

Comments on the ConnectME Strategic Plan, December 8, 2015

Peggy Schaffer, Small Business Advocate, Secretary of State's Office.

The ConnectMe Tri-annual Strategic Plan makes a good start at putting accountability and data collection pieces in place over the next three years. The diagnosis of the problem being statewide, with significant challenges in rural parts of Maine is accurate, as is the strategy to develop better data and an understanding of where Maine's current assets for broadband are now. The inclusion of broadband adoption as an element is critical, as increased use can help drive increased demand, and hopefully supply.

However, I am deeply concerned with the lack of any movement on expanding the resources ConnectME needs to even begin to make a stab at filling the significant gaps in broadband capacity in Maine. While there are many parts of this plan that begin to take important steps forward, without funding, this strategy creates a Sisyphean task.

The plan calls for ConnectME to undertake at least eight new activities. Some of which are significant in scope. Providing technical assistance to towns and communities (Obj, 2A.) seeking to expand broadband alone would require an additional staff person for it to be done in a useful targeted and impactful manner. The corralling of state agencies (Obj 3A) to identify state resources and assets to be used to push out broadband expansion is also not a simple undertaking, requiring a meeting or two. The work of identifying, mapping state program and assets, state investments in its own infrastructure is a huge piece of work that will require significant effort on the part of the staff of ConnectME to keep it on track and focused.

Other goals including an advertising campaign (Obj 5B), a capital plan (Obj 4C) and expansion of adoption (Obj 5A) activities all will require additional resources and funding, which the plan does not seek.

The only additional funding requested is to include cell phones in the current taxing scheme (Obj 4A). Even then the request is to just stabilize ConnectME's declining revenue stream. There is no mention that the current revenue stream is completely inadequate to even do the current work of the ConnectME Authority, never mind the additional work this plan seeks to add.

Finally, using 80% of the current funding to add an additional 500 homes or businesses a year that do not current have broadband is too little to make any impact on Maine's economy (Obj 4B). Focusing 80% of the resources of ConnectME on 4% of the state does not change the equation that currently has Maine 47th in the country in broadband access. While I do understand the need to connect that last 4%, it should not be done at the expense of the other 96%, many of which have just above no service.

The plan does very correctly identify the needs and the challenges facing Maine through some of the stories in the appendix. It identifies what is at stake for home owners, businesses, communities and health care if we do not aggressively expand broadband. But the strategies laid out here, especially with no additional resources; do not move the dial to address these very real deficiencies.

Not calling for increased funding, whether bonds or general fund revenue only kicks the can on even further down the road. Strategies that call for more data, more studies, and more meetings are fine, but

they do not negate the very real need NOW for additional resources. Without new resources ConnectME does not have the capacity to add the additional work outlined in this plan.

We know expanding broadband in Maine has a really big price tag – no matter what the speed. We also know we can't eat the elephant all at once. The plan must recognize the need and the opportunity for Maine now, even if that need cannot be defined totally, and make a solid recommendation to start *this year* by asking for the resources and funding needed to do the job at hand. This should include appropriate support and staffing at the ConnectME Authority to undertake the at least eight new activities the plan identifies as work for the Authority and its 2.5 staff people.

This plan needs to call for action *this year* to at least begin to fund what is already happening in municipalities across Maine in 2016. Without funding, the goals and strategies laid out in this plan have no real chance of being successful, or creating the very real changes that Maine must make now to improve broadband state wide.

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Detailed Triennial Strategic Plan for Broadband Service

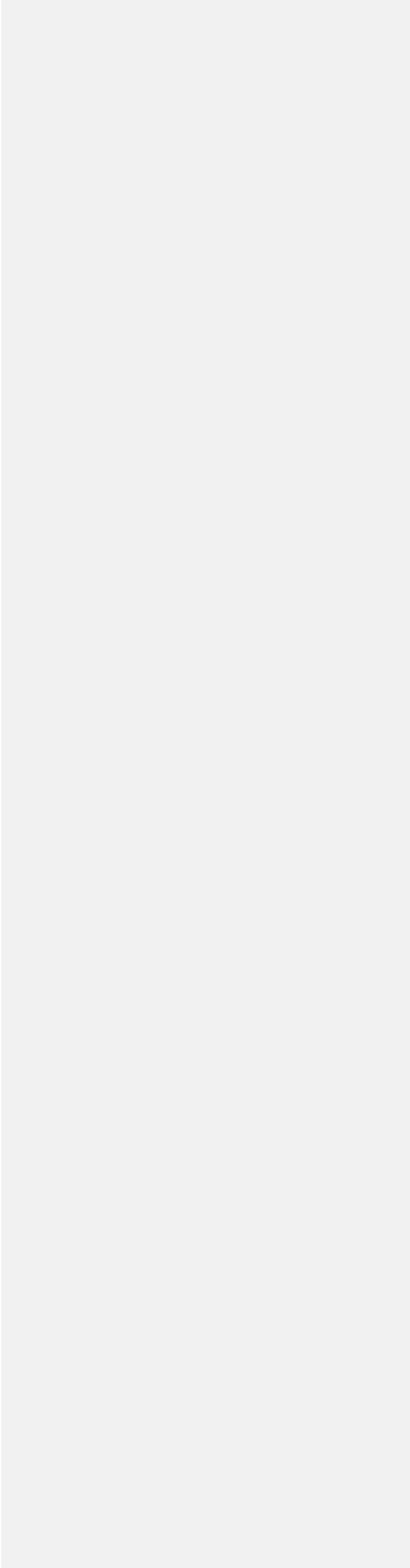
November 12, 2015



Table of Contents

Broadband Vision for Maine..... 2
Introduction..... 3
Maine Broadband Strategies 6
Appendix: Current Status of Broadband in Maine..... 13

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Broadband Vision for Maine

Broadband represents opportunity for Maine.

It is the opportunity for a high school student in Patten to take an advanced placement course in physics from a professor in California;

It is the opportunity for a sick elderly person in Deer Isle to live out her days in her home and community, connected 24/7 with her doctor and family and friends and caregivers;

It is the opportunity for a web designer in Bethel to work with a client in Bulgaria;

It is the opportunity for a start-up candy-maker to market and sell to customers around the world;

It is the opportunity for a family restaurant in Augusta to promote itself and grow through the use of social media;

It is the opportunity for a laid-off mill worker in Guilford to get an MBA while living at home;

It is the opportunity for elected public officials to reduce expense while improving customer service through online permits and registrations.

Broadband is the great equalizer for a state that has always suffered from being "at the end of the line." Broadband brings the world to Maine's door every minute.

To realize the opportunity, Maine must:

Ensure that every resident, patient, worker, patient, and employer has access to affordable, reliable, and usable broadband;

- Foster an ecosystem of broadband innovators, funders, providers, and technicians that enable Maine consumers to benefit from the latest technological innovations;*
- Sustain a network of state-of-the-art broadband connections among hospitals, libraries, universities, schools, state and local governments, research laboratories, and technology businesses, so that Maine can be on the cutting edge of progress in health, education, the arts, and business;*

Broadband is opportunity for Maine. We must reach for it.

Introduction

What is broadband? The Federal Communications Commission (FCC) says:

The term "broadband" refers to advanced communications systems capable of providing high-speed transmission of services such as data, voice, and video over the Internet and other networks. Transmission is provided by a wide range of technologies, including digital subscriber line and fiber optic cable, coaxial cable, wireless technology, and satellite. Broadband platforms make possible the convergence of voice, video, and data services onto a single network.¹

To make the most of this revolutionary new technology, a report² to the ConnectME Authority in 2013 recommended that:

- 45,000 Maine businesses upgrade their web presence;
- MaineCare shift 4,000 elderly in institutional care to in-home care, using telehealth technologies;
- The University of Maine provide 25% of courses online;
- Every elementary and high school student have an internet-connected device and digital textbooks;
- Local and state government move more services online.

The report found that taking these steps would, within ten years, create 11,400 new jobs in Maine earning \$485 million in annual income, and reduce annual state and local government expenses by \$72 million.

The Maine Legislature in 2015 set ambitious goals with respect to broadband:³

The goals of the State related to broadband service are that:

- A. Broadband service be universally available in this State, including to all residential and business locations and community anchor institutions;*
- B. There be secure, reliable, competitive and sustainable forward-looking infrastructure that can meet future broadband needs; and*
- C. All residents, businesses and institutions in the State be able to take full advantage of the economic opportunities available through broadband service.*

Goal A, "universal availability," means that the location of every house and business in Maine must have some kind of broadband access. Goal B, "forward-looking infrastructure," means that whatever network is installed today must be capable of being upgraded so as to serve projected broadband delivery needs for a minimum of 20 years. Goal C, that Maine residents and businesses "be able to take full advantage

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¹ <https://www.fcc.gov/encyclopedia/strategic-plan-fcc>. There is no one definition of broadband. It is a continuously evolving technology used in ever-changing ways.

² The Maine Broadband Capacity Building Task Force Report is available online at <http://maine.gov/connectme/about/docs/taskforce/broadbandfullreport.pdf>

³ Sec. 3. 35-A MRSA §9202-A, State broadband policy.

of the economic opportunities available” means that new economic opportunities created by advances in broadband technology must be identified on a regular basis and integrated into the capital investment plans that enable network expansions and improvements.

Fulfilling these goals will require close cooperation between the private and public sector, capital investment expenditures of hundreds of millions of dollars, and radical changes in the habits of Maine consumers and businesses with regard to knowledge and use of broadband-enabled technologies.

In addition to stating these overarching goals, the Legislature’s mandate directs the ConnectME Authority to prepare “a detailed, triennial strategic plan for broadband service ... to further the goals and policies in section 9202-A.” It directs the ConnectME Authority to serve as the chief monitor of the state’s progress in meeting these goals and to set “objectives, targets, measures of performance, implementation strategies, timelines

The ConnectME Authority must serve as the state’s leader in defining the roles of the various private and public entities that build and operate its broadband system. That system is not a traditional regulated monopoly public utility, like electricity. Rather, it is a complex *ecosystem*, where multiple providers compete, technology changes rapidly, and there is a mix of federal, state, and local oversight but no price regulation. Maine’s ambitious broadband goals can only be met if that ecosystem is defined by the following characteristics:

1. A *steadily growing and competitive market* for broadband services characterized by:
 - a. minimal barriers to entry for new competitors
a stable or growing number of private sector providers;
 - b. a growing range of choices for customers:
 - among providers;
 - among levels of service;
 - among delivery technologies;
 - among costs for access and use;
 - across all regions of the state.
2. An *informed, connected, and growing number of customers* – educators and students, medical providers and patients, businesses, employees and customers, artists and patrons citizens and public servants – throughout the state.
3. An *informed group of elected officials and policy makers* who have complete and timely information on cost, availability, and quality of broadband service throughout the state, and who are using best practices in their drafting and implementation of legislation, as well as regulatory and assistance programs.
4. A dynamic *cluster of innovators* seeking to expand ways to deliver broadband services and use them to improve the lives of Maine citizens in the areas of health care,

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education, transportation, the administration of government and economic development; and

5. A widely accepted and effective *system of long-term public subsidies* designed to expand broadband infrastructure and use beyond what would be achieved by private investment alone including;
 - a. capital investment assistance designed to leverage other funds to accelerate progress toward the goals of universal access and economic opportunity across the state;
 - b. planning assistance designed to encourage innovative local, regional and statewide partnerships to expand broadband access and use;
 - c. effective identification and use of local, municipal, regional, state, federal and private funding to expand broadband infrastructure, access and use in Maine.

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Maine's broadband goals are ambitious. This three-year strategic plan sets the state on a path to achieve them. The next section provides recommendations designed to foster the broadband ecosystem described above, and create the conditions necessary to achieve the stated goals.

Appendix A describes where Maine stands today.

Maine Broadband Strategies

The adopted policies⁴ of the State related to broadband service include:

- *Maximize sustainable investment in broadband infrastructure in the State;*
- *Maximize federal and private resources to support the deployment of broadband infrastructure in unserved and underserved areas of the State;*
- *Leverage existing infrastructure to extend broadband service*
- *Prioritize the use of state resources to assist deployment of infrastructure to provide broadband service in unserved and underserved areas of the State;*
- *Promote adoption of broadband service by residents, businesses and institutions.*

The following strategies are intended to strengthen Maine's broadband ecosystem, expand its broadband network, drive public demand, and measure progress so that Maine can realize the full potential of broadband. They are aimed at maximizing private investment, consistent with the policies above.

Roles for the Public and Private Sectors

Because this is a plan addressed to the Maine Legislature, it focuses on the activities that can be taken by the public sector to incent private investments. It should be clear that the vision cannot be achieved without robust leadership, investment, and participation from Maine's private sector. In short, a partnership is paramount. The recommendations below represent some initial steps in creating the new partnership.

Implementation Strategy 1: Create information and accountability to evaluate and guide public and private investment .

Objective 1A. Issue an annual *Maine Broadband Indicators Report*, modeled on the Maine Economic Growth Council *Measures of Growth* report, which benchmarks where the state stands [relative to other states and earlier benchmarks](#) with regard to broadband access, affordability, and quality. The report should use information available from the FCC, the American Community Survey, private service providers, grant recipients, and Maine broadband mapping projects (both public and private).

Measures of performance: Production of two annual reports by the ConnectME Authority.

Target: A report that is useful to policy-makers and citizens.

Timeline: First report issued in January of 2017, second in January of 2018.

⁴ Sec. 3. 35-A MRSA §9202-A, [State broadband policy](#)

Objective 1B. Determine the effectiveness and impacts of broadband

infrastructure grants. [Measure and report on](#) the success of individual grants in meeting grant requirements. Develop meaningful criteria for evaluation of future grants.

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Measures of performance: Production of two annual reports by the ConnectME Authority.

Target: A report that helps ConnectME Authority board members to fine tune programs.

Timelines: First report issued in January of 2017, second in January of 2018.

Objective 1C. Establish a secure and confidential repository within the ConnectME Authority for all middle-mile and last-mile broadband service provider network infrastructure information. Current local and state broadband planning efforts are hampered by a lack of knowledge of existing infrastructure on the ground. This repository would provide a way to consolidate such information without compromising the competitive advantages of any individual provider. The information should be updated regularly.

Measures of performance: Percent of middle-mile and last-mile broadband service providers contributing network infrastructure information.

Target: A repository with sufficient information to enable coordinated broadband expansion planning and implementation.

Timelines: Repository established in 2016, operative in 2017.

Comment [JMc1]: Not sure how a public Authority can do this and not make the information public. Why not compel service providers to provide maps showing where they have dark fiber, coax or spectrum capable of 10/10 for lease or else run the risk of having another project funded to overbuild them?

Implementation Strategy 2: Promote local broadband initiatives to provide high-speed broadband service.

Objective 2A. Implement a local planning grant program. Allocate 20% of the ConnectME Authority's annual grants budget for planning projects. Applicants must complete the precertification process. Applicants should first approach the local provider(s) to explore broadband expansion, prior to applying for planning grant funds. Local grants should not exceed \$25,000.

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Measures of performance: Initiation of at least 20 local efforts.

Target: 5 planning grants in process.

Timelines: Planning grant program in operation in 2016.

Comment [JMc2]: In your 'rules' I would say applicants can proceed with their applications if they have not received an acceptable written alternative from an incumbent provider within 20 days of requesting same.

Objective 2B. Create a local technical assistance capability at the ConnectME

Authority. The ConnectME Authority should become the resource for local communities for guidance on how to initiate a local planning process, a list of qualified broadband planning vendors [and consultants](#), the availability of data, the range of models available for

broadband expansion (such as cooperatives), the range of financing sources available, and contact information for community assistance personnel at private providers.

Measures of performance: Technical assistance staff, guidance documents, resource library.

Target: 5 projects in implementation as a result of planning grants.

Timelines: Capability set up and fully operational in 2016.

Comment [JMc3]: Who will do this? New position?

Implementation Strategy 3: Use existing assets to promote broadband access and use.

Objective 3A. Create the Maine Broadband Council. Create a council for the State of Maine to identify ways to leverage the state’s assets—roads and towers, job training programs, community development programs, and existing networks—to increase private investment and geographic coverage in Maine. The Council should be led by the ConnectME Authority, and include appropriate state agencies and business and financing community representation. The Council should develop a strategy for using all assets to promote broadband, and assist in its implementation.

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Comment [JMc4]: MFC would be happy to be a member if that is appropriate.

Measures of performance: Council established and meeting, plan produced, implementation activities underway.

Target: Implementation of one Council initiative.

Timelines: Council established in 2016, plan by 2017, at least one project implemented by January of 2018.

Objective 3B. Leverage school and library broadband capacity to serve rural Maine. High-speed broadband fiber has been extended to every school and local library in Maine. However, federal regulations (“E-Rate⁵ rules”) limit the schools and libraries from allowing unused capacity to be made available to unserved nearby businesses, houses, and government buildings. NetworkMaine is working with libraries and schools to come up with creative ways to allow the unused broadband to be used locally, without diminishing the quality of service at those locations. The solution may also require asking the Congressional delegation to obtain changes to federal E-Rate rules.

Measures of performance: A model for making use of unused broadband capacity to assist area businesses and households is developed.

Target: At least ten rural libraries and schools implement rural access efforts.

Timelines: Model created in 2016, projects underway by 2017.

⁵ The federal E-Rate program helps schools and libraries to obtain affordable broadband <https://www.fcc.gov/encyclopedia/e-rate-schools-libraries-usf-program>

Objective 3C. Formalize a Dig Once⁶ practice among the ConnectME Authority, the Maine Department of Transportation (MDOT), and other local utility services. Informal coordination efforts now exist between MDOT and the ConnectME Authority in planning large road and bridge projects; this would formalize the effort, and expand it to include other infrastructure providers that participate in the Dig Once system.

Measures of performance: The holding of annual meetings. [Development and distribution of engineering standards for underground construction.](#)
[Identification of funding sources for same.](#)

Target: At least [quarterly](#) review of MDOT work plan with Maine Municipal Association representatives to identify potential projects for inclusion of broadband conduit.

Timelines: Develop and sign memoranda of understanding [and engineering standards](#) in 2016, hold first coordinating meeting in 2017.

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Implementation Strategy 4: Expand Broadband Investment in Maine.

Objective 4A. Seek public, administrative, and legislative support to repeal the statutory exemption for any facilities-based provider of wireless voice or data retail service that voluntarily chooses to be assessed by the ConnectME Authority pursuant to section 92511. The ConnectME Authority fund is declining due to the shift of consumers from land line telephone service to cellular service. This change would stabilize the fund for the near future by broadening the base of the assessment.

Measures of performance: Passage and implementation of legislation.

Target: Stabilization of annual revenues in the ConnectME Authority fund.

Timelines: Legislative change in 2016, additional revenues in 2017.

Objective 4B. Shift the current ConnectME Authority broadband infrastructure grant program to a “need-based” approach, [raising the priority for areas where no broadband service currently exists.](#) Establish a clear priority for helping those currently not served.

Measures of performance: Change program criteria for infrastructure grants

Target: Service to 500 homes or businesses per year currently not being served.

Timelines: Change of policy in 2016, implementation in 2016.

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Objective 4C. Create a 5-year Broadband Capital Improvements Program for Maine.

State funds should be the financier of last resort of broadband expansion, when private investors will not provide needed service. State funds should be designed to incentivize and leverage private, federal and municipal funds to the greatest extent possible. It is generally agreed that current state funds available in Maine to stimulate broadband expansion are inadequate for these purposes. Many ideas for expanding assistance have been proposed: state bonds, revenue bonds, redirecting universal service funds. What is needed is a comprehensive look at projected overall broadband investment needs over the next five+ years, a projected role for state financing help, a recommendation for sources of funding for the effort, and recommendations for how to structure the assistance (grants, loans, auctions for serving uncovered areas, [open access](#), etc.). The Capital Improvements Plan should be prepared jointly by the ConnectME Authority and Finance Authority of Maine (FAME) staff.

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Measures of performance: Production of a Capital [Improvements](#) Plan.

Target: State broadband finance tools in place and funding assistance made available.

Timelines: Plan produced by July of 2016, finance tools and funding assistance in place by January of 2018.

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Objective 4D. Create a working partnership with FairPoint for the implementation of its \$80 million “CAF-2” program⁷ in Maine.

FairPoint is committed to assisting thousands of households in rural Maine to obtain broadband assistance in Maine in the next four years. The ConnectME Authority needs to closely coordinate with FairPoint so that local communities can [benefit from](#) the effort whenever possible. The ConnectME Authority will serve as the conduit to local officials in targeted geographies when there are upcoming projects and opportunities related to CAF-2.

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Measures of performance: Quarterly coordination meetings between ConnectME Authority staff and Fairpoint staff. [Publication of meeting notes and results of \\$80M investment Quarterly.](#)

Target: Through the coordination between Fairpoint and the ConnectME Authority, local community officials gain a voice in Fairpoint expansion plans.

Timelines: Coordination meetings start in January of 2016.

⁷⁷ Fairpoint has accepted federal Connect America Phase II funds for broadband expansion into FCC defined rural areas. A map of the 35,500 eligible locations in Maine, those colored dark green, is available on the Federal Communication Commission’s website, <https://www.fcc.gov/maps/fcc-connect-america-fund-phase-ii-initial-eligible-areas-map>

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[Implementation Strategy 5: Raise broadband awareness and skills so that Maine residents and businesses recognize the value and benefits of](#)

broadband, Objective 5A. Continue and expand successful programs to promote digital literacy among consumers and businesses.

In recent years, federal grants have been available in Maine to promote computer literacy for low-income residents and social media marketing training for small businesses. The ConnectME Authority, the Maine Department of Education, the Maine Department of Economic and Community

Development and others should work together to continue and broaden these efforts, for example with programs targeting seniors and providers around telehealth.

Measures of performance: Provision of training to 1,000 individuals and 50 businesses.

Target: Individuals access online services; businesses improve outcomes.

Timelines: Funding identified in 2016, put in place in 2017, training underway in 2018.

Objective 5B. Create public-private advertising campaigns encouraging broadband use.

Surveys conducted by the ConnectME Authority in 2013 indicate that many Maine households do not see the value of having broadband, and many businesses do not see the value of an on-line presence. These attitudes contribute to lower-than-needed take rates of available broadband facilities, which in turn discourage private companies from expanding service coverage and quality. A joint advertising campaign, funded for the most part by private companies (who would be the financial beneficiaries of increased use), but led by ConnectME Authority staff, would contribute to changing the attitudes of Maine people. Efforts targeting Maine businesses, for example highlighting success stories, would encourage them to invest in websites and social and social media.

Measures of performance: ad campaigns in 2017 and 2018.

Target: Increased broadband adoption rates among Maine households; increased investment in digital communications among Maine businesses.

Timelines: Creation of public private planning committee in 2016, funds raised and production in 2017, ads in 2017 and 2018.

Implementation Strategy 6: Improve consumer broadband assistance.

Objective 6A. Provide consumer advice and assistance relative to broadband service in the Office of Public Advocate.

The Office of Public Advocate has dedicated staff and experience in handling consumer inquiries and complaints regarding utility services. Therefore, the Maine Office of Public Advocate should be designated as the state's broadband consumer assistance source, and the OPA should

report to the ConnectME Authority Board annually on emerging consumer broadband issues.

Measures of performance: Service to 100 consumers per year on broadband issues.

Target: Increased access and service quality for consumers.

Timelines: Implementation in 2015.

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Appendix: Current Status of Broadband in Maine

Given Maine's ambitious broadband goals, how are we doing? Not as badly as some think, but not as well as we need to do.

1. Maine's rate of connection to the internet is above the national average.

There has been a continuous growth in internet use over the last five years in Maine and in the nation (Figure 1). Maine's use rate was 2% higher than the national average in 2009, and was 5% higher in 2013.⁸ Most of this use is at least at the level of DSL broadband; only 1.1% of Maine household had dial-up internet as of 2014.⁹ That's the good news.

2. On the other hand, when it comes to access to critical higher speeds, Maine lags behind the nation.

Higher speed broadband is needed for telemedicine, for video production and editing, and for research and applications in the growing "big data" sector. Maine lags when it comes to this capacity. As of June 2014, measurements reported by NTIA,¹⁰ Maine's access to broadband services with download speeds greater than 100 Mbps and upload speeds greater than 10 Mbps falls far below the national average.

⁸ Source: Federal Communications Commission (FCC) reports on Internet Access Services, 2009 through 2013. For purposes of these reports, internet is defined as 200 kbps either way.

⁹ American Community Survey, 2014, one-year

¹⁰ <http://www.broadbandmap.gov/summarize/state/maine>.

Figure 1: Household Use of Internet, 2009-2013, Maine and Nation

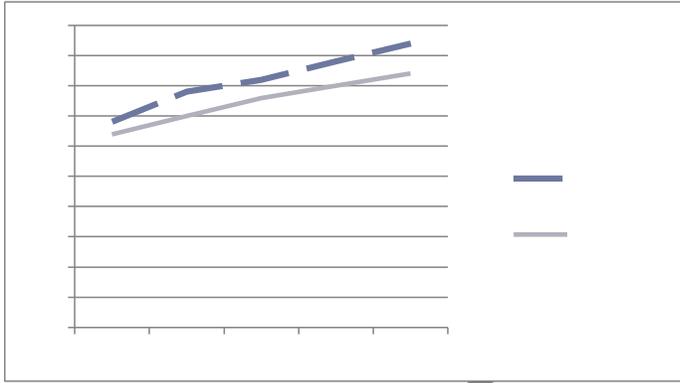
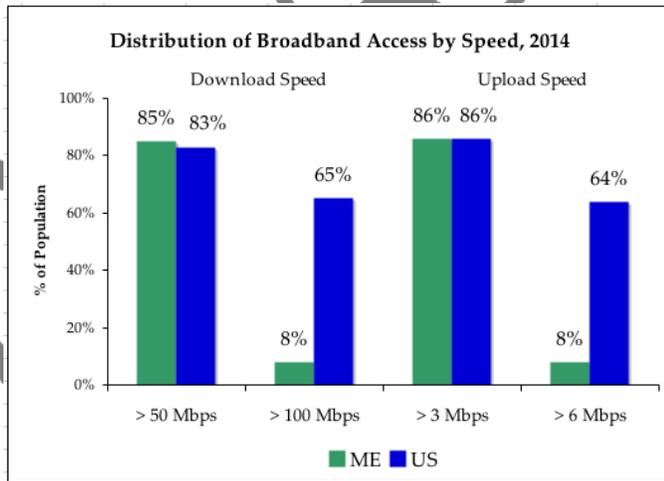


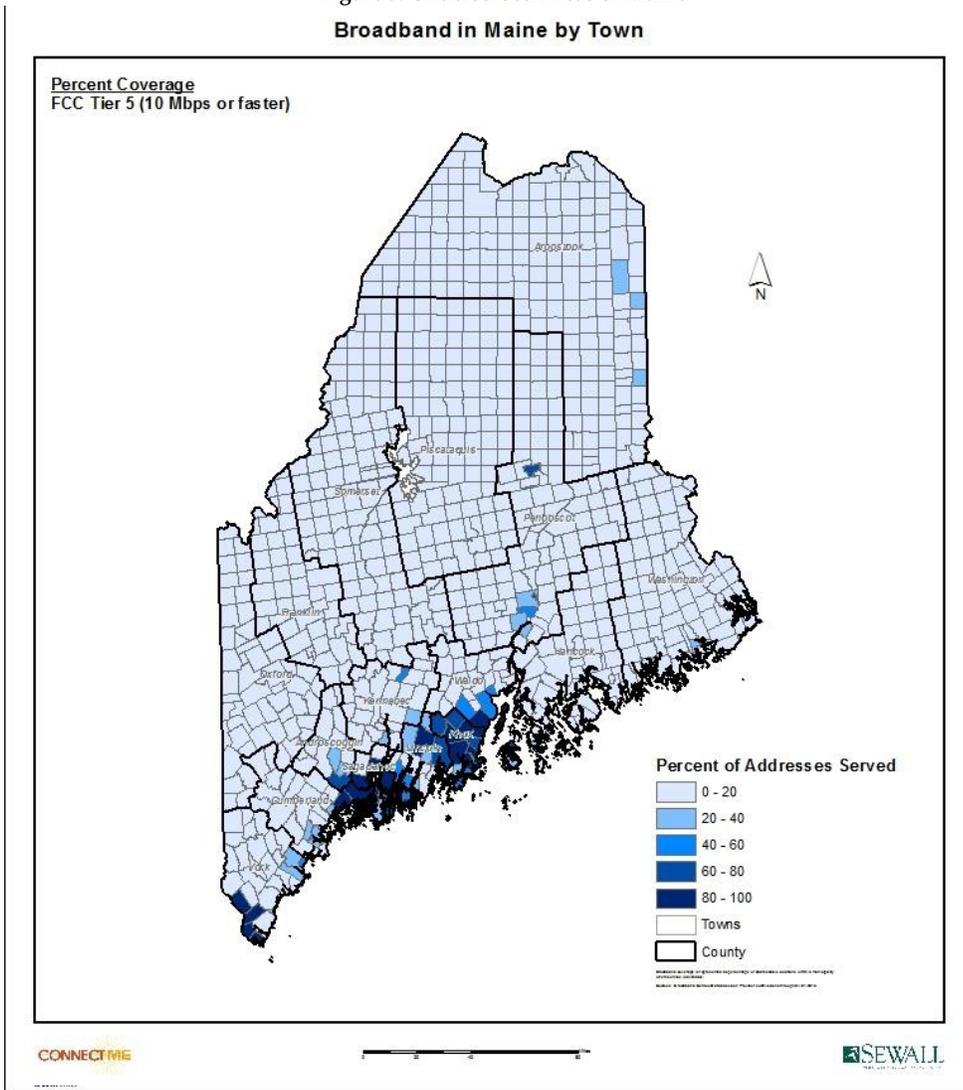
Figure 2: Broadband speed availability, Maine and the Nation



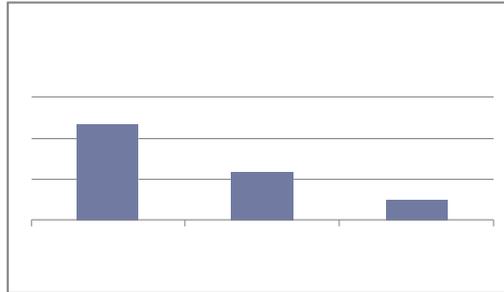
3. Rural Maine still has significant areas that are unserved or underserved.

The map below shows the areas of Maine unserved and underserved by broadband at 10 Mbps/10 Mbps. 10/10 is the current standard which applications must meet to qualify for ConnectME Authority infrastructure grants.

**Figure 3: Underserved Areas of Maine
Broadband in Maine by Town**



The digital divide is not just geographic. It is also social. Maine citizens who are older, lower income, and unemployed, are less likely to have access to broadband. Lifelong learning is a major goal of our workforce system. But those who would have the most to benefit from online learning – those with less than a high school degree (see Figure 4) – are least likely to have a broadband connection.



4. Maine has a growing business sector contributing directly to economic growth.

Over the past three years, the number of businesses in the broadband sector in Maine has increased by 4.5% and their employment has increased by 18.3%, both rates far exceeding the national averages of 1.1% for businesses and 8.0% for employment¹¹. The number of firms in the telecommunications sector increased from 243 to 254 between 2011 and 2014, outpacing national averages.

This has translated into benefits for Maine consumers. As of July 2014, Maine broadband consumers¹² had significantly more choices among broadband providers than the national average. 55% of Maine broadband users have access to at least two providers, compared to 19% nationally.

5. Maine households and businesses are not taking full advantage of available broadband service.

Provider data submitted to the FCC suggests that while many Maine broadband customers have access to higher speed download service, actual use in Maine is much lower than the national average. For example, among Maine households with access to 10 Mbps down, actual median use is only 5.3 Mbps. For 3 Mbps up, actual median use is only .5 Mbps.

currently had.

¹¹ The telecommunications sector is defined as NAICS Codes 517, Telecommunications, 518, Data processing, hosting and related services, and 519130, Internet publishing and web search portals.

¹² FCC <http://www.broadbandmap.gov/summarize/state/maine>.

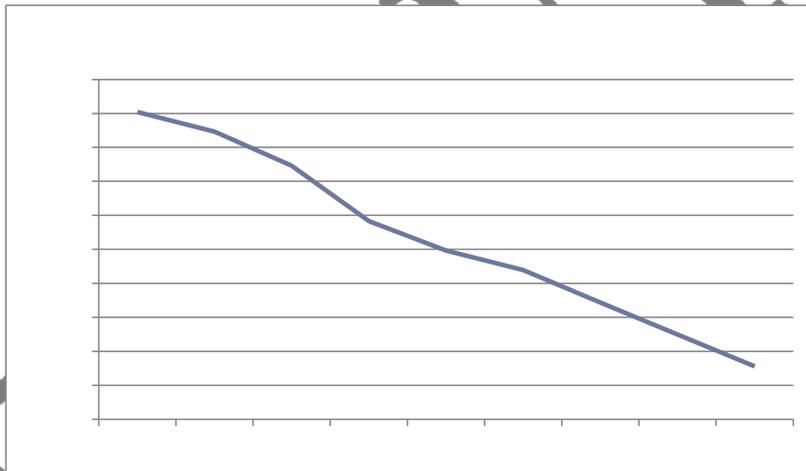
¹³ Rockland, Rockport and Owl's Head Broadband Plan and Network Designs, Tilson,

September 2015

6. Available funds for Maine public broadband investment are declining

Over the past nine years, the ConnectME Authority has made 122 grants totaling \$9.8 million. Including accompanying provider investments, this public investment has translated into \$18.4 million in total broadband investment, making broadband available to 37,600 unserved or underserved Maine households.

But the funds for these investments are drying up. The federal stimulus funding, which helped build the 3-ring binder, is finished. The Maine Broadband Sustainability Fee¹⁴ ended on October 15, 2015; it had provided up to \$20,000 a month for private providers to expand broadband. Finally, the ConnectME fee, the bread and butter support for the organization, which depends in part on landline telephone use, has been declining and will continue to decline steadily as more and more Maine consumers drop land-line service. That fee must support ConnectME Authority staff, infrastructure grants, and as of this year, planning grants.



Source: ConnectME (note: 2016-2019 are projections and are in italics)

7. Maine people are frustrated that progress is not fast enough.

In the fall of 2015, the ConnectME Authority held public meetings as part of the strategic planning process. Here are some of the themes that emerged.

Many people commented on the difficulty they experienced in operating a home-based business, or in telecommuting, and the loss of income and jobs that a lack of broadband causes.

I am a documentary editor who works from home in the town of Liberty, in Waldo County. I'm losing jobs. More and more people I want to work with are telling me that

¹⁴ A state surcharge on the federally funded 3 Ring Binder

my internet upload speed isn't fast enough. They won't even consider me. I am not the only business or person who works in town and needs a faster internet.

Others talked about how the lack of broadband put their children behind others in their classes, because they couldn't do homework in their homes; or hurt their ability to get higher education degrees.

In order to pursue higher education, I have to move closer to my university or I need a better Internet connection for online classes. In order for me to effectively work in my field, I need internet connection or I need to move. If I move, all the education and experience I've gained, move with me. It is hard enough keeping people in rural Maine. I want to stay but find I am being forced to leave for education and work.

Some testified that they couldn't sell their houses because of a lack of broadband. Finally, one person made an eloquent statement about the importance of broadband in rural Maine:

People living in rural coastal and island communities across Maine hope to have the same opportunities as the rest of the country: to make a living, to raise a family, to access healthcare, to educate their children and themselves, and to share their experiences with others. If we expect to sustain the quality of life in Maine, then we need to connect the state with the rest of the country and provide innovative ways for residents to make a living, access healthcare and education, and reach businesses and customers. Slow and unreliable internet connection is no longer an option if we want to sustain Maine's rural communities. It's imperative that rural Maine can access and afford broadband. Think about where blueberries, blueberries, potatoes, timber, mussels, clams and lobster come from. Think about that tourism that rural communities significantly contribute to the economic wellbeing of this state. Most of Maine's island and remote coastal communities have incredibly slow and unreliable internet access. They cannot rely on only their neighbors as their customers or as their second employers. Broadband opens up so many possibilities for a second household income, for 21st century education and healthcare, and to reach markets beyond individual communities and states.

This is the challenge.



December 2, 2015

Mr. David Maxwell
ConnectME Authority
78 State House Station
Augusta, ME 04333

Re: Draft Detailed Triennial Strategic Plan for Broadband Service – November 12, 2015

Dear Mr. Maxwell:

The Finance Authority of Maine (FAME) appreciates this opportunity to comment on the ConnectME Authority's Draft Detailed Triennial Strategic Plan for Broadband Service, dated November 12, 2015 (Draft Plan). At this time, our comments are limited to Objective 4C. Create a 5-year Broadband Capital Improvement Program for Maine.

As indicated in the body of the Draft Plan, there is no universally accepted definition of the desired broadband capability (i.e., transmission speeds of 10/1mbps, 25/3mbps, 10/10mbps or 100+/6+mbps are all discussed). Further, the Draft Plan does not establish a universally accepted minimum level of broadband service, access and availability for each residence and business in the state of Maine. Both of these conditions, the establishment of a minimum agreed upon broadband transmission speed and the establishment of agreed upon minimum access and service level standards, will impact the total cost to implement it and are, therefore, prerequisites to creating an effective five-year capital plan.

Given the need for clarity of goal, the proposed deliverable date of July 2016 appears to be overly aggressive and likely unworkable. A capital plan delivered in July 2016 would be required to make a myriad of assumptions, which would be subject to significant change as other objectives within the Draft Plan progress, thereby requiring significant re-work and recasting. Further, delivery of a premature capital plan may result in certain unrealistic expectations, which ultimately may not come to fruition, impeding the overall success of the triennial Draft Plan.

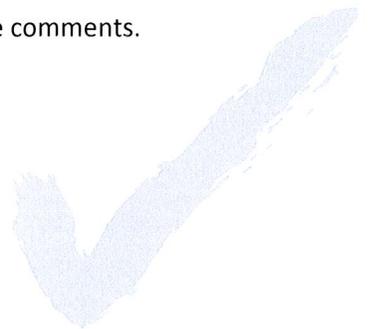
Lastly, although we are honored that the ConnectMe Authority wishes to include FAME as a co-preparer of the five-year capital plan, we think responsibility for such a task should be broadened to include other appropriate entities. FAME's scope and resources are limited by statute to supporting Maine businesses. There are other sectors of the Maine economy which FAME cannot directly support, including: residential housing; real estate development; personal or household lending and municipal finance. Therefore, for the five-year capital improvement program to be effective, we strongly recommend that other state agencies be included in the formulation of Objective 4C, such as: the Maine State Housing Authority; the Maine Municipal Bond Bank; the Maine Health & Higher Educational Finance Authority; the Department of Economic and Community Development and the Department of Transportation, as well as representatives from the private sector.

Please contact me if you need any additional information or have any questions on these comments.

Sincerely

A handwritten signature in blue ink that reads "Carlos R. Mello".

Carlos R. Mello
Director of Business & Finance



FORT FAIRFIELD

- A PASSION FOR COMMUNITY -

ConnectME Authority
78 State House Station
Augusta, ME 04333

December 2, 2015

Dear Members of the ConnectME Authority,

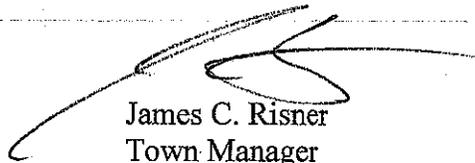
We have read the ConnectME Authority's Draft Detailed Triennial Plan for Broadband Service and appreciate the effort staff and stakeholders have put into this document. We also appreciate the work the ConnectME Authority has done to improve Internet access and speeds throughout Maine since the Authority's inception in 2006.

Objective 4B seeks to "Shift the current ConnectME Authority broadband infrastructure grant program to a 'need-based' approach, targeting areas where no broadband service currently exists." We wholeheartedly support this change in approach, but worry that the adoption of 10 Mbps/10 Mbps as the minimum standard for infrastructure grants will deter private investment in rural parts of Maine where incentives in the form of grants and loans will not be enough to off-set the cost to construct and maintain broadband service. We respectfully request the ConnectME Authority to look closely at existing service in rural communities and consider the positive impact of enhanced connectivity below the 10 Mbps/10 Mbps threshold. While developing a robust and symmetrical broadband system is a wonderful goal, the reality is many rural customers that live at the end of the last mile will never see the type of investment needed to implement this standard. We ask the Authority to see the benefits of improved service in the most rural of locations that currently are not served as a step in the right direction, and not discount the merits of projects that cannot meet the 10 Mbps/10Mbps standard.

The Target in Objective 4D of the Draft Plan states "Through the coordination between Fairpoint and the ConnectME Authority, local community officials gain a voice in Fairpoint expansion plans." We appreciate the ConnectME Authority's desire to assist communities as they work with FairPoint and would like to know how the Authority plans on helping local communities gain a voice in discussions with FairPoint.

We remain committed to seeking a solution for our community, working with private and public partners to improve our connectivity. We ask the ConnectME Authority to consider our position and work with all of us to do what is needed to find solutions that bring broadband to the last house or business at the end of the last mile.

Respectfully yours,



James C. Risner
Town Manager

12.4.2015

To

ConnectME Authority
78 State House Station
Augusta, ME 04330

Dear Members of the ConnectME Authority,

Having attended many meetings, summits, and conferences, and discussed the situation at length with other municipal agents, we have come to truly appreciate the varying needs and goals of communities that are actively seeking to improve their Internet connectivity. Our community of Fort Fairfield, a rural community with a population of about 3500 in central Aroostook County, is a perfect example of the complex nature of expanding broadband service. We have a school department that is connected to fiber and easily achieves speeds more than eight times the Authority's new definition of broadband, 10/10Mbps, and an urban core which has service options, with Time Warner Cable and FairPoint both providing service to residents in this more populated part of our community. Yet, just a stone's throw down the road, or even sometimes just across the street, those services stop being available, and residents struggle mightily to get connected, often with unreliable service that cannot be measured in whole numbers, but fractions of a Mbps.

We have spent countless hours meeting with service providers and stakeholders and talking with residents and business owners and understand there is not one simple solution that will remedy the challenges faced by rural Mainers. Internet speed and reliability are among the many services that are deficient, yet the irony is that improved connectivity will improve economic opportunities in these areas with few other options for population or economic growth.

We request the ConnectME Authority base their awards of critical infrastructure grants on current connectivity, or lack thereof, and focus its efforts on connecting the truly underserved populations. While we appreciate the desire to seek symmetrical Internet speeds as the amount of bandwidth needed by consumers and businesses continues to increase, we believe strict adherence to this standard for infrastructure grants ignores the plight of our truly underserved consumers at the very end of the last mile – the most costly and challenging segment of our population to serve and the ones we believe ConnectME Authority should be most focused on reaching. We have been told by service providers and industry experts that

Fort Fairfield Chamber of Commerce

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Fort Fairfield, Maine 04742

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tgoff@fortfairfield.org



12.4.2015

achieving 10/10Mbps service in these unserved areas will be too costly and not provide the necessary return on investment for the private companies to partner with us to complete projects to serve these areas - even with incentives provided by the municipality, state and/or federal government.

While we believe that fiber to the home is the best current technology available to ratchet up to handle the amount of bandwidth consumers will need in the future, and to achieve the 10/10Mbps symmetrical speed that is now the standard, requiring 10/10Mbps for every community, regardless of location and current service level, will only mean more-populated areas will see investment and funding to improve service that our rural residents could only dream about.

We remain committed to seeking a solution for our community, working with private and public partners to improve our connectivity and hope that the ConnectME Authority will consider our position and work with all of us to do what is needed to find solutions that bring broadband to the last house or business at the end of the last mile.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Goff', with a stylized flourish at the end.

Tim Goff

Executive Director, Fort Fairfield Chamber of Commerce

tgoff@fortfairfield.org



12/3/15

Re: Triennial Strategic Plan for Broadband Service
ConnectME Authority

Members of the ConnectME Authority,

Upon review of the draft Triennial Strategic Plan for Broadband Services, GWI has some questions and comments. Overall, the draft plan is a good starting point toward progress. The objectives laid out in the draft touch upon key components that will aid in the momentum of reaching the ambitious goal set by the legislature of universal broadband coverage in the state.

Initially, GWI's immediate concern is that the draft plan references that the capital investment, both public and private, will need to be in the hundreds of millions of dollars. We feel that the needed expenditures in broadband expansion will far surpass that number and will likely be in the billions of dollars. Given the dire need for adequate broadband in so many regions and the sheer size and rurality of the state, the costs to upgrade and expand networks will likely be far greater than that referenced in the draft.

Another concern is the potential lack of resources to execute such a robust plan. Given the size of the ConnectME Authority and the time and attention that a plan, such as this, will require, it may be of benefit to look for assistance from other state agencies, including the PUC, for implementation of some of the objectives laid out in the draft.

The rest of the Company's responses, questions, and comments per specific objectives are as follows:

Objective 1A.

The importance of measuring tools, benchmarks, and progress tracking cannot be understated. In order to work towards a solution, the state needs to have a comprehensive understanding of where we stand currently. The more accurate depiction of the state of broadband in Maine we can achieve, the more focused a solution can become. However, in the past, specifically with the generation of the broadband maps used by the Authority, there have been issues with inaccurate reporting. Is there a plan to address the inaccuracies reported by the service providers going forward?

Objective 1C.

Does such a repository currently not exist? It is GWI's understanding that the PUC, at one time, had a working database with infrastructure per provider. If such a repository is created, who will be viewing the information and what will be done with the data?

Objective 3B.

Changing the federally mandated E-Rate rules to leverage MSLN for neighboring homes and businesses is an excellent idea. However, GWI has a concern that the timeline in the draft may be unrealistic. Making such drastic changes to Federal rules could take years.

Objective 4B.

GWI fully recognizes the importance of getting connectivity to those who have no access to broadband currently. It puts those lacking access at a severe socio-economic disadvantage. However, changing the Authority's approach to focus on areas where no broadband currently exists will benefit few at the expense of many. Given that all telecommunications users, regardless of location, pay the monthly tax that funds the Authority, allocating grant money to a small portion of the state does not seem appropriate. The Company understands that there are communities and areas with no broadband service; however, there are far more communities that lack sufficient broadband that are also struggling greatly. To prevent underserved communities from receiving grant money simply because they can get a megabit of download speed does not seem like a solution to the overall issue of poor broadband in the State.

We thank the ConnectME Authority for its hard work in putting this draft together. It is apparent that a great amount of thought and effort was put into this. Objectives such as creating indicators, implementing dig once practices, and raising awareness and education are all components that need to be implemented to see any progress towards a solution. One of the most crucial objectives should be expanding investment and finding funding sources for broadband. Without financial assistance, whether it be state or federal, service providers and communities in Maine will struggle to come up with the capital to build, upgrade, and expand infrastructure.

We look forward to helping any way we can.

Best,

Colin Haley
Government Relations
GWI

Island Institute
386 Main St
PO BOX 648
Rockland, ME 04841

December 1, 2015

David Maxwell
ConnectME Authority
78 State House Station
Augusta, ME 04333
david.w.maxwell@maine.gov

Mr. Maxwell:

Thank you for providing the opportunity to submit comments on the draft strategic plan ahead of the ConnectME Authority Board's vote on February 12. The Island Institute works to sustain island and in remote coastal communities throughout the state. These communities are integral to Maine's identity and a crucial part of its history, heritage and culture. They are also home to some of Maine's most important industries. Yet they are struggling to survive as their populations continue to age and young people relocate.

The Vision and Introduction of the draft strategic plan outline the importance of improving broadband. People living in rural coastal and island communities hope to have the same opportunities as the rest of the country: to make a living, to raise a family, to access healthcare, to educate their children and themselves, and to share their experiences with others. We need to connect the state with the rest of the country and provide innovative ways for Mainers to make a living, access healthcare and education, expand their customer base, and improve their economic future. High-speed, reliable internet connection that is universally available, reliable, and affordable would be a major tool for sustaining and strengthening these communities.

The Maine Broadband Strategies listed in the draft strategic plan target the needs of Maine's communities: Communities are first met with the question of what infrastructure exists and is needed for improving availability and affordability of broadband, given the vision of the community. It has recently become clear that addressing these needs will substantially expand the responsibilities of the ConnectME Authority. The Island Institute is pleased that the ConnectME Authority will take action to collect and provide infrastructure information with a new repository. Additionally, we are glad to see that the ConnectME Authority sees funding planning grants as essential for improving broadband infrastructure.

Technical assistance staff is listed in a performance measure under the objective of creating technical assistance capability of the ConnectME Authority. This is the one place in the plan that alludes to additional staff. In addition to clarifying that additional staff would be hired, the ConnectME Authority is encouraged to consider adding staff to meet objectives elsewhere in the plan. The plan outlines a great number of new responsibilities for

ConnectME Authority staff. Without adequate staffing levels, it may be increasingly difficult to achieve the targets outlined in the plan considering the additional workload brought on by the ambitious new scope of work.

Strategy 4, expand broadband investment in Maine, includes an objective of regulatory reform; however, it also includes an objective that continues a focus on last-mile development or unserved areas, rather than a broader focus on higher-capacity broadband services. Slow or unreliable internet connection is no longer a viable option if we want to sustain Maine's rural communities. Having 0.8mbps/0.2mbps is not equivalent to having broadband. A needs-based approach targeting *only* unserved areas hinders the opportunity to bring to rural Maine the 21st century education and healthcare, a possible second household income, and the ability to reach markets beyond individual communities or states. It's imperative that rural Maine can access and afford reliable broadband.

Strategy 4 also includes the objective of creating a capital investment plan. We agree that the "current state funds available in Maine to stimulate broadband expansion are inadequate," and it will be important that this funding be available quickly and over the term of any infrastructure development project. Due to its rural nature, Maine, and especially its remote coastal and island communities, is unlikely to see incumbent providers upgrade or install infrastructure without increased incentive to do so. Both private and public funds are needed to help continue innovation and build necessary infrastructure. The whole state benefits from having citizens that are employed, educated and healthy, and improved broadband for rural communities can help drive those goals.

Strategy 5, Raise awareness and skills, will help counteract the density of demand that is lacking in much of the state. There are groups that work to increase adoption and use of this high-speed, high-quality broadband, so that Maine can use it to its best advantage, and we are pleased to see that the ConnectME Authority will continue to work with existing programs to promote digital literacy. Technology is constantly improving, so standards must constantly be raised. The network in the state must provide high-quality broadband that strengthens Maine's economy, increases access to education and healthcare, and makes it possible to sustain Maine's quality of life. ConnectME Authority partners can help gauge the status of success and help identify when new opportunities arise to achieve these larger goals.

In general, we applaud the work of ConnectME Authority thus far and its plans for the future. Reliable broadband infrastructure on islands and in remote coastal communities is, quite simply, about sustaining a way of life that we, as a state, value. It's about keeping Maine's rural communities viable into the future.

Sincerely,

Briana Warner
Economic Development Director
bwarner@islandinstitute.org

From: [Fred Pierce](#)
To: [Maxwell, David W](#)
Subject: strategic plan comments
Date: Thursday, December 3, 2015 11:03:32 AM

I have reviewed the Draft Triennial Strategic Plan and have the following comments:

As mentioned in the draft, incentives to use and invest in broadband are important. A major incentive, also mentioned, is to attract remote workers and businesses. My own plan is to market to and encourage those who can work remotely to relocate to Lubec and build our year-round community. Essential for these remote workers is not only internet speed, but reliability. The latter in some cases is even more important than speed.

Although "reliability," "quality" etc. are mentioned, there is no section in the plan that specifically points out or addresses this topic. There is potentially very high risk involved for a worker relocating his or her family to a remote area (Maine in general and rural municipalities in particular). A loss of connectivity due to weather, power failure etc. at a critical time can jeopardize the worker's job, and until such time as Maine employment opportunities greatly improve, not much prospect for reemployment.

Although I was successful in working remotely for five years, I know these concerns first hand. The center I supported was in Maryland. People there were excused from work for a serious storm there, but I was not excused if a storm in Maine caused an outage for me.

If we are going to encourage people to pioneer a "bring your job with you" concept, we need to be able to answer questions about reliability standards and infrastructure. Reliability is not just about the providers, but about the poles and power lines and the maintenance policies, redundancy etc.

I think this is a topic which needs to be at least a separate heading to ensure that it is not overlooked. The fastest internet conceivable is useless if a line is down. Also, our realtors, chambers of commerce etc. should be able to honestly emphasize this feature or our marketing efforts will be limited by uncertainty.

The following is excerpted from an example supplied from a neighbor:

"Broadband Internet has improved dramatically over the past 10 years. However, high quality Internet is not just about the cables, radio antennae, and DSL lines. It is also about the poles and structures they are mounted on. I have very, very old rotten poles bringing the power, phone, and cable lines from the road to my house. The cable on these poles has cracks or breaches that disrupt my cable service where we have wind, rain, ice, or snow. TWC will not climb rotten poles. I cannot get my Internet issues fixed until the poles are replaced. I requested pole replacement 3 years ago with Bangor Hydro. For a variety of reasons, Bangor Hydro and Emerald have lost the plans and orders several times over the last 3 years. I have an order in place now that was approved back in March. Nothing has happened. I have been calling regularly and am told each time that my order has been escalated and someone will call me back within 24 hours. No one has ever called back..."

This illustrates the need for a plan to coordinate and set standards of performance among the myriad components that are involved in producing a reliable end product. The "dig once" and oversight committee mentioned in the plan are a start.

Thank you for your efforts in advancing connectivity in Maine. I am extremely grateful to have been able to move to Maine and continue working, solely because of broadband availability in Lubec. I believe it will be even more useful in reversing our population loss and aging demographic, building a full time customer base, increase our tax base, and provide new skills and volunteers to keep our town viable and growing. I'm sure the same can be said for other towns in Maine.

Fred Pierce
733-4570

From: [Mary Beth Feldman](#)
To: [Maxwell, David W](#)
Subject: Strategic plan comments
Date: Sunday, November 29, 2015 10:45:47 AM

Dear Mr. Maxwell,

I saw the ad in the Maine Sunday telegram about your strategic plan. I skimmed it and it seems laudable in all of its intentions. However, let me offer up another sad "broadband" tale.

We live at W. Burrough Rd., Bowdoin. This is 12 miles from Brunswick and 12 miles from Lewiston, hardly the vast northern reaches of the state. We have no cable on our road, the result of a refusal by the cable company that serves much of the town to bother with our road (of approximately 40+ households, a few of which fall into the town of Lisbon) because it is not connected to the rest of the town except by a long ago discontinued road (which Google Maps shows as an actual road—not true). DSL does serve the road—but only so far. We are just a bit too far; we can see other homes that do get DSL, although that service is exceedingly slow for those "lucky" homes. Our television comes via DirecTV, but users of HughesNet, the broadband satellite provider, don't have much good to say about it (expensive, poor service, etc.). So we rely on a cellular modem from Verizon (4G most of the time, 2 bars) to get our "broadband." This is the device that most people use to connect laptops while traveling. The plan is data-capped, expensive, and very very slow. Streaming? You have to be kidding. Our adult children groan in frustration when they visit us with their devices in tow and find that they have descended into the back hole of reception, the broadband equivalent of dial-up (and yes, we had that for a LONG time).

A quick search of our home on the "connectivity" link on your web site shows that we are eligible for that oh-so-slow DSL, but a recent call to GWI indicates that we are not.

I keep reading about plans to bring broadband (the good fast kind) to places like my road and I do get hopeful, but we have been waiting for a long long time. It perplexes me that a state that proclaims itself "open for business" makes so little effort to bring fast broadband to parts of the state away from the towns and cities—in our case merely 12 miles from the coast in southern Maine. All of the love that politicians like to shower on the concept of thriving small businesses is just empty rhetoric if access to the Internet is unacceptably slow.

I put the lack of fast broadband right up there with the lousy bridges, crumbling roads, and all the rest of the rotting infrastructure. You can quote me.

Mary Beth Feldman

Telecommunications Association of MAINE

Benjamin M. Sanborn

P.O. Box 5347 Augusta ME 04330

TEL: 314-2609

E-MAIL: Ben@SanbornEsq.com

December 4, 2015

David Maxwell
ConnectME Authority
78 State House Station
Augusta, ME 04333-0078

RE: Comments on Strategic Plan

Dear Mr. Maxwell:

The Telecommunications Association of Maine (TAM) offers the following preliminary comments on the draft Detailed Triennial Strategic Plan for Broadband Service dated November 12, 2015 ("Plan").

While TAM appreciates the effort that has gone into the Plan, it does not appear to address the single most critical question, namely what is the goal of the Plan? Is the goal to achieve gigabit service to all Maine citizens? If so, at what monthly rate? Is the goal to achieve a fiber network to all locations in the State? If so, who pays the cost and who manages the network? Is the goal to provide 10/10 service to business locations and 10/1, or 25/3, service to residential locations? What rates are acceptable for such services? How will the needs of groups of citizens such as the Deaf and Hard of Hearing community be identified and addressed? How will the needs of the elderly be identified and addressed? The core problem with the Plan is that when asked the question "What are the broadband needs of Maine", rather than offering a detailed look at the various sectors of the State and identifying what those individual sectors need, the Plan simply responds with "More". This does not form the basis for an empirically measurable program with a quantifiable cost-benefit analysis. TAM suggests that the Strategic Plan include specific goals for service in order to provide a concrete interpretation of how to achieve the Policy that "Broadband service be universally available in this State". For example, the Strategic Plan could indicate that in order to achieve the various goals set forth in the legislation, the State should have a goal of ensuring that all residential customers have the ability to obtain service of at least 6 Mbps download and 2 Mbps upload speed, all small businesses have the ability to obtain service of at least 10 Mbps download speed and 10 Mbps upload speed, and all large businesses have the ability to obtain service of at least 100 Mbps upload speed and 100 Mbps download speed. These are simply suggestions to get the conversation started, and pricing would likely have to be included as part of the ultimate decision of what the State goals should be, but the key point is that including specific quantifiable goals at this point in time would allow the State to actually determine what can be accomplished through the market and what cannot and prioritize resources accordingly.

TAM does not dispute the intentions of the proposed objectives in the Plan, simply the implementation. Broadband is expanding rapidly in the State on its own. Several of TAM's members are deploying fiber projects throughout the State, as are FairPoint and Time Warner. Wireless is rapidly advancing their capabilities, which brings with it a greater need for backhaul to avoid bottle-necks in the rural parts of the State, and many different companies are meeting these backhaul needs. If the State has a concrete and clear plan that will assist companies in determining where and how to build out services in a manner that will meet the State's defined needs, that would certainly be a positive outcome from this process. Unfortunately, the Plan as presented does not accomplish this, instead it adds new uncertainty to the market. Potential loans could be helpful, but it's not clear now what those loans would be for, or what strings would be attached. Such ambiguity can lead

companies to wonder whether to build now in areas where they can make a return or wait to see what the loans will be like to see if there is somewhere else to build. If the public sector, whether it is municipalities or schools and libraries, will be empowered to enter into the competitive market, does that mean companies should stop investing in municipalities where there may at some point be a public incursion, or stop supporting the Maine School and Library network to avoid funding a competitor? In a market where capital is at a premium, companies and investors may start to question whether Maine remains a State where they can maximize the return on their investment.

Based on these considerations, below are TAM's specific thoughts on each proposed objective, including whether an objective should or should not remain in the Plan. Hopefully, this process will be used to focus on those items that all parties can support at the legislature to avoid unfortunate fights over contentious issues that could end up damaging the viability of the Plan as a whole.

1A Issue an annual Maine Broadband Indicators Report

Data is crucial in determining how well programs are or are not working and whether they should continue. However, the data needs to be specific and quantifiable. The Plan says the report should benchmark "where the state stands with regard to broadband access, affordability, and quality", but benchmark based on what? What levels of access? There is a reference to using FCC data, but the FCC has a different broadband definition than the State, how would this information be synthesized? Affordability for what level of service and to whom? Is it based on maximum available service, or services actually taken? How is quality determined? Are those the only indicators to be measured? This Plan is supposed to be the detailed report to the Legislature that is ready to implement on Day 1. As such, this Indicators Report needs to be spelled out with much greater levels of detail in order for it to be useful. However, with that said, TAM supports this Objective and believes it should remain in the Plan.

1B Determine the effectiveness and impacts of broadband infrastructure grants

This is certainly something that is long overdue and the information would be useful. TAM supports this Objective and believes it should remain in the Plan.

1C Establish a secure and confidential repository within the ConnectME Authority for all middle-mile and last-mile broadband service provider network infrastructure information

Creating a repository for data throughout the State would be a time consuming, administratively costly, and almost immediately inaccurate way to accomplish the goal of determining what infrastructure exists within a community. TAM believes that the ConnectME Authority can and should use its ability to issue protective orders to assist municipalities engaged in a gap analysis. However, TAM believes the only efficient and effective way to do that is by gathering the data for a specific community at the time the community is actively engaged in a gap analysis and then allowing the Authority to gather the data confidentially and share it on an aggregated, non-company specific, basis with the community at that time. Creating an up-front global database increases the risk of exposure of confidential data, thereby reducing the chance that companies will agree to provide such data. A repository would also increase the chance that a community will be basing decisions on stale and inaccurate data. TAM believes that the Plan should include an amended version of this Objective that would clarify that the data is collected and utilized on an as-needed basis.

2A Implement a local planning grant program

TAM supports this Objective and believes it should remain in the Plan.

2B Create a local technical assistance capability at the ConnectME Authority

While TAM supports utilizing the Authority as a resource for Broadband deployment, it is not clear what is meant by a “list of qualified broadband planning vendors”. What qualifications would a company have to have? Who would certify that they meet the qualifications? And why would this be superior to the Municipality simply issuing a local RFP for a planning vendor? TAM believes that an amended version of this Objective that included a directive for the Authority to maintain a list of vendors who have expressed interest in assisting in these planning projects, without any further ranking or qualifying of the vendor list, should be included in the Plan.

3A Create the Maine Broadband Council

TAM believes that one of the key goals of any State Council of this sort must be to determine how State Agencies can support broadband deployment within their own missions, not only through direct means such as allowing placement of facilities on State owned buildings, but also through the advancement of digital government by actively promoting access to services online for the same or less than the cost of doing it in person. For example, currently, many State agencies pass along payment processing fees for online services, which impedes the growth of digital government by treating the availability of online services for citizens as a luxury item with a distinct cost to be borne by citizens rather than a basic service obligation of every State agency in the 21st Century. A Maine Broadband Council could help in identifying this and other governmental roadblocks to adoption. As such, TAM believes this Objective should remain in the Plan.

3B Leverage school and library broadband capacity to serve rural Maine

There are numerous legal issues with this proposal, some of which are identified in the Plan. If schools and libraries begin to actively compete against private companies utilizing the facilities provided to them by private companies through funds obtained through those same companies’ customers, the E-Rate on interstate service bills and the Maine Telecommunications Education Access Fund surcharge on Maine intrastate customers, there will be a strong disincentive to bid for any future school and library programs as a company would essentially be forced to provide its facilities to allow an entity to compete against the company. Rather than improving services to surrounding areas, this proposal could end up damaging the existing school and library network. TAM strongly opposes inclusion of this objective in the Plan.

3C Formalize a Dig Once practice among the ConnectME Authority, the Maine Department of Transportation (MDOT), and other local utility services

This process was already the subject of an earlier legislative stakeholder group which determined that:

“Strictly speaking, a Dig Once policy has limited applicability in Maine. The Maine Department of Transportation (MDOT) rebuilds only 10-60 miles of its approximately 8,500 miles of road each year ... A blanket policy of installing broadband conduit in every construction site would lead to multiple, unconnected fragments of broadband.”

Broadband Infrastructure Deployment Working Group Report, submitted to the Joint Standing Committee on Energy, Utilities and Technology, and the Joint Standing Committee on Transportation in February, 2014, at p. 5. Moreover, the single biggest issue which the Plan does not address is who would install the fiber into the conduit, who would maintain it, and who would pay for it? Perhaps prior to promoting this as an Objective, MDOT and municipalities should meet with service providers to determine how to answer these questions. TAM believes this proposal should not be included in the Plan.

4A Seek public, administrative, and legislative support to repeal the statutory exemption for any facilities-based provider of wireless voice or data retail service that voluntarily chooses to be assessed by the ConnectME Authority pursuant to section 92511

While TAM would certainly like to see the base of contributions expanded to include all of TAM's competitors, including wireless providers, it is not clear whether this is part of a Strategic Plan or simply a one-time effort to seek to expand funding for ConnectME. TAM believes this proposal should not be included in the Plan.

4B Shift the current ConnectME Authority broadband infrastructure grant program to a "need-based" approach, targeting areas where no broadband service currently exists

TAM supports this Objective and believes it should remain in the Plan.

4C Create a 5-year Broadband Capital Improvements Program for Maine

In this Objective, the Plan states that:

“What is needed is a comprehensive look at projected overall broadband investment needs over the next five years, a projected role for state financing help, a recommendation for sources of funding for the effort, and recommendations for how to structure the assistance (grants, loans, auctions for serving uncovered areas, etc.).”

The problem here is that, absent a clear goal as discussed above, there is absolutely no way to determine overall broadband investment needs. TAM does not believe it would be appropriate to essentially foist this critical core issue onto a subcommittee that does not report directly back to the legislature. This Plan needs to incorporate sufficient specific broadband goals to permit some other group to work out the details of overall investment needs, because the goals are first and foremost a policy decision that must be adopted, or at least approved, by the Legislature. This particular Objective should not be implemented until the Legislature has determined the specific broadband goals of the State. Accordingly, if the Plan is revised to include specific numerical goals for broadband as discussed in the introductory paragraphs above, TAM would support this Objective. However, if the Plan is not revised to include specific quantifiable goals to achieve universally available broadband service, then this Objective should not be included in the Plan.

4D Create a working partnership with Fairpoint for the implementation of its \$80 million "CAF-2" program in Maine

TAM does not have a position on this Objective.

5A Continue and expand successful programs to promote digital literacy among consumers and businesses

TAM supports this Objective and believes it should remain in the Plan.

5B Create public-private advertising campaigns encouraging broadband use

This Objective proposes:

“A joint advertising campaign, funded for the most part by private companies (who would be the financial beneficiaries of increased use), but led by ConnectME Authority staff, would contribute to changing the attitudes of Maine people.”

TAM does not oppose advertising campaigns, but TAM’s members already actively market their services. It is not clear how a joint advertising program would be directly beneficial to any company beyond its current advertising program. Moreover, TAM is not aware of any data showing that there is a failure to advertise broadband service in the State. If the Legislature feels it is appropriate for ConnectME to utilize its own resources, which to be clear are already being provided through a surcharge on companies rather than through the general fund, to do Public Service Announcements about the benefits of broadband, that would be fine. However, TAM would oppose any additional assessments for joint advertising. Given that Public Service Announcements are something that the ConnectME Authority can do if it wished, TAM believes this Objective should not be included in the Plan.

6A Provide consumer advice and assistance relative to broadband service in the Office of Public Advocate

TAM does not oppose this Objective and believes it should remain in the Plan.

Sincerely,



Benjamin M. Sanborn, Esq.
Telecommunications Association of Maine

Triennial Plan Comments:

Submitted by: Tilson

Contact: Sue Inches, sinches@tilsontech.com

The Triennial Plan reflects thoughtful work and contains many good recommendations. We appreciate the good work being done by ConnectME to improve internet services across the state. Our comments on the Plan are given below:

1. Allocation of Grant Funds:

a. Scale the grant awards based on population:

\$25k may be enough for a basic planning grant for a small town. However, to carry out the planning steps outlined in statute will generally cost more. As an example, a recent Tilson planning project quote for a town of 4000 was \$47,000. Plans for larger towns or regions typically cost between \$50,000 and \$100,000. These plans meet the statutory planning requirements and include:

- Working with communities to clarify vision and goals
- Assessment of existing infrastructure and services
- Identification of gaps in service
- Community survey (on-line)
- Recommended solutions
- Network design
- Capital cost estimates
- Operating cost estimates
- Economic and social impacts

Our recommendation is to allow a sliding scale for planning grants as follows:

- Populations < 2500: \$25,000
- Populations of 5-15,000: \$50,000
- Populations >15,000: \$75,000+

b. Encourage regions or groups of towns to apply jointly for grant funds:

Costs can be reduced by planning regionally or for several towns together rather than on a town by town basis. The cost reduction is primarily in reducing the number of community and client meetings needed. Tilson has been approached by several groups of towns for planning work. These include Maine Islands, Rockland-Rockport-Owls Head, and Windham-Standish-Raymond-Gray. Regions should be allowed and encouraged to apply jointly for planning funds. They should receive an appropriate grant amount, which would be 10-20% less than if they applied for grant funds separately.

c. **Prioritize planning proposals with matching funds:**

Towns should be encouraged to match state funds and proposals that include match of 50% or more of the requested amount should be given priority in the selection process. In kind services such as the time commitment to administer a planning project could be counted as match. A match requirement will ensure that that towns are fully committed to the work.

d. **Raise the total annual grant allocation:**

We are aware that ConnectME funds are limited. However, the landscape is changing quickly for broadband, with Maine falling further behind each year. The timeframe from planning to implementation is currently 3 years for each community. Our recommendation is to accelerate the planning process by awarding as many grants as possible over the next 1-3 years, even if that means that less funds are available in later years.

e. **Select planning vendors who are neutral and objective:**

ConnectMe should take care to list or recommend only planning consultants who are neutral and objective. ISPs or their affiliates who offer a single technology solution are apt to use the planning process as a way to promote their particular solution. A neutral and objective planning consultant will seek solutions that will best serve the needs of the client community.

2. Planning Grants to Support Sustainability and Interconnection

Once towns have committed to build a fiber network critical planning tasks are needed to assure that the network is sustainable, maintained and well managed. Without this additional planning, a municipality could build dark fiber that stays dark. We recommend adding a “System Sustainability Planning Grant” category. Small planning grants of \$10-25,000 would allow municipalities to plan and structure the services needed to fully implement and operate new fiber networks. Eligible activities include:

- Setting up infrastructure for doing business with Internet service providers—a billing system, website, contract management
- Marketing the fiber and structuring agreements with Internet Service Providers
- Contracting for on-going maintenance and management of fiber and fiber facilities
- Partnering with adjacent system operators and other utilities (phone, electric) to assure seamless interconnectivity, coordination and co-location of facilities

3. Collect Data for Maine Broadband Indicators Report

We appreciate the need to understand the efficacy of state planning and infrastructure grant programs and support the proposed Annual Reports. Grant recipients should be interviewed annually after 1, 2 and three years of receiving funds. Information that should be gathered

includes:

- a. Barriers and constraints to completing planning and implementation projects.
- b. Length of time from beginning planning through implementation.
- c. Number of premises with improved broadband service as a result of funded projects.
- d. Type of technology used and resulting upload and download speeds.

4. Eliminate the Advertising Campaign

We understand the need to increase internet use across the state. However, we do not believe that an advertising campaign would be effective. Ad campaigns need to be sustained for long periods, and employ multiple media to bring the message to consumers. This is very expensive. Smaller or shorter ad campaigns have limited impact and are often not worth the investment. Competitive peer pressure is the best incentive for businesses to increase their internet presence. Younger employees will also drive internet use. We do not see an ad campaign as an effective use of ConnectME funds.

5. Add More Context on Who is Served and Who Isn't.

The strategic plan needs to provide more context on larger businesses, nonprofit and government organizations. Most of these (hospitals, larger businesses, etc.) have purchased their own high speed internet, because they can afford the high cost and because they cannot run their business without it. Additionally, the Maine School and Library Network (MSLN) has connected almost all schools and libraries with high speed gigabit service. So our larger organizations are well served, albeit at a high cost.

The unserved and underserved are small businesses, municipalities and residents. There are cost and access issues for this group that need to be addressed through public policy. Should there be public subsidy? How much and what are the priorities? The plan needs to lay out this situation more clearly and show how the strategies in the plan address it.

6. Check the Accuracy of Charts and Maps

The bar graph on p. 14 appears to say that 80% of Maine people have access to internet speeds of >50mbps, when we know that only 12% of people have 10/10 service under the new broadband definition. Similarly, the map on p. 15 appears to overestimate the number of households with 10/10 service (80-100% in some areas.) Please check the charts and maps for accuracy, as inaccurate data changes the meaning of the report.

7. Check the Use of the Word "Broadband"

The report uses the word "broadband" in places where it should say "internet". For example, p. 16 says "55% of Maine broadband users have access to four or more providers...". With only 12% of Maine internet users having "broadband" under the new definition, the words "internet users" would be more accurate here. We suggest going through the entire document and checking to make sure "broadband" is not being used generically to mean "internet". Going

further, since the term broadband is confusing to many people, using the words “high speed internet” where true broadband is indicated would also clarify the report.



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December 11, 2015

VIA EMAIL

David Maxwell
ConnectME Authority
78 State House Station
Augusta ME 04333

Re: *Comments to ConnectME Authority Draft Triennial Strategic Plan*

Dear Mr. Maxwell:

On behalf of Verizon, we are pleased to provide comments to the Authority's Draft Triennial Strategic Plan for Broadband Service dated November 12, 2015.

As an initial matter, Verizon is generally supportive of comments submitted by Sprint, ATT, and Time Warner Cable. In particular, Verizon agrees with comments suggesting that the Authority reconsider the **definition of "unserved area"** from its current definition of 10 Mbps down and 10 Mbps up, which is inconsistent with the definition of service used as part of the Connect America Fund. By retaining such a high upload speed as part of the definition of "served," the Authority may very well end up directing State resources to build out broadband service in regions of the State which meet the CAF 10/1 standard, leaving fewer dollars available to reach areas of the State below 10/1. We certainly agree that, once funds are allocated for broadband buildout, it is appropriate for the buildout to meet more aspirational standards of service, but the decision regarding where to invest should be based on a more appropriate standard such as 10/1.

Verizon also takes exception to **Objective 4A** in which the Authority, once again, is considering a return to the Legislature in order to mandate that mobile telecommunications carriers contribute to the ConnectME Fund, a proposal that the Legislature rejected just this year as part of LD 1063. We have consistently opposed such a policy as it results in an unfair cross-subsidy from mobile customers to fund fixed wireless and landline fiber-optic buildout, which services are unrelated to mobile service, as noted below.

By way of background, when the ConnectME Authority was first established 8-10 years ago, mobile telecommunications carriers were not required to participate in the ConnectME Fund in recognition of the fact that mobile services were very different from fixed broadband services.

Comments of Verizon

December 11, 2015

Page 2

That has not changed, nor will it in the foreseeable future. Mobile service is an important service for Maine, and so is fixed broadband service. Both services are critical for residents and businesses, and State policy should not tax one to support the other. Mobile service differs from fixed base broadband in two key ways: (1) generally, the connection speeds are slower; and (2) the data service is generally not unlimited. These limitations in service reflect the limitations in the spectrum itself. By contrast, fixed base broadband offered by means of wire offers faster and more unlimited access to the Internet. Even fixed base wireless services, which do not offer mobility, allow faster and more unlimited connections. The distinction is important because the ConnectME Authority is appropriately focused on expanding fixed-base broadband, not services related to mobility. In fact, over the past four years for which data was collected, the five major facilities-based mobile telecommunications carriers doing business in Maine have invested, on average, \$110 million per year. These funds have been dedicated to improving the quality of existing service, and expanding the footprint of coverage. Thanks to continued investment, the number of areas unserved keeps shrinking without the need for ConnectME to leverage investments.

Finally, Verizon has concerns about **Objective 1C** to the extent it could result in mobile carriers having to file coverage maps, which are extraordinarily competitively sensitive. In the mobile telecommunications market, there is a tremendous amount of competition as carriers vie with each other to attract customers. Coverage and connectivity are key aspects of this competition, and carriers invest literally billions of dollars to acquire spectrum and install towers in order to provide the quality of services customers demand, and to allow carriers to distinguish themselves from their rivals. A policy that resulted in mobile carriers have to file granular coverage maps risks allowing competitors to gain access to this competitively sensitive information, which could skew the market and negatively impact investments – ultimately to the detriment of customers.

Once again, we appreciate the opportunity to provide comments on this Draft Plan, and we hope the foregoing comments are helpful in this regard. If you have questions, please do not hesitate to let us know.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Cohen', written in a cursive style.

James I. Cohen
Counsel for Verizon

Dave

Per our conversation earlier this week, as requested, I'm happy to provide comments on the strategic plan. My intent here is to provide insight into the important technical aspects in the plan that will strengthen the ConnectME future outcome from the plan. Please allow me to also suggest raising awareness by suggesting Maine become more aware of how Canada and Vermont have been able to move further forward with similar demographics and the physical wireless environment involving path obstructions (topology) and vegetation thus be able to make Internet access gains to serve their rural locations together with the urban cities.

Having gone through the Internet evolution experience from its beginning please allow me to offer these details in your Triennial Plan suggesting further thought should be added before the plan is completed. I'd be happy to attend a formal review and cover my suggestions with more information to help the reviewers.

10/10 Mbps, FCC Tier 5, Maine Standard for Fully Served and meeting the eligibility level required for ConnectME Authority Infrastructure Grants

The 10/10 Mbps requirement for infrastructure grants leaves most if not all the small towns with the most need, as unserved or under served, without economic capability to afford a fiber or high end fixed wireless network to fulfill their broadband needs. The 10/10 Mbps requirement is extreme and is where fiber is the choice for this level of connectivity to homes and small businesses. There are other providers with infrastructure technology that would be a better match for this type of network environment and at far less cost to install. Not even Time Warner cable and Fairpoint DSL meet this speed requirement and are not publicly offering any upgrade future plans that will reach 10/10, the new State standard. Other than fiber, the FCC license exempt fixed wireless broadband technology falls short of meeting this requirement. The Fixed Broadband Wireless 4G LTE as is being introduced by provider Redzone, may be an exception but is reported by users to intentionally be configured with speeds falling short on the up link side. Their networking infrastructure is unique presenting difficulties and big questions should additional service providers seek to offer this infrastructure. And this fixed wireless 4G LTE requires operation on FCC assignment by licensed frequency channels.

Further detailed, currently a trade study of fixed wireless infrastructure technology operating under the consumer license exempt IEEE 802.11 specification infrastructure is still the most popular and will reach 6 Mbps down and 3 Mbps reliably with up with the possibility of reaching 10 Mbps down and lower speeds up from other manufactures. These claimed levels are also sensitive to Access Point and back haul bottlenecks during the more popular times of day for network use. The newer Fixed 4G LTE Broadband Wireless is only offered by Redzone LLC, manufactured by only Acatel-Lucent offers improved fixed broadband service where users are reporting peak performance of 20 Mbps down, 3 or 4 Mbps up. This is an expensive and exclusive alternative using unavailable FCC licensed frequency assignments under a special lease arrangement between the University of Maine and Redzone LLC. It's not available to other providers in Maine. At the same time the popular successful WISP service providers are blending Fiber together with over 10/10 Mbps with Fixed Wireless solutions offering 3 Mbps/2Mbps and are aware of upgrade infrastructure capable of 6 Mbps. In general, to offer this in a grant request the claimed quality of service should be qualified with some technical definition covering the true speed and latency specification through the

network at typical times where network use is above average.

Concluding, I recommend Fixed Broadband Wireless be considered as viable service for the future of ConnectME grants and it should be considered for "fill in" or "gap fill" in rural parts of towns where fiber will remain too costly until the future might reduce cost in five to ten years. This leads to sighting towns where need for a blended solution between fixed wireless and fiber should be the method depending the demographics and other networking detail. The model should be serving the small towns with areas capable of fiber for anchor village, small industry and municipal with the outlying areas covered by fixed wireless where there is a smaller lower cost spread out need.

Objective 2B, Create a local Technical assistance capability at the ConnectME

Authority.

The Authority must be capable of an engineering oversight on the technical performance aspects in grant provided network proposals. The oversight capability must also be able to support communities and the other ConnectME team members with technical audit involving quality of service including technical oversight mediation between provider and community. Network assessment of speed, latency, congestion bottlenecks and server security are requirement examples.

Please do not hesitate to contact me should questions arise from this suggested approach to the future.

John Lawrence

Chairman, Waldoboro Broadband Committee
207-615-2824
j123law@aol.com

December 11, 2015

Phillip Lindley
ConnectME Authority
78 State House Station
Augusta ME 04333-0078

RE: FairPoint Communication's Comments on the ConnectME Strategic Plan -

Dear Mr. Lindley:

We appreciate the opportunity to offer comments on the Authority's draft Triennial Strategic Plan.

The ConnectME Authority should provide further analysis before committing to the 10/10 minimum standard for ConnectME infrastructure grants.

In the draft ConnectME Strategic Plan (on page 3) the Authority cites "ambitious goals" set by the Legislature in 2015 with respect to broadband. Goal A, as listed in the statute, states: "Broadband service will be universally available in this State, including to all residential and business locations and community anchor institutions." FairPoint questions whether there is sufficient analysis in the report to demonstrate whether or not the 10/10 minimum standard for grants is in conflict with the statutory goal of broadband service universally available in the state. FairPoint does not believe that it is. Allowing grants to be received in areas that do not currently have service of at least 10/10 (currently 80-90% of the state) is likely to produce one of two things:

1. Grants in areas that already have access to broadband at speeds that are very good, while not quite 10/10; or
2. High cost grants to areas of the state that do not have sufficient access today that will drain the fund without serving very many people.

Neither of these alternatives will serve to move the needle by providing access to a significant number of people that are without sufficient broadband today.

FairPoint recommends that the Authority revisit the decision to adopt the 10/10 minimum standard for all future ConnectME grants. The authority should provide additional analysis on what speeds consumers actually need, and balance the needs and costs associated with different alternative speed proposals against the goal of universal service in order to produce a plan that will assist all citizens in Maine to obtain services sufficient to engage in a digital society. For instance, during the public hearings, many people indicated that they were without a broadband alternative that would allow their children to do their homework or allow residents to get access to state resources that were available online. This need does not require access to broadband speeds of 10/10.

Additionally, during the Authority's public meetings this fall, many of the participants voiced concern that the 10/10 standard will effectively eliminate any chance that an area without service will qualify for a grant. FairPoint urges the Authority to consider developing a provision to fund projects aimed at providing Internet service to communities without access to speeds at a level below 10/10 and

allow them to apply for projects that provide service at speeds below the current 10/10 minimum standard.

FairPoint does not believe it is good policy to fund a grant to upgrade a community in southern Maine from 25/3 to 10/10, using state funds to pay for it, when a community in a rural area of the state that does not have any Internet service at all beyond dial-up, is not likely to get a grant because of the 10/10 minimum standard. FairPoint believes it is sensible for the ConnectME authority to increase the speed requirement from the former 1.5M/768K, but the company has seen no objective analysis that suggests the next logical speed tier is 10M/10M.

FairPoint also recommends that, when making broad policy changes like the adoption of 10/10, the Authority should hold open meetings to gather public input from those who may be impacted by such decisions. A government agency should follow a policy of transparency and inclusion in making key policy issues. Based on the feedback to the Authority at the public sessions this fall, it appears the public had little chance to provide input prior to the Authority's decision to adopt the 10/10 minimum standard.

Strategy 1; Objective 1C – Establish a secure and confidential repository within the ConnectME Authority for all middle-mile and last-mile broadband service provider network infrastructure information.

FairPoint has concerns regarding the creation of a timely and accurate infrastructure data base. Based on heightened and on-going security issues regarding public access to this type of information, we believe this objective is unrealistic. Providers have legitimate competitive and security concerns that prohibit the release of information of this type. The public would be better served if the authority directed communities to engage with the providers that are currently serving their community in order to obtain information regarding the current infrastructure and service available in that community.

Strategy 2; Objective 2A – Implement a local planning grant program.

FairPoint generally supports the objective to provide planning grants through the ConnectME Authority. However, we caution that this may hinder the funding of ready-made projects to upgrade and expand broadband in areas of the state where it is much needed. Setting the number of planning grants in the first year of the plan at 20 is too high. This objective could potentially divert a total of \$500,000 away from projects that could upgrade broadband across the state.

The Authority should consider reducing the number of planning grants it intends to make available. Also, since the cornerstone of a planning grant is obtaining information regarding the services and infrastructure that currently exist in a community, the ConnectME Authority should encourage communities to use portions of the planning grants to compensate providers for the engineering detail necessary for that community to understand what infrastructure exists in that community. Third-party contractors lack this detail and frequently have to cobble it together on less than perfect information. The money is better spent obtaining the information directly from the source.

Strategy 2; Objective 2B – Create a local technical assistance capability at the ConnectME Authority.

FairPoint applauds the goal of providing greater technical assistance to communities; however, FairPoint does not understand how this will be achieved with the current structure and budget of the ConnectME authority. Without further specificity, FairPoint is currently unable to comment on this proposal in the draft plan.

Strategy 4; Objective 4B – Shift the current ConnectME Authority broadband infrastructure grant program to a “need-based” approach, targeting areas where no broadband service currently exists.

FairPoint has questions about this objective and asks for further clarity. As stated previously, the state should continue to fund projects that bring Internet service to unserved areas at a level less than 10/10. Ensuring that every Mainer has access to the Internet should be a priority, and the 10/10 standard is a clear deterrent to making access to broadband financially feasible. The best thing the ConnectME Authority can do is to find empirical and objective data that suggests what consumers actually need to connect to the digital society, and not create a standard aimed at a few with very specific high bandwidth needs because of their niche role in society.

FairPoint is intentionally avoiding providing what it believes that standard should be. When providers set a standard, it is viewed as self-serving. The reality is that providers have a lot of information regarding what speeds people actually purchase and how that appears to meet the consumer’s needs. Therefore, providers know what the data would suggest; however, in order for the ConnectME Authority to be able to defend its policy decision it should develop that data independently.

Strategy 4; Objective 4D – Create a working partnership with Fairpoint for the implementation of its \$80 million “CAF-2” program⁷ in Maine.

Over the coming months, FairPoint will be planning and executing the deployment of federal Connect American Fund Phase II (CAF II), where the primary focus of this program is to build to 106,000 high-cost locations in 14 states. Given the constraints and timeline requirements for the CAF II program, FairPoint’s internal resources will be working diligently to fulfill the program’s requirements. FairPoint’s engineering and planning resources will be focused on meeting these requirements, and the company is willing to share information as it becomes available and as we implement the program. There is not a role for the ConnectME Authority, above and beyond sharing the information that FairPoint provides. This is a federal program with strict timelines and reporting requirements. The eligible areas are well-defined and the requirements are well-defined. Through community engagement with FairPoint, as discussed above, communities will have an opportunity to learn about any current plans FairPoint may have with respect to the potential CAF eligible areas.

Sincerely,



Sarah Davis
Senior Director Government Relations
FairPoint Communications
207.535.4188

Joint Comments of AT&T and Time Warner Cable on ConnectME Authority November 2015 Draft of Detailed Triennial Strategic Plan for Broadband Service

AT&T and Time Warner Cable (collectively, “AT&T/TWC”) hereby provide comments on certain aspects of the Draft of Detailed Triennial Strategic Plan for Broadband Service issued by the ConnectME Authority (“Authority”) on November 12, 2015 (“Draft Plan”).

Before commenting on particular aspects of the Draft Plan, AT&T/TWC note that the Draft Plan assumes a speed of 10 Mbps download/10 Mbps upload (“10/10”) as the standard for determining whether areas of the State are unserved or underserved by broadband. *See* Draft Plan at 15. AT&T/TWC believe that a better, more targeted, definition of “unserved” and “underserved” is needed. Reliance on the arbitrary 10/10 standard for the determination of whether an area is served has the perverse effect of diverting limited Authority funding away from the areas that are, by any measure, unserved. For example, where 10/10 is the baseline for determining whether an area is served, an area with 50/5 service cannot be distinguished from an area where no service is available. If the State wants to prioritize first those areas that are lacking any broadband coverage, the Authority, or the Maine Legislature, needs to adopt definitions of unserved¹ and underserved that would enable it to do so.

10/10 service may be the aspirational speeds embraced by the Authority, and thus proposals to provide 10/10 service might appropriately be scored higher than proposals that do not. Use of the 10/10 standard for such a consideration is wholly different, however, than use of that standard as a baseline definition of whether broadband service exists.

The following are AT&T/TWC’s comments on several of the particular Objectives in the Draft Plan.

Objective 1B. Determine the effectiveness and impacts of broadband infrastructure grants. Find out the success of individual grants in meeting grant requirements. Develop meaningful criteria for evaluation of future grants.

Measures of performance: Production of two annual reports by the ConnectME Authority.

Target: A report that helps ConnectME Authority board members to fine tune programs.

Timelines: First report issued in January of 2017, second in January of 2018.

Comments:

AT&T/TWC agree that it is appropriate to determine the effectiveness of the broadband grants that the Authority has made to date, and makes going forward. It is likely that a critical evaluation of the grants made to date would provide valuable information that would inform how, where, and when grants ought to be made in the future. However, for any such evaluation to be meaningful and credible, it would need to be done by an independent third party, which is

¹ For example, a possible definition of “unserved area” would be any locality where only service speeds of less than 1 Mbps download/768 kbps upload are available.

not expressly or implicitly called for in the draft plan. Such an independent audit both is overdue, and would have far superior value to any self-audit done by the Authority.

Additionally, the two reports proposed in the plan may be of limited utility in assessing the impact of the CAF program, given timing issues at the FCC level. Specifically, under the FCC's CAF rules, by the end of 2017, recipients of CAF-2 model-based support must complete deployment to 40% of supported locations, and must complete deployment to an additional 20% of supported locations by the end of each of the following three years, resulting in the completion of deployment to 100% of supported locations by the end of 2020. As a result, information on the locations to which FairPoint² has deployed will not be known at all before the first proposed report in January 2017; and only 40% of FairPoint's deployed locations will be known by the time of the second report in January 2018.

Objective 1C. Establish a secure and confidential repository within the ConnectME Authority for all middle-mile and last-mile broadband service provider network infrastructure information. Current local and state broadband planning efforts are hampered by a lack of knowledge of existing infrastructure on the ground. This repository would provide a way to consolidate such information without compromising the competitive advantages of any individual provider. The information should be updated regularly.

Measures of performance: Percent of middle-mile and last-mile broadband service providers contributing network infrastructure information.

Target: A repository with sufficient information to enable coordinated broadband expansion planning and implementation.

Timelines: Repository established in 2016, operative in 2017.

Comments:

AT&T/TWC object to a requirement to provide proprietary middle- or last-mile broadband data for the Authority's proposed "confidential repository" for several reasons. First, the companies currently provide broadband data to the FCC, under FCC Form 477, and they believe that the FCC framework should remain the national standard for broadband data reporting. There is a process whereby a state can request the Form 477 data from the FCC, as long as it provides the same level of confidentiality protection afforded by the FCC. If the Authority is acting under appropriate state authority, it should be able to get this data. If not then it would only have access to data that is publicly available (which is at the census block level). Second, AT&T/TWC do not support this Objective to the extent that the proposed repository would be used to support middle-mile facilities, since there is a high likelihood that this would result in overbuilding privately financed, private sector facilities.

² FairPoint accepted \$13.3M in CAF-2 model-based support for Maine – i.e., \$79.7M over six years and, because FairPoint can elect to receive an optional seventh year of funding, possibly \$93M over seven years.

Objective 2A. Implement a local planning grant program. Allocate 20% of the ConnectME Authority’s annual grants budget for planning projects. Applicants must complete the precertification process. Applicants should first approach the local provider(s) (“provider of first resort”) to explore broadband expansion, prior to applying for planning grant funds. Local grants should not exceed \$25,000.

Measures of performance: Initiation of at least 20 local efforts.

Target: 5 planning grants in process.

Timelines: Planning grant program in operation in 2016.

Comments:

AT&T/TWC support grants for local broadband planning as long as they are truly used for “planning”: that is, assessing current broadband needs in a community, identifying gaps in service, and developing demand aggregation strategies. However, such grants should focus on unserved areas, and they should not be used for infrastructure builds in overbuild areas. In addition, AT&T/TWC are uncertain what is meant by the Objective’s statement that grant applicants should first approach “providers of first resort” about broadband expansion. If the Authority’s intent is to see whether existing providers in the area can address unmet Internet access needs before an application can be submitted, AT&T/TWC support such an approach.

Objective 3B. Leverage school and library broadband capacity to serve rural Maine. High-speed broadband fiber has been extended to every school and local library in Maine. However, federal regulations (“E-Rate rules”) limit the schools and libraries from allowing unused capacity to be made available to unserved nearby businesses, houses, and government buildings. NetworkMaine is working with libraries and schools to come up with creative ways to allow the unused broadband to be used locally, without diminishing the quality of service at those locations. The solution may also require asking the Congressional delegation to obtain changes to federal E-Rate rules.

Measures of performance: A model for making use of unused broadband capacity to assist area businesses and households is developed.

Target: At least ten rural libraries and schools implement rural access efforts.

Timelines: Model created in 2016, projects underway by 2017.

Comments:

Federal E-Rate rules prohibit schools and libraries from using excess capacity to serve nearby unserved businesses. There are sound reasons for this policy, not the least of which concerns the difficult cost allocations that would be necessary to ensure that E-Rate subsidies are not being used to cross-subsidized competitive services. Changing the federal policy would require complex and costly audits from USAC (the federal USF administrator). Maine should not waste its limited resources on lobbying for a change in federal rules.

Objective 4A. Seek public, administrative, and legislative support to repeal the statutory exemption for any facilities-based provider of wireless voice or data retail service that voluntarily chooses to be assessed by the ConnectME Authority pursuant to section 92511. The ConnectME Authority fund is declining due to the shift of consumers from land line telephone service to cellular service. This change would stabilize the fund for the near future by broadening the base of the assessment.

Measures of performance: Passage and implementation of legislation.

Target: Stabilization of annual revenues in the ConnectME Authority fund.

Timelines: Legislative change in 2016, additional revenues in 2017.

Comments:

Although AT&T/TWC have opinions on this Objective, the companies will defer any comments until more specific proposals to implement the Objective are considered later in the process.

Objective 4B. Shift the current ConnectME Authority broadband infrastructure grant program to a “need-based” approach, targeting areas where no broadband service currently exists. Establish a clear priority for helping those currently not served.

Measures of performance: Change program criteria for infrastructure grants

Target: Service to 500 homes or businesses per year currently not being served.

Timelines: Change of policy in 2016, implementation in 2016.

Comments:

AT&T/TWC agree with the priority of focusing funding efforts on unserved areas. As commented at the outset, however, the Authority needs a definition of “unserved” that would enable it to do so. To the extent that the 10/10 standard is applied to the definition of unserved and underserved areas, the Authority is going to be unable to effectively prioritize and target the truly unserved areas.

Additionally, determining what areas are unserved is more complicated than simply selecting areas that are “currently” unserved by broadband, since it is also appropriate to consider if a “currently” unserved area may obtain service as a result of CAF funding, or if the area is unlikely to have service in the foreseeable future. Given the timing issues for CAF-2 explained in the Comments on Objective 1B, it will be difficult for the Authority (or anyone else) to determine before 2017 whether a “currently” unserved area is likely to obtain service over the next several years.

Moreover, the FCC is currently reviewing an Order that would establish the basic framework of the competitive bidding process that it expects to use to disburse additional subsidies. This Order is expected to be approved by the end of December (or early January at the latest). This framework is likely to direct additional federal subsidies to Maine and will provide critical insight into the types of providers that may be willing to deploy rural broadband networks and at what cost.

Objective 4C. Create a 5-year Broadband Capital Improvements Program for Maine. State funds should be the financier of last resort of broadband expansion, when private investors will not provide needed service. State funds should be designed to incentivize and leverage private, federal and municipal funds to the greatest extent possible. It is generally agreed that current state funds available in Maine to stimulate broadband expansion are inadequate for these purposes. Many ideas for expanding assistance have been proposed: state bonds, revenue bonds, redirecting universal service funds. What is needed is a comprehensive look at projected overall broadband investment needs over the next five years, a projected role for state financing help, a recommendation for sources of funding for the effort, and recommendations for how to structure the assistance (grants, loans, auctions for serving uncovered areas, etc.). The Capital Improvements Plan should be prepared jointly by the ConnectME Authority and Finance Authority of Maine (FAME) staff.

Measures of performance: Production of a Capital Investment Plan.

Target: State broadband finance tools in place and funding assistance made available.

Timelines: Plan produced by July of 2016, finance tools and funding assistance in place by January of 2018.

Comments:

AT&T/TWC support the objective of only using funds for broadband expansion “when private investors will not provide needed service” and the objective of using funds to leverage off of existing broadband networks. AT&T/TWC also agree with the prioritization that funds be used for service to unserved areas. Again, it is critical that unserved areas be properly defined. In addition, as noted above, the FCC’s competitive bidding system is likely to provide useful guidance as to how best competitively target broadband subsidies in rural areas.

Objective 4D. Create a working partnership with Fairpoint for the implementation of its \$80 million “CAF-2” program in Maine. Fairpoint is committed to assisting thousands of households in rural Maine to obtain broadband assistance in Maine in the next four years. The ConnectME Authority needs to closely coordinate with Fairpoint so that local communities can link in to the effort whenever possible. The ConnectME Authority will serve as the conduit to local officials in targeted geographies when there are upcoming projects and opportunities related to CAF-2.

Measures of performance: Quarterly coordination meetings between ConnectME Authority staff and Fairpoint staff.

Target: Through the coordination between Fairpoint and the ConnectME Authority, local community officials gain a voice in Fairpoint expansion plans.

Timelines: Coordination meetings start in January of 2016.

Comments:

Although it will be useful for FairPoint to disclose where it intends to deploy its CAF-2 facilities at its earliest convenience, the terms of that obligation are already established by the FCC, and USAC is already establishing how it will ensure compliance with those terms. This is a nationwide federal program that must conform to national (not state-specific) rules.

Objective 5A. Continue and expand successful programs to promote digital literacy among consumers and businesses. In recent years, federal grants have been available in Maine to promote computer literacy for low-income residents and social media marketing training for small businesses. The ConnectME Authority, the Maine Department of Education, the Maine Department of Economic and Community Development and others should work together to continue and broaden these efforts, for example with programs targeting seniors and providers around telehealth.

Measures of performance: Provision of training to 1,000 individuals and 50 businesses.

Target: Individuals access online services; businesses improve outcomes.

Timelines: Funding identified in 2016, put in place in 2017, training underway in 2018.

Comments:

AT&T/TWC support programs to promote digital literacy and awareness and thus support this objective as a way to increase public adoption of broadband.

Objective 5B. Create public-private advertising campaigns encouraging broadband use. Surveys conducted by the ConnectME Authority in 2013 indicate that many Maine households do not see the value of having broadband, and many businesses do not see the value of an on-line presence. These attitudes contribute to lower-than-needed take rates of available broadband facilities, which in turn discourage private companies from expanding service coverage and quality. A joint advertising campaign, funded for the most part by private companies (who would be the financial beneficiaries of increased use), but led by ConnectME Authority staff, would contribute to changing the attitudes of Maine people. Efforts targeting Maine businesses, for example highlighting success stories, would encourage them to invest in websites and social and social media.

Measures of performance: ad campaigns in 2017 and 2018.

Target: Increased broadband adoption rates among Maine households; increased investment in digital communications among Maine businesses.

Timelines: Creation of public private planning committee in 2016, funds raised and production in 2017, ads in 2017 and 2018.

Comments:

AT&T/TWC support programs to encourage broadband use and thus support this objective as a way to increase public adoption of broadband.

Respectfully submitted,

Owen M. Smith Jr.
Regional Vice President
AT&T Services
360 U.S. Route 1
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Melinda Poore
Vice President of Government Relations
Time Warner Cable
118 Johnson Road
Portland, ME 04102

December 11, 2015



Michelle Painter

Counsel

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O: 571-287-8097

michelle.painter@sprint.com

Via E-mail

December 11, 2015

David Maxwell
ConnectME Authority
78 State House Station
Augusta, ME 04333
david.w.maxwell@maine.gov

RE: Strategic Plan Comments

Dear Mr. Maxwell,

Sprint submits this letter in response to the Draft Triennial Strategic Plan for Broadband Service released on November 12, 2015.

While Sprint supports Maine's laudable desire to have ubiquitous broadband service throughout the state, Sprint does not agree with all aspects of the Plan. As background, it is important to note that a vigorously competitive communications market is the best way to bring consumers better service and lower rates, and encourage infrastructure investment and broadband deployment. Increased regulatory financial burdens or reporting requirements on the wireless industry would only curtail the momentum that has already been achieved and potentially negatively impact the development and delivery of innovative new products and services in the mobile voice and broadband market.

Sprint's primary concern is with the Plan's Objective 4A. In that Objective, the Plan recommends repealing the statutory exemption for wireless providers contributing to the ConnectME fund, which would lead to wireless carriers being assessed a mandatory contribution rate to pay into the ConnectME fund. Increasing the cost to provide wireless service in Maine is going in exactly the wrong direction and would only serve to decrease innovation and investment. Wireless providers already pay substantial amounts into the



federal Universal Service Fund (“USF”) programs. Further, Sprint customers contribute to the Maine state USF programs. Wireless service is already one of the highest taxed services in America and more taxation is not appropriate. It is more appropriate for infrastructure grant programs to come from general tax dollars instead of hidden taxes inside a wireless customer’s bill.

In addition, Sprint is concerned with Objective 1C, which calls for the establishment of a repository of broadband service provider network infrastructure information. First, this could lead to additional reporting requirements, which are not necessary. Data from the already existing FCC 477 report should provide sufficient information on the geographic availability of Sprint’s service. Sprint could provide a copy of the report to the ConnectME Authority at the same time it is filed with the FCC, but that should be the extent of any reporting required. Second, it is unclear how the data will remain secure and confidential. There is a risk that this competitively sensitive information could get in the wrong hands, which raises competitive and security issues. The state should guard against unnecessary collection of data and should rely on data that can be obtained from public sources.

Sprint applauds the Plan’s intent to promote broadband deployment. The Plan could be improved by encouraging the efficient siting of wireless facilities, which will go a long way toward expanding broadband to wireless consumers and businesses throughout Maine. The Plan should urge the Legislature to adopt laws that allow for a faster and more predictable process for the siting of wireless facilities throughout Maine so that wireless carriers have the ability to deploy wireless broadband infrastructure efficiently throughout the state.

Please contact me if you have any questions or concerns regarding this matter.

Respectfully,

A handwritten signature in cursive script that reads "Michelle Painter".

Michelle Painter

From: [Theresa Kelly](#)
To: [Maxwell, David W](#)
Cc: [Alicyn Ryan](#)
Subject: Strategic Plan Comments
Date: Friday, December 11, 2015 4:07:01 PM

To David Maxwell at david.w.maxwell@maine.gov

David, the comments below were developed after careful reading of the materials and consultation with Alicyn Ryan, Executive Director, Maine Farm Bureau. They represent the views that the Maine Farm Bureau supports and we look forward to participating in the finalization of this important plan.

Thank you for the opportunity to provide feedback to the ConnectME Draft Triennial Strategic Plan. We appreciate that this was done very quickly and realize that there will be time to refine the specifics as these next 3 years unfold.

Overall, we believe that the plan does not do sufficient service to the agricultural sectors of Maine, which represent one of the bright spots of Maine's economy. That sector will, by definition, be largely rural, due to its need to populate large tracts of land with plants, rather than people. This should be viewed as an advantage, not a disadvantage. All of the current economic models for broadband deployment are based on ensuring sufficient households, which these rural areas keep to a minimum for good reason. This is the flaw of those economic models in addressing this critical infrastructure deployment. We encourage you to review the entire plan to ensure that you have provided the right emphasis on the issues in our rural areas. Our legislature recognizes the importance of the agricultural sector, as does the Federal government. It is more likely those entities who will end up supporting rural broadband deployment, rather than the private sector.

Here is some specific feedback to the content of the plan.

Right at the opening of the plan, there are 4 key opportunities that are missed in the list:

It is the opportunity to use precision agriculture in a farmer's field to improve crop yield and have less impact on the environment.

It is the opportunity for farmers and food processors to connect with new markets, while reducing food insecurity through networks of food rescue and distribution.

It is the opportunity for the agricultural system of Maine to spread its deep store of knowledge to its growing in-state population of new farmers and to the rest of the world.

It is the opportunity to eliminate the north/south divide of our state, as well as reduce the widening gap between "haves" and "have nots".

In the section on realizing this opportunity:

Add "at a convenient site" to first bullet, so we don't have people saying that the public library's network will satisfy the household that lives many miles away from it.

Add "science, agriculture" to the list of connections that need to be made

Page 7:

Objective 1B: this should include reviewing the grants provided in the last 18-24 months.

This is key to ensuring we learn as much as we can about the track record of the winning bidders and we apply lessons learned to our funding decisions.

Page 8:

Objective 3A: Maine needs a Governor's cabinet level position of CIO for the state of Maine, who would be held accountable by the Governor for the execution of the plan and provide strong guidance and control over the Council and the resources being spent. This role would have authority over the personnel at the ConnectME Authority and be accountable for its performance. One option could be to add this to the duties of the Public Advocate. Also, "business" representation must include the natural resources sector, especially agriculture.

Page 9-10:

Objective 3C: Dig Once only addresses the coordination for provision of fiber or other wired technologies but does not address the needs of wireless providers to have access to existing infrastructure and planning resources. Where rural areas don't have the governance structures to do this coordination work, some help from the ConnectME authority will be needed. Perhaps a plan to require County governments to participate would work.

Objective 4a: this argument should not be made on the basis of declining revenues but on the basis that these providers are benefitting by the services of ConnectME and are not paying their fair share. The costs to the consumers of their products are negligible, even if the rate is increased by a factor of 5, as LD 826 advocates.

Objective 4B: For this objective to be met, the ConnectME Authority will need to couple their deployment efforts with digital literacy training, to ensure the highest possible take rate for the services.

Objective 4C: assuming that the private sector will target their efforts to where there is population density, the ConnectME Authority must fill the gap they leave behind. The Authority could set a population density threshold (low) for its activities that would have them address specifically the rural counties, where much economic activity, such as farming and processing, requires large land masses. This would recognize that the large national providers have no interest in those areas and that the public sector needs to fill the gaps not addressed by the private sector. Aroostook County, with its large commodity crop economy, as well as a traditional home based culture, has shown active interest in partnering with the state to bring broadband to their area, as demonstrated by the Maine Farm Bureau's sponsorship of LD 826 and their participation in the all day hearings on broadband during the last legislative session. They were accompanied by farmers from all over the state.

Page 11: Objectives 5A and 5b: we have a chicken and egg problem. We can't use social media to reach people who don't have broadband access. Provisions need to be made to ensure advertising campaigns reach the "have not" population.

Maine has a long way to go. Underfunding and understaffing the efforts to close the gaps will result in time and money wasted. This plan needs to be accompanied by a firm commitment of increasing the funds to, the visibility of, and the governance role of the ConnectME authority. Without those, this plan will fail and Maine cannot afford for it to fail.

Thank you for your consideration!

TAK

Theresa Kelly, PMP Retired
B. Small Farm
Pownal, ME 04069
Cell: 207.671.6138

From: [Daniel Sullivan](#)
To: [Maxwell, David W](#)
Subject: Strategic Plan Comments
Date: Friday, December 11, 2015 12:31:22 PM

David Maxwell,

Below are my comments on the Triennial Plan.

1. Maine's definition of broadband, 10mb down and 10mb up symmetrical needs to be stated at the very beginning of the plan.
2. Be more realistic in what can and cannot be done. Unrealistic to think multiple providers will cover every address in Maine. Unrealistic to think all Mainers will have cost choices for broadband.
3. State the problem: Maine has terrible broadband. State the solution: Fiber last mile to every home and business. State the path forward: All efforts and funds to that last mile fiber solution.
4. State specific goals ConnectME will reach for instead of the vast generalities in the draft document. For example you won't be able to provide Telehealth solutions without a fiber connection. Every school child in Maine is
not going to be participating fully in the online educational process without a fiber connection.
5. State that all grant funds whether the dollars that are part of ConnectME's statute, or other dollars given to ConnectME for project direction be used to support Maine's definition of broadband. 10mb down 10mb up. No other
solution need apply.
6. Part of the plan should be frequent updates to the legislature and the public as to ConnectME's projects, both successes and failures.

Thank you,
Dan

Dan Sullivan
IT Manager Woodland Pulp LLC & St. Croix Tissue Inc.
Chair Washington County Fiber Initiative
144 Main Street
Baileyville, ME 04694
207-214-4516

From: [Robin Beck](#)
To: [Maxwell, David W](#)
Subject: strategic plan comments
Date: Friday, December 11, 2015 9:40:57 PM

Thank you for the opportunity to comment on the draft ConnectME Strategic Plan. Maine Rural Partners is very concerned that the plan in its current reading is totally inadequate to the work that needs to be done.

1. ConnectME, in my understanding, is staffed by 2.5 full time employees. In reviewing the draft, I find it difficult that the reports requested and grant handling will be completed in a timely manner by 2.5 people.
2. 500 homes a year? Maine is second to last in the nation in broadband access and speed. With a population 1.33 million of which over 61% live in rural areas, 500 homes a year is totally inadequate. This must be tackled statewide.
3. Rural Maine needs good, fast broadband now. Maine is not open for business. Maine is not welcoming new businesses nor is Maine welcoming of new families if we cannot provide solid, fast internet technology to draw these people to open their businesses in our state.
4. A grant, a single grant, of \$800,000 will assist a town or two in obtaining high quality broadband. A [statewide program in Kentucky](#) will cost approximately \$325 million over 3 years. [Alaska's program](#) will guarantee its residents 100 mbps at a cost of \$1.1 billion. Here in Maine, a bond will need to be approved to build a statewide broadband program that will bring Maine into the economic and technological mainstream.
5. The broadband installed must meet the minimum FCC definition of broadband by a certain date but no less than 10mbps download and 10mbps upload speed at initial installation. Currently [Maine Rural Partners broadband survey](#) is finding residents with .77mbps. You cannot take a class, apply for a job, or order parts for your business with speeds that slow.
6. ConnectME's job needs should be a resource to people and towns. It should be there to work with communities and NGOs in identifying towns that can establish municipal broadband and help find the resources for those who cannot.

The time for reports is over. It is time for action. Maine Rural Partners supports ConnectME but in a way that will bring quality broadband to every resident in the state of Maine.

Robin Beck | Executive Director | Maine Rural Partners | www.mainerural.org
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Paul R. LePage
GOVERNOR

Timothy R. Schneider
PUBLIC ADVOCATE

December 11, 2015

Jean Wilson
Chair, ConnectME Authority
78 State House Station
Augusta, ME 04333

Dear Ms. Wilson,

Thank you for the opportunity to submit comments on the ConnectME Authority's draft Triennial Strategic Plan. The Authority and its consultants should be commended both for putting together a strong draft plan in a very tight timeframe, and for the robust public process that informed its development. I hope these comments can help to build on this foundation to create a plan that will help move the state closer to achieving its broadband goals over the next three years.

These comments are divided into two sections. The first section offers some general comments on the overall structure and presentation of the plan. The second offers specific feedback on the objectives and the accompanying measures of performance, targets and timelines.

I. General Comments

Overview of ConnectME

This Plan may well be the only document that some state policymakers read about the Authority or state broadband policy in general. The Appendix does a reasonable job of providing the lay of the land for broadband in Maine, but notably absent from the document is background information on the Authority itself. The ConnectME Authority is the primary entity responsible for carrying out Maine's broadband policy, and the goals set forth in the document itself. The document should provide readers basic information on the ConnectME Authority, such as its structure, when it was created, what it has accomplished since then, its current budget, staffing, board members and meeting schedule. We defer to

the authors as to the appropriate place in the document for this information, but it must be included.

Cost and Staffing

The Draft Plan sets ambitious goals for the ConnectME Authority for the next three years that appear difficult, if not impossible, to achieve with the Authority's existing funding and staffing. The Draft Plan should indicate which goals the Authority believes it can achieve within existing resources, which will require additional funding or staffing, and, to the extent possible, how it will prioritize these goals if staffing and funding continue on the current trend. While preparing a detailed cost analysis may not be possible in advance of the statutory deadline, providing even preliminary estimates would be useful to policymakers who will likely be making decisions regarding the Authority's funding over the term of the plan. For example, the Authority could provide estimates of how many homes the Authority expects to reach with infrastructure grants using existing funds, or whether a given objective would require additional staffing. This will inform policymakers as to what the Authority believes can be achieved within existing resources, and what will require additional investment.

Broadband Definition

35-A M.R.S. § 9218(1) requires that the ConnectME Strategic Plan include a "definition of broadband", yet the plan is silent or ambiguous on this point: it includes the FCC's definition in the introduction and the Authority's own definition at the bottom of a sidebar in the Appendix. The final Plan should include a clear and explicit definition of broadband by the authority and the justification for adopting that definition within the main text of the Plan. We believe that the standard adopted by the Authority in January of 2015 of 10 Mbps symmetric continues to be the appropriate one, and barring further public comment and decision by the authority, should be the standard included in the plan.

Targets and Measures of Performance

In general the document seems to be inconsistent in its framing of targets and measures of performance. Targets are specific goals the Authority hopes to achieve by the end of the three year term, and measures of performance are the metrics the Authority will track to determine whether the goals have been achieved. In our comments below on specific objectives, we have offered alternative targets and measures of performance where appropriate.

II. Comments on Specific Objectives

Implementation Strategy 1: Create information and accountability to evaluate and guide public investment.

The Office of the Public Advocate agrees that good policy will be driven by good data, and that the ConnectME Authority is the appropriate entity to gather and report this information to the Legislature. The Authority's past reporting on adoption and broadband availability have been instrumental in helping policymakers to understand Maine's broadband needs and develop public policies designed to meet them. The objectives set forth under this strategy continue and build on this foundation.

Objective 1A

We have two concerns with this objective as currently framed. First, the target should be to develop an annual report that tracks key metrics to determine the state's progress toward its broadband goals. In order to do this the Authority will need to identifying those metrics. This should be completed by July of 2016 at the latest.

Second, the objective should be clear that the Authority will be using publicly available information and not impose additional reporting requirements on providers or other parties. The publicly available information, while imperfect, is likely adequate in light of the scope of the need. There is real value in bringing together information from disparate sources identified in the Draft Plan. Our primary concern is that the limited funds and staff time available to ConnectME not be used on independent research into the scope of the problem, rather than efforts to solve it.

To the extent that this publicly available information has shortcomings, the report should also identify information gaps so that policymakers can understand 1) the limits of the available data and 2) where additional reporting requirements and information could better inform policy.

Objective 1B

This objective appropriately recognizes that evaluation and accountability for ConnectME grant recipients is long overdue. The Authority should be able to state, at a minimum, how many Mainers have actually received improved broadband service (rather than simply have access to) as a result of a ConnectME infrastructure grant, the price of the service options, and basic third party evaluation of the speed and reliability of the service.

As currently drafted this objective falls short of this goal. The objective should not be the reports themselves, but the underlying reporting obligations. The target should be to establish and apply clear reporting guidelines for all ConnectME grants, based on the

Authority's overall policy goals or clearly defined programmatic goals. The measure of performance would be publication of these reporting guidelines, and assessments of whether grant recipients had met those goals. These assessments should be included in the Authority's Annual Report. The timeline for implementation should be before the ConnectME Authority issues an RFP for another other round of grants for any purpose, so that providers know what the reporting guidelines are in advance of submitting an application.

The Authority should consider using these reporting requirements to hold grant recipients accountable for failing to meet the basic program requirements and/or falling materially short of the applicable performance metrics. For example, a provider who accepts a grant on the promise of providing 10/10 Mbps service, but is unable to actually deliver that service, should not receive full grant funding. Similarly, a planning grant recipient that does not comply with the statutory requirements for a planning grant (*e.g.* by not conducting an inventory of existing broadband assets) should be subject to withholding or clawback. Determining an appropriate and fair mechanism to do so is likely not possible before the deadline for submission of this Plan, but the Authority should consider including development of such a mechanism in the Plan.

Objective 1 C

This objective appears to be responsive to a need identified by many communities that have begun efforts to improve their broadband service: the difficulty in obtaining accurate information about existing broadband infrastructure in their communities. This is baseline information that should be available to communities as early as possible in any community effort, and the ConnectME Authority could play a role in facilitating access to that information. This objective appears overbroad to meet that goal.

Creating a general database of broadband infrastructure within the state is likely to receive significant opposition from providers who view this information as proprietary, particularly since it's not clear what the authority intends to do with this information. If there is a specific objective of the Authority that requires establishment of a broader database of information, it should so state.

Absent that, the objective should be refined to address the need identified above. The ConnectME Authority should establish a clear, streamlined process for communities that are interested in improving their broadband service to obtain accurate information from providers about existing infrastructure. Though over the past year many providers have become more accustomed to responding to such requests and grown more responsive, the process remains opaque and inconsistent. The ConnectME Authority should provide guidelines on how and what to request and what communities can and should expect to receive from providers. The Authority's ability to issue protective orders and aggregate

information from multiple providers is likely to be helpful in this process. This process is likely the same as what the Authority would need to evaluate whether the areas to be served by infrastructure grants currently have broadband service. The Authority could also use this information, to update its own broadband maps and in the reporting described in Objective 1A.

Under this refinement, the target would be to create this process and have communities actually use it. The measures of performance would be establishment and use of the process to obtain the requested information.

Implementation Strategy 2: Promote local broadband initiatives to provide high-speed broadband service.¹

As noted in our comments at the public hearing, this implementation strategy represents a fundamental shift in the mission and objectives of the ConnectME Authority from the work that it has done in the past: from providing grants to providers to supporting community broadband efforts with information, technical expertise, and funding for planning. This shift appropriately recognizes that the broadband problem in Maine is beyond the ability of one agency to solve, particularly one with the limited budget and staffing of ConnectME. Instead, the state—and thus the Authority—will need to support and leverage local resources to build models for public/private collaboration to extend broadband service.

Objective 2A

This objective is a fundamental building block of the new approach described above: providing resources for communities to obtain necessary technical expertise. We support the proposal to initially allocate 20% of the grants budget for planning grants, but do not support including a cap on individual grants in the strategic plan itself. 35-A M.R.S. § 9217 contemplates joint applications by multiple communities, and these applications may require more funding than an individual community. It may also be appropriate to consider a sliding scale based on the size of and resources available to a community. These details can be worked out later. Similarly, the draft precertification guidelines contemplate contact with incumbent providers, so it is probably unnecessary to include this in the Strategic Plan itself.

Both measures of performance and targets should be revised. A reasonable target could be support for planning grants in 12 communities over three years, with eight

¹ Note that the title of this implementation strategy implies that there are different varieties of broadband, regular and “high-speed.” This distinction is not in statute, and we recommend avoiding it here.

completed plans by the end of the year. The measures of performance would be establishment of a precertification and issuance of an RFP, number of respondents to RFPs, planning grants awarded, and plans completed.

Though it may not need to be included here, the Authority should make copies of completed ConnectME funded plans (and indeed any publicly available community plans) available on its website as a resource to other communities.

Objective 2B

In general we support the addition of technical expertise within the ConnectME Authority, and the Authority serving as a technical resource for communities interested in broadband expansion. We note however that technical expertise (in terms of formal education or professional experience) isn't necessary for most of the items identified here. It may be appropriate to reframe this objective to focus on the ConnectME Authority acting as a centralized repository for information, and acting to connect communities with resources. As noted below, there is likely a role for technical expertise in the traditional sense in evaluating infrastructure grant applications.

Implementation Strategy 4: Expand broadband investment in Maine.

This implementation strategy continues what has been a core mission of the ConnectME Authority since its inception: funding investments in broadband infrastructure. The strategy recognizes that for much of the state, a competitive broadband market supported by private investment alone has—and will likely continue to—fail to deliver affordable broadband service to all Mainers and meet the state's broadband policy goals. Meeting those goals will require additional subsidy, and the ConnectME Authority has an important role in both providing that subsidy and leveraging support from other sources.

Objective 4A

As a threshold matter, the Office of the Public Advocate agrees that 1) the ConnectME Authority will need more funding to achieve the state's broadband policy goals and the objectives set forth in the Strategic Plan; 2) the current funding mechanism for the Authority is both inequitable and expected to decline over time; and 3) the appropriate solution to these problems is a legislative change.

However, this objective does not belong in the ConnectME Authority's Strategic Plan and should be omitted. It is not appropriate for an agency to advocate for modification of its authorizing statute in its own planning process. The question of how to stabilize the ConnectME Authority's funding, and ensure that it has adequate funds to achieve the

objectives in the plan and the state's broadband policy goals, is the responsibility of the Legislature.

In this document, the Authority should instead identify the trend in funding over time and be clear that the limited funding will in turn limit the authority's ability to achieve the goals set forth in the plan. As described above, the plan should be clear about how additional funding would enable the authority to do more.

Objective 4B

As drafted, this objective implies that the ConnectME Authority would "shift" how it conducts its infrastructure grant program, which currently provides grants to unserved areas in the state. Assuming that the Authority intends to provide grants to areas that do not have access to the Authority's definition of broadband (10 Mbps symmetric), this approach would be consistent with the existing grant program, and not represent a shift. We would support continuing this approach.

If the "shift" in this objective is intended to only provide funding to locations that are served by dial-up service, we would not support this change. Doing so would undermine the Authority's correct determination that customers who do not have access to 10 Mbps symmetric service are unserved, in lieu of an alternative, abandoned standard in which "broadband" is "anything but dialup."

Still, we recognize that lower levels of connectivity effectively provide a stop-gap solution in those areas, and the perceived need is greater in areas without that connectivity. As we have noted at previous public meetings, if the Authority is concerned about ensuring that the limited funds available are spent on those areas where the need is greatest, it could adjust its scoring guidelines for the infrastructure grant program to provide additional points to projects that provide the greatest relative improvement over existing service.

Objective 4C

In general, we support the idea of developing a tool kit and proposals for structuring state assistance to promote broadband expansion, and partnering with FAME to develop these tools.

However, this objective would also have the ConnectME Authority, in collaboration with FAME, develop a "comprehensive look at overall investment needs over the next five years" by July of 2016, *i.e.* in the next six months. It is vague on how these overall investment needs would be identified, particularly in the short time frame, and it is unclear

whether the ConnectME Authority or FAME has the relevant expertise to identify these needs.

Many of the other efforts set forth in the Strategic Plan are likely to inform any attempt to scope overall investment needs for the state. For example, community planning grants/process will identify cost of investment needed to meet local broadband goals. The number and scale of infrastructure grant applications will show the potential investment opportunities that may be available by partnering with incumbent providers. In short, the Authority is likely to have significantly more information at the end of the triennial plan than it had at the beginning to offer a 5 year investment plan. We recommend delaying development of the capital plan in the proposed timeline and/or adopting a more targeted capital investment goal (*i.e.* expanding middle mile access where need to reduce the cost of providing broadband service in rural Maine).

Objective 4D

This objective appropriately recognizes the potential of FairPoint's CAF II investment, which is likely to be the single largest likely investment in broadband in Maine over the next ten years. It remains to be seen to what extent FairPoint will engage—and partner—with affected communities to ensure that this buildout is responsive to community needs and not simply built to the lowest common denominator required by the FCC's CAF II rules. Once the initial engineering is complete, we hope that FairPoint will be as transparent as possible to inform communities of the timing and scope of CAF II participation and potential opportunities for collaboration and partnership.

As with Objective 1C, there may be a role for the ConnectME Authority in facilitating communication with these communities. Similarly, the Authority could assist in helping to identify steps that communities and the state can take to accelerate CAF II deployment, by streamlining permitting requirement, increasing take rates, or providing additional funding to support higher levels of service. As a practical matter, the Authority has no way to compel FairPoint to partner with it, much less individual communities. In this regard the success or failure of this objective is likely to be outside of the Authority's control.

Implementation Strategy 5: Raise broadband awareness and skills so that Maine residents and businesses recognize the value and benefits of broadband.

We strongly believe that promoting broadband adoption should be part of the ConnectME Authority's efforts to expand broadband in Maine, as captured by this implementation strategy. These efforts must be focused on identifying and/or developing evidence-based programs that effectively promote broadband expansion and respond to identified needs, and then undertaking efforts to replicate or scale these programs. Similarly,

these efforts should be narrowly tailored to those areas where public sector support is needed—and not supplant or duplicate those efforts.

Objective 5B raises concerns in this regard. This objective directs the Authority to invest its limited funds in “advertising campaigns encouraging broadband use.” Maine’s “take rates” are above the national average, and we are not aware of any evidence that indicates that advertising campaigns actually improve broadband take rates. It would be foolish to invest resources in not solving a problem Maine doesn’t have. There does not appear to be a market failure for advertising broadband services that requires government intervention.

Finally, the Authority should be clear around about the relative priorities of the different objectives set forth in this strategic plan. As currently drafted, some of these objectives appear to be contingent on obtaining outside grants or partnering with private companies. In identifying the overall funding and staffing needs to implement this Plan, the Authority should make clear whether this effort will be pursued if ConnectME is unable to obtain external support.

Implementation Strategy 6: Improve consumer broadband assistance.

Objective 6 A

This objective should be reframed as “consolidate consumer advice and assistance regarding broadband service in the Office of the Public Advocate.” As a practical matter, it will mostly mean referring calls from individual customers seeking assistance in obtaining broadband service to our office. We have good working relationships with each of the providers in the state, and a strong track record of working with customers and providers to find solutions.

The target should be to establish a one-stop consolidated place for consumers to call in state government regarding broadband issues. Goals for a specific number of calls will be outside of the Authority or our office’s ability to control and should be omitted.² Rather, the measure of performance should be OPA reports to the ConnectME Authority on a monthly/quarterly basis (rather than annually.).

Thank you again for the opportunity to comment on this draft Strategic Plan. We look forward to working with the Authority in carrying out the final plan once it is adopted.

² As a reference, the OPA has received 64 broadband calls thus far in 2015, and the Maine Attorney General has received 260 internet-service related complaints since the 2014.

Respectfully Submitted,

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TS/bms