the
2 complaint process and they're going to update or do a
3 breakdown by year's end or by next year, maybe we'll
4 have at least some response to some of our basic
5 questions.

6 MS. BERLYN: Yeah.

7 MS. BOBECK: At least could we put that
8 forth to them without --

9 MS. BERLYN: I think that's a great idea.

10 MS. BOBECK: -- having to do a motion in the
11 second --

12 MS. BERLYN: Right.

13 MS. BOBECK: -- of the Federal Register?

14 MS. BERLYN: Absolutely.

15 MS. BOBECK: Okay.

16 MS. BERLYN: So if you want to just send me
17 the questions, we will make sure that those go forward
18 to Joel and Karen?

19 MR. MARSHALL: That would be good. And
20 we'll make sure they get a copy of the transcript,
21 which they always do.

22 MS. BERLYN: Yes. And as Scott just

1 mentioned, they will also get a copy of the --

2 MR. MARSHALL: Transcript.

3 MS. BERLYN: -- transcript, which will
4 reflect the discussion as well.

5 MS. BOBECK: Thank you very much.

6 MS. BERLYN: Excellent. That concludes our
7 working group reports. And I see Phoebe Yang is here.
8 Phoebe, if you want to come on over here.

9 [Off the record discussions.]

10 MS. BERLYN: Okay, so as you can see on your
11 schedule, Phoebe Yang is here to give us an update on
12 the Broadband Plan implementation. And she's Senior
13 Advisor to the Chairman on Broadband at the FCC.

14 She was instrumental in the creation of
15 Connecting America, the National Broadband Plan. And
16 we are very pleased to have you here to fill us in on
17 this. Thank you, Phoebe.

18 MS. YANG: Thank you very much, Debra. We
19 do have a slide deck which hopefully we'll get up here
20 in a few minutes. But I thought I would just begin by
21 giving a broad framework of the National Broadband
22 Plan. Many of you were involved, actively involved in

1 helping us to think about what would come out in that
2 plan, for which we are very grateful.

3 And the way that the process actually
4 worked, we really wanted this to be a hallmark or a
5 model for future policymaking, not only at the FCC,
6 but also more broadly, to include public comment and
7 participation from the full range of stakeholders.

8 And we had an unprecedented number of
9 comments filed under the plan, several tens of
10 thousands of pages as well as blog posts, countless --
11 I think close to three dozen workshops -- a whole host
12 of ex parte meetings, of course, and a lot of public
13 input.

14 And the blog, we even have a Twitter site,
15 which ended up achieving sort of number 3 status for
16 all the U.S. Government after the White House and the
17 Center for Disease Control, which we were very proud
18 of. So we were thrilled with the participation, and I
19 think at some point one of the public interest
20 organizations even, cried, "Uncle" for all of the
21 requests for comment that we put out.

22 So we were very happy with that. We do hope

1 that going forward that will sort of be a benchmark
2 for the ways that frankly you can use digital media
3 and the Internet to engage the public in policymaking
4 going forward.

5 The National Broadband Plan was really set
6 up -- and here are the slides -- by Congress as a
7 mandate to address the great infrastructure challenge
8 of the early 21st Century. We really saw this, and
9 Congress saw this, as an analogy to earlier major
10 communications and transportation transformations.
11 Specifically in the late 1800s, the Transcontinental
12 Railroad, in the 1930s the sort of national rural
13 electrification projects, and then you know, in the
14 1950s, the interstate highway system.

15 In each of those cases, the value of the
16 infrastructure was dependent on how ubiquitous that
17 infrastructure was. If you didn't have adoption of
18 the infrastructure as a general purpose platform, the
19 value of it significantly decreased.

20 The same thing is for broadband. And the
21 premise for the Broadband Plan was really that in
22 order to take advantage of all that broadband has to

1 offer, we needed to make it available to all Americans
2 and to increase adoption in that regard.

3 The slide that you're looking at right now
4 is a quick overview of the plan and the buckets that
5 we actually created out of Congress' mandate to us.
6 You will see there are three primary buckets. The
7 first is innovation and investment and how to increase
8 competition and a whole host of networks, devices and
9 applications, arenas, to create a healthy broadband
10 ecosystem.

11 The second category is the category of
12 inclusion, meaning how to make broadband available to
13 all Americans and how to increase adoption,
14 particularly with American communities that have been
15 traditionally disadvantaged, and how we go about
16 improving adoption there.

17 And the final bucket is national purposes.
18 This was a pretty interesting mandate from Congress.
19 Typically, the FCC has a pretty narrow scope of its
20 jurisdiction and authority to opine in certain areas.
21 But here they said we want to know how broadband can
22 be used for a whole host of national purposes, such as

1 healthcare, education, energy, and the environment, et
2 cetera. And so half of the plan's recommendations
3 relate to those areas. And of course, we have a
4 section on implementation relating to the plan.

5 The next slide shows sort of top line goals.
6 The plan set out six what I call aspirational goals.
7 These are goals that are not necessarily policy
8 prescriptions, but they are nice benchmarks for us in
9 ten years to determine how well we have done as a
10 nation in the areas of broadband deployment, adoption
11 and the broader ecosystem development.

12 Just very quickly, the goals include having
13 at least 100 million U.S. households with affordable
14 access to actual download speeds of 100 megabits per
15 second, and actual upload speeds of at least 50
16 megabits per second.

17 The keywords there are oddly enough, not 100
18 or even 150, but affordable access to actually
19 download speeds. A lot of countries (sic) tell you
20 what the advertised speed is. They don't tell you
21 what the actual is and they don't tell you how
22 affordable it is, and those are some of the keywords

1 there.

2 The second goal is for the U.S. to lead the
3 world in mobile innovation, particularly by having the
4 fastest and most extensive wireless networks of any
5 nation. There are a lot of countries that threaten to
6 surpass us in this, and it's very critical that we
7 have a strategic approach to particularly spectrum in
8 the inventory there.

9 The third is to have every American have
10 affordable access to robust broadband service and the
11 means and skills to subscribe if they so choose. That
12 relates to digital literacy but also affordability
13 questions.

14 The fourth is for every American community
15 to have at least one gigabit per second to some major
16 anchor institution, such as a school, a hospital or a
17 library or a government building, et cetera, so that
18 that community, even if individuals don't subscribe at
19 home, they have access within that community to ultra
20 high speed broadband and what it can provide.

21 The fifth relates to the public safety
22 community, and it really stems from recommendations

1 that came out of the 9/11 Commission Report, where the
2 Commission said that safety of the American people
3 depended on the ability of every responder to have
4 access to a nationwide wireless interoperable network,
5 and you know, powered by broadband makes it all the
6 better.

7 And the last is relating to clean energy and
8 the economy. Enabling every American consumer to have
9 access to their energy usage data, which less than 10
10 percent of Americans currently have, is a critical
11 component for our nation's future.

12 So those are the sort of six aspirational
13 goals. There are six particular areas, and I spoke
14 not long ago to NACA, a consumer organization that is
15 mostly I think state administrators in the consumer
16 space. And we talked through all of these areas, but
17 I'll just give you some quick highlights with respect
18 to spectrum and set top boxes and transparency.

19 Those related to that first bucket that I
20 outlined -- sort of innovation, investment and
21 competition to create a healthy broadband ecosystem.
22 Adoption relates to sort of the inclusion bucket, as

1 well as personal data and accessibility relating to
2 some of the national priorities.

3 First, spectrum. This slide really shows --
4 it's a little bit hard to read, but you can at least
5 see the bars. The first graph is really a bar showing
6 the mobile data traffic growth in North America and
7 how it's forecasted to grow up to 2014. You can see
8 the astronomical growth there.

9 And you know the challenge is that we have a
10 significant scarcity of spectrum coming on the market
11 in the pipeline. The bottom graphic shows you the
12 availability of the existing spectrum. From 1994 to
13 2001, we had almost 2000 megahertz of spectrum
14 available in the pipeline. From 2002 to 2008, we had
15 close to 300 -- 276 megahertz of spectrum.

16 For the next few years, we have only 50
17 megahertz of spectrum, so that if you match the demand
18 with the supply, you see that there's a looming gap
19 that's pretty significant that will affect consumers.
20 Because when you have high demand and low supply,
21 consumers suffer. And so one of the questions that we
22 had was, how do we begin to address this now, because

1 the spectrum pipeline takes so long to free up and
2 allocate spectrum.

3 Some of the key recommendations there are
4 the ones that you see now. The main one -- and the
5 President actually made this announcement a couple of
6 days ago -- is that the FCC, working with the Federal
7 government agencies, specifically NTIA, which helps to
8 manage the Federally owned spectrum, should free up
9 500 megahertz of spectrum for mobile broadband use
10 within the next 10 years, 300 of which should be freed
11 up in the next five years.

12 That's a very ambitious goal, but we're very
13 pleased to know that the President also agrees with
14 that goal and has instructed the Department of
15 Commerce and a whole range of other agencies, from the
16 Department of Defense to the Department of
17 Transportation, et cetera, to galvanize all resources
18 to meet that goal.

19 The other goals really relate to mobile
20 roaming and unlicensed spectrum, and the ability for
21 new business models to emerge using unlicensed
22 spectrum. We don't want to choose winners and losers

1 in the spectrum space. As many of you know, Bluetooth
2 and Wi-Fi were technologies that were developed out of
3 unlicensed spectrum. And so what we want to ensure is
4 that there is plenty of unlicensed spectrum also
5 available so that consumers can benefit from new
6 technologies and platforms.

7 The second area that relates to consumers is
8 the set top box market. And for those of you who
9 don't have sort of a lot of information about that or
10 background on that, the quick play on that is,
11 Congress asked the FCC to establish a competitive set
12 top box market and to help promote that.

13 And the set top box is the box that you have
14 typically on the top of your television -- that's why
15 they call it the set top box -- which controls the
16 video and the information that comes into that
17 television, typically from your cable or satellite
18 provider.

19 The goal of the plan has been to ensure that
20 that set top box market is not just controlled by one
21 or two manufacturers, which today it is. And if you
22 look at the difference between the set top box market

1 and the mobile devices market, I mean how many
2 different models of mobile phones do we have? It's
3 countless. I think it's over 300 -- I think it's
4 close to 400.

5 But we only have two manufacturers of the
6 set top boxes. And so in order to spur competition
7 and to increase consumer choice, the Broadband Plan
8 has set out a goal of really this time, ensuring that
9 consumers have access to a broad range of set top box
10 choices, and there are a whole host of recommendations
11 that lead to that.

12 Specifically, if you look right now at the
13 Commission's agenda for broadband, you will see two
14 proceedings. One relates to reforming the existing
15 cable card system, which is the system that is sort of
16 industry-run around having "tru2way" ability, which
17 then would spur a competitive set top box market.

18 The second is to establish what we've called
19 a universal home gateway device so that you can
20 actually plug any box that you choose to buy, and you
21 can transfer it between providers, et cetera, meaning
22 cable or satellite providers, and it can be used

1 across different homes so that you can carry it with
2 you. That is more like a mobile phone, when you can
3 use your mobile phone in different systems as well.
4 That's what we're aiming to do.

5 The next slide really talks about sort of
6 the data that consumers have and the level of
7 transparency that they have with respect to their
8 actual broadband service today.

9 Very few -- we've done recent consumer
10 surveys related to the plan, as well as subsequently -
11 - very few consumers know what their actual broadband
12 speeds are. They don't know how their packages are
13 broken out, et cetera.

14 And what we have said is if you look here,
15 you say, 20 percent basically know what their speeds
16 are. That's an astoundingly low number. And if you
17 look at the bottom graph, it says that essentially,
18 most people think that their actual speeds are 7
19 megabits per second when they're in fact 3.1 megabits
20 per second. I mean it's pretty amazing.

21 So not surprisingly, the National Broadband
22 Plan has a series of recommendations relating to

1 improving transparency. One of those recommendations
2 is to consider the possibility of establishing a
3 broadband digital label -- not that different from
4 other labels that you've seen with respect to energy
5 usage, efficiency, as well as cars and things that lay
6 out for consumers in a very clear and standardized
7 format, both for speed and performance, and consumers'
8 sort of assessment of that. And these are some
9 examples that we put in the National Broadband Plan
10 that could be considered.

11 The impact of these recommendations on
12 consumers really are several-fold, but two of the
13 areas of greatest impact really relate to: one,
14 consumers having the data that they need to assess the
15 choices that they have before them with respect to
16 broadband performance; and two, to enable consumers to
17 have a broad range of information, and that that
18 information must be disclosed to them in such a way
19 that is easily understandable and which they could
20 actually compare different possible providers.

21 The next set of recommendations that I'll
22 sort of address, just because I've seen several of you

1 here who have been very involved in helping us develop
2 these recommendations, relates to the adoption
3 category. The adoption section of the National
4 Broadband Plan relates to the inclusion section, as I
5 mentioned before.

6 We were very fortunate to be able to hire
7 one of the leading researchers, if not the leading
8 researcher, on non-adoption in the U.S. from the Pew
9 Center, and he came and conducted sort of original
10 research around why Americans who do not adopt
11 broadband don't adopt it. And there was a Spanish
12 language version also provided, and here are some of
13 the key results.

14 The summary of this is that the leading
15 reason for non-adoption -- surprise, surprise -- is
16 cost. Thirty-six percent of non-adopters said that
17 cost was a factor. However, 22 percent said that they
18 really weren't comfortable with computers, or they
19 were afraid of what could actually happen to them
20 online, so we accounted that to sort of digital
21 literacy.

22 And almost 20 percent didn't really

1 understand what the Internet could do for them. And
2 so there are a whole host of sort of education in
3 training and digital literacy efforts that could take
4 place that could in fact improve the outcomes here.

5 The bottom line take away is that 65 percent
6 of Americans are broadband users at home. That's a
7 pretty low number. And what we'd like to see is 90
8 percent adoption rate, just like you do with
9 televisions, telephones and other general purpose
10 communications technologies.

11 The next slide gives you a sense of
12 essentially the demographic breakdowns that were
13 conducted by this survey. Not surprisingly, the more
14 educated, the higher income, the more urban, the
15 younger demographics tend to have higher usages of
16 broadband.

17 What was interesting, you see sort of Black
18 and Hispanic adoption being lower -- Blacks being 59
19 percent and Hispanics being 49 percent as compared to
20 69 percent of the Caucasian population. But one of
21 the interesting facts that the survey also revealed is
22 that Blacks and Hispanics have much higher adoption

1 rates for mobile broadband usage, and that to me was
2 somewhat counterintuitive. But that tells you
3 something about the benefits of mobile broadband for a
4 broad demographic of Americans.

5 The adoption recommendations take up an
6 entire chapter, but I'll try to summarize them here.
7 One is to launch a three-part digital literacy
8 program, which includes a digital literacy portal,
9 creating a digital literacy core where young people
10 and even elderly people can train their peers and
11 others. It's a job training program -- essentially a
12 job creation program, but also a digital literacy
13 training program throughout the communities.

14 The second area is to find ways to expand
15 low income universal service support to broadband.
16 Currently, Lifeline and Link-Up, which is run by the
17 FCC. Those programs are really tailored to voice
18 service, and we would like to see some move towards
19 supporting broadband as well.

20 Because a lot of the low income communities
21 would benefit from frankly job training and job search
22 capabilities. About 60 percent, I think the number

1 is, of Fortune 500 companies now only post jobs
2 online, and so those who do not have access to
3 broadband have a significant disadvantage.

4 There are a whole host of public-private
5 partnerships that I've been recommended as well as
6 transparency initiatives that I mentioned earlier, as
7 well as specific recommendations around low adopting
8 groups, such as tribal communities and people with
9 disabilities.

10 I can't sort of talk about consumer interest
11 without talking about the importance of personal data
12 and privacy to protect consumers as they begin to
13 adopt the Internet and do more of their daily
14 activities on the Internet. Personal data is a key
15 driver of future innovation, how you're able to use
16 your healthcare data, your education data, your energy
17 data, really will help drive future applications and
18 frankly, spur the economy because new businesses will
19 be formed around those.

20 But the key to personal data is also to
21 ensure consumers have privacy with that data and that
22 they can control and manage the use of that data, and

1 who gets it and how it gets used. There are a whole
2 host of recommendations around that that relate to
3 both FCC efforts, but also broader executive branch
4 agency efforts as well.

5 I will just sort of highlight a few of them.
6 One is that Congress and the FTC and the FCC should
7 work together to clarify the relationship between
8 users and their online profiles. The goal here is to
9 make privacy obligations and expectations clearer for
10 all parties, and the hope is that the FTC will
11 continue on its current track of producing an online
12 safety outreach toolkit.

13 But there are other things that could be
14 done, too, and the plan addresses those. In addition,
15 the FCC and FTC should jointly develop principles that
16 require customers to provide informed consent before
17 broadband service providers share certain information
18 with third parties.

19 I mean right now, Google, for example, which
20 is not an Internet service provider, but they hold a
21 lot of your personal data, and they collect it and the
22 monetize it and they use it for their own purposes.

1 Consumers should have access to their own data, and
2 they should be able to determine how it gets used.
3 And one of the premises underlying the Broadband Plan
4 is that we should find ways to make that happen.

5 I will talk about some of the national
6 priorities that I mentioned earlier, and how that
7 consumer data, whether in the healthcare space, the
8 education space or the energy space -- and those are
9 only three areas -- how that data can help empower
10 consumers.

11 Here are some pictures of some devices and
12 technologies in the medical space that enable much
13 better medical outcomes and enable also medical care
14 in areas that might have high physician shortage
15 areas, et cetera.

16 Whether it's wireless patches that monitor
17 your heart rate and your glucose levels and then
18 trigger ideally a message to your physician or medical
19 provider to act in a certain way, or just remind you
20 of something that you have to do, to more
21 sophisticated sort of wireless technologies that
22 enable broader care across even state lines, where you

1 don't have for example a physician that specializes in
2 pediatric scoliosis in your area, but you want to be
3 able to access care of a physician from another state
4 that does. And these wireless technologies enable
5 that.

6 Some of the key recommendations relating to
7 this National Broadband Plan are, not surprisingly, to
8 unleash consumer data, particularly in the healthcare
9 space, to allow consumers to access that data and to
10 control that data in how it gets used. Today,
11 consumers do not have that access.

12 And what we have said is that all patients
13 should be able to make informed decisions on matters,
14 whether it's where to buy prescriptions or where to
15 have surgery, but also be able to use the personalized
16 information relating to their own health conditions in
17 such a way that broader applications can be arrived at
18 for their benefit.

19 There are other, sort of sets of regulatory
20 requirements. At the end of next month, on July 26th
21 and 27th, the FCC will be holding its first joint
22 public meeting with the FDA relating to wireless

1 medical devices, and how those can actually improve
2 healthcare outcomes and how they should be regulated
3 to encourage greater innovation in this space.

4 Right now, as we understand it, there's a
5 lot of investment dollars sitting on the sidelines
6 that could be very helpful to patients, and it's not
7 being unleashed because there's regulatory uncertainty
8 around who regulates and what they regulate between
9 the FCC and FDA.

10 The second category that I mentioned is sort
11 of education, and the key point here is that there's
12 an ability for broadband to personalize instruction to
13 improve student outcomes today that has not existed in
14 the textbook era. And the goal is -- and if you go to
15 the next slide -- really personalized learning.

16 Right now, there are a number of government
17 agencies taking a close look at this, and particularly
18 the Department of Education, NASA, the Department of
19 Commerce -- a whole host of government agencies who
20 control online content, or have content that could be
21 put online in some standardized way to allow teachers
22 and students to access that content.

1 That seems like a pretty simple
2 recommendation. You would not believe the level of
3 complexity in making that happen in such a way that
4 all of the standards for getting that content online
5 or interoperable so you can pull from them all at the
6 same time.

7 Next month, Chairman Janikowski will appear
8 at the National Rural Education Technology Summit at
9 the invitation of Secretary Duncan of the Department
10 of Education, and we suspect that at that point there
11 will be some discussion about those interoperability
12 standards and how to make that move forward, so we're
13 very excited about that.

14 And then e-rate, the FCC's -- perhaps one of
15 its most successful programs, really to connect
16 libraries, schools with Internet access, has been
17 highly successful on the Internet front and on the
18 voice front. Ninety-seven percent of schools in
19 America have access to the Internet. It's not all
20 broadband access, but that's pretty impressive.

21 The goal is to reform and improve the e-rate
22 program to increase broadband connectivity and to

1 possibly even consider wireless connectivity so that
2 kids aren't lugging around 50 pounds of books on their
3 backs anymore. But in fact, are able to benefit from
4 wireless devices that give them the content they need
5 and can personalize that content.

6 So for example, I loved physics but I was
7 terrible in physics. And if I had had a broadband
8 application to teach me physics, I could have taken a
9 sample quiz, gotten a problem wrong. The program
10 would have known how I got the problem wrong and would
11 reissue questions to target my areas of weakness.
12 That's what personalized instruction does. And what
13 we found is where that happens, the outcomes for
14 students greatly increases. Broadband's an enabler in
15 that.

16 The third bucket is energy, and I've already
17 spoken a little bit about this. But less than 10
18 percent of Americans have access to their energy usage
19 data. If you get your electric or your gas or your
20 others or utility bill at home, you don't know the
21 peak times that you're using energy. You don't know
22 whether turning on your washing machine and your

1 dishwasher at the same time at 7 o'clock at night, you
2 don't know that that might triple your rate at any
3 particular time. So you cannot manage the way that
4 you use your electricity or your other utilities in
5 such a way that's cost effective for you and better
6 for the environment.

7 The goal here is to unleash that data, which
8 is currently primarily held by the utilities in such a
9 way that consumers can have access to it and can
10 decide how to use it, and may be able to provide it to
11 third party application providers who can enable them
12 to better manage their energy usage.

13 So those are some of the key areas and the
14 national priorities. I do want to say a few things
15 about sort of the disabilities area. Elizabeth Lyle,
16 who headed and wrote, authored a lot of the
17 recommendations relating to disabilities, has been
18 very involved with a number of people here but also
19 more broadly, in creating recommendations on how to
20 improve accessibility for those who are disabled.

21 Many of them are non-adopters, not because
22 they don't realize the value of broadband, but because

1 the devices are non-accessible to them. They're not
2 designed in such a way to be accessible, and the
3 assistive technologies are very expensive.

4 There are a whole host of recommendations in
5 the plan that really relate to addressing some of
6 these key issues. Specifically we've said that the
7 Executive Branch should convene a broadband
8 accessibility working group, and that working group
9 should develop policies and funding priorities across
10 agencies to address broadband accessibility in
11 general.

12 We've said that the FCC should establish an
13 accessibility innovation forum and hold regular
14 workshops, et cetera, and even have a possibility of
15 an annual chairman's award for accessibility and
16 innovation. And also the FCC, DOJ and Congress should
17 take specific actions to address particular barriers
18 with respect to services and equipment that are
19 accessible to people with disabilities, and there are
20 a whole host of recommendations around that as well.

21 We wanted the plan -- as I said earlier, we
22 wanted the plan to be a model of -- and some people

1 think it's a terrible model, but we wanted it to be a
2 positive model for government, transparency and
3 performance. One way that we have done that since the
4 plan came out is to establish a dashboard on
5 www.broadband.gov so you can track our performance on
6 how we're actually doing in implementing the plan.

7 We issued about three weeks after the plan
8 was released, a broadband action agenda that basically
9 told the public what we were planning on doing between
10 sort of April until the end of the year to implement
11 the plan. And there were 64 proceedings and actions,
12 which is incredibly ambitious that we wanted to at
13 least target for the year. And that broadband
14 dashboard will give you a sense of how we're actually
15 doing with our own goals.

16 We've also completed -- it's nice to sort of
17 note this and pat ourselves on the back -- we've
18 completed most of the consumer-focused items in the
19 broadband action agenda that was targeted for the
20 second quarter. The consumer broadband speed test,
21 the mobile broadband speed test, which you can find on
22 broadband.gov, the mobile wireless competition report,

1 an order relating to pole attachments and the further
2 Notice of Proposed Rulemaking.

3 We've launched the cable card and Smart
4 video device proceedings, and we've launched the speed
5 and performance measurement program. There are a
6 whole host of other things that are coming, and you
7 will be seeing those, but we are generally on track.

8 And then the final sort of slide really kind
9 of outlines what the Executive Branch is doing and how
10 they have structured themselves on a subcommittee on
11 broadband, which is part of the broader Committee on
12 Technology and Sciences that the President chairs.

13 Here are some of the agencies that are
14 represented. The sole purpose of this subcommittee is
15 to decide how and what they will implement out of the
16 National Broadband Plan, and we sit on that committee
17 as sort of an expert agency because we're technically
18 not part of the Executive Branch. We're an
19 independent agency, but we sit on there as an advisor
20 to the committee.

21 So with that, thank you for the chance to be
22 with you, and I'm happy to entertain any questions.

1 MS. BERLYN: Let's take questions quickly,
2 if we may. We are at a quarter of 4 with an
3 adjournment shortly, so if we could. I saw cards
4 here, and Charles, you have yours up and Gloria, okay.
5 So let's start with Irene, Mark, Gloria, and Charles.

6 MS. LEECH: Thank you for being here with us
7 today, and I wondered if you might share your slides
8 with us?

9 MS. YANG: Sure, I'd be happy to.
10 Absolutely.

11 MS. LEECH: There are some things in those -
12 -

13 MS. BERLYN: Yeah, that would be very
14 helpful.

15 MS. YANG: I'll send this --

16 MS. LEECH: That would be great.

17 MS. YANG: My colleague, Tom Brown, who's
18 sitting right back here, standing up now, actually, he
19 brought hard copies -- isn't he good? So he will --
20 he's distributing them now.

21 MS. LEECH: Okay, that's great. And as you
22 were talking about all the possibilities with

1 education, I can't help but throw in but a little word
2 of caution based on my experience as a university
3 faculty member at a university where our mathematics
4 has all gone kind of online.

5 And yes, they have whenever they want and
6 all that good stuff. But we've got an awful lot of
7 students who find that a very difficult way to learn
8 and really wish for a teacher. The other thing is, a
9 lot of people think you put that up, and if it's going
10 to be personalized, then your ratios of instructor to
11 student aren't very high.

12 MS. YANG: And that is not at all what the
13 plan talks about.

14 MS. LEECH: Yeah.

15 MS. YANG: In fact, the plan envisions that
16 this would be a tool to empower teachers, not to
17 replace them.

18 MS. LEECH: Well, but that's realistically
19 with budgets and stuff, what we've experienced, at
20 least at my university.

21 MS. YANG: Interesting.

22 MS. LEECH: And I just thought it might be

1 useful to you.

2 MS. YANG: To have that.

3 MS. LEECH: Because the whole -- you know,
4 Virginia Tech's pretty big, and if you think of
5 everybody who's trying to take math. Just thought I'd
6 bring it up.

7 MS. YANG: Yeah, that's good. Yeah, no I
8 appreciate that very much.

9 MS. BERLYN: Mark?

10 MR. DEFALCO: Phoebe, thank you for being
11 here. And I had the pleasure of hearing you speak at
12 the Pew Center a couple of weeks ago, and you did a
13 wonderful job then and you've done a wonderful job
14 today as well. Thank you so much.

15 MS. YANG: Thank you.

16 MR. DEFALCO: I have a question -- not to
17 get into the controversy of a Title II debate -- but
18 what parts of the National Broadband Plan are at risk
19 or are dependent on you know, whatever's going to
20 happen there?

21 I mean I think -- you know we've talked a
22 lot today about the use of the Universal Service Fund

1 or the Connect America fund, to support broadband.
2 And that seems to be certainly at risk, depending on
3 what happens. But what other portions of the National
4 Broadband Plan that's laid out would be at risk,
5 pending the outcome of that Title II debate?

6 MS. YANG: I'm glad you asked that question
7 -- is it Mark?

8 MR. DEFALCO: Yes.

9 MS. YANG: There are a number of areas of
10 the plan, but I will highlight a few. As you said,
11 the Universal Service Fund, specifically within the
12 Universal Service Fund, the High Cost Fund, which
13 basically connects rural and high cost regions to
14 broadband, or to voice service. That is at risk as it
15 applies to broadband. The affordability programs like
16 Lifeline/Link-Up also are at risk.

17 The ability of the Commission to improve
18 transparency regarding speeds, performance, services,
19 prices, et cetera, is also at risk. One of FCC's key
20 responsibilities is to protect consumer privacy. And
21 as it relates to broadband services, that would be at
22 risk.

1 The ability to protect Americans from cyber
2 attack and sort of public safety concerns, is also at
3 risk as it relates to broadband, and generally sort of
4 the ability to preserve sort of the Internet's freedom
5 and non-discrimination, is also at risk, which
6 of course was partly the subject of the Comcast case.

7 MR. DEFALCO: Okay. Well, it also seems
8 like there's -- you know depending on what happens
9 with these outcomes and the time frames in which they
10 occur, and I'm referring to what might be legal
11 challenges.

12 MS. YANG: Mmm-hmm.

13 MR. DEFALCO: There's also a lot of other
14 things in the plan that -- John and I were talking
15 earlier about the fact that there's a lot of
16 recommendations on things such as, and I don't mean to
17 use this as the only issue, but on the ability or the
18 desire of the FCC to be able to -- I don't want to say
19 dictate to the states, but recommend to the states the
20 takeover things like making the intrastate access
21 rates the same as the interstate access rates and
22 things like that, that also could potentially create

1 legal challenges down the road.

2 And when the FCC put out the Broadband Plan
3 and put out the rough time frame of saying it would be
4 implemented entirely within a 10-year time frame, did
5 that take into consideration all of the potential
6 legal challenges and time delays that may occur
7 because of that, or --

8 MS. YANG: Yeah, it's a good question. Just
9 to clarify, the FCC did not say that it would all be
10 implemented in a 10-year time frame. But what the FCC
11 did do in the Broadband Plan was to say, here are
12 things that should happen over the next 10 years to
13 create a healthy broadband ecosystem and to make
14 broadband available to all Americans.

15 A lot of those recommendations are dependent
16 on a whole host of factors that we could foresee then,
17 and many of which we couldn't foresee and won't be
18 able to foresee until they actually happen. But
19 certainly, the legal authority question is one that
20 could significantly delay that. We intend to continue
21 to move forward until we're told we cannot.

22 The court did not tell us that we could not

1 move forward on the broader broadband goals to make it
2 available to all Americans, and so we're moving
3 forward on that.

4 MR. DEFALCO: Thank you.

5 MS. YANG: Sure.

6 MS. BERLYN: Gloria?

7 MS. TRISTANI: Thank you and great
8 presentation. And I want to congratulate the FCC for
9 moving forward on all the recommendations that are
10 dependent on FCC's authority to move.

11 MS. YANG: Thank you.

12 MS. TRISTANI: But as you well know, many
13 recommendations in the plan are for other government
14 agencies, Executive Branch, some for Congress, to act
15 on.

16 MS. YANG: Yes.

17 MS. TRISTANI: And I had a question about --
18 and I've been following some of them, but I had a
19 question about the digital literacy recommendations,
20 because it talks about a core, it talks about getting
21 us moving forward. And I'm like, is there are going
22 to be a recommendation for Congress to fund this. I

1 mean what's the vision there. Because it's a
2 wonderful idea --

3 MS. YANG: I know.

4 MS. TRISTANI: -- but it sounds like it
5 needs legs.

6 MS. YANG: It's a great question. I'm
7 trying to -- let me think about how I -- I want to
8 share as much information as I can without throwing
9 anybody under the bus. Those recommendations largely
10 relate to NTIA in part because they have the ability
11 to fund that kind of activity in a way that the FCC as
12 an independent regulatory agency does not.

13 You were correct, and we specifically said
14 Congress should consider funding these things. The
15 lead will come out of the Executive Branch, out of the
16 White House, out of the Department of Commerce, out of
17 NTIA, out of other agencies of government that are
18 involved in the digital literacy efforts like
19 Department of Education.

20 On that last slide that I showed, the
21 Interagency Task Force has discussed this extensively.
22 And the last meeting that we had, there was around the

1 table, what's your top priority out of the National
2 Broadband Plan, what do you think most requires
3 interagency collaboration. It isn't just within your
4 sort of siloed scope for your agency. And digital
5 literacy was near the top of that.

6 And so the hope is that -- I think NTIA has
7 been very preoccupied with BTOP grants and getting
8 those out the door by September 30th. The hope is
9 that once that's completed, those things will start to
10 move forward.

11 MS. TRISTANI: Just as a follow-up, and I
12 know it's beyond the FCC's purview to do this, but if
13 you could pass on to this task force that -- it's not
14 a task force, it's the interagency committee

15 MS. YANG: Yes.

16 MS. TRISTANI: It'd be great if they could
17 have a dashboard of, this is what's happening at the
18 other agencies, so we can continue to track what's
19 going on.

20 MS. YANG: That's a great idea, and at the
21 last meeting I actually suggested that. So we are on
22 the same wavelength.

1 MS. TRISTANI: Okay, great.

2 MS. YANG: And I'm going to tell them that
3 you told me that we should do that, too.

4 MS. TRISTANI: Thank you.

5 MS. YANG: Because sometimes it sounds like
6 from the FCC's perspective we're sort of nagging.
7 They're in the process. They've had two meetings.
8 The first meeting was to task all the agencies to come
9 up with their own implementation plans. The second
10 meeting was to start reviewing them and prioritizing
11 them. And so I suspect they'll be moving in that
12 direction.

13 MS. TRISTANI: Thank you.

14 MS. BERLYN: Charles?

15 MR. BENTON: Charles Benton. To pick up on
16 Gloria's point, I wanted to mention -- and thank you
17 very much for your marvelous overview of the National
18 Broadband Plan. The Benton Foundation actually
19 launched on June 22nd, a National Broadband Tracker --

20 MS. YANG: I saw that.

21 MR. BENTON: -- that tracks all 220 of the
22 recommendations, what's happening with the FCC, what's

1 happening in the other agencies, what's happening in
2 Congress, anything else that's going on. And we would
3 be pleased to follow up -- my God, what a lead-in for
4 the point here --

5 MS. YANG: Free advertisement.

6 MR. BENTON: -- to work with you, have you
7 refer to this. There's no sense in having this
8 duplicated.

9 MS. YANG: Yeah.

10 MR. BENTON: We have a, I think generally
11 recognized, a unique resource in headlines that's been
12 going on for 14 years, that reviews all of the
13 consumer and trade press, systematically every day,
14 daily review of all the major consumer and trade
15 press, on communications. So we have a database on
16 that and building on that are doing this National
17 Broadband Tracker.

18 MS. YANG: That's great. You know what I
19 may suggest if I may, if it's okay with you, is I will
20 suggest to a couple of people at the White House, as
21 well as to NTIA and Department of Energy who co-chair
22 this subcommittee that you have offered that, and that

1 they should consider getting in touch with you about
2 how to make it happen.

3 MR. BENTON: We'd love that, and if there's
4 any way we can make it better, we'd be glad to make it
5 better. This is public service. We have no axe to
6 grind. We come at this I think in as an objective way
7 as possible. That's headlines, is they've been the
8 spirit of the nonpartisan, just trying to report the
9 facts as they are reported.

10 MS. YANG: That's great.

11 MR. BENTON: So we would be very happy to
12 help in all ways possible.

13 MS. YANG: Thank you.

14 MR. BENTON: Having said that, this is maybe
15 a dumb question, but my assumption has been that as
16 people choose to transition to broadband that along
17 with that comes voice. Voice is part of broadband.
18 So it's not a choice between telephone, voice --

19 MS. YANG: That's right.

20 MR. BENTON: -- or broadband, but broadband
21 includes the voice.

22 MS. YANG: That's right.

1 MR. BENTON: I don't think that is really
2 crystal clear, and that might be -- it's a really
3 obvious point.

4 MS. YANG: Yeah.

5 MR. BENTON: But if consumer choice is what
6 will drive this, then that, in addition to all the
7 benefits that you spelled out for broadband, that very
8 simple point needs to be --

9 MS. YANG: That's a great point.

10 MR. BENTON: -- emphasized, I think.

11 MS. YANG: When we talk about the Universal
12 Service Fund, and particularly the High Cost Fund, as
13 well as Lifeline/Link-Up, if it could apply to
14 broadband, we do have to talk a lot -- because
15 currently those support voice, and so we are not
16 trying to take away people's voice service.

17 And that's often an argument that's made
18 against including broadband. What we're trying to say
19 is people can have broadband enabled voice as well as
20 the broadband Internet service through this new
21 platform and technology. And you're absolutely right,
22 we should be clearer about that.

1 MR. BENTON: The last point. Irene Flannery
2 stated it as clearly as I've heard it today, really,
3 when she said broadband is not a supported service
4 under High Cost and Lifeline/Link-Up. And therefore,
5 it is subject to the jurisdiction of the FCC and this
6 third way point.

7 In the New York Times today, second lead,
8 second editorial, is "The Price of Broadband
9 Politics." It's clear who's leading the charge
10 against the FCC's third way. It could not be more
11 than crystal clear here. What are you doing and what
12 could be done to lead the charge in the other
13 direction, to show what will be lost if the FCC does
14 not maintain these seven or eight parts of the 60
15 parts under Title II, with forbearance on all the rest
16 of them and making it only for the transmission, not
17 for the content?

18 MS. YANG: I'm so glad you asked that. We
19 need the voice, we need the voice of the people around
20 this table in this discussion. We have an open
21 proceeding right now about the quote unquote,
22 "regulation" we have. The lobbyists, for those who

1 are against, quote unquote "regulation," or some might
2 say consumer protection and consumer interests, have a
3 lot of well-paid lobbyists who voice their concerns.
4 We know what their concerns are, as you've said, and
5 it's kind of evident in many ways.

6 We don't always have the full force of the
7 voice of people like you all, and we really need your
8 input in this proceeding as we go forward, to think
9 not only about the creative ideas, but to send the
10 warning signs of what can happen if you don't have the
11 FCC have authority in this area. It has authority
12 over voice, it doesn't have authority over broadband
13 in these respects, and consumers deserve to be
14 protected, whether it's broadband or voice. And we
15 need the FCC to have the legal authority to do that.

16 So the reason that we opened this proceeding
17 is to give people an opportunity and key stakeholders
18 an opportunity to articulate their interests in this.

19 We sort of knew the interests of those who were
20 objecting, because they were objecting long before we
21 opened the proceeding, but we really need your voice
22 in this. So thank you for that. That was free

1 advertising for me. I think I've overstayed my
2 welcome.

3 MS. BERLYN: Thank you. Always of great
4 interest to all the CAC members, so thank you very
5 much.

6 MS. YANG: Pleasure, thank you.

7 [Applause.]

8 MS. BERLYN: Now is the time to ask if there
9 are any public comments in the room?

10 [No Response.]

11 MS. BERLYN: So it is adjournment then, and
12 you will all be hearing about a conference call
13 shortly, sometime in the next 30 days, but hopefully
14 we'll have some ideas about when we can do that.
15 Thank you, all for I think a very productive and
16 interesting day today. Appreciate all your
17 participation, and we look forward to the next
18 meeting, which Scott and I will work on dates to
19 propose for that shortly. So thank you all.

20 MR. MARSHALL: Thanks much.

21 [Whereupon, at 3:56 p.m., the meeting was
22 adjourned.]