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## Economic Development Committee Minutes 03/21/2016

### ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

Meeting Minutes

Recorded by Janice Pack

March 21, 2016

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

**Attendees:** Robert Marshall, Select Board Rep; Ken Paulsen

**Guest Presenter(s):** Ellen Scarponi, Director of Government Relations & Economic Development from FairPoint

**On speaker phone:** French Scott from FairPoint

**Meeting Opened** at 7:06

A Discussion Outline (below) shows on the projection screen and is narrated by FScott

#### **FairPoint Overview**

Extend across 17 states including ME, NH and VT  
1800+ towers served with fiber in northern New England  
17,000 fiber route miles  
32+ markets with Ethernet access up to 10 Gbps

#### **Municipal Broadband – Economic Development & Community Planning**

FairPoint has worked with many municipalities, community, county and regional economic development groups. Feels it is important to work in a collaborative manner:

Clarifying the objective,  
Knowing what assets & facilities exist,  
Exploring funding sources,  
Exploring partner options

#### **Broadband Technology Evolution**

Fairpoint is continuously adding next generation equipment that supports higher speeds and more features (like bonding or VDSL).

Base technology DSL is an overlay on copper lines with asymmetrical service, build on copper infrastructure that exists to nearly every home and business.

Served from the FairPoint Central Office (CO) in almost every downtown

To reach more customers, we build remote terminals (RT) in a community and typically build fiber from the CO to the RTs so the DSL distance measurement starts deeper in the community

AWood asked a question regarding working from home and needing the upload speed; FScott said he would speak to the business side of it later.

JMoran stated that the information was theoretical, as we had not seen it in our community and wondered how close it was to us – are we within range of being able to take advantage of those solutions? FScott said Yes. Said every business in Greenfield has access to the carrier Ethernet service.

#### **CAF II Program**

Connect America Fund Phase II (CAF II) requires companies accepting funding over 6 years to provide broadband to high cost unserved and underserved locations within census blocks.

It requires broadband internet with speeds of 10/1 Mbps.

Currently 43 projects in the state of NH are at some stage of planning or deployment. 2 projects have been completed.

JMoran asked what about FairPoint expending capital not tied into CAF II – wanted to know how they chose to spend the funds based on the likelihood of getting a reasonable response. Says their broadband subscriber base has not been growing, in fact, has been declining as subscribers are jumping to another service. FScott says return on Investment is a big part of it.

#### **Business Services**

CES (Carrier Ethernet Service) and BBE (Business Broadband Elite) are enablers for FairPoint hosted PBX and SIP services, as well as private IP solutions for interconnecting multi-site business locations and connectivity to a data center. BBE is a bonded copper based access solution that is ideal for small businesses with speeds up to 20 Mbps (symmetrical). CES is FairPoint feature-rich flagship data solution for business and enterprises. Availability may depend on access.

#### **Broadband Analysis Map Demonstration**

NH ranks 23 overall in Broadband Availability with 83% of the population having access to internet speeds of 25 mbps down and 3 mbps up.

JMoran asked where the information came from, and stressed his point that most of the statistical information that the FCC was gathering was not their data, they weren't verifying or validating the data; it was just the data provided by the carriers. AWood says he cannot get more than 5 up and 5 down. Says the numbers don't make sense to him.

EScarponi says "Bear with us. The numbers are from the FCC..."

JMoran again states that "the FCC has not verified that data.

The numbers DO matter to us. Those stats are basically what the federal government relies on to say that FairPoint is living up to their end of the bargain"

FScott says the numbers are not just FairPoint, but Comcast as well.

EScarponi says FairPoint can appreciate that there are numbers that say that more people have it than not, but that FairPoint had to commit to demonstrating that they had made the 25% by 2012. The stimulus project goal is to get internet to every home in NH. She said that FairPoint has increased service coverage from 63% to 97% on their own dime. Says it isn't that they don't want it, but that they can't afford to put fiber to every home. Wants us to target what we want, and ask for a quote. Continuing with the presentation, FScott spoke about some of the things FairPoint had been doing to improve and extend broadband service in ME, NH and VT.

PRenaud asked if we had bonded DSL here in Greenfield.

FScott says "Yes, as of February 15<sup>th</sup>. You should be seeing something soon."

AWood says that he has been told that there are no additional spare copper lines at all in Greenfield, that the network is at capacity for copper. FScott is not aware of that, says he would be surprised if that were the case in Greenfield.

Showed a slide on Data, Disclaimers, & Disclosure which stated that "the percentages and speed availability for any specific site do contain margins of error" and then a Service Area Boundary slide showing that the majority of Greenfield is in a CAF associated census block, and a small portion of the community falls into an adjacent exchange. Another slide showed the CO services 62% of the homes and businesses in Greenfield, and 3 RTs in town serving the rest of the area. FairPoint has 11 fiber route miles in town. This is generally used to provide CES service to business and schools, and connectivity between the CO and RT or cell tower locations. Says most businesses

qualify for BBE, and CES is available to ALL business pending any access build costs.

Showed a slide on Speed Eligibility which said that 72% qualify for speeds of 10 Mbps or more. Only 11% do not qualify for speeds greater than 3 Mbps. Feels 4 out of 5 subscribers can get a higher speed than they are currently getting. Another slide showed that 81% of subscribers in Greenfield are undersubscribed – eligible for a higher speed than what was purchased. Perhaps the short time since the upgrades have been available is a factor. Or people say they want higher speeds, but not everyone does take advantage of it because of the cost.

JMoran states Issue #1 is awareness – we’ve been working on this issue for a few years now. Second issue is cost. Mostly “Knowledge of” is the biggest problem, and getting the word out. Wants to give a few examples: the largest single business in town, Crochet Mountain Rehabilitation Center, is showing on the map as not being able to get the bandwidth needed. The folks on the side of Zephyr Lake – where he lives – he did not know that these types of speeds were available. FScott said they met just last week and discussed marketing to those areas which had just had an upgrade.

PRenaud said that we have a very high percentage of people in town who work from home, or have home based businesses, who are demanding symmetrical service, but they are complaining about the price that they would have to pay to get better service up and down. Many have moved from areas where they were getting much better service at a much lower cost.

EScarponi showed another slide which would be used to pinpoint locations.

AWood says that most of our residents do not live on the fiber roads, they are further back. Because of zoning, we are not actually encouraging businesses to set up “downtown”.

EScarponi says that perhaps now they CAN get the faster speeds, but at a cost. EScarponi says they have 1 Gbps for \$99 but its asymmetrical. AWood says he’s no longer under contract now, and it’s hard to get FairPoint to renegotiate, rates have not come down, the business department is very hard to get ahold of. EScarponi says that she will make sure he gets the numbers he needs.

Back to the map, AWood points out CMRC (currently eligible for 3 Mbps according to FScott) and they discussed some options for their service.

JMoran says that how we are zoned here and where we have the greatest options here in this town don’t really match up. FScott says that his mapping data and marketing data are different, and don’t show the difference between business and residential areas. AWood reminds FScott that most of the businesses ARE in residences, so our zoning is fighting the Central Office locale. NNickerson also stated that CMRC is a nonprofit, so doesn’t pay business taxes to the Town. EScarponi makes the statement that FairPoint has invested in Greenfield, and things have changed. She wants to know if there are specific places that we want them to look into, and PRenaud said that he will get her the addresses. NNickerson suggested they speak with CMRC.

We looked at AWood’s location on the map. He said he’d love to move up to fiber, but the numbers are too high. JMoran says 1

up is NOT sufficient in this day and age for anyone. PRenaud says that the FCC will be upping that to maybe 10/4 as being considered served.

FScott says again that things are better than they were, but unfortunately, still not what we need them to be. Discussed congestion, not a question of back haul speeds, but rather interstate bandwidth capabilities.

JMoran says if our primary goal is change, we need to get the word out in town. He suggested that FairPoint post in our town paper. Maybe print a copy of the map along with a small article stating that the new infrastructure had just come on line last month, and specifying who they should talk to.

RMarshall says "Yes, the first thing we need to do is COMMUNICATE."

AWood says they should also approach CMRC. NNickerson says yes, and if you're going right by American Steel now, approach them as well. RMarshall speaks about the power line going up to CMRC that doesn't follow the road, and wonders if they own their own poles? EScarponi says she will investigate all of this. AWood says that FairPoint has had a perception problem, their previous quality of service is still haunting them. Also, we still can't get good up bandwidth, and that's hurting bringing business into the area. EScarponi says that when they first started the build up, they were releasing press notices all the time. When they had the strike, that stopped. She agreed that FairPoint needed to get back to that, and that they had done a rotten job in communicating.

**9:00** - JMoran had to leave, so the presentation came to an end as the internet connection which we had was through JMoran's phone. All thanked FScott for his time.

AWood continued to state that he realized he was a "special case" in his connection needs, and EScarponi stated she was sure that if he was happy, he would tell people so. AWood agreed.

**9:17** - EScarponi said Good Bye, promising to look into the addresses that PRenaud said he would send her and get back to us.

**9:20** The minutes were read silently, PRenaud moved to accept them as written, and NNickerson seconded. All were in favor  
Comments on what we heard tonight: PRenaud stated that FairPoint is our incumbent carrier. He did get the business pricing from TDS, but not the residential. Asked how we wanted to proceed. FairPoint is already here. They have made some improvements, but they still have a long way to go. Still don't offer cable TV. Says if we encourage FairPoint to explore the new areas, it would make it even harder for TDS to come in. Thinks we do have it narrowed down to FairPoint or TDS. NNickerson – if TDS came in here, could they use the lines already here? AWood says "Yes they can." There are lines already coming up Route 31. PRenaud has had several individuals come to him and he feels that we could deal with TDS and have them start there, and if the word of mouth was good, we could work with them to market it and expand. RMarshall asked for clarification – TDS said they could market the 3 services to the community for \$120/month. Is that a fiber drop or a copper drop? PRenaud said he believed it would be fiber. RMarshall asked how that would be feasible? If TDS was

going to run fiber from the center of town to his house (approximately 3 miles) how is that paid for? That would be the Return on Investment, stated both PRenaud and AWood. They discussed further some of the key points from our meeting with TDS. Said that the commitment rate they had received for fiber had been high in their incumbent towns. It's an advantage that they are a CLEC, and from a regulatory aspect, there would be no hurdles to cross. Their response has been good.

NNickerson did not feel that FairPoint was well prepared for tonight's presentation, and all agreed.

PRenaud feels that we have to do what's best for the Town.

NNickerson says the cost factor is huge. AWood states that from an economic development point of view, the value of the house drops dramatically when one cannot work from his home if that is his choice. PRenaud will forward the addresses to EScarponi and keep after her until he gets his answers. People moving into town assumed that what they had previously and what they were paying would be similar to what is offered here, but unfortunately, that is not the case. PRenaud feels that if we had TDS, that would not be a problem. Unlike FairPoint, TDS is financially strong. He mentioned an article from the Wall Street Journal that JMoran had forwarded a couple weeks ago regarding tech services and financial state, which said that FairPoint was the absolute worst. AWood said "Look at what they presented tonight. Their best option was copper, or bonded bandwidth. TDS is saying forget the copper, put in fiber."

PRenaud says they (FairPoint) are making incremental improvements and only what the CAF tells them to.

RMarshall says that EDAC has invested 3-4 years of its time in this research now. He feels that we are at the point where our studies have come to fruition. Its political now. The board needs to prepare a presentation to the Select Board to convince them that we need to work together now and decide how to go forward. Figure out how we will communicate it, and present it to the public. Figure out a way that will let them have input into the decision and then go forward.

NNickerson wants to make a chart of pros and cons, and costs.

PRenaud wants to summarize all that we've done, and go over the fine points. He doesn't feel we would be able to get grant money to give to FairPoint, but perhaps we could for TDS.

PRenaud did send Scott Brooks the results of our previous survey. He said that another problem we have is that we have people who would be *interested* but they are already locked in to an agreement with another company. He says we will work on the new survey next month. EScarponi and SBrooks are both aware of what is going on, that we have been speaking to both companies. PRenaud said he's just doing due diligence so we have a full report to bring to the people.

RMarshall says that the interesting thing is that listening to TDS, we have about 4-5 months to do our homework and get in the position to bring everything to the Town and the Select Board will have time to prepare their budgets and get ready to move forward. Says the actions of EDAC will be a positive force.

PRenaud says he will see this project through, and then take a break. This committee started about 2 years ago really just looking at the broadband availabilities and needs. He

appreciates having RMarshall on the Select Board, as he is knowledgeable about both the subject and the process.

AWood speaks to the Rural Character of our town, and

RMarshall points out that one of our best resources in this town is the people, people like AWood who live and work in town because it is available to do so; a huge driver in economic development. NNickerson says it's tough to make a living in a small town, and all others agreed.

Our next meeting will be 4 weeks from tonight, April 18<sup>th</sup>.

Before that, we need to get pricing from FairPoint (PRenaud will speak to EScarponi)

RMarshall excused himself from the meeting.

PRenaud **motioned to adjourn at 9:56**, this was seconded by

AWood, all in favor

**Meeting ended 10:03**