

ConnectME Authority

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Advisory Council Meeting Notes

September 15, 2009

Attending: Fletcher Kittredge, Reggie Palmer, Greg Schueman, Wayne Gallant, Jeff Letourneau, and Phil Lindley.

The Authority previously asked the Advisory Council to convene and discuss three issues on which the Authority needs advice from the Council:

1. The issue of "overlap" regarding projects, especially fixed wireless solutions. Many of our funded projects are fixed wireless solutions and often have to "fly over" a served area in order to reach an unserved area. We have approved those projects with conditions not to install end-user equipment in served areas. The Authority would like to have a better concept of "overlap" as it can be applied to grant projects.

The Authority is currently only funding projects to serve unserved areas. The Council agreed that "flyover" should still be allowed, with conditions. The grantee will only provide end-user equipment to those customers who cannot receive service from another provider. This would apply to a wireless project as well as a wired project. For example, if a wired project can serve both sides of a ridge where a wireless incumbent is able to serve only one side of that ridge, the wired grantee can only install "modems" to those customers who cannot receive the wireless signal. It will be up to both parties to work out a verification protocol. The Authority's mapping project will certainly provide a better picture of the issue.

2. Following 1 above regarding conditions, the Authority needs more information regarding how those conditions should be crafted, the length of time for the condition, potential penalties for not adhering to the conditions, and possible appeal processes.

For a new project by a challenger (starting within 45 days), the challenger should provide periodic updates to the Authority to verify that the grant was not necessary. For existing coverage, the challenger should provide a mechanism to verify existing service areas (maps, site surveys, etc.) that will allow the grantee to know where not to make installations.

The issue about the length of time a "non-compete" condition should be stated was thoroughly discussed. The Council debated whether it should be the length of depreciation of the grantee's grant purchased equipment (end user or other), or the depreciation period of the challenger's equipment. End-user radios, for example, could have a three year depreciation, a tower might be 20-40 years. We decided that the Authority should have three choices for the duration of the condition: minimum one year from operational completion of the grant project; an agreed period between the grantee

and challenger; or, if no agreement, the Authority could use GAAP depreciation schedule for the grant purchased equipment.

For a verified violation of the grant condition, the grantee will be allowed to rectify the problem. If not cured, the grantee would be ineligible for future grants. The ability to recover the money or have the grantee return the grant money with interest, needs more discussion.

3. The definition of broadband continues to be an issue. The Authority is required to define broadband annually, recently making the FCC's Broadband Tier 1 the standard for grant projects. The Authority also discussed the issues of access to applications, latency, etc. Also, the FCC is attempting to define broadband in its National Broadband Plan proceeding.

Regarding item 3 about the definition of broadband, the Council believes that it might be premature at this time to change what was stated by the Authority. Broadband, for grant purposes is the FCC tier 1, 768 kbps, with low levels of latency and jitter that allow applications such as VoIP, VPN, and online gaming. The Authority will monitor what the FCC does in its broadband plan docket and review its definition next spring.