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ConnectME Authority Meeting Notes - October 12, 2011

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ConnectME Authority

October 12, 2011 – Meeting Notes

1. Introduction of ConnectME Authority Members and Staff

Authority Members: Jean Wilson, Chair; Vendean Vafiades; Dick Thompson
Staff: Phil Lindley, Lisa Leahy.

2. Annual Audit Review – Macdonald Page & Co.

- The Authority reviewed and adopted the attached Code of Ethics and Conduct that applies to Authority members, staff and the Advisory Council.
- Bob Dube and Stefanie Foster, Macdonald Page (MacPage), summarized our annual audit. The Authority's NTIA grant expenditures rose above the amount requiring a single audit as well as a Financial Report. The reports were generally favorable, with no deficiencies or problems. The auditors did note a number of items that could increase the value of the reports or provide the Authority with more control. One was the lack of a process to verify the reportable fund amounts by providers. It was suggested that the Authority work with the Maine PUC to develop a process, with sampling, to check the revenue amounts reported. MacPage would be available for technical assistance. The auditors also recommend that the Authority craft an annual budget in addition to the projected cash flow reports now used. While an annual approved budget is not required, it would provide another management tool. MacPage also reported that a problem identified last year – delinquent providers, was a much smaller problem this year due to better monitoring by the fund administrator.

The audit was approved, to be forwarded to the Office of the State Controller.

3. Planning Project Broadband Strategy Plan – James Sewall Company

- Jim Page, Sewall Company, the rest of the Planning Project team, reviewed the final draft of the Broadband Strategic Plan that will be put out for public comment and review. Authority members had a number of comments and questions. Dick asked that the first strategic recommendation that addressed both consumers and businesses be divided into two separate recommendations as tactics and goal are likely to be quite different. For example, our Broadband Capacity Building project would primarily address businesses, while our Technical Assistance project would be more oriented to individual consumers.

The Needs Assessment will be the baseline to measure the effectiveness of the strategic recommendations over time. The public comments will be used to weigh or prioritize the different action items, as the Authority has limited resources. The recommended public awareness campaign will be a standalone initiative, but will be

an integral part of many of the recommendations.

There will be opportunities for the Authority to coordinate with providers, other state agencies, and consumers to emphasize the need for broadband, as an instrument to access more advanced services for economic development, education, government participation, and health care. Upcoming regulatory changes, both federal and state will have a significant impact on the methods of providing broadband and providing subsidies.

The Authority approved the draft as presented for release to the public for review and comment by October 31st. The final version will be discussed at the December meeting.

4. Executive Director Report

- Denise Garland, DECD, and Amanda Rector, SPO, described how the Broadband Capacity Building project would fit into the DECD operation when SPO is reorganized. Authority members had a number of questions regarding available resources and commitment to the project by DECD. A subcontractor hired by SPO will continue with the project, providing continuity and background information.

DECD will provide more detail at the next Authority meeting in December.

- Tim McAfee, Pioneer Broadband provided an update to his 4th round grant project in the Houlton area. Tim requested an extension and project revision to include fiber to the home access (FTTH) for two of the seventeen remote terminals in the Houlton project due to equipment access difficulties. Tim provided a brief description of the problem (attached). The Authority agreed to approve the changes with updated documentation.

5. Public comment period

ConnectME Authority
Code of Ethics and Conduct

The ConnectME Authority Members, Staff, and Advisory Council will:

1. Apply the highest standards in all public activities in order to earn the respect of other officials, employees and the public. Inspire public confidence and trust in Maine State Government and its related institutions.
2. Serve the citizens of Maine well; keep the Legislature and public informed on pertinent issues.
3. Establish a standard of personal excellence that encourages the professional development of associates who provide exceptional cost effective services and government to the citizens of Maine.
4. Approach organizational and operational duties with a positive attitude and constructively support open communication, cooperation, creativity, dedication, and compassion.
5. Avoid any interest or activity which is in conflict with the conduct of official duties or that could be determined inappropriate financial gain.
6. Respect and protect privileged information.
7. Use discretionary authority to promote the public interest.
8. Accept as a personal responsibility to be informed on emerging issues and to administer the public's business as a professional.
9. Actively pursue programs of affirmative action to assure equal opportunity and advancement of qualified persons.
10. Value good work done by the employees of Maine State Government and its related institutions.

Pioneer Broadband
4th Round Grant Awards
Orient

Pioneer has been unsuccessful in obtaining access to the ILEC facilities at the two Orient locations we set out to serve with the 4th Round Grant.

In order to provide, what we have labeled “remote terminal DSL”, Pioneer must collocate nearby the desired ILEC remote terminal. The process looks like this:

1. CLEC identifies the remote terminal that serves the customers
2. A \$2500 fee for each site accompanies the FDI (Feeder Distribution Interface) Interconnection application to ILEC
3. On that application, the CLEC is asked to order in 100-pair increments, so we order 100, since most of these rural RTs have a small number of customers.
4. ILEC receives the application and either approves or disapproves

Of the 17 applications submitted, Pioneer has completed 15 of the RT DSL projects successfully. The 2 locations in Orient were denied by FairPoint Wholesale with the reason for denial stated as “lack of spare facilities”. Pioneer has attempted to order 100, 50, and 25-pair interconnects, but been denied on all requests. Pioneer has offered to pay for the necessary augmentation of each crossbox in question, but FairPoint responded with “we are not legally obligated to comply with this request”. In the interest of fulfilling our commitment to the people of Orient and the ConnectME Authority, Pioneer requests the following:

We request that the Board allow us to change our application from DSL to Fiber to the Home (FTTH) with respect to the 2 Orient locations. Pioneer will build FTTH facilities in Orient to provide service to the same end users that would have been served by the Remote Terminal DSL build. The FTTH build will allow us to bypass the ILEC with respect to last mile facilities.

We are happy to report that the 15 other RT DSL sites are complete and actively serving customers with up to 10 Mbps. Even though the sites are up and running our take rate has not been nearly as good as we had projected. This being said, Pioneer requests that the Authority advance 50% of the remaining balance of the grant to Pioneer to assist in the completion of the Orient project. Also, based on the mileage of fiber to be strung we request a completion timeframe of 1.5 years be considered for this project. It will take at least 6 months to get the license to attach to poles and complete make ready. Some of this build is on poles that go through the woods and are not roadside, therefore construction cannot start until the ground firms up in late spring or early summer.

Pioneer intends to take this “spare facilities” issue to the MPUC Rapid Response Team for further consideration. This issue is bound to show up again in remote terminal DSL builds and we need to have resolution prior to investing in any other sites. Pioneer has retained the services of Bill Ferdinand at Eaton Peabody to assist with this matter.