

## Economic Development Committee Minutes 02/29/2016

### ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

#### Meeting Minutes

Recorded by Janice Pack

February 29, 2016

**Members Present:** Paul Renaud, Andre Wood, Jack Moran

**Attendees:** Ken Paulsen, Robert Marshall, Karen Day, Julie Steenson, Aaron Patt, Bernie Bryant, Mike Kavenagh

**Guest Presenter:** Scott Brooks from TDS, Manager – State Government Affairs

#### Meeting Opened at 7:04

PRenaud: We are here to meet with Scott Brooks from TDS and find out what is entailed for the Town and for TDS in having them expand the network into the Town. They are tantalizingly close to town, at the northern border with Bennington, and about 85% of our southern border with Lyndeborough. TDS offers high speed internet and cable TV.

SBrooks: I'm hoping that this meeting is interactive. Our network is tantalizingly close to many communities. About 25 years ago, TDS decided to put some designs together to offer fiber-to-home services in Meredith, Plainville, Lebanon, and Kearsarge. Now there are a wide range of towns served including Wilton and Hollis; about 40,000 households in NH. Our size makes it possible to build a business case and invest in the future. Other entities larger than us aren't gambling on the fiber-to-home. They are 6-7 months away from it. TDS has 30 field service techs servicing NH. We've subbed out the middle portion of the fiber, and are still offering DSL where the fiber-to-home is not yet available. We've far exceeded anticipated penetration rates. Hopefully down the road, in July or August when this phase is completed, TDS will reach out to other communities. We're now hitting 75% of the towns with their build outs, but it is difficult to get the last 2-3 miles on a road with only 2-3 homes on it, and it can be a fairly expensive task.

KPaulsen asked what "build out" is.

SBrooks explained it is putting up MSTs, spurs off to each house, fiber off the poles, snow shoes up in the air in case there is an accident (car hits pole) to provide slack.

He continued to say that TDS has been around in different communities since the early 70s, and has acquired other smaller companies to get where they are today. He has been with the phone company for 20-25 years and managed contracts with public utilities commissions in VT, NH and Maine. He deals with legislators on difficult issues that may arise.

RMarshall asked if they were a subsidiary.

SBrooks says that TDS Inc. is the parent company and they have about 12,500 employees total.

RMarshall asked if they were a sister company to US Cellular.

SBrooks says that the founder of the company had the foresight to start the company and US Cellular overlaps TDS coverage in this area. He says that penetration rates are 30% to 40% even with Comcast as their competitor. They hired new TDS staff to go door-to-door to get the word out about their services. After canvassing the area, they would report back that with similar packages, they were saving customers about \$60/month.

When asked what kinds of services were offered, SBrooks replied "40 up/100 down package, 100 meg is lowest speed offered, basic cable is 20-25 stations,

basic plus is 140 stations, and Basic phone service; there is also a premium package offered.”

AWood: The Economic Development Committee’s goal is to get businesses in here to grow the town, and we feel that there is an infrastructure problem.

FairPoint’s speeds are not sufficient. What is the pricing for Residential versus Business services? SBrooks said that he was not familiar with the business side, but that he will get that pricing for us. On their website there is a pricing page with 9 different options that one can view. AWood says “residential circuit currently is a “best effort”” SBrooks says DSL is a distance-limited solution. SBrooks spoke to the CONTENT (what is being uploaded and/or downloaded on each page) being what is creating the problems nowadays, and in order to fix the speed issue, some money has to be spent. TDS has been acquiring cable companies over the last 2-3 years.

AWood says “If we were to want to do business with you in this town, what would that process look like?”

SBrooks says Fairpoint and TDS have not always been competitors; they’ve been brethren in past years. They have filed to become a CLEC (competitive local exchange carrier) so they can offer services outside the franchised areas. It can be challenging to go through the pole attachment process. In their franchised areas, they already own the poles. They cannot come into Greenfield and overlash their fiber without going through that process. It may take some time to file an application, and depending on the size of the poles, they may find that there is no room, and may need to construct new poles. There will be costs before they can even put fiber into the area. It can be hard for TDS to go into someone else’s territory because of the upfront costs. There would need to be further investigation from the engineering department first. SBrooks says cable providers are not regulated, and they can just come into the center of town and go out just so far, and then decide to stop. He says they’d do a better job if they could replace copper back haul but not all of the remotes will accept fiber at this point.

PRenaud asked if they have an interconnection agreement with Fairpoint.

SBrooks said yes, they have many.

PRenaud asked if TDS were to consider this, what would they expect from the Town; maybe a survey of commitment levels?

SBrooks said that would be a good starting point. If we demonstrate a pent up demand, they could justify spending the money. They would like to go 100% fiber; that’s their long term goal.

JMoran referred back to an earlier conversation he’d had with SBrooks. What if the average price point was \$60 for 1000 people? Would that be enough if their investment to build out a town like ours was 2.5mil? The payback would be rather long, and return on investment would take a while... so what would be the incentive for TDS to come here?

SBrooks wants to know how he can convince senior management to come here.

He mentioned Maine’s program “Connect Me” and how they had developed the plan to better serve the customers in their area. JMoran stated that the Town of Greenfield is not attractive to many businesses looking to come in – the types of small businesses found in this community depend on high speed networking.

SBrooks said that maybe the community will come together and decide to spend a little money.

The question was asked “Will the value of our homes go up just a little bit if we do?” AWood says he tends toward the business side because realistically, he wants to put high speed net to the residences but it’s basically to grow the business side that he’s interested in.

SBrooks talked about projects in other parts of the country, and funds they are receiving (federal funding and grant monies) to get broadband out. PRenaud has a list of possible funding sources for broadband that we can look into. JMoran says that we have to start the process with earnest money, show our interest and we may be able to get funding then. Even though this is a small market with no competition to speak of, the attractive piece being that we have Lyndeborough and Antrim bordering us, we would still need to put some money on the table to get TDS to look into coming here. SBrooks says they haven’t ventured outside their franchised area yet, and even if there were incentive to move here, it still won’t happen overnight. He doesn’t feel that we’re even in the ballpark to begin until late next year. SBrooks suggested that we would need to see how many

people in town were interested, and how much TDS could commit, and then the townspeople would have to come up with the rest.

When asked if he had an idea of cost per house, SBrooks said it was probably closer to the cost for the triple play service, about \$120/month.

KPaulsen said that he might not have the need for the triple play, but if it would cost \$1500 to get it into his house, and his house value would increase, it would be an investment he'd consider making. He asked if there had been any studies done on that? SBrooks said he was not aware of local studies done.

AWood asked if he wanted to do a business class connection 50-100 meg symmetric both ways, no bundled phone or TV, how much would that run? SBrooks again said his focus was not on business and that he would defer to Jim Murphy for those answers.

JMoran said that in answer to KPaulsen's questions, we might be able to get some info from the local realtors as to how much home values may increase with the higher speed internet.

MKavenagh asked if they had any lines (fiber) running through our town to connect Lyndeborough and Antrim? SBrooks believes they do. If we have existing lines running, won't it help with the costs? SBrooks said Yes, especially with the business end of it. PRenaud wanted to talk about a time frame.

SBrooks: We are still working on building the current network till July/August. PRenaud mentioned doing a town-wide interest/commitment survey. Should we do that in the interim? SBrooks felt that there could be a dialog about that, and that we could put a game plan together. PRenaud suggested we could do a mass mailing in the spring – he wants to work with TDS to get the survey questions that will give them the answers they need. PRenaud mentioned previous surveys had already shown interest, 18-20% of the households responded with their interest.

PRenaud asked if SBrooks would come back to another meeting like this so we'll be covered under RSA 91-A. SBrooks said Yes. Added that he felt that if the town were willing to assist financially, it would make a difference.

JMoran asked how many miles of road we have? PRenaud answered 60 miles of non-class VI roads.

Discussed if the utilities were aerial or buried, and what poles might be accessible. AWood asked how they would avoid the problem of overselling the fiber-to-home. SBrooks says all backhaul out of the state of NH is monitored and he doesn't foresee that being a problem.

AWood says Fairpoint can't keep up, and they aren't interested in fixing the problems.

SBrooks summed it up: TDS and he are willing to work with us, and would like us to be the first town outside their footprint. Feels we are aggressive and committed to making this happen.

APatt asked how we could become a franchised partner with TDS. Asked specifically if they do have agreement to come on to our poles. He said that EDAC should start with the local businesses to see what their interest is, and that they can be part of the financial incentive. AWood mentioned he wasn't afraid of paying, just wanted the value for what he's paying for.

PRenaud asked if we would need to have a cable franchise agreement. SBrooks said Yes.

APatt said another town had asked us if we were interested in piggybacking on their agreement. He wondered if this was something we might be able to do? PRenaud asked "If after August TDS will start to seriously consider this, beyond that, is there a time frame?" SBrooks said that they've only been focused on rolling out the fiber to the home for so long – now that is nearing completion, they will be willing to look into growth like this.

PRenaud says he's heard nothing but good things about TDS.

SBrooks says he feels TDS has a great reputation.

AWood asked about their up line? SBrooks says he isn't sure, he would have to look into it.

PRenaud said "In wrapping this up, do you want to make the first step a letter to gauge interest?" SBrooks says "Yes, the sooner, the better." He feels that we are ahead of the curve in approaching him (TDS) now. Says we should move forward with the survey to see what the interest level is. Not just for broadband, but also TV as that will get the return on investment back quicker. He will work with PRenaud to ask the right questions on the survey. JMoran said perhaps our earlier survey is a good place to start. RMarshall asked what the time frame is

for a build out? Like in Antrim, from the survey to the fiber being ready?

SBrooks says Antrim wasn't like that – they went to the town administrator since they were the incumbent local exchange carrier. This is different as we're already talking, we don't have attachments so they need to gauge the interest first. RMarshall asked again "5 years? 3 years?" SBrooks says "Perhaps if we finish Phase I of the plan, I'd like to see by the end of the year a very good case to present to senior management to get the funding. Perhaps in 2017, or March 2018. Build out could be in spring of 2017 or 2018. Aggressive would be 2017; probably more realistic is 2018." PRenaud stated if there were a build out survey, that adds additional cost. SBrooks says that they do that in-house. There would be some overhead costs to engage. PRenaud says there are some express grants available for that. SBrooks says he will ping his peers tomorrow to see if they've had any interest from other communities, and will see if there are surveys already available. PRenaud will call SBrooks early next week to continue the dialogue. Also mentioned Jerry Hunter from Crotchet Mountain Rehabilitation Center is very interested in this, and he will give him SBrooks' contact info. "One other question from PRenaud on the poles: we assume they have TDS fiber coming up Route 31. In talking about the pole access agreements, does the fact that you have *some* on the poles now allow *all*?" "No, it shows precedence, but we still need to go through the process for attachment." PRenaud mentioned that Eversource has the poles in this town. SBrooks says "No matter what, we still need to go through the pole application process."

**This part of the meeting ended at 8:41**, and the majority of the room left.

Remaining: AWood, PRenaud, and JMoran .

The high points of our meeting with SBrooks were discussed, and all felt optimistic about moving forward with TDS. Many people are already paying a substantial amount for less, and should be excited about this option. PRenaud summed it up by saying "Its encouraging". He was disappointed that we didn't have more Select Board representation at tonight's meeting. Everyone felt that SBrooks making the personal commitment of time to even come tonight was a good sign. Discussed the cost of doing the survey mailing. It was agreed that would be the next step: Getting the survey prepared and out to the members of the community to gauge, and prove, interest. It would be great if the numbers of interested people have increased.

PRenaud moved to approve the minutes of the last meeting held December 21, 2015.

Jack seconded, all were in favor.

PRenaud mentioned that in 2 weeks the Planning Board will have a new chair, and felt it may be him. Discussed reasons why that might be best for the Board, and brings it up because he might not be able to chair *both* boards. We might need to decide if there is value in the EDAC committee as a separate entity from the Planning Board.

PRenaud mentioned that the report for EDAC that was due on January 10<sup>th</sup> had not been done, nor had the one for the Planning Board. AWood asked what the actual duties of the Chair for EDAC were? PRenaud mentioned that a lot of meeting preparation had to be done, agenda, phone calls, etc. It was decided that the TDS project needed to be top priority regardless of the future of this Board. We will further discuss this at the next meeting.

PRenaud wondered if we still want to bring in the rep from FairPoint, Ellen Scarponi, to see where that might go. It was felt we still should have them in for a meeting. Is a comprehensive report of internet services researched by EDAC still needed? AWood felt that FairPoint was not the answer. They also don't offer TV. 186 – their service was good, but availability was not. WiValley – seemed to be uninterested in talking with businesses. By not being able to offer a real business class connection, they had pretty much taken themselves out of the running. After looking at the other services available, it was determined that only TDS and FairPoint are viable. A provider who can bring fiber with a bundle (TV and phone) – this is the one to go with.

PRenaud felt that as a first step to present this to the town, we need to be sure to have the Select Board on board, and big business on board. AWood asked if there was any downside? Raising money perhaps. He will do more research on that. PRenaud mentioned we need to get grant money. Carol Miller might be a great person for that. She had mentioned to PRenaud that she would help research and write them. AWood says that depending on what we're trying to

do, he's willing to talk to the town – maybe someone would step up and help us keep the costs down.

**Motion to adjourn 9:23** Our next meeting will be on March 21<sup>st</sup>