

ConnectME Fund
Fourth Round Grant Application
February 2010

Due March 22, 2010

1. **Date: March 22, 2010**
2. **Project Title: South and West Northport ConnectME project**
3. **Submitting Entity: Midcoast Internet Solutions**
4. **Grant Amount Requested: \$40,900**
5. **Total Project Cost: \$84,700**

i. Project Contact Information

(Please include: Name, Title, Address, Telephone Number, Fax Number, and E-mail Address.)

Cameron Kilton

Project Manager/Assistant Systems Administrator, Midcoast Internet Solutions

25 Oak Street

Rockland ME 04841

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cam@midcoast.com

ii. Party Who Prepared Application

(Please include: Name, Title, Address, Telephone Number, Fax Number, and E-mail address).

Jason Philbrook

President, Midcoast Internet Solutions

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6. Executive Summary of the Project

Much of Northport is without broadband, partly due to the unusual non-existence of both Cable TV service and lack of Fairpoint DSL. Some parts of town along the coast have some coverage from Midcoast and Bluestreak wireless services, and we are not seeking to overlap those areas with this project. We seek to cover route 52 and the back roads with fixed wireless broadband in the same manner as we do in many other towns. There are many excellent hills suitable for quality wireless broadband. These hills have also blocked inland access from our coastal infrastructure. There are also lesser populations inland than along Penobscot bay, making entirely private funding of the proposed coverage area less practical than other unserved areas. The people of Northport have been very patient, but want service very badly.

7. A description of the geographic area proposed to be served by the project and sufficient information to establish that it is an **unserved** area, preferably at street-level granularity, and not likely to be served in the foreseeable future. (Most applicants conduct independent research to determine if a community has broadband or are sufficiently familiar with the community to know that there isn't any terrestrial broadband available).

The area to be covered is almost entirely unserved. Heading north on 52, Tidewater DSL ends at the Lincolnville and Northport town line. Route 52 is a hilly rural road with many houses and farms. Route 52 is a popular bypass of Route 1 for Camden to Belfast traffic has a mix of residences of people working in nearby towns as well as home businesses such as farms and service businesses. There are also side roads (such as Beach Hill) off Route 52 going into the center of Northport where the big hills are located.

We have a couple customers higher up on these hills who happen to have nice views south to distant Midcoast infrastructure to the south. Most people are not so fortunate and need closer and non-line-of-sight infrastructure to be able to utilize our broadband services. This project would create that inland infrastructure to provide broadband for the first time to west and south portions of Northport.

8. A description of the proposed project, including:

- a.

public-private partnerships and collaborations that have been established;

- b. evidence that the private partners in the project are eligible to receive funding from the Authority;

- c. the type of service to be provided, indicating the technology used and the upstream and downstream speeds of the service to be provided;

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- d. an estimate of the time required to complete the proposed project;
 - e. the number and percentage of households and businesses within the area to be served by the project (i.e. who can be served given technical limitations);
 - f. the estimated price per customer of the service to be provided by the proposed project; and
 - g. a map (preferably GIS compatible) or list of municipalities or parts of municipalities that may be covered by the proposed project with GEO Codes.
- a. The town of Northport has worked for a couple years to gather and provide information and to build relationships with local ISPs. They have encouraged our participation in ConnectME for Northport, but had have not had a role in preparation of this plan.

b. MIS is a Maine based ISP that was started in 1995 and incorporated in 1997. We are a communications service provider as qualified by §9202 of the ConnectME law, have prior ConnectME experience, and participate in the ConnectME fund regular filings.

1. Customers would have 2 megabit download and 1mbps upload to start, and could upgrade to higher speeds for additional expense. The basic service as described would be \$40/month and \$99 setup with a 1-year commitment and \$49 setup with a 2-year commitment

1. We require 10 months from town+ConnectME approval to finish, but expect quicker progress.

e. We expect to be able to serve about 85% of the homes or businesses in the intended coverage area. Geographic features are the primary reason why some might not be able to receive the service.

Attached is a map showing the intended network design, though it may change slightly depending on property owner negotiations for tower siting.

MIS proposes to build upon it's current inland network by adding additional tower or repeater sites to cover the west and south part of Northport.

We intend to start the network at our Hatchet Mountain tower in Hope. From there, we have a good line of sight backhaul view into the south west Northport area. Three sites will feed from the Hatchet site; a windmill tower in Lincolnville, and two sites along 52 in Northport. On the south part of town, we will use an existing working customer off Beech Hill road to have a backhaul from North Haven. This will service the west end of Beech Hill road and part of Route 1 where it is too far from the water for other broadband choices.

We will use Alvarion 5ghz and 900mhz technology to provide links between the towers and customer or repeater sites. The Alvarion 5ghz equipment can provide up to 35mbit between locations, and the 900mhz can provide up to 8mbps; currently the best available. Any line of site installations would utilize the 5ghz links for better capacity,

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and non line of site customers would use 900mhz. This is the same 900mhz system that we deployed in three of the five Somerville tower locations and all locations in Jefferson and as proposed in recent ConnectME applications. We have been ordering them on a regular basis since and have observed the manufacturer make improvements in product availability and distribution, software, and documentation. We have learned the finer points of it's operation along with Alvarion staff. We now feel comfortable recommending this 900mhz product for the project. The 5ghz gear is not a new product, but just an evolved version of a Wimax like product we have been using for about seven years now.

A lease agreement will be obtained with land owners to formalize our cooperation with regard to constructing and operating a tower on the site. We would propose a trade of services lease for a five year period.

A map of showing an estimate of coverage is provided. We do not expect the project to provide service outside of Waldoboro.

9. The applicant's financial commitment to the project in addition to the funding requested from the Authority;

Midcoast will be contributing \$43,800 to the project in infrastructure and labor. ConnectME will be providing \$40,900.

This is detailed in the costs spreadsheet attached.

10. The estimated number of customers/households who will directly benefit from the project who are currently **unserved** (provide lists or numbers of potential customers that have indicated a strong commitment to subscribe);

We estimate there could be upward of 150-200 potential customers this could serve.

11. Evidence of community support for the proposed project, which may include letters or signatures of residents or businesses located within the area of the proposed project (also, provide letters of interest from landowners for placement of facilities and support commitments from municipalities or community groups);

The town has encouraged us on multiple occasions to apply for the ConnectME application, but has not provided written correspondence.

We also keep statistics of our own. We have 73 customers who have requested service in Northport that we were not able to serve presently. We expect more than half of them would be in the area we propose to cover.

12. A description of the applicant's experience relevant to the proposed project; and

We are familiar with Northport, as we presently serve some customers there along the coast, and have visited and turned down many inland due to a lack of options. We currently provide service in many of the towns around Northport as well. Our experience with the geography of the town is an important consideration.

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13. A demonstration of financial viability provided by pro-forma financial statements for the project and company financial statements. Confidential information may be submitted and should be so marked.

Attached.

Completed applications are due **March 22, 2010**. The ConnectME Authority will make application awards after a reviewing and ranking the applications, based on the availability of funds. Submit applications electronically or by mail to:

ConnectME Authority

Phillip Lindley, Executive Director
Statehouse Station 78
Augusta, ME 04333-0078

Phone: (207) 624-9970
Mobile: (207) 441-0498
Email: phil.lindley@maine.gov
Website: www.maine.gov/connectme/

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Financial Analysis and Budget

The budget will be reviewed on reasonableness and accuracy. Provide the following financial information with as much detail as possible:

	ConnectME Grant Funding	Cash Match	In-Kind Match	Other Funding Sources	Total
Personnel					
Contractual Services					
Start up Expenses and Capital Expenditures (Hardware, software, etc.)					
Supplies and Materials					
Telecommunications					
Training					
Travel					
Other costs					
Total					

The ConnectME Authority reserves the right to request additional information deemed necessary to properly evaluate the application.

Please be aware that some of the information in the application may be made available to existing broadband service providers, as required by the ConnectME law and rule.

Confidential information may be submitted, but only those specific portions considered proprietary should be so marked (see also § 4 of the ConnectME rule).

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Appendix – Important Information

Information from Chapter 101

Applicants must be familiar with the ConnectME Authority rule, Chapter 101, and the authorizing statute, both of which may be found at <http://www.maine.gov/connectme/>.

Eligible Applicants. Any grants, direct investments, or loans under this Chapter will be made on behalf of, in partnership with, or in support of, one or more communications service providers that are remitting assessments to the Authority under 35-A M.R.S. A. §9211. Projects contained in approved proposals must be completed within one year of funding unless a waiver is granted by the Authority due to unique or unforeseen circumstances. The Authority must also determine that, without the Authority's action, the installation of adequate advanced communications technology infrastructure in an unserved or underserved area would not otherwise occur. Applicants eligible to receive Authority support for advanced communication infrastructure projects may include:

1. General-purpose local governments (municipalities and counties);
2. Local government authorities, and joint or multi-county development authorities;
3. Private for-profit companies that provide broadband; and
4. Any other responsible entity or group determined by the Authority to be capable of installing, using, and managing advanced communications technology infrastructure in the area.

Eligible Activities. Eligible uses of funds provided under the ConnectME Fund include activities, facilities, and services described in 35-A M.R.S.A. §§ 9204-9205. Eligible activities include: the provision of public infrastructure, services, facilities, and improvements needed to implement new broadband services, enhance existing broadband services, implement new mobile communications service, or enhance existing mobile communications service. Funds may also be used for matching requirements, “gap” financing, and grants, that may assist projects in qualifying for other sources of funding, as well as any other necessary activities that are integral and necessary for the development, installation, and use of a broadband or mobile communications system.

Evaluation of Applications

The application evaluation process will allow the Authority to concurrently evaluate all applications submitted during a particular application period that has been set by the Authority. The scoring of applications is based on a 100-point scale. A project with a total score of less than 50 points may not be funded. [Note: The priority of this grant program is **unserved** areas. A project that serves an underserved area may only be funded if funds are available after all eligible applications for projects to serve unserved areas have been funded.]

Be aware of the provisions in subsection 6(G) of the rule, Private Investment Criteria, which states that, after notice, a broadband service provider or mobile communications service

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provider may submit a certification to the Authority that it will commence within 45 days, and will completely install within one year of the date of the Authority's notification, sufficient advanced communications technology infrastructure to provide broadband or wireless service in a manner that would render the Authority's support of other projects in an area unnecessary or redundant (unless a waiver is granted by the Authority due to unique or unforeseen circumstances).

The application will be judged using the following four scoring categories:

Cost-Benefit. This category is worth **35** points.

The cost-benefit scoring is based on relevant factors, including, but not limited to, the amount of funding requested from the Authority per customer eligible to be served by the project, with lower funding per customer receiving a higher cost-benefit score. Applicants should demonstrate financial viability by providing pro-forma financial statements and detailed business plans. Confidential information may be submitted, but only those specific portions considered proprietary should be so marked.

Community Support. This category is worth **10** points.

The community support score is based on relevant factors, including, but not limited to, evidence of community support for the project and the percentage of the geographic area to be covered by the proposal that will be served by the proposed project.

Project Scope. This category is worth **35** points.

The project scope score is based on relevant factors, including, but not limited to,

- the number of customers to be served by the project,
- the type and, when relevant, the speed of service to be offered by the project, and
- the applicant's financial commitment to the project.

Note: Recent legislative changes to the ConnectME Authority statute (to 35-A M.R.S.A. §9204) ¹ state that, "(I)n awarding grants, the authority shall give priority to those proposals that, relative to other proposals, extend access to broadband service to a higher percentage of an unserved area within a municipality or other appropriate geographic area."

Project Value. This category is worth **20** points.

The project value score is based on relevant factors, including, but not limited to, the estimated retail price per customer to receive service from the proposed project and any other details of the project that may benefit customers in the area proposed to be served by the proposed project.

¹ See Public Law, Chapter 63, (LD 850, HP 0585), 124th Maine State Legislature, "An Act To Ensure Local Broadband Coverage."