

Notes from June 2, 2020 Broadband Exploratory Committee (BBEC) Zoom teleconference regarding Town Meeting Warrant Article 49

(relating to a proposed Broadband Fiber-to-the-Home system)

Broadband Committee members: Mark Greene, Ralph Sweet, Curt Murley, Pierre Avignon, Doug Grant

Attendees (this list may be incomplete): Bob & Nancy Jordan, John Burke, Rennie & Joe Donovan, Chris McDuffie, Anne Kelly, Chris & Patti Papkee, Toni O'Donnell & Fulton Wilcox, Beth Marchak & Steve Hart, Wes Wolfertz, John Davis, Peter Lamontagne, Lou Sesto, Maura & Jim Ronan, Nathan Johnson, Christopher Magay, Doug Gordon, Jeffrey Houlihan, Cheryl Nutter, Erica Papkee, Anne Schmitt, Christopher Morse

Mark gave a short introductory presentation that was prepared by Consolidated Communications and slightly edited by BBEC regarding the proposed project, which will bring high speed Internet access to Long Island in the form of a Fiber-to-the-Home system to be designed and installed by Consolidated Communications (CCI). This system will provide speeds up to 1000 megabits per second (1 Gigabit per second), with several speed options available. TV and phone service will also be available as options.

The cost of the project is being funded by the Town issuing a bond or taking out a loan for \$517,000. This will be paid back with funds collected as a \$15 (maximum) monthly fee charged to subscribers. No tax money will be used to pay for the system.

Long Island Broadband Committee

Making Long Island a Connected Community

Presentation to Long Island residents
June 2020

Why Improve Long Island Broadband?

- **Economic Impact**
 - Telecommuting option
 - Enhance economic development
 - Small business
- **Educational Impact**
 - Homework, class assignments, home-schooling
- **Enabling Technology – Telemedicine**
- **Currently - problems and complaints**
- **Limited coverage & speed**

Why are we talking about the Town Funding to Improve Broadband?

Reality:

1. Providers cannot invest in rural areas on their own because it does not make any economic sense for them.
 - Can't rely on them to do it on their own.
2. Cell and Satellite Providers have Data Caps that create a problem for home and business users.
 - An average low data household uses about 100 Gb/month
 - Limited signal penetration thru trees with satellite
3. Long Island: One of a number of towns in Maine now looking at the funding for broadband process.

Process

Background:

- ❖ The Broadband Committee discussed many options with Consolidated Communications (CCI).
- ❖ The Select Board and Finance Committee recommended a "Yes Vote" on the proposal to bond/borrow \$517K for fiber based network on Long Island.
- ❖

Next steps:

- ✓ Requires approval at Town Meeting in June
- ✓ Requires approval of bonding authority/lending institution
- ✓ Requires final agreement/contract approval by the Select Board

Consolidated Communications Proposal To Long Island

- **Full Fiber Optic Network:** Fiber-to-the-Premise (FTTP)
 - 12-24 Months Timeline
- Speeds up to 1000Mbps or 1 Gbps available
- No Data Cap / No Throttling of Data
- Free Aerial Installation for first 150ft (\$0.55/ft after)
- Video and Phone options available (Bundling)
- Eventual retirement of existing copper network
- Town will own the network backbone; CCI will maintain.
- CCI will own the home to back bone connection

How is this Funded?

- Town secures Bond/Loan \$517K for improvements
- Bond/Loan Interest and Principal payment offset by Provider Infrastructure Fee
 - Fees will be collected by CCI
 - CCI will pay Long Island annual fee to operate equal to the monthly bond/loan payment
- Provider Infrastructure Fee
 - Broadband surcharges capped at \$15/month
 - This money is used to pay the Bond/Loan Principal and Interest

Summary

- **Project proposal - Provides broadband internet access to all residences on Long Island**
- **High Speed Broadband**
- **Via fiber-to-the-premise with speeds up to 1000Mbps (1 Gig)**
- **High Reliability**
- **Bond/Loan of \$517K over 20 years**

- NO TAXPAYER MONEY - NO TAX INCREASE

Bond/Loan Paid for by Infrastructure Fee: \$15 max/month

- **BOND PAID OFF BY Infrastructure Fee**

Mark then opened up the meeting to questions from the public.

NOTE: The questions are indicated in quotes, but may actually be paraphrased. Broadband Committee responses are indicated inside brackets [like this]. *Occasional additional explanations are indicated in italics.*

1. (Lou Sesto) "Is there sample pricing available?" [Yes, it was distributed by Mark on the LICA listserv]

2. (Lou Sesto) "What happens if the \$15/month doesn't cover the loan payback?" [CCI has indicated that they will make up the difference]

3. (Christopher Morse) "Does the \$517k include the make-ready cost for the poles? (*note: make-ready is a process where the pole owner evaluates the existing utility poles to confirm that they can support the new fiber to be attached and provide attachment points; older poles may need to be replaced and this can be expensive; sometimes the pole owner charges a third-party who wants to use the pole a lot of money for make-ready*)"

[The \$517k includes the make-ready costs...one advantage to using CCI for the system construction is that they and CMP own the poles on the island.]

4. (Christopher Magay) “Will CCI remove the existing copper or just hang the new fiber on it?” [Our understanding is that they will hang the new fiber on the copper]
5. (Chris Papkee) “What is the maximum upload speed, and is there any talk of throttling (reducing the speed if a subscriber is using too much data)?” [Speeds are intended to be symmetric – same upload and download speeds, unlike the DSL system that has slower upload speeds. Subscribers will have options up to 1 Gigabit/second speeds. The system is not designed to require throttling]
6. (Jeffrey Houlihan) “Does the \$517k include the cost of the fiber back to the mainland?” [Fiber is already in place underwater from Long to Peaks and then to South Portland. That fiber carries our existing telephone and DSL service as well as the high-speed Internet at the school/library and connects to three “Remote Terminals “ (RTs) on the island – one at the West End, one in the middle of the island, and one on the East End. Copper wire runs from those RTs to each premise on the island, carrying voice and DSL service. The existing fiber does not pass every premise on the island, so the new system requires 13 miles of new fiber.. The actual cost for the entire system buildout is much higher than the \$517k, but Consolidated is picking up some of the cost. The \$517k is our part.]
7. (John Burke) “Where will CCI build the ‘Central Office’ (switching equipment)?” [Possibly on the island, at a location TBD; most recently CCI has indicated that they may have sufficient space in the CO on Peaks Island.]
8. (Bob Jordan) “Getting back to the possibility that the \$15/month doesn’t cover the bond repayment...you said that CCI would make up the difference...but what happens if nobody signs up for the new service? Will CCI really make up that full amount? [It is unlikely that nobody will sign up for the service. The cost of the bond payments would require that about 200 residences sign up for the service. For reference, there are 407 premises on Long Island, and 219 of them currently subscribe to the existing DSL service.]
9. (Fulton Wilcox) “Shouldn’t we be looking at 5G instead of fiber? 5G offers mobility and looks like the future.” [We looked at 5G extensively and contacted Verizon Wireless, which owns the license for 5G in our area. They are building 5G networks in a few cities across the country and Portland is not on their schedule yet. They admitted that setting up 5G on Long Island would be a very long way off in the future. In addition, 5G is indeed intended for mobility – outdoors – but does not work well as a residential service since the millimeter-wave signals do not penetrate walls very well. A tree in your yard between the utility pole and your house would also block the signal. Much more detail on this is available in a White Paper on the Broadband Web page on the Town Web site
- [http://broadband.townoflongisland.us/frequently-asked-questions/.](http://broadband.townoflongisland.us/frequently-asked-questions/)]

10. (Doug Gordon) “I’m a non-resident and can’t vote on this, but if I could, I would definitely vote in favor. Two questions: 1 – Will CCI install drops to every residence? and 2 – will there be provision for a seasonal rate?” [1 – When the system is built, any subscriber will be able to get a service drop at no charge up to 150 feet from pole to home. After the system is installed, there may be a charge for installation (TBD), but every premise on the island will have access; 2 – we are discussing this with CCI, and there are a few options on the table...one thing is certain – the \$15/month charge will probably be included in any seasonal suspension, because the bond has to be paid back regardless of whether you are using the service during the winter. Note – many seasonal residents will want to take advantage of

the broadband service to install home security cameras and similar monitors and will leave the service on year-round anyway.]

11. (Peter Lamontagne) “During this call, I have had 4 warnings from Zoom that my Internet speed was insufficient, so I am really looking forward to better broadband access! I want to make sure that in the contract we get with CCI, the “downside scenario” of nobody or too few people paying the \$15/month is covered specifically in writing. [We agree!]

12. (John Burke) ‘Not really a question but a comment – in this quarantine time, telemedicine has really become important since people cannot go to see their doctor. Broadband will make this much more effective.’ [Correct]

13. (Joe Donovan) “I am calling in by telephone because my internet connection kept dropping out and freezing! I have several comments to offer. First, I’d like to thank the Broadband Committee for their hard work...they have had almost no funding from the Select board and have done this all on a volunteer basis. Second, let me remind everyone that Article 49 only authorizes the Select board to proceed with negotiating and signing a contract. This is just the first step. We have been pushing hard on CCI already and will continue to do so. Third, we will be looking into getting some money from the ConnectME Authority (*state agency helping to fund broadband projects in the state*); just this week they awarded grants totaling \$500k to three towns. Fourth, regarding the possibility that the Town is stuck having to pay off the loan due to some issue with CCI, we will look into insurance for the bond (or loan, if we don’t choose to use the Maine Muni bond Bank). [Thanks, Joe. Another couple of points on the issue of the town getting stuck paying for the bond...1) If CCI were to go out of business entirely, we could invite another operator to run the system and pay us for the access – after all, we will own the system; and 2) if we had to pay back the bond/loan from the property tax, that would raise our rate by something like 30 cents...we could probably handle that if we absolutely had to.]

14. (Bob Jordan) “Another comment...thanks to the Broadband committee for all their hard work. This is the right time to move ahead with an improved broadband system on the island!”

15. (Christopher Morse) “Another comment from a ‘summer person’: I keep the existing DSL service active year-round for my home monitoring system and would do the same with the fiber system. I know I can’t vote on it at Town Meeting, but I am very much in favor of Article 49.”

16. (Maura Ronan) “Another benefit I want to point out is that my company has a lot of us working from home during this pandemic. When things get back to normal, our company (and many others) will be taking a hard look at how much office space they need and will be encouraging more people to work from home so they can save money on leases by downsizing their offices. Broadband is really critical to enabling telecommuting, and with some new employers moving here, like Northeastern’s new Roux Institute in Portland, people may find living on an island and telecommuting to be desirable. And thanks to the Committee for their hard work on this project.” [Good input, and thanks!]

17. (Jeffrey Houlihan) “Do we have any idea how the new fiber system on Cliff Island is working out? Also – thanks to the Broadband Committee...I have fiber at my home on the mainland, and it is very fast and has been very reliable.” [Cliff decided to fund their system privately through some investors. Axiom Technology built and operates the system. People there seem happy with it. They are a bit jealous of the deal we are getting with Consolidated. Same on Chebeague – they are watching us closely and hoping to get a similar deal at some point.]

18. (Doug Gordon) "Getting TV service through CCI is interesting, and probably a way they will make money on the system, offering packages similar to what the cable and satellite TV companies do."
[That's right. One big advantage of getting the programming packages through the CCI fiber instead of satellite (Dish, DirecTV) is that it will work when it rains or snows, unlike the satellite systems.]