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Annual Report on the Activities of the ConnectME Authority, 2014

ConnectME Authority

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**Annual Report on the Activities of the
ConnectME Authority**

**Report to the Maine State Legislature
Joint Standing Committee on Energy, Utilities and
Technology**



January 20, 2015

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EXECUTIVE SUMMARY

In recognition of the critical importance of modern technology for education, health care, and business success in Maine, the Legislature created the ConnectME Authority (Authority) in 2006 as an independent State agency, to develop and implement broadband strategy for Maine. The Authority is governed by a Board which is comprised of members appointed by the Governor or specifically identified and designated by statute, and a Broadband Advisory Council consisting of private and public individuals who have expertise in the high-speed internet fields.

The goal of the Authority is to facilitate universal availability of high-speed internet service (broadband) by providing a “pipe” where there is no pipe or in some cases, a bigger “pipe” which provides higher-speed broadband, and to increase the “take rate” (adoption) to greater than the national average. Increasing broadband access and take rates is critical to Maine’s economy, tele-health, and distance learning and education.

The Authority increases access and take rates through its efforts to identify areas that do not have broadband access; selecting projects for broadband expansion; funding and administering the projects; providing oversight and assistance for the projects; and adhere to the Authority’s commitment to avoid duplication and encourage cooperative efforts.

The funding mechanism for the Authority is a 0.25% (one quarter of one percent) surcharge on all communications, video and internet service bills which generates approximately \$1.1 million per year. From 2007 through 2014, the Authority has awarded 122 grants totaling nearly \$10 million through a process that solicits, scores, and awards bids from public-private partnerships.

The success of the ConnectME initiatives is done with much collaboration with other Maine State agencies, federal partners, municipalities, and public and private stakeholders. For example, the Department of Economic and Community Development held ten educational forums for small business owners on the benefits of broadband; the Department of Education led the Technical Assistance project; the State’s Health Information Technology (HIT) efforts with several State agencies provide federal funding for hospitals and health care providers to use electronic health records to improve health quality and outcomes and efficiencies; University of Maine communications and network services project have improved broadband education opportunities; the federal Agricultural Act of 2014 provides loans and loan guarantee programs for improvement or acquisitions of internet facilities for rural communities; and the FirstNet funding opportunity which was recently awarded \$1 million three-year federal grant for a dedicated Maine public safety broadband network as part of the National Public Safety Broadband Network.

In 2010, the Authority was awarded a five-year \$5 million grant from the National Telecommunications and Information Administration’s (NTIA) State Broadband Initiative (SBI) (which ends in January, 2015) consisting of four major projects:

- An inter-active on-line Mapping and Inventory project which among other results, now enables citizens and businesses to enter a street address which

instantaneously tells them whether internet service is available; the speed of internet services; and which vendors serve that area;

- A Planning Project benchmarking the benefits and the drivers of internet with a particular focus on the use of tele-health to improve quality and health outcomes and cost efficiency;
- A Capacity Building Project to increase the benefits and use of broadband by businesses, residents and local support organizations which resulted in a detailed and thorough report and recommendations; and
- A Technical Assistance Project, which was an adult education effort for Maine citizens conducted through community presentations, workshops and coursework making 21st century skills available to all.

Maine has taken many important steps and has many achievements to celebrate. Over the past six years in Maine, access to broadband has increased from 86% with a 40% take rate, to 93% with 75% of Maine households subscribing to some form of broadband service.

However, there are many more steps to take. While 93% of Maine households have access to internet that meets the minimal definition of broadband, in many cases the size of the pipe may not meet the standards needed for business services, tele-health and 21st Century education.

Broadband serves as a key engine of economic growth and opportunity. Reports show that 97% of American consumers looking online for goods and services, start-up entrepreneurs can save \$16,500 in the first year; consumers can save more than \$9,300 a year; and small businesses with a website earn \$675,000 more in annual revenues through the use of high-speed internet.

Yet, 59% of Maine's small businesses don't even have a website. The annual sales of Maine's sole proprietorships and small businesses amount to approximately \$21.7 billion a year. If these enterprises were at the national average, the result would be increased annual sales of nearly \$50 million a year. Businesses frequently need a bigger pipe to take and process their customer's orders. Smaller pipes can result in delayed or interrupted internet connections.

Maine has the oldest median population in the United States. Our elders (and their families) want to stay in their homes and be independent, yet safe. Tele-health utilizes high-speed internet connections to and from the home and health care providers to monitor blood pressure, diabetes, heart conditions, mental and physical health, all while helping provide peace of mind.

With Maine's rural character, many patients are miles away from health care providers. Patients may be forced to travel many miles at great time and expense to visit their doctors and hospitals. Tele-health reduces the costs of long-term care many-fold by delaying long term care admissions and reducing transportation costs while increasing employment

opportunities for individuals and small businesses providing on-line options and medical care. Health care providers and households need a “pipe” big enough to provide these critical services for our at-home and elder populations.

Maine relies on education systems that are capable of distance learning and high-speed broadband that connects our students to global educational opportunities. With a modernizing economy, the access to high-speed internet is critical to the educational needs and Maine businesses.

With broadband comes eGovernment opportunities with “always on and on everywhere” capabilities, including no waiting lines for obtaining licenses and car registrations, connection to labor force needs, digitally mapping growth zones or trails and open space, reporting safety hazards such as pot holes or downed trees, “neighbor helping neighbor” stay-connected systems, citizen participation on-line all with a reduction in transportation time and costs, and pollution or carbon footprint.

There is broad support across the spectrum for high-speed internet. Private companies and public organizations embrace it.

Governor Paul R. LePage states “high speed internet is critical to moving Maine forward. It has become increasingly evident that many industries simply cannot prosper in our state without this service. At a time when businesses and customers are looking to utilize video and other streaming services, limited or very basic internet service can be a barrier to attracting business to our state or moving our existing employers into a digital economy.”

United States Senator Angus King, a longtime supporter of increasing broadband access and adoption in Maine, states that “In today’s world, high-speed Internet is as necessary for success as roads and bridges were one-hundred years ago. With high-speed Internet, a person living in Milo can sell their products to a buyer in Europe. On the other hand, the absence of high-speed Internet in rural areas can be an economic disaster. Now is the time to bring true high-speed connectivity to the doorstep of households and businesses throughout Maine and across the country.”

The Authority continues to support the expansion of broadband into more and more areas of Maine, consistent with the visions of Governor LePage and Senator King. In 2014, the Authority awarded its ninth round of grants from the ConnectME Fund, with a majority of the grants funding fiber to the premise projects (FTTP.) Grant limits are at a maximum of \$100,000 per project, funding no more than 50% of the total project although many of the recent grants have been above those levels.

The following table summarizes the Authority's grant activities to date:

Grant Round/ Year	# of Grants	Grant Range In Thousands	Total Grants	Total Project Amount In Millions	Household Broadband Availability ¹	Increased Broadband Availability ²
1/2007	6	\$38 - \$370	\$739 K	\$1.53	13,836	2.5%
2/2008	5	\$45 - \$533	\$1.19 MM	\$3.89	8,678	1.6%
3/2009	8	\$43 - \$232	\$610 K	\$1.23	4,227	.7%
4/ 2010	22	\$23 - \$114	\$788 K	\$1.51	2,957	.5%
5/2010	12	\$7- \$191	\$1.09 MM	\$1.66	1,545	.6%
6/2011	23	\$5 - \$242	\$1.55 MM	\$2.34	2,296	.4%
7/2012	23	\$23 - \$284	\$2.08 MM	\$3.16	2,049	.3%
6/2013	15	\$6 - \$144	\$1.02 MM	\$1.69	1,034	.2%
7/2014	8	\$12 - \$186	\$749 K	\$1.43	975	.2%
Total	122	\$5 - \$533	\$9.82 MM	\$18.44	37,597	7.0%

Grant dollars per household availability is higher for the last four rounds and is expected to continue to rise, because the areas seeking broadband are becoming more difficult to serve, are more costly and the projects are smaller. A complete list of grants awarded can be found on the Authority's website:

<http://maine.gov/connectme/grants/awarded-grants.shtml>.

The 2014 ConnectME Authority Annual Report meets the statutory requirement to report on four components: Budget, Investment, Activities, and Market Conditions. The report sets the stage for 2015 and beyond to further its mission to achieve ever higher levels of broadband access and take rates and improve the economic and public benefits of high-speed internet while recognizing the importance of business interests and the competitive market. With guidance or input from the ConnectME Authority Board, Advisory Council, government officials, and Public and Private Stakeholders, the Authority will:

1. As the "Authority" on broadband in Maine, work with the Legislature, Administration, citizens, businesses, and other stakeholders, to thoughtfully review and analyze the bills and proposed bonds that are being considered in the 2015-2016 Legislative sessions to make the right choices for the future of broadband in Maine;
2. Work collaboratively with all stakeholders to implement the solutions and opportunities that arise from the Legislature and Administration this legislative session;
3. Update the ConnectME Authority Strategic Plan—"As-Is" "To-Be" "Gap Analysis" and "Roadmap" for the next four years, recognizing our successes and lessons learned, and building in flexible and efficient processes to continually improve upon the "broadband of today" to become the "broadband of tomorrow" to meet business and

¹ Household broadband availability is defined as those houses offered the option of acquiring broadband services from a provider and is also referred to as houses passed.

² Based on the 2010 Census for estimates of population and number of households in Maine, obtained from the State Planning Office. Total est. occupied housing units = 562,873, population = 1.328 MM, 2.36 = average household size.

citizens' needs. (Incorporate the results of the four recently completed federal grant projects, including pursuing recommendations from the Capacity Building project on innovative broadband expansion; and refine the criteria for broadband service and areas eligible for Authority support.);

4. Serve as an information conduit for Maine's broadband initiatives at all levels and as a point of contact and resource clearing house for households, municipalities, businesses and communications service providers;
5. Conduct a 2015 grant round, and monitor and assist grantees to ensure that they have needed resources necessary and meet grant requirements;
6. Participate in the State's Health Information Technology (HIT) initiatives to integrate health care through the use of Electronic Health Records (EHR) including the use of broadband to provide high speed exchange of data and medical tests which brings more efficient health care and better health outcomes, and tele-health to keep our seniors at home and safe;
7. Assist Maine's farmers in accessing broadband solutions and leveraging federal funding;
8. Manage Maine's FirstNet State and Local Implementation Grant Program to build and operate the first high-speed wireless broadband network dedicated to public safety;
9. Provide assistance to State agencies including Maine's Department of Economic and Community Development to empower businesses to take advantage of broadband as the key to the State's economic future; and
10. Assist Networkmaine (a consortium including the Maine Department of Education, Maine State Library, Office of Information Technology and University of Maine System) with efforts for the Maine School and Library Network to connect every K-12 public school and public library to the internet with high-speed and preferably, fiber-based access.

This report summarizes the Authority's activities; describes federal activities and initiatives; and outlines the Authority's ongoing and upcoming activities.

INTRODUCTION

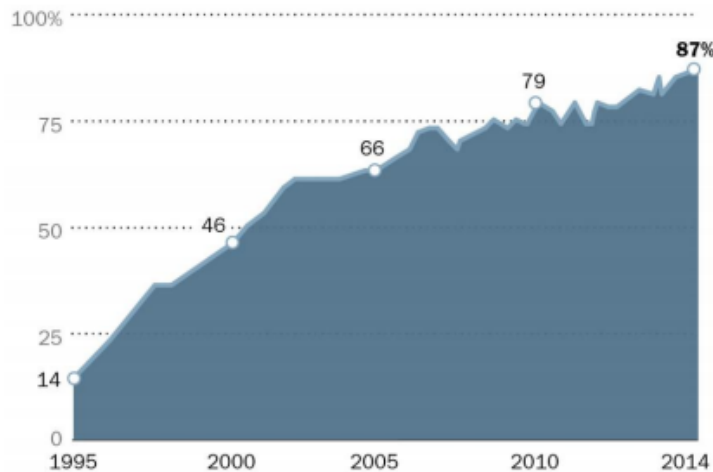
The ConnectME Authority 2014 annual report is divided into five sections: I. Background; II. Summary of Authority and Broadband Activities; III. Federal Broadband Activities and Initiatives; IV. Ongoing Authority Activities; and V. Conclusion and Attachments.

I. BACKGROUND

A. The Importance of Broadband

Internet use, 1995-2014

% of American adults who use the internet, over time



Source: Pew Research Center surveys, 1995-2014.

PEW RESEARCH CENTER

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Over 50% of the global population will have Internet access within three years' time, with mobile broadband over smartphones and tablets now the fastest growing technology in human history, according to the 2014 edition of the [State of Broadband](#) report.⁴

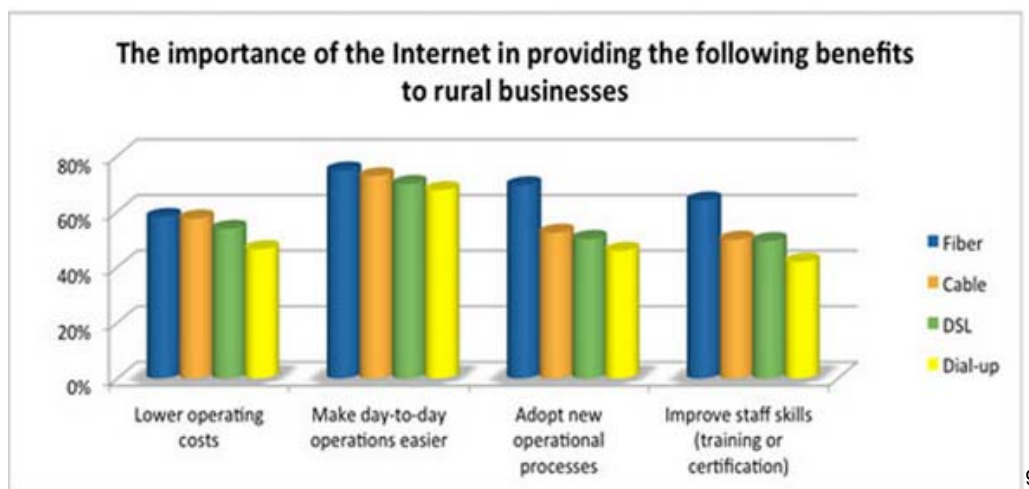
³ http://www.pewinternet.org/files/2014/02/PIP_25th-anniversary-of-the-Web_0227141.pdf

⁴ The State of Broadband 2014 broadband for all (Sept. 2014.) Retrieved from <http://www.broadbandcommission.org/Documents/reports/bb-annualreport2014.pdfm> pg 12.

Broadband serves as a key engine of economic growth and opportunity.

- By leveraging the internet, start-up entrepreneurs can save \$16,500 in the first year.⁵
- Consumers with broadband at home can save more than \$9,300 a year.⁶
- On average, small businesses that use broadband and have a website earn \$675,000 more in annual revenues than small businesses without broadband.⁷

Ninety seven percent of American consumers look online for goods and services. But 59% of Maine businesses don't even have a website. Recommendation one from the Governor's Broadband Capacity Building Task Force is for the State of Maine to provide a three-year tax credit for all Maine small and medium businesses for internet-related staff training and marketing. The annual sales of Maine's sole proprietorships and small businesses amount to approximately \$21.7 billion. If these enterprises achieved the national average in terms of level of web use, the result would be increased annual sales of nearly \$50 million per year.⁸



⁵ *Broadband: The Road to Maine's Future*. The Broadband Capacity Building Task Force Report (December 2013). <http://maine.gov/connectme/grants/ntia/capacity-building.shtml>, pg VI.

⁶ *REPORT: Broadband Delivers Over \$9,300 in Annual Savings to American Consumer* (Oct. 2013). Retrieved from <http://internetinnovation.org/press-room/broadband-news-press-releases/report-broadband-delivers-over-9300-in-annual-savings-to-american-consumers/>.

⁷ *Small Business Saturday*. Connected Nation (Nov. 2013). Retrieved from <http://www.connectednation.org/BlogPost/small-business-saturday>.

⁸ *Broadband: The Road to Maine's Future*. ConnectME Authority, (December 2014). Retrieved from <http://maine.gov/connectme/grants/ntia/capacity-building.shtml>, pg 23.

⁹ SNG Research Library Retrieved from <http://sngroup.com/information-resources/research-library/>.

The Benefits of Increased Broadband

- **Maine becomes a more affordable place to live:** Lower health care inflation, lower education inflation, lower government inflation.
- **The quality of life improves for Maine people:** More individualized health care, more individualized learning, more responsive government.
- **Maine people enjoy more autonomy and choice:** Individuals actively participate in health care monitoring, treatment, and decisions. Learners actively create and implement their own learning agendas. Citizens participate in government decisions at every step, not just at elections.
- **Maine people have a shot at new businesses and jobs:** Business growth accelerates through more and faster connections to the world. Computer and information technology occupations are projected to grow by 22 percent, adding 758,800 new jobs to the U.S. economy from 2010 to 2020.²⁵ Maine's location changes from disadvantage to an advantage as wired businesses place an increasing emphasis on quality of life.
- **Maine gets younger:** We create a culture and economy where young people can work and enjoy life. Quality of life (natural beauty, safety, small-town atmosphere, good schools, good jobs) draws young people from around the globe. Communities that are "wired" for high-speed internet are more attractive to young people to live and work in. Communities lacking broadband internet are simply out of the running.



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United States Senator Angus King, a longtime supporter of increasing broadband access and adoption in Maine, states that "In today's world, high-speed Internet is as necessary for success as roads and bridges were one-hundred years ago. With high-speed Internet, a person living in Milo can sell their products to a buyer in Europe. On the other hand, the absence of high-speed Internet in rural areas can be an economic disaster. Now is the time to bring true high-speed connectivity to the doorstep of households and businesses throughout Maine and across the country."¹¹

B. The ConnectME Initiative

As early as 1995, the Maine Legislature recognized the value of broadband when it stated:

The Legislature further declares and finds that computer-based information services and information networks are important economic and educational resources that should be available to all Maine citizens at affordable rates. It is the policy of the State that affordable access to those information services that require a computer and rely on the use of

¹⁰ *Broadband: The Road to Maine's Future*. The Broadband Capacity Building Task Force Report (Dec. 2013). <http://maine.gov/connectme/grants/ntia/capacity-building.shtml>. Pg 8.

¹¹ *Jobs and Economy*. Retrieved from <http://www.king.senate.gov/issues/jobs-and-economy>

the telecommunications network should be made available in all communities of the State without regard to geographic location.¹²

In 2006, the Legislature created the ConnectME Authority to develop and carry out its broadband strategy by identifying unserved areas of the state; developing proposals for broadband expansion projects, demonstration projects and other initiatives; administering the process for selecting specific broadband projects; and providing funding, resources and incentives.¹³ In 2007, the Legislature also approved the Authority's major substantive rule that defines the state's broadband strategy and describes how that strategy is to be implemented. The Authority consists of a board of five members, an Executive Director, Associate Executive Director, Program Director, and an Advisory Council.

Attachment B – Authority Board and Council members

II. SUMMARY OF AUTHORITY AND BROADBAND ACTIVITIES

The ConnectME Authority statute requires the Authority to report on four components: Budget; Investments; Activities; and Market Conditions. This Section covers the first three items. Market Conditions are reported on in Section IV.

A. Budget

The funding mechanism for the Authority is a 0.25% (one quarter of one percent) surcharge on all communications, video and internet service bills for retail in-state service.¹⁴ It is expected to generate between \$1.0 million and \$1.2 million per year.

The 123 grants awarded from 2007 through 2014, total nearly \$10 million. The ConnectME fund balance on December 30, 2014, was \$1,173,128. Going forward, from that amount, plus upcoming assessments (approximately \$1.1 M/YR), \$1.7 million is committed for awarded grants not yet completely funded; matching funds for NTIA grants; and Authority operating expenses. Attachment E reflects the Authority's financial status as of 6/30/2014.

The Broadband Sustainability Fee, established in 2009 at the inception of the federally-funded "Three Ring Binder" project, is intended for funding broadband projects by Incumbent Local Exchange Carriers (ILECs) within their territories in Maine. The Maine Fiber Company, owner of this dark fiber infrastructure, collects a fee per fiber strand per mile per month from those who purchase or lease the fiber. Collected fees are deposited into the Broadband Sustainability Fund. Qualifying ILECs submit requests for funds to the ConnectME Authority. To date, nearly \$200,000 has been disbursed for broadband expansion projects. The current Fund balance is nearly \$300,000, with nearly \$300,000 in

¹² Title 35-A M.R.S.A. §7101(4). <http://www.mainelegislature.org/legis/statutes/35-a/title35-Asec7101.html>

¹³ PL 2005, c. 665.

¹⁴ Also included are retail revenues received or collected from mobile communications services (i.e. cellular telephone) that voluntarily agree to be assessed by the Authority.

delinquent accounts. This delinquency is being addressed in a Superior Court case (State of Maine and ConnectME Authority v. Biddeford Internet Corp., d/b/a Great Works Internet, Docket #BCD-CV-2014-56). Annually, the ConnectME Authority receives 5% of the fund balance for administrative purposes. As the Maine Fiber Company sells or leases more dark fiber over its 1100 mile system, the Fund balance is expected to increase. The fee will sunset on December 31, 2017.

The ConnectME Authority is a component unit of the State of Maine and as such falls under Title 5 Section 1547 requirements to provide audited financial statements to the State of Maine Controller's Office. The ConnectME Authority contracted with Macpage LLC of Augusta to perform the required audits.

Macpage LLC's Financial Report 2014 states that the financial statements present fairly, in all material respects, the respective position of the governmental activities and major fund of the Authority, as of June 30, 2104, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United State of America. In regard to the Authority's federal awards, the schedule of expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

Attachment D - ConnectME Authority Balance Sheet

B. Investments

The ConnectME Fund is administered by an independent fiscal agent who manages the assessment process, invests the unused funds and makes payments as directed by the Authority. The fund administrator operates under contract at the direction of the Executive Director.¹⁵ Interest generated by the fund is added to the fund balance.

C. Grant Activities

Awarding Process and Grants Awarded

The Maine Legislature established the Authority "to stimulate investment in advanced communications technology infrastructure in unserved or underserved areas."¹⁶ The Authority believes that it's a priority to expand broadband access in the most rural, unserved areas that have little prospect of broadband service from a traditional or existing provider. The Authority accomplishes that goal primarily by awarding broadband expansion grants for projects that target unserved areas.

Grant applications are reviewed by three non-industry members of the Council, the Executive Director and the Associate Executive Director. The applications are scored on the

¹⁵ The quarterly assessments are paid to an independent fund administrator the month after the end of each quarter. Rolka Loube Saltzer Associates (RLSA) is the fund administrator for the ConnectME Fund as well as the Maine Universal Service Fund and the Maine Telecommunications Education Access Fund.

¹⁶ 35-A, M.R.S.A. §9203(1). See also 9202(2)(C).

four criteria specified in the statute and rule: cost-benefit; community support; project scope; and project value. The public-private partnership concept is considered in the review, yet “getting the most for the money” is also a high priority because of the limited funds available. The Authority developed grant scoring guidelines to assist applicants.

Attachment C – Broadband Grant Scoring Guide

In the ninth round of grant funding the Authority was presented with a total of thirty four applications. Eight were funded for just over \$749,000 with a total project value of \$1.4 million; this funding is about 52 percent of total project cost. These Authority awards go to six of Maine’s service providers ranging in size from small, one office operations to those with a New England or national based footprint. All the providers have implemented broadband projects through the ConnectME grant process in the past.

Monitoring the Ninth Round Grants

For the ninth grant round, the review team recommended that the Authority fund all applications that scored 65 points or more. Applications not funded this round were because of either high grant to project cost ratio, high grant dollars per household, or service currently existing through another provider. The review team felt the need to be more objectively critical of each application due to the amount requested – which was more than the estimated available funds. Authority staff will work with applicants not funded to improve their scores for the next grant round possibly by increasing the local/provider contribution, increasing the number of households served, or lowering the total project cost. The Authority strongly encourages parties to work together in crafting solutions that would provide the best expansion project while minimizing the impact on existing service providers. The Authority will continue to work with grant recipients to ensure they get the most “bang for the buck” with the limited resources available.

The Authority will monitor and assist the eight (8), ninth round grant awardees to ensure that they have the resources necessary to complete their projects as required by the grant award.¹⁷

Oversight

Authority staff will continue to work closely with grantees to ensure they have the resources they need to accomplish their project goals as efficiently and effectively as possible. The progress of the projects supported by the Authority is tracked through a monitoring and reporting process. The grant recipients document the expenditure of Authority funds to ensure that the funds are used only for appropriate purposes. Three reporting forms were developed with the assistance of the Council:

- Notice of Commencement – This requires a schedule of project milestones and the expected completion date. Each vendor for the funded project is identified

¹⁷ Complete list ConnectME Authority Awards.

<http://maine.gov/connectme/connectgrants/docs/GrantsAwardedSevenRounds.pdf>

on the form along with appropriate reports and documentation such as invoices and purchase orders.

- Progress Report – This provides a project update to demonstrate to the Authority that the funded project is on track. The Executive Director monitors each project's progress and use of funds.
- Final Completion Report – This is a final report that documents the completion of the project with attached financial spreadsheets and a listing of the communities newly served with broadband service as a result of the project.

Attachment D – Ninth Round ConnectME Grant Awards

Implementing the 2015 Tenth Grant Round

For the tenth grant round, the Authority estimates that \$1 million will be available and is again requesting smaller, focused proposals. A suggested grant limit for each project is \$100,000, funding no more than 50% of the total project, but these limits will be applied flexibly where warranted for proposals providing exceptional benefits. The Authority looks for creative solutions for expanding affordable broadband service to the unserved areas of Maine, encouraging more targeted solutions, making projects more manageable and easing oversight. The tenth grant round is expected to take place in late summer.

D. ConnectME Authority Advisory Council

The ConnectME Advisory Council (Council) provides advice and guidance to the Authority on technical, policy, financial and economic issues. The Council also performs limited functions assigned to it by the Authority or as provided by rule adopted by the Authority. The Council members include appointees who have experience with issues concerning advanced communications technology infrastructure, or experience with issues concerning the telecommunications and technology infrastructure implemented by the State's education community, and are industry and government experts in their field that can advise the Authority on the many technical or policy issues it faces. Members are appointed by the Governor, the Authority, or are designated in the Authority's statute.¹⁸

In 2014 the Council focused its efforts on defining broadband speed parameters for unserved and unserved areas in Maine. Items taken into consideration in this complex discussion; the data that underlies current measurements, staying within the statutory boundaries when defining criterion, federal guidelines, effect on infrastructure and economic development, and market forces. Revisions to the grant scoring guide were recommended to the Authority and unanimously approved. Revisions include:

- Changing the scoring guide in the Project Scope category, starting the point awards for broadband speed at the FCC Tier 3 level. No points will be awarded for grant projects that provide less than Tier 3, but those projects will not be

¹⁸ 35-A, M.R.S.A. §9206

precluded from applying as they may receive enough points in the other categories to receive a grant.

- New definitions of underserved and unserved to reflect unserved areas for grant application purposes being any area that receives less than Tier 2 service (1.5 – 3 Mbps). Underserved will be defined as an area that receives less than Tier 5 (10 – 25 Mbps); recognizing, however, that unserved areas must be funded before underserved areas receive any funding.

Innovative or high-cost broadband installation funding remain an area of focus for the Authority moving into 2015 and well as continued examination of the definition of broadband. The Office of the Public Advocate will present a revised definition at the Authority's first meeting in 2015.

III. FEDERAL BROADBAND ACTIVITIES AND INITIATIVES

A. NTIA State Broadband Initiative Program

In 2009 the Authority was awarded \$5 million, with \$1.3 million in match, by the National Telecommunications and Information Administration (NTIA). For the past five years grant focused on work in these projects areas:

- Mapping—identifying areas either unserved or underserved by broadband.
- Planning—determining how best to expand broadband infrastructure in Maine.
- Capacity Building—building out the infrastructure to grow broadband access.
- Technical Assistance—increasing digital literacy through community outreach, education, and training.

Broadband Mapping Project

The Authority is required to collect, aggregate, coordinate and disseminate information and data concerning communications services and advance communications technology infrastructure in the state.¹⁹ For many years, the FCC has provided broadband reports that allow a reasonable comparison picture across the states. However, the FCC reports tend to seriously overstate the availability of broadband services in each state, because if one broadband subscriber is located in a particular zip code, the FCC considers the entire zip code to have broadband. This overstatement is particularly significant in a rural state such as Maine.

The comprehensive mapping and inventory project obtained more granular, Maine-specific information regarding broadband availability. The grant funds facilitated a much more detailed and complete analysis of broadband than would have been possible with only the Authority's modest resources. As part of the mapping award, the Authority was also granted funding to implement address file development. A two-stage process combined existing E-911, Authority and Department of Transportation centerline files, and then used

¹⁹ 35-A, M.R.S.A. §9204(3)(A). <http://www.mainelegislature.org/legis/statutes/35-a/title35-Asec9204.html>

dynamic segmentation to generate an address file for the majority of communities and a traditional assignment approach for the few communities that did participate in the previous address normalization process.

For the State, service providers, households and businesses and countless other stakeholders, the SBI Mapping Project provided the first comprehensive statewide measurement of broadband availability. The broadband deployment data has been used in support of regulatory policy decisions, the ConnectME last-mile grant program, increasing access by community anchor institutions, expanding telehealth & telemedicine, and promoting economic development. The Authority has leveraged the same geographic data to also implement an online static map gallery which offers high density PDF layered broadband maps that are created to address specific needs.²⁰ All states received mapping and inventory Recovery Act funding to create online geographic maps. Data from each state was sent to the NTIA for populating a nationwide broadband map.²¹ At the Authority's last meeting in 2014, they approved funding continuation of the mapping project for one year.

Broadband Planning Project

A major concern of the Authority beyond the simple availability of broadband service is the low take-rate or adoption and subscribership to available broadband services. Factors contributing to a lower than average adoption rate include socio-economic (low income consumers cannot afford the computer or the cost of subscribing to broadband service); educational (consumers are not aware of the services available online); and perceptual (consumers do not see value in being online). Increasing the adoption rate for broadband services changes the economic "tipping point" for investment by service providers, leading to more rapid and comprehensive deployment.

In early 2014 the *Developing Broadband in Maine: Baseline Update 2013 Vol. 1* was released.²² This report updates the findings of the ConnectME Authority's Broadband Needs Assessment (2011), a comprehensive analysis of broadband availability and use in Maine and of the barriers to broadband adoption throughout the state.²³ It summarizes the results of new surveys of Maine broadband providers and consumers and compares these results with the 2011 findings, identifying areas of recent broadband growth. The Plan, based on a study of broadband availability to and use by households, businesses, schools and libraries, community anchor institutions, State agencies, and Tribal organizations, provides the State with a strategic focus and foundation for decisions critical to Maine's education, health and economic prosperity.

²⁰ Maine Broadband Static Map Gallery: <http://www.maine.gov/connectme/broadbandmapping/staticgallery.htm>.

²¹ National Broadband Map: <http://broadbandmap.gov/>.

²² *Developing Broadband in Maine: Baseline Update 2013*. (January 2014). ConnectME Authority, pg.1-2. Unpublished Report.

²³ *Developing Broadband in Maine: Needs Assessment, v. 1-2* prepared by James W. Sewall Company for the ConnectME Authority. (June 2011). Retrieved from <http://www.maine.gov/connectme/arragrants/needsassessment.shtml>

Broadband Capacity Building Project

The Authority administered the Broadband Capacity Building Project. The Broadband Capacity Building Task Force was formed in 2011 to create a strategy and recommendations for increased utilization, integration, and growth of high-speed broadband in Maine. The Task Force developed eight specific recommendations covering the sectors of economic development, education, health care, and state and local government.²⁴

The Capacity Building project focused largely on expanding demand for broadband in Maine. The utility of broadband in business, education, health care, government, and personal enrichment was explored in detail. Economic forecasting portrayed great benefits for Maine with improved broadband infrastructure and broadband adoption. Because of this and other efforts, as well as decreasing funds from the federal level of government, we see increased collaboration among state and local governments and private and non-profit sectors in Maine.

Technical Assistance Project

The ARRA Broadband Technical Assistance grant, a collaborative effort of the Connect ME Authority and the Department of Education Office of Adult Education and Family Literacy has three areas of focus, Community Technical Assistance, Professional Development and Technology Grants to adult education programs.

Adult education programs across the state provided informational presentations on the impact of broadband connectivity at meetings of civic and social organizations, school boards and other public forums. The brief presentations were designed to encourage audience members to think about how expanding high-speed networks can enhance personal and business communications. Using resources developed by the Authority, the adult education programs also provided the information in academic classes and personal enrichment courses.

The project expanded the highly successful professional development program for adult educators statewide known as MARTI, the Maine Adult Regional Technology Initiative. This initiative combines the support of professional learning communities with extensive learning opportunities for adult educators comprised of regional meetings and one-on-one classroom visits by the skilled trainer/mentors along with two extended courses.

Technical assistance was provided through community meetings and academic and enrichment classes in seventy communities. Coursework for teachers and staff included technology integration and teaching and learning through interactive video. Technology grants were awarded to twelve adult education programs and four Literacy Volunteer affiliates. "What a difference to our program these awards make. We can do so much more for our students than we ever could have without this. Broadband is truly a way to reach rural students. [They] can hone skills and have a chance to understand that lifelong learning can be enjoyable, a realization many have not had prior to entering adult education."

²⁴ *Broadband: The Road to Maine's Future*. (Dec. 2013). Retrieved from <http://maine.gov/connectme/grants/ntia/capacity-building.shtml>.

B. Universal Service Fund

Maine receives approximately \$46 million in annual funding from the Universal Service Fund (USF) to support affordable access to telecommunications services statewide. Distributed through the USF's four major programs—High Cost, Low Income, Schools and Libraries, and Rural Health Care—the fund provides Maine telecommunications carriers with a significant portion of their annual operating revenues. Since the 2010 release of the National Broadband Plan, the FCC has been in the process of modernizing these programs, shifting the focus on basic, ubiquitous telephone services to that of improving broadband access. The reforms have redirected and limited the various funds, establishing higher accountability and greater contribution, including significant investment, from carrier participants. As the reforms are fully implemented in the next few years, they are expected to create both opportunities and challenges for Maine rural providers, State policy makers, schools and libraries, rural healthcare facilities, and Maine citizens who benefit from this support.²⁵

C. FirstNet

The FirstNet State and Local Grant Program (SLIGP) is a \$121.5 million formula-based, matching grant program administered by the National Telecommunications and Information Agency (NTIA).²⁶ The program is designed to assist regional, state, local, and tribal government entities as they plan for a nationwide public safety broadband network. The Authority has been awarded \$1,045,904 in federal funding and is providing match of \$262,244 to implement Phases I and II. Phase I work began in the fall of 2014, focusing on planning, consultation, education and outreach activities, defining coverage needs and user requirements. Phase II will focus on data collection, network hardening and resiliency requirements. The grant is projected to run through August of 2016. Subsequent phases are yet to be announced as the overall FirstNet initiative is expected to span many years.

At the end of Phase II, Maine, and all other states, will present their specific network needs to FirstNet. The FirstNet plan will then be put out for bid to ascertain the cost of building out the National Public Safety Broadband Network. When the total cost has been determined, FirstNet will present to each state Governor the cost of building out their respective state network. At this point that the Governor will have 90 days to opt-in or opt-out of participation.

IV. ONGOING AUTHORITY ACTIVITIES

The opportunities and responsibilities for the Authority in 2015 include expanded participation in federal and state initiatives, mapping served and unserved areas, working with municipalities and assisting broadband stakeholders with initiatives that benefit Maine's

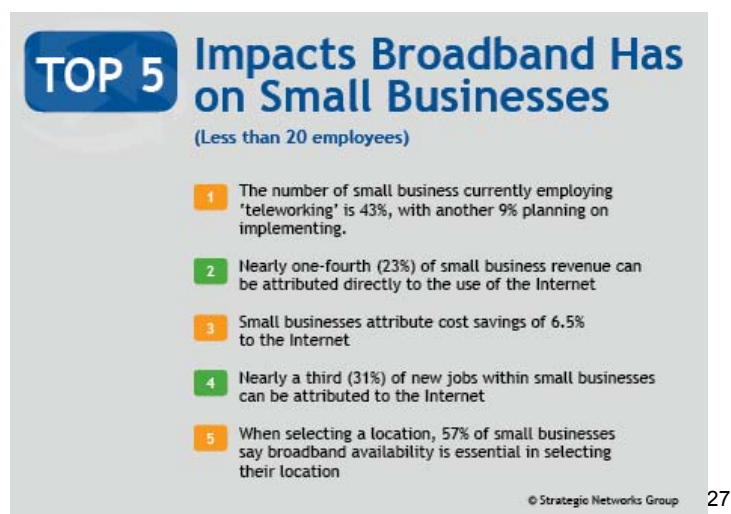
²⁵ Universal Service Fund (USF) Assessment A Study on the Impacts and Opportunities of USF Reforms in Maine. Retrieved from <http://maine.gov/connectme/grants/ntia/mapping.shtml>.

²⁶ State and Local Implementation Grant Program. NTIA Retrieved from <http://www.ntia.doc.gov/category/state-and-local-implementation-grant-program>

broadband landscape. Looking at the mid and long term, perhaps the most important role for the Authority will be to continue to serve as a conduit and resource for Maine's broadband initiatives at all levels and across state agencies.

A. Economic Development

The Authority and the Department of Economic and Community Development (DECD) work in a complementary manner to assist businesses and communities and position them for growth. In 2014, more than ten (10) community forums were conducted around the state for the purpose of educating participants in the power of the internet and the value of social media. Audience composition included general citizenry as well as small business owners eager to expand their knowledge and share of their respective market. In keeping with the eight (8) recommendations of the Broadband Capacity Building Task Force, internet use for personal enrichment was a driver in attendance. Even more of an attendance driver, though, was the value for business. Attendees were plumbers, tailors, builders, wreath makers, caterers, and more. Given that the vast majority of individuals searching for goods and services conduct research online, having an online presence can be invaluable to most any business.

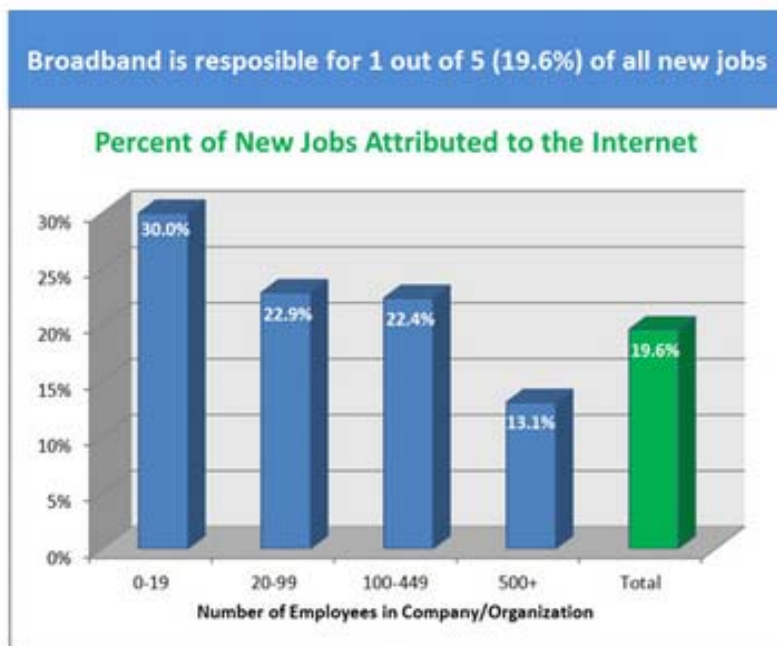


In Maine, over 80% of businesses are classified as small.²⁸

The forums were a major success in whetting the appetite of an eager and thirsty audience. Had more federal funds been available, forums and more targeted session regarding website and social media (e.g. FACEBOOK) design were a logical progression. Fortunately, a tandem portion of the SBI grant was earmarked for local adult education programs in Maine. Many of the programs have incorporated internet and social media use into the curriculum, thereby providing more local education.

²⁷ SNG Research Library Retrieved from <http://sngroup.com/information-resources/research-library/>.

²⁸ Developing Broadband in Maine: Baseline Update 2013, Volume I. (March 2014). Retrieved from <http://maine.gov/connectme/grants/ntia/planning.shtml>, pg 4-34.



Increased broadband use and availability can save money and increase choice by offering more jobs for Maine.

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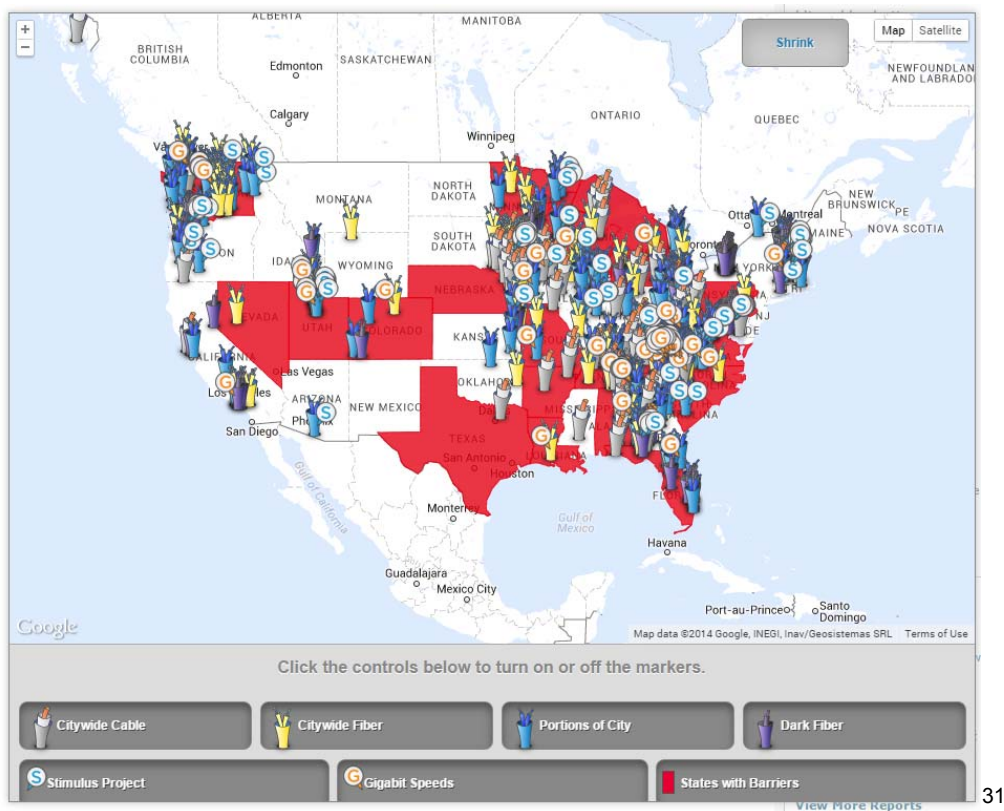
Governor LePage states that “Broadband access is vital to doing business in today’s world. This new network opens the gate to making Maine more competitive in attracting new businesses, expanding current businesses and creating new jobs.”³⁰ As important, continued work needs to be done to bring all levels of government and agencies together to work collaboratively to get the best results for Maine’s future.

B. Municipal Broadband

Communities invest in telecommunications networks for a variety of reasons - economic development, improving access to education and health care, price stabilization, etc. They range from massive networks offering a “gig” to hundreds of thousands in Tennessee to small towns connecting a few local businesses.

²⁹ SNG Research Library Retrieved from <http://sngroup.com/information-resources/research-library/>.

³⁰ *Maine Businesses Poised for Growth with Expansion of Broadband*. Retrieved from http://www.maine.gov/tools/whatsnew/index.php?topic=DECD_News&id=442169&v=article-decd



This map tracks a variety of ways in which local governments have invested in wired telecommunications networks as well as state laws that discourage such approaches.

The Authority has been contacted by several Maine municipalities examining how they can empower themselves to bring broadband to their constituents. In 2015 the Authority will work closely with the Maine Municipal Association to present broadband information at their annual technical conference as well as presenting in smaller sessions geared toward specific town or city audiences.

In order to spur economic development in its mid-coast Maine setting, the town of Rockport partnered with broadband service provider Great Works Internet (GWI) to provide gigabit broadband service to a 1.6 mile segment of the town, including the commercial district. The project was funded by the town and benefitting businesses. Response to the project has been tremendously positive, and gained national attention. Rockport, Maine is now one of the first fifty (50) Next Centuries Cities in the United States.

The City of South Portland set out to link its disparate municipal facilities with high speed fiber-optic internet service. GWI is working with South Portland to bring this project to fruition. Additionally, the four-mile coverage area encompasses businesses and residences, so the service will be made available to those entities. As with Rockport, South Portland is one of the first fifty (50) Next Century Cities in the U.S.

³¹ Community Network Map. (Dec. 2014). Retrieved from <http://muninetworks.org/communitymap>.

The municipalities of Old Town and Orono, in conjunction with the University of Maine, joined forces to develop an open access high speed fiber project to promote as a technology park. While Old Town-Orono Fiber, as the collaborative is known, is finalizing funding, interest in leasing space in the planned park is high, due primarily to access to high speed internet.

A number of municipalities, including Ellsworth and Islesboro, have conducted enhanced broadband feasibility studies. The goal of a broadband feasibility study is to equip the municipality with the information that it needs in order to secure grants, bonds, or donations that can result in improved infrastructure. Improved infrastructure will result in an improved economy and greater satisfaction for residents, in general.

C. Networkmaine

The Authority participates in the Networkmaine Coordinating Council, an established unit within the University of Maine System created by the restructuring of its communications and network services group, Networkmaine. It was created in 2009 to provide the public entities served with greater involvement in shaping the future of Maine's research and education network, Maine REN.

The primary focus of Networkmaine is the design and operation of MaineREN and services developed to support education, research, public service, government, and economic development. In addition to servicing higher-education and research, Networkmaine provides schools and libraries in the state with Internet connectivity at little or no cost through the Maine State and Library Network project.

D. E-rate

In late 2014, the FCC released its plan to reboot the E-rate program so that every student in America has access to the unlimited learning opportunities enabled by high-speed broadband. The proposal is the next major step in the comprehensive modernization of E-rate – America's largest education technology program – their first such effort since the program's creation 18 years ago. A three step process was put forward:

1. Ensuring that all schools and libraries have affordable access to sufficient high-speed broadband.
2. Maximizing the cost-effectiveness of E-rate spending—focusing on broadband and related services.
3. Making the E-rate application and follow-up processes faster, simpler and more efficient.

E. Farming

Young farmers are committed to making a living in Maine, recognizing that one needs to be able to produce goods as well as being business savvy and market savvy. Access to broadband can identify and open markets.

- For the period of 2007 to 2012, the number of young (age 34 and younger) farmers in the U.S. increased by 1.5%. For the same period in Maine, the increase was 39% from 396 farmers to 551 farmers.
- Maine draws young farmers because it has relatively affordable farmland, beautiful country, a good market for produce, and new incentive programs from the Maine Organic Farmers and Gardeners Association.
- Nationally, the amount of land in farms has decreased by 4% (2007 through 2012), but the amount of farmland in Maine has increased by 8% in those five years. All New England states have increased farmland and the number of farms.



On a federal level, the recent enactment of the *Agricultural Act of 2014* (Farm Bill), changes to the Rural Broadband Access Loans and Loan Guarantees Program (Broadband Program) to provide loans for funding, on a technology neutral basis, for the costs of construction, improvement, and acquisition of facilities and equipment to provide broadband service to eligible rural communities.

V. CONCLUSION

The short history of the Authority has shown that supporting small public-private initiatives and partnerships to expand broadband has been and will continue to be the best strategy. Much has been accomplished in the past six years to better position Maine as a state that embraces what technology can offer. The last seven years has also shown that the desire and need for broadband is continually increasing. From the household to the network backbone circling the globe, increase broadband capacity and speed is growing at unforeseen speed. Preparing Maine infrastructure, businesses, educational facilities, public service entities, and citizens for utilizing broadband is a continual focus of the Authority and policy makers alike.

Maine is on its way to realize its universal broadband availability goals. The Authority commits to working with all levels of government and public and private stakeholders to bring broadband advantages to fruition in Maine.

Attachments:

- Attachment A – Glossary
- Attachment B – Broadband Grant Scoring Guide
- Attachment C – ConnectME Authority and Advisory Council Members
- Attachment D – ConnectME Seventh Round Grant Awards
- Attachment E – ConnectME Balance Sheet

Attachment A – Glossary

Broadband, an elastic term describing high-bandwidth, two-way, always-on data connections. The wider the pipe, the more data can be moved at the same time and hence the higher the effective speed. The FCC has seven broadband tiers with “basic broadband tier 1” referring to services equal to or greater than 768 kbps but less than 1.5 Mbps in the faster direction. A typical home user broadband connection today usually is 512 kbps upstream and 2-7 Mbps downstream. In a few years, those numbers are likely to be significantly higher. The term “broadband” is often used as shorthand for “high-speed Internet access.”

BTOP – Broadband Technology Opportunity Program

business user, a user in a business setting constituting a broad “middle class” in terms of bandwidth, reliability, and security needs. See also *home user*, *enterprise user*.

cable internet, or cable modem service, a means of delivering broadband via coaxial cables, almost always simultaneously with cable television service and VoIP telephone service.

Central Office (CO), a switching station maintained by an ILEC where DSLAMs are generally deployed and from which the maximum range of DSL service (reckoned in “circuit feet,” distances over twisted-pair copper lines, not “as the crow flies”) can be determined.

CLEC, Competitive Local Exchange Carrier.

DS3, a fiber-based digital signal carrier with a rate of 44.736 Mbps.

DSL, digital subscriber line. There are many subtypes of DSL (xDSL, ADSL2, SDSL, etc.) of varying speed, range and technical characteristics.

dark fiber, the optical fiber infrastructure (cabling and repeaters) that is currently in place but is not being used. Optical fiber conveys information in the form of light pulses so the “dark” means no light pulses are being sent.

DSLAM, digital subscriber access multiplexer.

enterprise user, the most demanding, industrial strength broadband consumer that usually represents large, technology-intensive organizations.

fixed wireless, a non-mobile method of delivering broadband service to homes and businesses using line of sight radios.

FTTH/FTTP, fiber to the premises, home, et al. a method of connectivity using fiber optic cabling direct to the end user.

Gig, The **gigabyte** is a multiple of the unit byte for digital information. The prefix *giga* means 10^9 in the International System of Units (SI), therefore one *gigabyte* is 1000000000bytes. The unit symbol for the gigabyte is **GB**.

home user, the class of broadband consumer with the least demanding broadband needs but which also faces total unavailability of service in many areas.

ILEC, Incumbent Local Exchange Carrier.

ISP, internet service provider.

last mile, a term for connection to the end user, also known as the “local loop” for telecommunications services that makes the final connection to the premises.

middle mile, also known as backhaul, connects the last mile internet service provider with an Internet backbone service provider.

municipal network, a broadband network owned and operated by a city or town, often by lease arrangement with an ILEC/CLEC.

Narrowband, low-speed data connections (such as dialup Internet access, a typical maximum of 56kbps and is generally even lower in real-world applications).

NTIA – National Telecommunications Information Administration

PON (passive optical networking), a family of networking standards using a point-to-multi-point architecture for delivering last-mile connectivity without any active (i.e., powered) components in the distribution network. PON may provide hope for a last-mile solution because it involves fewer upgrades to the current infrastructure than competing technologies.

Remote Terminal, a remote switching station, or “sub-station” maintained by an ILEC where DSLAMs are generally deployed and from which the maximum range of DSL service (reckoned in “circuit feet,” distances over twisted-pair copper lines, not “as the crow flies”) can be determined.

SBI – State Broadband Initiative

symmetrical/asymmetrical, describes whether a data connection operates at the same speed or bandwidth when traveling upstream as it does when traveling downstream. A symmetrical connection is the same speed up or down; an asymmetrical connection is usually much slower on the upload than on the download.

T-1, trunk level digital carrier, originally provided over copper facilities, with a signaling speed of 1.544 Mbps.

take rate or penetration rate or adoption rate, a measure of the ratio of potential subscribers to whom service is available to those who actually sign up for that service.

triple play, the application of broadband that delivers voice, data, and video service over the same transport pipe.

VoIP, voice over internet protocol. Voice “telephone” service provided over a data connection such as DSL or cable internet service.

WiFi (wireless fidelity), a form of wireless networking in the IEEE 802.11x family of standards that is generally used for connectivity of wireless large-area networks (WLANs) inside buildings and small outdoor areas, but which has shown remarkable usefulness as a way of providing high-speed Internet over wider distances via towers, high-gain antennae and mesh-network technologies that significant exceeds what WiFi was originally intended to do.

WISP, wireless internet service provider.

Attachment B - ConnectME Authority Board and Advisory Council Members

Authority Members:

1. Jean Wilson, Chair, Senior Vice President of Information Services at LL Bean
2. Greg McNeal, Chief Technology Officer for Maine State Government
3. Ralph Johnson, Chief Information Officer, Franklin Community Health Network
4. Dick Thompson, Chief Information Officer for University of Maine System
5. Andrew Hagler, Maine Public Utilities Commission

Advisory Council:

1. Fletcher Kittredge, GWI, Chair
2. Ben Sanborn, Telecommunications Association of Maine
3. Paul Schonewolf, Time Warner Cable, Area Vice Pres. of Operations
4. Linda Lord, Maine State Librarian
5. Jeff Mao, Dept. of Education
6. Joshua Broder, President, Tilson Technology Management
7. Jeff Letourneau, Exec. Director, Network Maine (UMS)
8. Rob Kelley, MTI Technology Board
9. John Burns, Small Enterprise Growth Fund
10. Tim Schneider, Office of the Public Advocate
11. Bruce Ballantyne, FairPoint Vice President of Operations

Attachment C – Broadband Grant Scoring Guide

Revised January 16, 2014

The grant application evaluation process will allow the ConnectME Authority to evaluate all applications submitted during a particular application period set by the Authority. The scoring of applications is based on a 100-point scale. A project with a total score of less than 50 points may not be funded. Applications will be judged using the following four scoring categories, as described in the Authority rule:

Cost-Benefit. This category is worth **35** points.

The cost-benefit scoring is based on relevant factors, **including, but not limited to, the amount of funding requested from the Authority per customer eligible to be served by the project, with lower funding per customer receiving a higher cost-benefit score.** Applicants should demonstrate financial viability by providing pro-forma financial statements and detailed business plans.

Grant dollars requested/customer eligible to be served	Points
Less than or equal to \$500	25
\$501-\$1,000	20
\$1,001-\$1,500	15
\$1,501-\$2,000	10
\$2,000-\$2,500	5
Greater than \$2,500	0

A maximum of ten additional points will be added to the C-B score for any application requesting a 50% or less grant for the proposed project. A sliding scale will be used for those grant applications above 50% ($\leq 50\%$ = 10pts; 51% - 60% = 5pts; $>60\%$ = 0 pts.)

Community Support. This category is worth **20** points.

The community support score is based on relevant factors, including, but not limited to, evidence of community support for the project and the percentage of the geographic area to be covered by the proposal that will be served by the proposed project. Strong consideration (and higher point value as shown in the table below) will be given to those applications that include petitions or listings of a significant number of the available households and businesses expressing a strong desire to subscribe to broadband service provided from the proposed project.

Support as a percent of homes/businesses passed by project	Points
100%	20

50% - 99%	15
25% - 49%	10
<25%	5

Project Scope. This category is worth **30** points.

The project scope score is based on relevant factors prioritized below:

1. The **standard or basic package advertised “speed”** or bandwidth of the broadband service to be provided by the proposed project. For example: a speed greater than 25 Mbps (FCC Tier 6) will be scored highest; and projects will receive more points for service that provides up and down speeds in the higher FCC Broadband Tiers.³²

Broadband Speed or Bandwidth by FCC Tier	Points
Tier 6 or better (greater than 25 Mbps)	20
Tier 5 (10.1 to 25 Mbps)	15
Tier 4 (6.1 to 10 Mbps)	10
Tier 3 (3 to 6 Mbps)	5
Less than Tier 3 (less than 3 Mbps)	0

Note: The change to a new tier level for funding purposes should not be interpreted as precluding a project providing Tier 2 service (1.5 to 3 Mbps). A proposed project at this tier level would still be eligible, but 0 points would be awarded in this part of the project scope category.

2. The **number of potential customers** to be served or households passed by the project. For example; a project that proposes to provide broadband service to 300 households will receive more points than a project that will provide service to 50 households.

Point values for the number of potential customers to be served by the project: 100 or more = 10 points; and less than 100 as a percentage of 10 points (e.g. 87 = 9 points, 46 = 5 points, 12 = 1 point, etc.).

3. The grant applicant’s financial commitment to the project (cash, in-kind, donations, etc).

Project Value. This category is worth **15** points.

³² Basic Broadband Tier 1, 768 kbps to 1.5 Mbps; Broadband Tier 2, 1.5 Mbps to 3 Mbps; Broadband Tier 3, 3 Mbps to 6 Mbps; Broadband Tier 4, 6 Mbps to 10 Mbps; Broadband Tier 5, 10 Mbps to 25 Mbps; Broadband Tier 6, 25 Mbps to 100 Mbps; Broadband Tier, 7 Greater than 100 Mbps. As defined by the Authority, May 12, 2011.

The project value score is based on relevant factors, including, but not limited to, the estimated retail price per customer to receive service from the proposed project and any other details of the project that may benefit customers in the area proposed to be served by the proposed project. For example; more points will be awarded for a higher number of businesses and/or health care facilities in the project area that do not have access to broadband service; and lower scores for relatively higher retail prices; and higher or lower scores depending on other factors such as the type of construction required. **Applicants should use this category to introduce elements of their project that may be significant and not incorporated in one of the other three categories.**

Note: Legislative changes to the ConnectME Authority statute (to 35-A M.R.S.A. §9204) ³³ state that, “(I)n awarding grants, the authority shall give priority to those proposals that, relative to other proposals, extend access to broadband service to a higher percentage of an unserved area within a municipality or other appropriate geographic area.”

³³ See Public Law, Chapter 63, (LD 850, HP 0585), 124th Maine State Legislature, “An Act To Ensure Local Broadband Coverage.”

Attachment D - ConnectME Ninth Round Grant Awards

ConnectME Authority: Ninth Grant Round Grant Awards								
7/23/2014								
Applicant or Eligible Provider	Community Partner or Eligible Provider	Community(s)/Area Served	Potential Connections	Project	Grant	Percent Grant	Grant\$/Hshld	Notes
FairPoint Communications		Otisfield, Harrison	284	\$387,500	\$186,000	48%	\$655	DSL
Mid-Maine Telecom		North Argyle, No. Dixmont, Edinburg	226	\$88,850	\$44,425	50%	\$197	DSL
Pioneer Broadband		Linneus, Houlton	20	\$29,740	\$12,424	42%	\$621	FTTP
Pioneer Broadband		New Limerick, Houlton	115	\$119,745	\$102,429	86%	\$891	FTTP
RedZone Wireless		Diamond Cove/Great Diamond Is.	115	\$75,000	\$44,000	59%	\$383	Fixed-Wireless
UniTel		Thorndike, Knox	90	\$307,895	\$150,000	49%	\$1,667	FTTP
UniTel		Troy	60	\$137,936	\$70,000	51%	\$1,167	FTTP
UniTel		Newburgh, Dixmont	65	\$282,873	\$140,000	49%	\$2,154	FTTP
Totals			975	\$ 1,429,539	\$ 749,278	52%	\$768	

Attachment E – ConnectME Balance Sheet

ConnectME Authority

Balance Sheet – Government Fund

June 30, 2014

	Special Revenue Fund
ASSETS	
Cash and cash equivalents	\$ 1,815,229
Accounts receivable	368,673
Due from other governments	94,466
Other receivable	13
Total Assets	<u>\$ 2,278,381</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 68,720
Accrued Liabilities	6,906
Total Liabilities	<u>\$ 75,626</u>
 Deferred Inflows of Resources	 <u>317,951</u>
 Fund Balance	
Reserved for:	
Advanced communications technology Infrastructure	<u>1,884,804</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,278,381</u>