

MINUTES

BROADBAND COMMITTEE

Monday, May 10, 2021

6:30 p.m.

Online Interactive

Committee members present: Renee Flanders, Michael Ross, and John Gibbons

Others present: Jay Feyler, Alan Hinsey, and Randal Manning

The meeting was organized as an interactive discussion with LCI/Tidewater to explore the potential for building out LCI's fiber network in Union to cover the entire town, including connections. LCI's representatives were Alan Hinsey, Director of Marketing and Sales, and Randal Manning, Vice President of Engineering and Operations.

Relevant background:

- LCI has reported that there are 34 miles of fiber currently installed on poles in Union.
- There are 66 miles of public roads in Union, and another 17 miles of private roads, for a total of 83 miles.
- There are 1,274 addresses (residences and businesses) in Union. The density (addresses per road mile) is about the same on private roads as on public roads (i.e., if we want to provide full access in the town, we cannot ignore the private roads).

1. The meeting came to order as a Zoom session at 6:30 p.m.
2. John explained our interest in exploring with LCI the potential for building out LCI's network in Union to cover the entire town, and to provide connections to all premises.

LCI began by briefly discussing its recently submitted grant application for fiber connections in Hope and Appleton.

Under the Cares Act grant (\$2.7M) that was received in late 2020, LCI installed 100 miles of fiber on utility poles in Hope, Appleton, and Lincolnton, plus fiber connections to the homes of several hundred students in the two towns. LCI recently submitted a second grant application (\$1.7M) that, if successful, will partially underwrite the cost of making fiber connections to all other addresses passed by fiber in the towns.

LCI's usual connection procedure is to provide a drop from the pole to the premises over a distance of up to 250 ft, with the homeowner paying a flat fee of \$100 and LCI bearing the rest of the cost, which averages \$1200. For distances longer than 250 ft, the homeowner pays an additional charge on a per-foot basis. The homeowner is also

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required to sign a contract for the fiber service for a period of several years. LCI's cost includes the drop and the optical network terminal at the premises.

If the grant application is successful, the maximum distance from the pole will be increased to 500 ft, and LCI will waive the \$100 fee and the contract requirement. The homeowner will still be required to pay the per-foot cost if the distance from the pole exceeds 500 ft.

The grant application reflects a cost-sharing basis of 60/40, with LCI providing 60 percent of the cost and the grant providing 40 percent. There was no contribution required from Hope or Appleton.

3. John asked why Union was not included in the two recent grant applications. LCI replied that the grants were aimed at "underserved" areas, with ConnectME's criterion for "underserved" being maximum available speeds of less than 25 mbps down and 3 mbps up (25/3.) Under this criterion, Hope and Appleton were wide open, and Union had only very small areas that qualified. Redzone (wireless) and Charter/Spectrum (cable) have rates that meet (Redzone) or exceed (Charter) this threshold.
4. John brought up the recently announced action by ConnectME to raise the criterion for "underserved" from 25/3 to 100/100. ConnectME's board approved this action a few weeks ago, and it is currently in a public-comment window. It appears likely to take effect soon. LCI agreed.

Under the new criterion, the coverage by Redzone will not prevent Union from qualifying for grants. In LCI's view, Charter's cable will not be a problem either. Charter can easily exceed the download threshold but will have trouble meeting the upload threshold.

John suggested that if the new criterion proposed by ConnectME is adopted, the competition for grants will likely increase because other towns in the same situation as Union will qualify. LCI responded that with the fiber runs that were installed in Union under the Cares Act to reach Hope and Appleton, Union's competitiveness for future grants will increase. This is because the number of miles of fiber required to reach underserved areas under a new grant application will be substantially lower than would otherwise be the case.

5. John asked what we could do to encourage LCI to build out its fiber network and make connections to all premises in Union.

Randal responded that LCI has already done a lot in the towns that the company currently serves. It was one of the first companies in the state to do so, and it has done what it can to build out in the towns that can meet ConnectME's grant criteria. LCI is aware that some towns believe that the company has not done much to bring fiber to the towns the company serves, but that those towns are not fully aware of what has been done already, and what the constraints have been on doing more. Because of the grant criteria regarding underserved locations, LCI could not directly apply successfully for a grant in Union. But

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the company chose to make the central office in Union the source for running fiber across Union to Hope and Appleton, rather than from the splice boxes in Hope and on Buzzell Hill. As a result, there are now substantial new fiber runs in Union, and the equipment in the central office on Sunk Haze, with its connection to the backhaul, has been expanded to service the local region. And further, when LCI has received grant funding, it has allocated funding of its own to supplement the grants, thereby investing in the local communities. Right now, it is extending fiber along Carroll Road into Burketville with its own capital.

6. Randal and Alan asked how Union felt about LCI. John responded that when committee members talk to townspeople about LCI, a frequent comment is that LCI is a local company, which counts a lot in Union, and that they want to see LCI do more in the town.
7. John asked again how we can get started in advancing LCI's plan for further development of infrastructure in the town. Randal and Alan responded that Union is in the midst of LCI's regional network, that the middle mile and the backhaul have just been rehabbed, and that they would like to include Union in the next round of grant funding . . . the second segment of the current \$15M being administered by ConnectME, plus the municipal and county funding that is coming under the Covid relief bill, plus the \$120M that they feel confident will be here by this fall, to be administered by the new Maine Connectivity Authority. What is needed is an engineering study to determine the served and unserved areas of the town, and basically to map out what needs to be done, and to determine the cost. The results need to be available soon, maybe by the end of June, in order to apply during the window that opens in July.
8. Jay asked what they are looking for from the town to seek these grants. Randal said the cost of the study is probably in the \$15K to \$20K range, and they are looking to Union to pay half the cost. Randal stated that if we proceed with the study with cost sharing between Union and LCI, then Union could not use the results of the study for any purpose other than grant applications with LCI.
9. John expressed surprise that Union was being asked to bear half the cost of the engineering study, after LCI stated in our previous meeting on March 9 that the company typically absorbs the engineering costs required for a grant application. Randal replied that the earlier comments applied to detailed design for a grant application aimed at a small area of the town. This study would cover the whole town, and LCI is proposing it because we asked what we could do to accelerate the buildout across the town.

John suggested that this type of effort is normally covered by a planning grant, and that ConnectME had just publicized the opening of a window for planning grant applications. LCI responded that we could apply for a planning grant on our own, but that LCI did not have time to apply in the near-term. John noted that we need the 100/100 criterion for "underserved" to be in place before we can qualify for a planning grant.

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10. We left it that the next step is the engineering study, and that the timeframe is short if we want to be able to apply for an infrastructure grant in July. Alan will check with the consultant and get back to us to confirm cost and schedule. He will also check with ConnectME/Peggy Shaffer re: the schedule for changing the grant criterion from 25/3 to 100/100. Randal stated that if it is feasible for them to apply for a planning grant, they will do their best.
11. There was a brief discussion of how soon we could come up with our share of the study cost. Jay said that we are expecting the ARP grant (\$200K) by the end of May. Randal said that if there were delays, we could work out an arrangement with LCI.
12. In closing, Jay offered the comment that LCI has done a lot in the town, and we have had good experiences with the company.

Tuesday, May 11, 2021: Post-meeting update from Alan Hinsey

The engineering consultant, Brian Lippold of Casco Bay Advisors in Gardiner, can do the study for \$9.8K (Union's share \$4.9K), and be done by August 1, 2021.

ConnectME /Peggy Shaffer said that the Round 2 applications (second half of the \$15M bond fund) that are expected to start in July will be due in September; and if the ConnectME board approves the new 100/100 criterion after the public comment period, it will be in effect for the Round 2 grants.

LCI currently has 44 fiber subscribers in Union.

Respectfully submitted,

John Gibbons
Secretary