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ConnectME Authority Meeting Notes - May 13, 2008

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ConnectME Authority
Minutes of Meeting – May 13, 2008

Authority Members Present: Jean Wilson, Mitch Davis, Dick Thompson, Sharon Reishus

Staff: Phil Lindley, Executive Director
Amy Spelke, Public Utilities Commission

1. Introduction

Authority members and Staff introductions. PUC Chair, Sharon Reishus, is the new member of the ConnectME Authority, replacing Kurt Adams. Kurt left the Maine PUC effective May 16, 2008. The Authority wished Kurt good luck and thanked him for his service on the Authority.

2. Technology Presentation – Pioneer Wireless Fiber Build-out Project, Tim McAfee, CTO.
(see the attached PDF slides from the presentation for more details)



C:\Documents and Settings\Phil.Lindley\l

- Pioneer Wireless was established in 2001. Now it has fifty wireless POPs (points of presence), and also resells DSL. The company has international redundancy connections with a Canadian ISP, with “meet-me” points in New Brunswick.
- Bandwidth is the paramount factor in the business model – everyone wants more. Tim estimates that Pioneer will “run out” in 3 years.
- Transport and backhaul is a big part of Pioneer’s cost (i.e., Portland – Presque Isle)
- According to Tim, it has been difficult to obtain “dark-fiber” in northern Maine. All the standard routes are full and not enough is available in contiguous routes to do whole project.
- Pioneer wants to be “future proof” – plan to invest in fiber, which is the only real method; the company has 20% customer growth, but 150% bandwidth growth.
- Phase I: 216 miles of Fiber (288 fibers/42 for Pioneer, the rest for resale), Bangor – Presque Isle.
- Phase II: 200 redundant miles – diverse routes if possible.
- Open access to the dark fiber for all customers.
- Plan is getting good feedback from potential customers/partners.
- Pioneer has a wireless connection across the border – working on a second meet point across border.
- It costs 65% less to buy Canadian transport than domestic.

3. Follow-up Discussion on Mapping Proposal.

The Executive Director recommended that a mapping project be tabled for now, but pointed out that the ConnectME statute does require that the Authority track investment and assess availability of broadband. Authority members agreed, as the project

appears costly, and expressed an interest in a presentation by the Connected Nation project for more information. For the short-term, relying on smaller, less detailed maps using data provided by the providers should be sufficient.

4. Protective Agreement

The Executive Director reviewed the final version of the PO as recommended and approved by the AAG. Dick Thompson emphasized that the Authority has the responsibility to ensure that designated confidential data does not go to someone with a potential conflict – even with a protective order in place. The Authority voted to approve the Protective Order, to be signed by the Chair.

5. Executive Director Report

- a. Updated progress and payments for first round grants:
 - Somerville has issued media and town announcements regarding broadband availability.
 - Cornerstone is installing equipment in numerous collocation sites.
 - Chebeague.net has instituted a low income program with free installs.
 - RedZone has received full payment of grant and is working with the National Park Service for tower access.
- b. Sales and Use Tax Certificate request by Chebeague.net. Approved for signature of Chair.
- c. Discussion of Verizon \$2.5 million contribution to the ConnectME Fund. Deposited 5/9/08. Authority approved repaying seed loan to Maine USF (\$500K) and using half the remaining for the next grant round.
- d. Updated financials will be provided at next meeting: actuals for current year and projections/estimates for next year of operation.
- e. Second Grant Round planning.

Executive Director will begin next round of grants, updating forms and posting notices. Time frame and amounts available not yet set, but opening the round to grant applications should occur in next few weeks. The Authority agreed to alter the grant payout process, allowing 25% to be paid upfront, with the remainder in approximate 25% amounts, with documentation. The ConnectME Advisory Council will be contacted for assistance in reviewing grant applications, possibly using a sub-group of non-industry related members.

The Authority said that grant applicants should provide documented groundwork for their proposals (i.e., letters of intent from landowners for towers, commitments from potential subscribers, etc.). Grantees (from the first round and in the future) should also be prepared to provide a brief narrative/report about the benefits of working with the Authority and the benefits to the communities of the projects. It

could be used for media releases.

Sharon Reishus began a discussion regarding a more proactive approach, instead of reactive. The authorizing statute needs to be reviewed to ensure that the Authority is or will accomplish the requirements stated. She also would like to look more into “demand-pull” strategies to increase expected take-rates or penetration by actively talking about the benefits of broadband.

- f. The Executive Director and the CIO (Dick Thompson) are involved in on going discussions regarding the tension to provide access to state facilities (towers, ROWs, etc) for low/no cost to encourage broadband infrastructure build-out and the need to generate revenue streams. There are a number of state agencies with useful assets that could be coordinated with a state policy that now does not exist. For example, the Vermont Telecommunications Authority coordinates access to state facilities and provides a list of private sites that may be useful for infrastructure placement.

- g. Misc.

The Executive Director provided brief updates on a number of projects that are not directly related to the mission of the Authority. Such as: working with DOE regarding the next generation of the MSLN; LD 2133 – Cable TV model franchise working group; LD 2292 – UMS ITV conversion from analog to digital, potential for revenue; and continued meetings with the ad hoc Broadband Working Group from Bangor.

The contract for the independent fiscal agent (fund administrator) expires June 30, 2008. A joint RFP with the PUC resulted in a new fund administrator at nearly \$10K less annually than the current contract. The Authority approved the new arrangement and authorized the Executive Director to sign the contract.

The broadband availability map now hosted and paid for by the PUC will be transferred to the Authority. Amy will assist in the move and with upgrades to make the map function more valuable to users.

6. Public Comment Period

Mike Requa, representing the Edgecomb Broadband Committee expressed frustration with the grant awarded to Midcoast Internet Solutions and the apparent lack of progress. The group understands that the winter weather delayed the project and that the Edgecomb project was one of two for MIS. He asked that the Authority provide assistance. The Executive Director agreed to contact MIS and to get a firm commitment for commencement and completion.