



STATE OF MAINE
HOUSE OF REPRESENTATIVES
HOUSE DEMOCRATIC OFFICE
AUGUSTA, MAINE 04333-0002

SARA GIDEON
ASSISTANT MAJORITY LEADER

April 21, 2015

Testimony of Rep. Sara Gideon presenting
**LD 1063, An Act to Promote Community Broadband Planning and
Strengthen Economic Opportunity throughout Maine**
Before the Joint Standing Committee on Energy, Utilities and Technology

Senator Woodsome, Representative Dion and esteemed members of the Energy, Utilities and Technology Committee, I am Sara Gideon. I represent District 48, the towns of Freeport and Pownal. Thank you for welcoming me and the many other people who will be here today in support of **LD 1063, An Act to Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine.**

In the 21st century economy, and especially in a large and sparsely populated state like Maine, functional infrastructure that works both now and into the future is essential for economic success. We compete in a global economy where goods, services, talent and capital can flow anywhere. Because of that modern reality, making sure Maine has high-speed, wide-capacity and ubiquitous broadband networks throughout the state is a basic building block for economic growth and job creation in Maine. The equation is simple: continued investment in broadband will lead to an acceleration of economic benefit for our state.

In simple terms, broadband is a fast internet connection that is always on. With it, any one of us can be connected to the global economy. We can grow jobs, increase educational opportunities, provide healthcare, communicate with customers, invite telecommuters to live here and encourage young people to return here.

Right now in Maine, only 20% of the state's addresses have access to broadband speeds that meet the state's minimum definition of broadband. In fact, Maine is a national leader, setting a definition which recognizes that upload speeds are just as important as download speeds. Why is this important? Because we can only talk about economic development when we start looking at broadband as a means to produce and export, not just as a means to consume. Do you want to watch a movie on Netflix? That high download speed is great for you. But upload speeds are what allow us to measure the rate at which a user can send information back to the Internet. Do you want to work remotely via the cloud? Are you an architect, sending design files to an engineer? Are you a medical technician, needing to send x-rays to a doctor in a neighboring city?

These are the examples which help us understand why it is so vitally important that this large, rural state has true broadband infrastructure. With it, Maine businesses will communicate with customers and collaborate with colleagues the world over. They will deliver the goods and

services that in our global world cross state and country borders seamlessly. Maine educators will have access to information and provide students an education without boundaries. Maine's people will have access to preventive healthcare, Maine's elderly will stay longer in their homes and Maine's electric grid will continue to modernize.

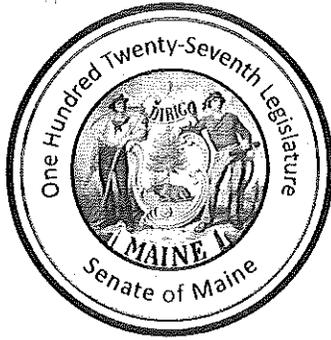
And finally, but maybe most importantly, the people of rural Maine will have access to opportunity that the people in urban Maine enjoy and the possibility of working together as one economic engine to begin to cross the great geographic and social divide that has for too long existed and grown.

The legislation we introduce today builds on the energy and enthusiasm at the local level to create a policy that will thoughtfully plan broadband expansion in the state town by town. It will lay the groundwork for the investment we need to compete economically.

By reorienting ConnectMe, we create a mechanism of planning, funded through matching grants, that helps municipalities identify the broadband resources they have, that encourages them to determine the broadband they want and need and that crafts a plan to execute the investment and infrastructure build-out.

The solutions will look different from town to town, but through this process, we'll learn what works so that we can replicate it in communities across the state. We will build a Maine that has the broadband infrastructure it needs to provide good-paying jobs no matter where you choose to live and work. We will create a process that we believe could become a model for rural states across the nation.

No matter what shape our policy solutions ultimately take, here's what we know for sure: Maine's competitive economic future requires a 21st century broadband solution. We built our country and our state on great minds, talented labor and a work ethic that kept us on the cutting edge of great innovation. We became successful by speeding up around the bends in the road when everyone else was slowing down. Now, by creating the conditions that will bring our broadband infrastructure into the 21st century, we have the chance to tap into an opportunity to create good jobs with strong wages as we merge onto the fast Internet superhighway in Maine.



*Senator Garrett Paul Mason
Senate Majority Leader*

*3 State House Station
Augusta, ME 04333-0003
(207) 287-1505*

*P.O. Box 395
Lisbon Falls, ME 04252
Home (207) 577-1521*

**Testimony from
Senator Garrett Mason
in support of**

**LD 1063, "An Act to Promote Community Broadband Planning and Strengthen
Economic Opportunity throughout Maine"**

Joint Standing Committee on Energy, Utilities and Technology

April 21, 2015

Senator Woodsome, Representative Dion, and fellow members of the Energy, Utilities and Technology Committee: I am State Senator Garrett Mason and I represent District 22, which is comprised of the Androscoggin County towns of Durham, Greene, Leeds, Lisbon, Sabattus, Turner and Wales; and the Kennebec County towns of Litchfield and Wayne. I am before you today as a cosponsor of LD 1063, "An Act to Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine."

Broadband is a crucial issue for ensuring Maine is competitive in the global economy and that our citizens have all of the available opportunities today's technology can afford them. LD 1063 is the right step forward, and I am proud to be the lead co-sponsor of this legislation.

As with every aspect of our life nowadays, access to the Internet is becoming increasingly important for education. Perhaps it is obviously so in terms of virtual charter schools, where classes are taken remotely and much communication is done via the Internet.

However, from kindergarten through college, in public schools and private schools, students are now using the Internet to do their work, conduct research, and explore the world – much faster and more easily than could have even been imagined a decade ago.

We need to make sure Maine students, no matter where they attend school, can keep up with their peers across the country and the world. Access to high speed Internet opens up the world to students, allowing them access to books, documents, and artifacts held in the world's top libraries and museums. It allows students to have face to face contact with teachers, to take online courses that supplement their regular schoolwork and jumpstart their college careers. To give Maine students these opportunities, we must improve our state's broadband infrastructure.

Education is one of many sectors of society that improved broadband access will benefit. Healthcare is another.

Living in a rural state can make access to healthcare difficult, particularly for the elderly living in remote areas. It can not only be difficult, but expensive, to reach a doctor's office for a consultation. Telemedicine can give patients access to their doctors to ask questions, to get answers, and work through issues that don't require an office visit. From primary care doctors to a wide spectrum of specialists, telemedicine gives patients and doctors the opportunity to connect more frequently than would otherwise be possible.

Telemedicine, however, requires the highest quality Internet access because of the need not only for streaming video, but also for high resolution imaging. In a state like Maine, with a rural and elderly population, broadband access can be a key part of preventive care.

Additionally, federal requirements about the adoption of electronic medical records have made reliant and fast access to the Internet essentially a requirement for the health care industry. Starting in 2015, providers are expected to have electronic health records or they will be subject to financial penalties under Medicare. We can help this important industry - and all other economic sectors in the state - by investing in broadband.

Thank you for your time today and your consideration of this proposal. I would be happy to answer any questions you may have.



STATE OF MAINE
HOUSE OF REPRESENTATIVES
HOUSE DEMOCRATIC OFFICE
AUGUSTA, MAINE 04333-0002

JEFF M. McCABE
MAJORITY LEADER

April 21, 2015

Testimony of Rep. Jeff McCabe
LD 1323, An Act To Expand Rural Broadband
Before the Legislature's Joint Standing Committee on Energy, Utilities and Technology

Senator Woodsome, Representative Dion and distinguished members of the Energy, Utilities and Technology Committee, I am Rep. Jeff McCabe of Skowhegan. I am here to testify on my bill, **LD 1323, An Act To Expand Rural Broadband**.

My bill would allow Maine communities to form local public authorities to provide broadband to rural parts of Maine.

There are many small businesses and farmers in rural Maine that would greatly benefit from access to broadband. Too many businesses struggle to compete because they do not have Internet that is fast enough to run their business online. We need to level the playing field and extend broadband to all parts of Maine.

According to Google Director of Marketing Scott Levitan, 97 percent of American consumers search online for goods and services. At the same time, 59 percent of small businesses in Maine do not have a website and 55 percent see no use in the Internet.

The website, BroadbandNow, which publishes federal data on broadband access, states that nearly 200,000 Maine residents don't have access to high-speed Internet access or even access of any kind.

Many Internet providers are not willing to extend service to rural parts of Maine. By allowing Maine communities to form their own local authorities, they can provide their residents with access to high-speed broadband.

The goal of my bill is to allow a municipality, groups of municipalities and counties to create corporate entities or authorities, similar to water and sewer districts, with the ability to issue bonds for the purpose of constructing broadband infrastructure to provide regional broadband service. Such an authority would provide the "last mile" of broadband to rural homes and business using the fees from that service to pay for the needed infrastructure.

The bill also states that the expansion of broadband using optical fiber is an authorized expense under the state universal service fund administered by the Public Utilities Commission, which would provide further funds to such authorities to extend broadband service to Maine residents.

The bill amends Maine's goals for broadband policy by requiring the ConnectME Authority to define "broadband" as having at least the same speed as the current Federal Communications Commission standard. It would also create a standard providing that upload and download speeds are the same. This addition will help to ensure that Maine broadband speeds are competitive with the rest of the country.

We need to make our state more competitive. The best way to do this is by expanding broadband throughout the rural parts of our state.

This proposal simply provides an additional tool for our rural communities to offer broadband to its residents and businesses. I urge the committee to consider this and all proposals that move us forward to true statewide broadband.

Thank you and I would be happy to answer any questions that you may have.



STATE OF MAINE
CONNECTME AUTHORITY
3RD FLR. CROSS STATE OFFICE BUILDING
78 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0078

JEAN WILSON
CHAIR

TESTIMONY of Richard Thompson
Chief Information Officer, University of Maine System
Member, Connect Maine Authority

GREG McNEAL
DICK THOMPSON
RALPH JOHNSON
ANDREW S. HAGLER
AUTHORITY MEMBERS

LD 1063 – *An Act to Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine.*

**JOINT STANDING COMMITTEE ON ENERGY, UTILITIES
AND TECHNOLOGY**
April 21, 2015

Senator Woodsome, Representative Dion and Members of the Joint Standing Committee on Energy, Utilities and Technology, I am Richard Thompson, CIO of the University of Maine System and a member of the ConnectME Authority, and I am pleased to speak on behalf of the Authority in support of LD 1063, *An Act to Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine.*

This bill has a great deal to offer and the ConnectME Authority supports its passage. I will touch on some of the key points of interest to us:

- The changes to the definition of Communications services will serve us well. We see this as leveling the field for those who compete in this space.
- The goals and policy statements up the ante for how we manage and invest in broadband service capacity. The goals are clear and the policies establish a path that the Authority can execute.
- Adding members to the Authority, especially from DECD and a designee with knowledge of telemedicine strengthens the team. We are fortunate to have a member who has knowledge of telemedicine, but this assures this representation going forward.
- Community and strategic planning requirements in the bill set high standards for the Authority and ones that we can meet. The proposed engagement of stakeholders and especially the public in the plan review adds to the value of the resulting plans.

The ConnectME Advisory Council is eliminated by this bill. The Council provided a valuable service over the years, but the Authority can and will be able to engage those members regularly and perform the work assigned to the Authority. We do very much appreciate what was accomplished.

There is a great deal of work defined within a short period of time, particularly development of the first triennial plan. Consideration should be given to the time frame and perhaps extend the timeframe beyond December 31, 2015.

PRINTED ON RECYCLED PAPER

PHILLIP LINDLEY
EXECUTIVE DIRECTOR

WWW.MAINE.GOV/CONNECTME/

PHONE: (207) 624-9970
MOBILE: (207) 441-0498

This bill is a major step forward. The interest in Broadband service improvement and coverage is extraordinary. This bill sets in motion a change, a stepping up of Maine's activity in this area. The Authority is prepared to carry out what is implemented in this bill as the best course of action. In recent weeks we have taken significant steps to engage even more fully and be active as an Authority in the most productive way. Members are here and willing to participate. There is much that can be done.

Thank you for the opportunity to speak. The Executive Director, Phil Lindley and I will be available at the work session to assist with any discussion or proposed modifications that may be considered. I would be happy to answer any questions you may have.

Richard Thompson
Chief Information Officer, University of Maine System
Member, Connect Maine Authority

207-621-3417
dick.thompson@maine.edu



State of Maine
Office of the Public Advocate
112 State House Station, Augusta, Maine 04333-0112
(207) 287-2445 (voice) 711 (TTY) www.Maine.gov/meopa

Paul R. LePage
GOVERNOR

Timothy R. Schneider
PUBLIC ADVOCATE

April 21, 2015

**Office of the Public Advocate Testimony on LD 1063 “An Act to Promote
Community Broadband Planning and Strengthen Economic Opportunity throughout
Maine”**

Chairman Dion, Chairman Woodsome and Members of the Energy, Utilities and
Technology Committee,

The Office of the Public Advocate testifies in strong support of LD 1063, An Act to
Promote Community Broadband Planning and Strengthen Economic Opportunity
throughout Maine.” The bill lays the groundwork for developing and implementing a long-
term effort to bring

While others will likely testify on where Maine is at in terms of broadband speeds and
availability, I would like to begin my testimony by focusing on where Maine is currently in its
broadband policy: specifically, what we do and don’t know.

We know how to get the level of broadband we have now.

To get broadband speeds that lag the nation, we can continue to rely solely on private
investment from a handful of companies whose business models, by their own admission,
do not support broadband investment in rural Maine. For those companies with footprints
that extend beyond Maine, their investments in this state will lag those they are making
elsewhere.¹

¹ TDS Telecom, a Telephone Association of Maine member, is currently deploying fiber to the home in its
service territories in Wisconsin, New Hampshire and Tennessee. See <https://www.tdsfiber.com/where/>.
Time Warner Cable is deploying its MAXX upgrades, capable of delivering 300 Mbps down/20 MBps up in
Austin, Charlotte, Dallas, Hawaii, Kansas City, Raleigh, San Antonio and San Diego by the end of 2015.

We know how to extend the level of broadband we have now to the places that don't have it.

For the last five years, ConnectME has been providing grants to providers to offer broadband in those places that effectively still have dial-up service. Though in recent years, ConnectME has increasingly funded fiber deployments, the vast majority of this investment consisted of DSL and fixed wireless deployments capable of delivering speeds less than the broadband standard adopted by ConnectME. At its current level of funding, it would take ConnectME 50 years to everyone off dial-up speeds. Even assuming that the Authority connected every one of these "last 6%" with fiber to the home, this would mean that in 50 years, 80% of Maine would still have broadband levels that are incapable of providing services needed now.

We don't know how to get what we don't have now.

Current law makes it the goal to ensure that "Broadband service [is] universally available in this State, including to all residential and business locations and community anchor institutions in the State" and to develop "A secure, reliable and sustainable forward-looking infrastructure that can meet future broadband needs." 35-A M.R.S. 9202-A (i.e. existing state broadband policy goals). Most observers agree that we have not achieved these goals.

In January, the ConnectME Authority adopted a forward-looking, technology neutral definition of broadband. The 10 Mbps symmetric standard appropriately defined the problem that the Maine faces: under this definition, less than 20% of the state's homes and businesses have access to networks capable of delivering the level of broadband services Maine will need.

This is not a problem that the ConnectME Authority and its existing grant program are structured to solve. Right now there is no credible plan to solve that problem and achieve the state's broadband goals.

LD 1063 is the beginning of that plan.

LD 1063 is an effort to move beyond defining the problem to actually trying to solve it. It takes the groundswell of interest and energy in improving broadband service in Maine and puts it to work in service of achieving that goal. There are many components to the bill, but in this testimony I will focus on the two that I believe are most important:

- 1) The requirement that the ConnectME Authority establish a strategic plan and be held accountable for its progress on that plan; and
- 2) Providing matching funds to support community broadband planning efforts.

All other elements of the bill strengthen and support these two fundamental objectives.

Developing a Strategic Plan for Broadband

The legislation requires the ConnectME Authority to develop a three-year strategic plan for broadband service that includes quantifiable measures of performance, timelines for implementation, and an annual reporting obligation to the Legislature. Maine currently has no broadband plan. However, if this bill is enacted, by the end of the year, it will.

The ConnectME Authority prepared a strategic plan in 2012 that included strategic recommendations and specific action items for the Authority. However, that plan lacked measurable objectives or a formal structure for accountability. As a result, many of the action items and recommendations have languished in the intervening years. The strategic plan proposed by the bill would include measurable benchmarks so the Legislature can hold the Authority accountable for its progress in achieving its goals.

The bill expands membership in the ConnectME Authority to include additional relevant expertise and reflect the additional workload involved in developing and overseeing a strategic plan. (By comparison, the Efficiency Maine Trust Board has nine members). LD 1063 also provides the opportunity for direct public input, eliminating the ConnectME Advisory Council, which has for many years served as an imperfect proxy for public input. Finally, the bill includes statutory changes that expand/stabilize the ConnectME Fund, and

remove arbitrary staffing limitations. These changes would ensure that in developing the strategic plan, the ConnectME Authority has the staffing and resources necessary to achieve its goals.

Community Broadband Planning Grants

Since we don't know how to solve this problem, we're going to need to encourage experimentation. This is already happening in communities across Maine. The planning grants established in the bill would support this experimentation by providing technical support to communities (or groups of communities) so that they can identify their broadband needs, and develop a plan to address those needs. These efforts begin with an inventory of existing broadband infrastructure; so that communities can build on the infrastructure they already have rather than spending public funds to duplicate it. The proposed network designs developed as part of this process can then form the basis for requests for proposals to private entities to expand existing networks or build and operate new ones.

Such planning efforts will translate a community's desire for broadband into an actionable plan, laying the groundwork for public-private partnerships by creating "fundable buckets" for future investment. There are lots of ways to fill these buckets, and given the scale of the problem we have to solve, it cannot all come from the State of Maine and the ConnectME Authority. Funding can and should come from many sources, including private investment, the federal government (*e.g.* USDA, FCC Connect America Fund), local bonding or tax increment finding, charitable foundations, or even large employers who may be willing to contribute to ensure their employees have reliable home broadband connections.

The approach outlined in this bill changes role of the ConnectME Authority -- from primarily a grant-making entity to an entity with primary responsibility for setting and implementing the state's broadband policy, and with a central role in providing technical and financial assistance to local efforts to meet identified broadband needs. While this model is new for broadband, it's not new for infrastructure. This is how rural electrification happened, and how telephone service was brought to rural Maine--places where the

prevailing business models deemed it uneconomic to serve. We are going to solve this problem the way we solved those: town by town, valley by valley, peninsula by peninsula. In doing so, we're going to figure out models that work for the whole state, maybe the whole country.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Timothy R. Schneider".

Timothy R. Schneider
Public Advocate



LINCOLN COUNTY REGIONAL PLANNING COMMISSION

35 Water Street
PO Box 268
Wiscasset, ME 04578

April 21, 2015

Senator Woodsome, Representative Dion, and Members of the Joint Committee on Energy, Utilities, and Technology.

My name is Mary Ellen Barnes, and I'm the executive director of the Lincoln County Regional Planning Commission. I testify today in strong support of LD 1063. This legislation will strengthen economic development opportunities throughout the state and especially benefit rural, underserved areas.

Our regional planning organization carries out economic and community development activities, and transportation and land use planning in 19 communities, all small towns, from Somerville to Monhegan and Wiscasset to Waldoboro. We work with town officials, residents, and businesses to improve "the foundations" for successful community and business growth. Traditionally, as you know, this includes water, sewer, sidewalks, roads, industrial parks and business incubators.

Lincoln County's economy is a small-business economy, with both thriving and struggling downtowns, an aging workforce, a growing agricultural sector, no public transportation, and bustling summer villages. Our largest town – Waldoboro – has a little over 5,000 residents.

The County has seen negligible job increases and a slight population decline over the past several years. Improvement to the availability and speed of broadband service – the Three-Ring Binder travels right through the heart of the County – is really essential infrastructure, an untapped asset that could support entrepreneurship and innovation, and overcome, for our County, some of the perceived disadvantages of rural areas.

Many Lincoln County towns have used ConnectME grants to try to improve internet service, but to some extent, it's been frustrating, time-consuming, and not entirely effective. It's a challenge for communities to master technology, pricing, and industry direction to develop a firm understanding of feasible alternatives and to wisely invest their dollars.

This is one of the major ways I see LD 1063 as a major step forward for Maine. The ConnectME Authority, with new responsibilities, increased funding, planning requirements and other tools, will become a leader. The proposed strategic broadband plan is essential as are the matching funds for community planning. This will leverage – not replace – resources and commitment that exists or is building in our towns.

Additional technical expertise at the Authority – sharing the growing knowledge base statewide – would put ConnectME in a unique position to more effectively accomplish its mission and better partner with cities, towns, schools, and businesses.

It's time for the state to pull together knowledge and resources, and work with businesses and communities to better utilize broadband resources and create a new foundation for our economic future.

I recommend the committee vote "Ought to Pass" on LD 1063.

Sincerely,

A handwritten signature in cursive script that reads "Mary Ellen Barnes".

Mary Ellen Barnes
Executive Director

Statement to Legislature Regarding LD 1063

Chebeague.net, LLC
Chebeague Island, Maine

We speak strongly in favor of LD 1063.

With no other telecommunications companies willing to make the investment to bring broadband to Chebeague Island, a small group of concerned citizens formed chebeague.net, LLC in 2006 to bring broadband services to the island first by T1 lines and later by microwave transmission from Portland. There were no fiber optic cables serving the Island, only copper telephone lines, and that remains the case today.

Currently we provide DSL service over FairPoint Communications telephone lines on the Island. We consider our service to be adequate for the Island's needs at the present time, but we know the demand will increase dramatically when our summer population arrives, not to mention the future demands, which are inevitable. Please see www.chebeague.net for more information.

We find ourselves struggling to find ways to meet this future demand, hampered not only by the difficulty of finding funding but by the challenges faced by being a remote non-bridged island community.

Having managed to achieve as much as we have has been challenging, to say the least, with very little financial reward for the enormous effort involved. We're grateful to the ConnectME Authority for the \$150,000 they have provided over the past nine years, matched by the \$150,000 from local citizens.

But we can't take the next steps to fiber to and around the Island and increased bandwidth and reliability without a more concerted and organized effort among the Town, the State, and private services, such as our organization. We believe that LD 1063 provides the first steps to achieve this goal and therefore strongly support its passage.

Beverly S. Johnson
David R. Hill
Founders, Chebeague.net, LLC



Capital for Opportunity and Change

**Testimony to the Joint Standing Committee on Energy, Utilities and
Technology**

In Support of

**LD 1063: An Act to Promote Community Broadband Planning
and Strengthen Economic Opportunity throughout Maine**

LD 1323: An Act to Expand Rural Broadband

April 22, 2015

Carla Dickstein, Ph.D., Senior Vice President
CEI, Wiscasset, Maine
cbd@ceimaine.org
207 882-5118, cell 207 350 1345

Senator Woodsume, Representative Dion and members of the Joint Standing Committee on Energy, Utilities, and Technology, my name is Carla Dickstein. I am the Senior Vice-President of Research and Policy Development for CEI, a Community Development Finance Institution and Community Development Corporation based in Wiscasset. CEI has been investing all over Maine in small businesses, affordable housing and community facilities with the particular mission of providing opportunities for low-income individuals to find good jobs, increase their incomes and assets, and access quality affordable housing. I am also Co-Chair of the recently formed Maine Broadband Coalition, which is attracting new members daily who want better broadband.

I am here today to support LD 1063. This and the related bills here today are important first steps in elevating quality, accessible broadband as a policy priority in Maine.

I am also submitting testimony from several others who could not make it: Community Concepts, the Chebeague.net LLC, Full Circle America, and The Maine Professional Guides Association, Red Monk, and Bret Barker. All of these



testimonies point to the increased necessity of the internet to conduct business, whether it be taking reservations for guiding services online, operating remote technology businesses, or providing telemedicine and monitoring technologies in the homes of older adults, allowing them to stay in their homes and avoid institutional care. As the Department of Commerce points out, "individuals' economic and social well being increasingly depends on their ability to access, accumulate and assimilate information."¹ Business and everything else is being done on the intern-et.

Maine consistently ranks in the last quintile in surveys assessing state broadband speeds.² The Maine Development Foundation's 2015 *Measures of Growth* shows that Maine gained ground but continued to lag New England and the country in the number of high speed³ internet subscribers per 1000 residents from 2008-2013. Our goal should not just be to match these benchmarks. We have to build a network designed for tomorrow's economy with upload and download speeds hundreds and thousands times greater than what we and they have today. This is a necessary condition for surviving and prospering in the 21st century.

I particularly want to address the impact of broadband on attracting people and businesses to Maine and especially rural Maine. In the last few years Maine's changing demographics have been front and center concerning Maine's future. In 2012 we had the oldest median age in the country - 43.5 years. Labor shortages are projected to be one of the biggest obstacles for economic development.⁴ Even if we kept every young person in the state, we would still have labor shortages. Our birthrate is too low. So much of the economic development discussion is now focusing on attracting people to Maine, not just businesses. High speed, reliable broadband is critical in a 21st century attraction strategy, particularly for footloose entrepreneurs and businesses that can locate anywhere.

Maine has a large number of remote technology workers particularly in the Portland area. Testimony submitted to you from Bret Barker, an engineering manager for Canonical USA says that broadband is not keeping up in Portland to

¹ See "Falling Through the Net: A Survey of the 'Have Nots' in Rural and Urban America", <http://www.ntia.doc.gov/ntiahome/fallingthru.html>

² For example see <http://explorer.netindex.com/maps?country=United%20States&state=Maine> or <http://www.pressherald.com/2014/01/08/maine-broadband-going-nowhere-fast-service-ranks-49th-out-of-50-states>

³ High Speed Lines are defined as connections that deliver services at speeds exceeding 200 kilobits per second in at least one direction.

⁴ <http://specialprojects.pressherald.com/aging/the-demographics-of-maine/>

match the size of data sets and is even worse in rural areas. He predicts that many more knowledge workers would flock to Maine if rural areas had state of the art broadband. Stephen O'Grady, co-founder of Red Monk, a technology consultancy in Portland says, "When you begin to calculate the collective time lost to insufficient bandwidth, it becomes easier to understand why it can be difficult for the state to attract the kinds of high income, low impact technology workers that cities such as Kansas City have had such success recruiting. He and his family love Maine and chose to live here, but he says "to attract those who have yet to fall in love with it, however, we need our infrastructure to be competitive with other markets." If their broadband doesn't keep pace with the world, quality of life will not keep them here

What about Maine's rural areas? According to an academic roundtable on broadband at the Center for Rural Strategies, broadband may not bring immediate transformation of rural America, but "regions that lack broadband will be crippled."⁵ Massachusetts recognizes what is at stake. WiredWest, a cooperative of 44 towns in Western Mass, is authorized to finance telecommunications networks and offer services.⁶ The state just passed a \$50 million bond to pay for last mile fiber optic networks for the region. Similarly twenty-four towns in central Vermont, including Montpelier and Braintree, joined to form a municipal fiber corporation called ECFiber. The towns both build the fiber infrastructure and provide Internet service. After an initial investment of \$6 million, ECFiber expects to have 200 miles of fiber cables built by the end of the year.⁷

For Maine to move forward, we need the infrastructure and resources to support broadband development. The ConnectME Authority is the logical focal point for helping municipalities and regions build their capacity to develop broadband in their communities. They need more people, resources and organizational options to do that. More options, such as municipal and county authorities proposed in LD 1323 or regional cooperatives as Western Mass has used, provide communities with flexibility how to develop broadband. We need all communications providers to pay their fair share into the ConnectMe Fund. Ultimately we will need state bonding to help support this massive effort to bring Maine to any kind of

⁵ See 2009-2010 report, http://www.ruralstrategies.org/sites/all/files/Broadband_Investment.pdf

⁶ <http://www.pressherald.com/2014/09/26/bill-nemitz-dont-suffer-with-slow-internet-rural-maine/>

⁷ See <https://bangordailynews.com/2014/06/21/opinion/the-maine-economy-is-missing-a-key-ingredient-fiber/>

competitive position in today's economy. LD 1063 and 1323 are a start. I urge you to support these bills. The other bills that support bonding should also be considered but I believe the priority at this point should be creating a solid platform for expanding broadband everywhere.

Thank you for the opportunity to testify.

Testimony of Allan S. Teel MD, Founder
Full Circle America
Nobleboro, ME 04555
www.fullcircleamerica.com
April 21, 2015



In Support of LD 1063:

An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity Throughout Maine

I am Allan S. Teel MD, Founder of Full Circle America (FCA) in Nobleboro. We support elders living in the comfort of their own homes, living lives to the fullest, using technology, social networking, life management, and expansive volunteering.

Topnotch Broadband in Maine is essential to effectively addressing the needs of our aging population. Maine is the oldest state per capita in the country, and 90% of seniors want to stay in their own homes. Successful 'aging-in-place' in community requires integration of health and wellness, safety and security, purpose and communication, lifelong learning and engagement; and every one of these components requires good broadband.

Healthcare is all about access and affordability and the tools are increasingly telecare and telemedicine, employing high-quality video and wearables. Virtual house calls can make office visits more timely and convenient; they can reduce unnecessary emergency room visits, and even bring specialist care to any community and every patient in need of such services. Medicare plans to expand telemedicine to allow individual homes as the covered service originating site in 2017. Video-monitoring can shorten hospitalizations and stays in skilled rehab facilities. It can delay and even eliminate the need for many assisted living and nursing home beds. Several community hospitals have even piloted successful hospital-at-home programs. The dramatic healthcare savings that can be achieved free up financial and people resources for many other worthy competing community needs.

Purposeful living and the previously unrecognized role that non-medical aspects of daily living play in wellness give many other reasons for broadband improvement. It is connections to family and friends that give elders a reason to get up in the morning, and as frailty reduces driving and strains more limited community transportation resources, the ability to bring family and friends into the home via video-calling and video-conferencing, and to bring community events into the home via video-streaming will play an ever-increasing role in the lives of our community members. And video needs better broadband.

Safety and security in rural, urban, and suburban settings increasingly depends on remote video monitoring of home and yard, and on home automation whose availability and growth depend on broadband. The necessary technology infrastructure makes our communities and our state more attractive for retirees and their adult children. Their collective peace of mind is critical to them remaining here as they age and broadband helps them achieve that.

Lifelong learning through a robust senior college network pioneered throughout Maine in the last 20 years begs for more venues and for more sharing of its video content across all sections of our state. USM is the national coordination center chosen by the Osher Foundation for their Lifelong Learning Institutes in all 50 states. Intergenerational connections between at-home elders and schoolchildren

needing additional tutoring and mentoring to say nothing of shared social needs are other natural opportunities that better broadband would facilitate.

Integrating and reconfiguring existing community resources to achieve the comprehensive at-home, person-centered, family-supported, community-based, non-institutional care solution that Full Circle America has pioneered over the last decade right here in Maine requires robust broadband.

In the December, 2013 Report of the Governor's Broadband Capacity Building Task Force, Chairman Warren Cook wrote, "Maine faces a distinct set of challenges. Our population is aging, our incomes are low, and our government costs are increasing at all levels. This report looks at the positive impact that increased use of broadband internet can have on Maine's economy, education system, government and healthcare...The strategy laid out in this report is designed to take advantage of the opportunity—and avoid the danger. It is the product of a committee of nine leaders in the private and public sectors in Maine. The proposed strategy will create jobs, reduce government costs, and attract and retain young people. The effort would be led by state government, but involve the participation and investment of all institutions and individuals in the state. Although it is a win-win strategy, we are under no illusions that its implementation will be easy. It requires people and institutions to change, to learn new skills, to invest in new technologies, to take risks. Change is hard. But change is achievable with leadership."

Their second recommendation is to "**Help Maine's Elderly Stay at Home**. Use in-home technologies to reduce the proportion of elderly on MaineCare receiving long-term care in institutions from 65% to 40% by 2015, and to 20% by 2020. This will allow seniors to stay home longer — which is what they want — and at the same time save Maine taxpayers over \$100 million in 2015, and over \$250 million annually in 2020. Dr. Chip Teel of Damariscotta developed an approach that takes telemedicine a step further, using simple broadband communication technologies to help elderly stay in their homes for about \$5,000 a year...But it's not all technology. Home visits, volunteering, transportation help, and neighbor check-ins are also essential to creating a high quality of life for participants in the program.¹" "Even though these techniques have been pioneered in Maine, other states are now moving ahead faster in implementation. Maine needs to...allow the reimbursement of new in-home technologies in order to reduce the proportion of elderly on MaineCare receiving long-term care in institutions."

Other important benefits of an aggressive promotion of the necessary broadband infrastructure in Maine communities are the spin-off economic benefits for the whole community for seriously addressing elder care through the High Touch, High Tech solution envisioned by Full Circle America:

- 1) Helping elders stay at home produces jobs, savings, and frees up govt money for other areas
- 2) Dramatically reducing health care spending by changing the residential care default option to an array of home-based solutions and doing better chronic disease management by involving the whole community and the whole extended family; promote new curriculum for direct care workers that elevates them from minimum wage to a valuable community health worker. Transportation is cited as one of the most challenging areas of eldercare. Widespread **courier services** are an economical and efficient way to overcome many obstacles with low start-up costs. A reliable vehicle with a cell phone and good broadband can get such a business up and running for less than \$500.

¹ Teel, A.S. (2011). *Alone and Invisible No More: How grassroots community action and 21st century technologies can empower elders to stay in their homes and lead healthier, happier lives*. White River Junction, Vt: Chelsea Green Pub.

3) Create jobs: mfg: young adults from war craft gaming design to running robots making things in efficient assembly lines/technical: need software/apps/firmware etc for devices that focus on the elder market; modify the components some make elsewhere and white-labeled for Maine commerce use/ service providers/ call-centers like MBNA did/ web-based broadband infrastructure: public private collaboration: Broadband report on Maine's future; make better use of existing people resources ala Chamber of Commerce Report/ 2B people worldwide over 65 by 2040: export heaven for those that choose to specialize in that field/ elders at-home need technology specially adapted for them; video-access; device interoperability; adapted for shaky hands; failing eyesight/ hearing/ memory impairment; energy saving devices: heat pumps/ small solar, wind and geothermal

4) Focus on future by supplementing existing efforts: Aging Across Disciplines at UMO/ Me Quality Counts/ MeHAF/ CEI/ Encore volunteers/ Farmington example CAP and United Way working together/JTG emphasis on seniors/ UNE Med School and Allied Health emphasis on geriatrics; geriatric research of Marilyn Guggliucci and her staff/ USM, Leonard Kaye and UMO Center on Aging and Osher LifeLong Learning selection/ State college branches to focus on rural elder care like Farmington does on education: Limestone/Brunswick: intergenerational studies/ gifted and talented approach for elders not just youth; push elder empowerment: focus on taking charge, not being passive; Inter-generational proposal where youth and elders mentor each other.

These are just a few of the possibilities that Broadband and a focus on elders can promote.



Maine

53 Baxter Boulevard, Suite 202 | Portland, ME 04101
1-866-554-5380 | Fax: 207-775-5727 | TTY: 1-877-434-7598
aarp.org/me | aarpme@aarp.org | twitter: @aarpmaine
facebook.com/AARPMaine

April 21, 2015

Testimony of Amy R Gallant, Advocacy Director, AARP Maine, in support of LD 1063, An Act to Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine.

Good afternoon Senator Woodsome, Representative Dion, and members of the Committee on Energy, Utilities and Technology. My name is Amy Gallant and I am the Advocacy Director for AARP in Maine, representing more than 230,000 members 50+ statewide. AARP is a non-profit, non-partisan member organization representing the interests of 50+ Mainers and their families.

AARP Maine urges you to vote ought to pass on LD 1063, An Act to Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine. LD 1063 recommends the following; to establish criteria defining unserved and underserved areas, promote use of broadband service, support local and regional broadband planning, support broadband investment, facilitate state support of deployment of broadband infrastructure, collect and disseminate information, and administer funds.

Many of Maine's seniors live in unserved and underserved broadband areas. Clarifying, identifying and addressing these areas in strategic planning will increase the broadband access for Maine seniors, having a number of positive impacts on their lives including increased communication with loved ones and in cases of emergency, increased access to available resources such as telemedicine, and general decreased isolation.

AARP thanks Senator Mason and Representative Gideon for their sponsorship of this bill, and we urge the committee to vote ought to pass.

Thank you.

Amy R. Gallant
Advocacy Director
AARP Maine
agallant@aarp.org



ENERGY, UTILITIES AND TECHNOLOGY COMMITTEE TESTIMONY OF VERIZON COMMUNICATIONS

LD 1063 - An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine

April 21, 2015

Chairman Dion, Chairman Woodsome, and members of the Energy, Utilities, and Technology Committee, my name is Jim Cohen of Verrill Dana, LLP, and I am here today on behalf of Verizon to speak in *opposition* to LD 1063 based on how it is funded: it proposes to tax *mobile* voice and data customers to pay for *fixed-base* broadband studies and buildout.

What would LD 1063 do? It would amend the ConnectME Authority statute in three key ways: (1) allow the Authority to provide grant money to municipalities to study broadband opportunities; (2) remove the requirement that ConnectME funds avoid displacing private investment; and (3) require customers of mobile telecommunications carriers to contribute to the ConnectME fund for the purpose of expanding broadband, which is a different service.

Why we oppose LD 1063. We support the goal of LD 1063 – expanding broadband services. Companies like Verizon are in the business of providing broadband services, so of course we support this goal. However, we oppose this bill because it inappropriately taxes customers of mobile telecommunications providers to support a different product – fixed base broadband.

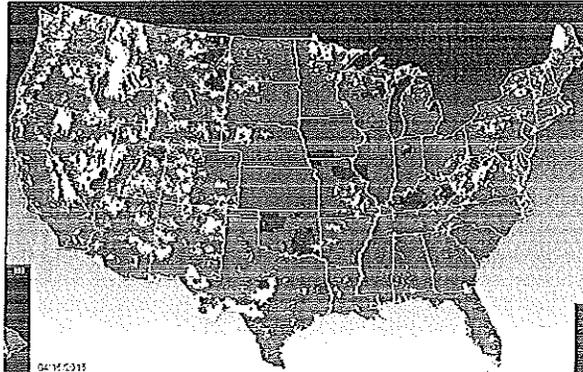
Verizon supports the industry amendment. The telecommunications industry aggressively competes against each other, and frequently disagrees. However, from time to time the industry has come together on policy issues just as the industry did in 2012 on the Telecommunications Deregulation Act. This year, the industry put aside their differences and came together on an approach that we believe offers the best opportunity to expand broadband in Maine without unfairly burdening telecommunication customers – including mobile telecommunications customers. Verizon participated in and supports this approach, which is being presented to the Committee today in the form of an industry amendment.

Mobile telecommunications services are different than fixed-base broadband services. Providers like Verizon Wireless offer mobility-based services that allow customers in Maine to use their mobile device outside their homes, their region, and their state. People purchase the service not only because smart phones offer a wide range of services, but they want to remain connected when they leave their home or their office. As part of the service, customers can access the Internet on a mobile basis, but the service differs from fixed base broadband in several ways, chief among them the fact that the data service is generally not unlimited. The FCC also noted the difference between mobile and fixed broadband in its 2015 Broadband Availability Report:

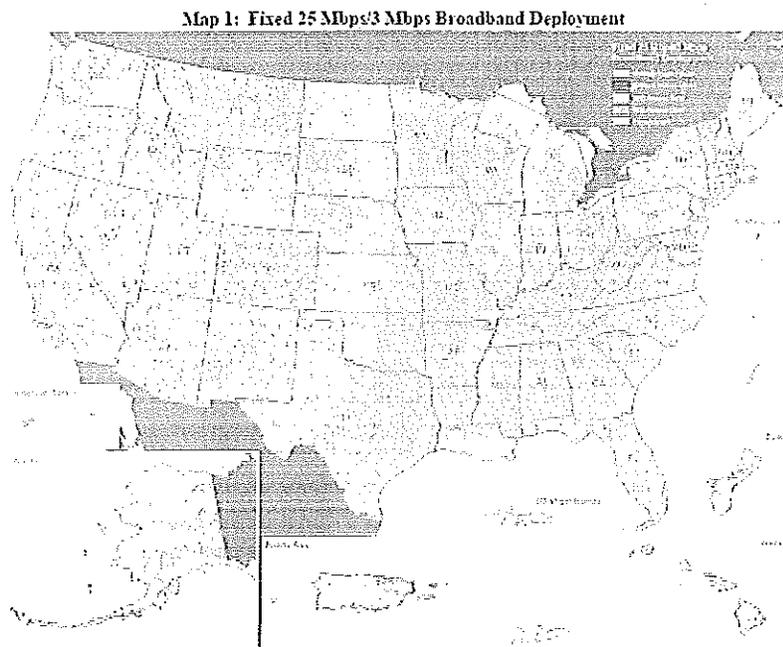
- *When considering mobile broadband, we note there are tradeoffs between speed and mobility. As we have explained in the past, mobile broadband differs from fixed broadband in terms of speed, latency, price and usage allowances, consistency of service throughout an area, and the potential for congestion. (§113).*
- *Fixed services generally have unlimited, or very high-usage allowances; mobile broadband data plans today typically contain usage allowances starting from 1 GB depending on provider. (§117).*

These limitations in service reflect the limitations in the spectrum itself. By contrast, fixed base broadband offered by means of wire generally offer higher data limits or unlimited access to the Internet. The distinction is important because the ConnectME Authority, and this bill, are appropriately focused on expanding fixed-base broadband, not services related to mobility.

Comparing mobile service to fixed broadband by geography. As noted, mobile service is nationwide, crossing state and local boundaries. This is illustrated by the Verizon Wireless coverage map below:



By contrast, the availability of what the FCC considers "advanced" broadband services – i.e. 25/3Mbps – is highly dependent upon geography because the services are largely fixed-base in nature. This is illustrated by the map below from the FCC's 2015 Broadband Availability Report:



Can the ConnectME Authority assist mobile telecommunications providers? Very simply, no. For several reasons.

1. Carriers ARE investing. Over the past 4 years for which data was collected, the five 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.
2. Carrier investments dwarf what ConnectME could fund. A single tower can cost between \$250K and \$500K, depending on the site characteristics. There is no practical way that ConnectME could ever collect enough money to make a difference, especially when compared to the funding levels of the carriers themselves.

3. ConnectME funding for wireless would simply be an exercise in returning money to the very same carriers who collected it in the first place – minus the substantial costs of administration. In the telecommunications and fixed-broadband world where ConnectME currently operates, there are local providers who can offer service in specific geographies. In part, this reflects a long-standing regulatory regime where competitive providers have a right of access to the facilities of incumbents, and where dark fiber providers offer services on an open access basis. The mobile telecommunications world is very different, to the point where ConnectME funding would not make sense. In the mobile world, services are offered by regional and national carriers, each of whom operates their own integrated network that crosses municipal and state boundaries. This reflects the federal regulatory model for wireless that is based on competition by national carriers, and it reflects the reality that the product mobile carriers sell is mobility – this cannot be offered by small, local providers (and certainly not by local governments) within a specific geography, which is why such carriers don't exist in the mobile telecommunications world. For this reason, the only way ConnectME could assist with mobile telecommunications build-out is to offer subsidies directly back to the very same national providers from whom the funds were collected in the first place. This would add little value, and likely would diminish the value of the funds to the extent there are administrative costs associated with collecting the funds, remitting the funds, administering the funds, and then operating a grant program to give the funds back to the very same carriers who collected the funds in the first place. In the end, collecting money from wireless carriers to support mobility would be an exercise in taking a modest amount of money and turning it into a smaller amount of money with no value added.
4. Skew competition. Mobile carriers aggressively compete for customers, and coverage is one way carriers compete. The better the coverage, the more attractive a carrier is to a customer. However, if the goal of ConnectME is expanded to include mobile telecommunications, the competitive environment will be skewed whenever funds from one provider are given to a competitor within the same footprint, which is inevitable because the goal of each wireless provider is to serve all locations within their footprint. Competition today is leading to substantial investments in Maine; policies that upset the competitive balance risk driving capital away from Maine, which is in no one's interest.
5. Mobile providers do not need local planning grants. Mobile carriers already know where they have coverage, and where they don't. In fact, they make this information available to the public – including on their websites -- so that they can choose among different providers. LD 1063 calls for planning grants to local municipalities, but what more would a municipality study that is not already publicly available, or known to all the carriers? The short answer is: nothing.
6. Building local infrastructure is risky. Mobile carriers use different technologies with different propagation profiles. As a result, if a local government or private tower company were to build a tower that served a particular geography for one carrier, that tower might not help another carrier in the same location. Likewise, the cost of a tower is only a portion of the overall cost of site build-out. The equipment that goes on and next to a tower is also very expensive, so a decision by a carrier to utilize a particular tower would also involve consideration of the anticipated revenues from the site. Building a tower "on spec" could involve a stranded investment if no carrier needed the site in the foreseeable future.

Adding mobile telecommunications to the ConnectME fund to subsidize broadband is unfair. Given the title of the bill and its apparent purpose, the goal of taxing mobile telecommunications customers is not to improve mobile services; rather, it is to subsidize fixed-base broadband service, which is very different. When the ConnectME Authority was first established 8-10 years ago, mobile telecommunications carriers were not required to participate in recognition that mobile services were very different. 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 diminish one to support the other. For this reason, we ask this Committee not to tax one important service – mobility, in order to support another important service – fixed broadband.

Adding fees may negatively impact buildout. If Maine is looking to promote investment in mobile services, it should take care not to add further costs to what consumers pay. That is because affordability is a key element of customer adoption, which in turn impacts investment decisions. The FCC noted the correlation between affordability and buildout in the context of broadband in its 2015 Broadband Availability Report:

- *Affordability. Broadband that is more affordable is more likely to be adopted (and contribute to demand) than broadband that is not affordable. In the 2014 NTIA Digital Nation Report, NTIA found that the second highest reason for not subscribing to broadband was the Internet is "too expensive." (§147).*
- *The existence of these unserved areas may be attributable, at least partially, to the cost of building infrastructure over long distances in areas with low population density, as well as the lower incomes and higher rates of poverty and unemployment in rural versus urban areas. This translates into fewer revenue generating opportunities for service providers and ultimately affects their incentive to build broadband networks. (§143).*

Is there something Maine could do to improve mobile telecommunications coverage? There are steps Maine could take to improve the coverage offered by the competing carriers in Maine.

1. Don't add to the cost of mobile service with new fees as they diminish the revenue opportunities that drive capital investment decisions of carriers;
2. Encourage local municipalities to undertake land use planning to decide areas where towers can be sited on a streamlined basis. The lower the legal and regulatory costs of installing a cell site, the lower the barrier to installation.
3. Municipalities could consider TIFs or other financing vehicles to offset the costs of installing mobile facilities. This may require a change in state law.

Conclusion. For the reasons noted, we ask the Committee not to support LD 1063 as drafted. Although we don't believe any change in law is required, if the Committee does believe some action needs to be taken, the amendment offered by the industry coalition provides a better direction to ensure fair and ongoing investment in broadband in Maine. Thank you, and please let us know if we can provide any additional information.



Testimony of Rick McCarthy

Before the Joint Standing Committee on Energy, Utilities and Technology

In Support of LD 1063, An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine

April 21, 2015

Senator, Representative, and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Rick McCarthy and I am here today on behalf of the Mayors' Coalition.

The Mayors' Coalition on Jobs and Economic Development was formed in 2012. The Coalition includes the Mayors of eleven Maine communities. The purpose of the Coalition is to advocate for state policies that will grow Maine's economy statewide by providing the infrastructure, skilled workforce, and reasonable tax rates necessary to support such growth. The Coalition brings together the Mayors of Auburn, Augusta, Bangor, Biddeford, Gardiner, Lewiston, Portland, Saco, Sanford, Waterville, and Westbrook. This is a bi-partisan group that represents municipalities with a combined population of 275,000.

The Coalition supports LD 1063. Last year the Coalition identified better broadband service as a priority. We held a panel on broadband issues in Lewiston last October that brought together several of the groups now in the Broadband Coalition. We realized then that there was much that needed to be done at the local and state levels to provide competitive broadband services to Maine people and businesses.

That might sound counterintuitive - surely Portland and Bangor are served by strong internet providers and have no complaints? What we found was that even among Maine's largest communities there are a variety of challenges and no one has universal access to high speed, high quality broadband.

One example is Sanford, which finds itself just a few miles off the Three-Ring Binder. If they can bridge those last few miles, they will have access to high speed, high quality and low cost

internet services. Without it, they are looking at lower quality, high cost service. They are in the middle of a planning effort to determine how best to make that connection.

In Portland, Mayor Brennan has convened a working group to look toward the goal of citywide fiber-optic broadband service. Even in Portland, Maine's broadband service is far from where we'd like it to be.

Other Coalition members are in different stages of reviewing their current level of service and identifying the greatest need for improvement.

When the Connect ME Authority was created it was reasonable to focus on extending basic broadband services statewide. That goal is now met for most Mainers and it's clear that another challenge - provided high quality, affordable broadband service - is a primary obstacle to growing Maine's economy. It is appropriate and necessary to expand the goals of the Connect ME Authority to address that challenge.

The Coalition is pleased to support the specific changes set forth in LD 1063. They include:

1. Establishment of a State Broadband Policy and developing a Broadband Service Strategic Plan;
2. Expanding the duties of the Connect ME Authority, including promoting broadband service, supporting local and regional broadband planning, and supporting broadband investment;
3. Encouraging community broadband planning; and
4. Updating funding sources for the ConnectME Fund.

In order for Maine's economy to prosper, we must be able to provide broadband service that is competitive with the rest of the world. That clearly is not the case for most Maine businesses and residents right now. LD 1063 is a necessary step toward that goal.

Thank you and I'd be happy to answer any questions.



April 20, 2015

Maine Fiber Company Testimony on LD 1063 “An Act to Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine”

Chairman Dion, Chairman Woodsome, and Members of the Energy, Utilities, and Technology Committee,

Although Maine Fiber Company testifies neither for nor against LD 1063, An Act to Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine, we support both the goals and policies proposed by the bill. This bill outlines a pragmatic approach to broadband infrastructure investments, and improves the likelihood that public and private investments will be sustainable and have tangible economic benefits for Maine.

We also strongly endorse the proposal by the bill’s call for a Broadband Service Strategic Plan. Without such a plan and without regular updates to the plan, the State can’t expect to adequately guide Broadband expansion in the years to come.

Overview

- Public investment in broadband infrastructure in Maine should be guided by principles of sustainability and measurable economic benefit.
- The ConnectME Authority should be making grants to fund broadband infrastructure with technologies that will accommodate the ever increasing demand for bandwidth. Funding for obsolete technology should be curtailed.
- Public investments in broadband infrastructure should create opportunity for more competitive residential broadband providers to enter the market but not exclude the major incumbents.

Public investment in broadband infrastructure in Maine is not currently guided by principles of sustainability and measurable economic benefit.

Investments in broadband infrastructure that contemplate the use of public funding should be required to demonstrate long term economic and operational sustainability through a transparent public modeling process and disciplined follow up.



Maine's geography and relatively low population density make investment in last mile broadband infrastructure upgrades uneconomic. As a result, the normal effects of a competitive marketplace will not be realized in all areas of Maine. Government intervention in the form of policy and funding are necessary in order for Maine to remain competitive in the region and globally. LD 1063 provides a structure under which local communities can target infrastructure funding for maximum economic benefit, whether that be a subsidy to help an incumbent upgrade to last-mile fiber, construction of new open-access fiber for public-private use, or creation of a municipally owned and operated broadband network.

The Community Broadband Planning grant requirements contained in LD 1063 reflect learnings from recent fiber infrastructure efforts throughout the country, including Google Fiber, Chattanooga, and indeed Maine Fiber Company's own middle-mile project which was completed in 2012. By imposing these requirements, LD 1063 will help reduce the risk of a failed municipal investment and improve the odds of realizing true economic benefits for the State. We believe each grant should have associated measurable outcomes and each grant recipient should be required to report their progress toward achieving those outcomes. A transparent accountability model of this type will benefit the ConnectME Authority, all grant recipients and the State as a whole.

The ConnectME Authority should be making grants to fund broadband infrastructure using technologies that will accommodate the ever increasing demand for bandwidth. Funding for obsolete technology should be curtailed.

Publicly funded broadband infrastructure investments should utilize technologies with enough capacity and longevity to be of value for 25+ years in order to maximize the economic benefit to the State. In recent years, ConnectME funds have been spent on copper-based DSL service expansion, coax-cable based cable modem service expansion, and low bandwidth wireless services. None of these technologies has sufficient capacity, reliability or security to truly address the long term future needs of Maine residents. Planning grants as contemplated in LD 1063 will help ensure that infrastructure with a long useful life is selected. The goal should be to use fiber optic cable for future expansion wherever possible.



Public investments in broadband infrastructure should create the opportunity for competitive residential broadband providers to enter the market but not exclude the major incumbents.

The residential broadband marketplace in Maine is largely a duopoly that controls the last mile connections into homes. Any publicly funded broadband infrastructure investments for residential broadband should be fully leveraged to facilitate competition, and should be made available for use by communications service providers on an open-access, non-discriminatory basis, or merit-based competitive bid basis. LD 1063 accomplishes this by directing the ConnectME Authority to identify and fund broadband investments that may be used by 'multiple providers'.



Maine Municipal Association

60 COMMUNITY DRIVE
AUGUSTA, MAINE 04330-9486
(207) 623-8428
www.memun.org

Testimony of the Maine Municipal Association

In Support Of

LD 1063 – An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine

April 21, 2015

Senator Woodsome, Representative Dion and members of the Energy, Utilities and Technology Committee, my name is Garrett Corbin and I am testifying in support of LD 1063 on behalf of the Maine Municipal Association (MMA) at the direction of MMA's 70-member Legislative Policy Committee (LPC).

LD 1063 amends the law governing the state's policy on the deployment of broadband infrastructure and services to unserved and underserved regions as well as the role of the ConnectME Authority to implement that policy. The bill: (1) rewrites the state's 3 broadband goals and 5 broadband policies; (2) directly assigns the ConnectME Authority to implement those goals and policies; (3) directs the ConnectME Authority to provide technical and financial assistance to communities in the state that include unserved and underserved areas in order to generate broadband investments; (4) prohibits the ConnectME Authority from undertaking projects that would occur in the same time frame without the efforts of the Authority; and (5) establishes the 5 required elements of the plans developed by a municipality or a group of municipalities with grant funds potentially provided by the ConnectME Authority to expand the availability of broadband in their region.

As noted in MMA's testimony on other broadband bills before this Committee on April 2nd, municipal officials are very supportive of state efforts to assist the expansion of high-speed internet and MMA's Policy Committee has made expanded access to reliable high-speed internet part of its 2015 Legislative Platform. This is a statewide issue with significant local ramifications.

To members of MMA's Legislative Policy Committee, the approach to broadband expansion offered by LD 1063 is positive. Municipal officials see the ConnectME Authority as an appropriate and welcome partner in broadband connectivity efforts. Enhancing the Authority's capacity to assist municipalities through broadband planning grants makes sense.

Municipal officials view LD 1063 as a large step in the right direction, but a step that should not be mutually exclusive of other approaches offered in bills like LD 68, LD 465, LD 912, and LD 1185.

Richard C. Bates
Town Manager
townmanager@town.rockport.me.us



Stacey M.Y. Parra
Executive Secretary & GA Administrator
executivesecretary@town.rockport.me.us

101 Main Street, PO Box 10
Rockport, Maine 04856
207-236-0806
207-230-0112 Fax
Website: town.rockport.me.us

April 16, 2015

Senator Woodsome, Representative Dion, and Members of the Joint Committee on Energy, Utilities, and Technology.

My name is Rick Bates and I am the Town Manager of Rockport Maine, Maine's High Tech Harbor. I am here today to testify today in support of LD 1063 and LD 1185.

I believe that for us to build the next several decades of economic security in Maine, we all need to think big. Really big!

Our world is changing faster than any of us can imagine. All of the old rules of economic development are quickly going out the window. We have seen a dramatic shift in the way people work. No longer are people tied to working in the community where the factory is. Senator King said it best when he said, "the internet allow us to work where we live, rather than live where we work."

Maine has a lock on "quality of place" and we would be hard pressed to find better quality of life than in Maine; the key is in making it so people can work from this beautiful place, we all call home. Internet access is critical – not just fast internet, but blazing fast internet. Mediocre is not good enough for us to be competitive in the global marketplace.

Maine Media Workshop was able to stay in Rockport and be competitive in the digital world, because of the fiber we installed through a joint effort with them, Maine REN and the Town. Fiber was essential to their future, because the work they do there is so data driven. In the past students would access the internet on a handful of school provided workstations, today, students come to the school with two or three methods of connecting to the internet. Today cameras and media are being developed that will need all of the Gig service they have now.

Dream Local, a Rockland marketing and social media business, is thriving and doing business not just in Maine but all over the country. They chose its location and building they are in specifically, because of its proximity to the three ring binder high speed fiber backbone. How many other Maine-owned business could flourish if we made this available throughout the state?

Rockport has gained national attention for our dark fiber model, the first in the State. It provides Internet access at my desk of not 25, 50 or 100 Mbps, but Gigabit speeds. Last tests at my computer produced about 800 Mbps both download and upload speeds! That is about as fast as my Millennium Falcon of a computer can go, and frankly pegs the needle on the all the available speed test sites.

I am not a technology guru; but I don't need to be. This is not a technology question; it is a public policy question. The key to bringing real change to Maine's sub-par Internet infrastructure is not to settle for small incremental change. Thinking on a small scale at this crucial time would lead to disastrous results – leaving us behind the rest of the country and the rest of the world.

In Rockport, our Select Board is committed to taking bold steps. We have started planning now to expand our network to every business and resident in Rockport. We hope that we will begin construction of our fiber to the home network within the next two years, if not sooner. We are not thinking "if", we are thinking "when".

Rockport is also a founding partner of Next Century Cities, a national organization that has grown from our original 30 members to over 80 really heavy hitters from around the country, and growing every week. Members include Chattanooga and Wilson, S.C., who were the subject of the recent FCC ruling, and cities like Portland (the other one), Boston, Palo Alto, Kansas City, Santa Monica and little Rockport Maine. Santa Monica is now providing a city owned 100 gig network! One GB was not fast enough to keep up with the needs of their business community.

These leaders in broadband delivery are not thinking small, they are pushing the limits to provide gig service to their businesses and residents. If we have any hope of being competitive in the global market, we have to take bold action now! We need to start moving and providing the tools necessary to get the job done. The legislation you are considering today is a very good start.

I urge the committee to vote "Ought to Pass" on LD 1063 and LD 1185.

Thank you very much for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Bates", with a long horizontal flourish extending to the right.

Richard C. Bates
Town Manager
Rockport, Maine

April 21, 2015

Senator Woodsome, Representative Dion and members of the committee:

My name is Dan Sullivan. I am the IT Manager for Woodland Pulp LLC & St. Croix Tissue Inc. in Baileyville. In an age where pulp and paper mills in Maine are closing at an ever-alarming rate our two companies are actually investing in Maine. The recent investment of 120 million dollars to build and operate the new St. Croix Tissue mill in downeast Maine is case in point. Our owners have made immense capital improvements in the existing pulp mill and now are investing even more by building two new tissue machines bringing an additional 80 plus high paying jobs to our area. These two companies combined employ almost 400 Mainers providing high pay, benefits and stability to our area. Also the impact these mills have on the economy of our surrounding communities cannot be overstated.

The management and employees of our companies strongly support every effort including LD 1003 to bring affordable fast and future proof broadband to our employees, fellow citizens and our mills. Our two companies struggle to attract and retain an educated workforce to our area. One of the major drawbacks is slow and mostly non-existent broadband. In the past it was thought businesses alone were most in need of a fast secure Internet connection. Today it is increasingly as important for our workers to have these super fast broadband connections not only at their desk but also in their homes. Our operations run 24 X 7 365 days a year. It is extremely important for our workforce to be able to support our mills wherever they may be. We ship our products all around the world. Our sales people communicate across all time zones, so fast and reliable connectivity is crucial to our business. Conversely our customers need to reach us at all hours day and night. Our logistics department requires super fast dependable broadband to manage trains, trucks and cargo ships that move our products. Our company is highly computerized and our IT department needs to respond to issues within minutes from anywhere. Indeed our ability to remain competitive requires fast secure Internet connections for all aspects of our business.

Businesses no longer operate strictly from the company's physical location. More and more is being accomplished from home and on the road. In debating these bills our Legislature needs to keep in mind that we not only need and depend on high speed broadband but we need super fast future proof fiber broadband. The outdated technologies of DSL, cable and fixed wireless cannot sustain our businesses. At best these technologies that exist in some of our areas now have proven unreliable and inadequate repeatedly-essentially since the day they were introduced. For example one of our IT technicians has cable Internet at home, one of our IT programmers has DSL and I have fixed line of site wireless. That said; please understand that none of us have the home-based capacity to consistently and effectively support our employer. This typically results in us driving into the mill to correct an issue. That disrupts production, increases cost and impacts quality of life. We're fairly confident that we are not an isolated situation within Maine. If Maine

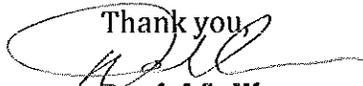
expects companies like ours to prosper and grow we need affordable, sustainable, super fast fiber broadband not only to our mills but also to the homes of our employees that support us. Additionally if Maine expects to attract new businesses as well, fiber broadband is the 21st century tool to do so.

As you continue your debate on this and other broadband issues please remember to insist on the future proof technology of fiber to every home and business. When FDR brought electricity to all of America he didn't bring 120 volts to urban America and 12 volts to rural America. He brought a full robust electrical grid to ALL of America. Fiber broadband is the 21st century equivalent.

Mr. Marco L'Italien our Vice President puts it this way: "Notwithstanding the direct needs of our business for high speed connectivity to the global business world, our ability to recruit professionals, such as engineers and operations managers, will be adversely impacted by lack of broadband availability for use in the homes. This is also true for our hourly labor force. Superior broadband service is not only a competitive advantage; it is a basic requisite for sustaining our business."

On behalf of all of us at Woodland Pulp LLC & St. Croix Tissue Inc. and Washington County thank you for your time.

I would be happy to answer any questions as well as participate in your upcoming work sessions.

Thank you,

Daniel Sullivan

IT Manager Woodland Pulp LLC & St. Croix Tissue Inc.
Baileyville, ME
207-214-4516

Integrated Knowledge Solutions

April 20, 2015

Senator Woodsome, Representative Dion, and Members of the Joint Committee on Energy, Utilities, and Technology.

My name is Page Clason and I am the project manager for the Broadband Working Group in the Town of Islesboro and President of Integrated Knowledge Solutions. I testify today in support of LD 1063. All of Maine's people should have equal access to global opportunities available on the Internet and ConnectME is best positioned to help bring this about.

I grew up in Ellsworth and left the state in 1980 to find opportunities to work with computer technologies. Years later, in 2001 while living in Denver, Colorado, I started Integrated Knowledge Solutions to design and develop web-based learning environments. In 2003 I returned to Maine because of its community values and quality of life. Internet access was so far behind which forced me to revert my company services to my prior career of information technology support. While supporting businesses, our town government, and residents with their computing and networking needs I witnessed real pain. I became determined to help my community gain the benefits of modern Internet access.

At the same time I joined an economic development group exploring the mounting pressures of preserving our population in a seasonal island community. Like many rural towns in Maine, Islesboro faces the challenge of maintaining a strong year-round community. We identified several issues to address. We determined reliable, robust Internet access was becoming as critical as roads or electricity.

Our people deserve equal opportunity to participate in business, education, entertainment, communication, and telemedicine activities rapidly evolving on the Internet. Broadband access provides a bridge to these global opportunities, making

so much more available than a small island community can provide on its own. Equally important, broadband access helps our community attract young families we need to keep the community vital.

Currently some of our residents rely on Internet access for selling rare books, hand-made craft items, and art works. Others are remotely recruiting employees for a major corporation, training family therapists through webcasting, or selling audio recording services. Some of these folks have to take turns accessing the Internet while trying to work. One home worker explained she could use video chats for interviews but had to rely on phone service to speak because of insufficient capacity. Some of our students struggle to do homework from home because of insufficient access.

So in Islesboro we self-funded a study such as those LD 1063 will enable. Through the study we learned it would take a substantial investment from our relatively small population to gain broadband access sufficient for many consumption and employment activities.

Our working group found that building a network capable of serving the needs of our people now and well into the future was the best balance. We found a municipal network to be our only practical way to have competitive services equally available to anyone desiring it.

The folks at the ConnectME Authority have been very helpful to us as we sought a solution. Funding levels and current rules prevented us from qualifying for ConnectME grants.

Maine's communities need better support. ConnectME is a proven organization deserving of the proposed reforms and funding empowering them to better serve our state.

I urge the committee to vote Ought to Pass on LD 1063 for strengthening and accelerating the ConnectME Authority's ability to facilitate universal Internet access throughout Maine.

In addition to LD 1063, I would like to comment to the committee on a critical element of Maine's broadband access problem. Our population is small and sparse which means providers have little ability or desire to invest sufficient funds to connect our homes, businesses, and institutions. This is particularly true in the most

April 21, 2015

Page 3

rural areas and towns without anchor institutions. Even in Maine's larger cities investment is low and truly competitive access is relatively non-existent.

If we are to have real innovation and opportunity we need to have competition. With our demographics we're not going to see multiple competitive service providers building proprietary links reaching properties across the state. We need to explore ways of having a single link to a property allowing competitive services to reach the property. A municipally owned network can provide such access – just as municipalities provide open roads which people use in many ways.

Our state showed great leadership and wisdom implementing the Three Ring Binder. In like spirit, we should explore how to have some form of open access connections reaching our properties. Then we'll realize the benefits of competition. I hope this suggestion might inform your thoughts as you evaluate the various ideas in the many bills currently under consideration.

Thank you very much for your time.

Page Clason
President
Integrated Knowledge Solutions
pclason@iknowsolutions.biz
207-734-6955



April 21, 2015

Re: LD 1063: An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine

Chairman Woodsome, Chairman Dion and members of the Energy, Utilities and Technology Committee, my name is Fletcher Kittredge. I am employed by GWI as CEO and I am here on behalf of the Maine Broadband Coalition testifying in support of LD 1063. The Maine Broadband Coalition (MBC) is an informal federation of public policy professionals, educational institutions, businesses, non-profit organizations, and individuals who care deeply about Maine's economic future. It is not a membership organization and it does not fundraise. As a member of the Coalition and the Chief Executive of an ISP in the State of Maine, I feel strongly that LD 1063 will aid in the improvement and advancement of the State's inferior broadband Internet infrastructure.

The Maine Broadband Coalition, as well as GWI, is focused on improving the quality of Maine's subpar Internet infrastructure. This is not only an issue for the rural regions, but the State as a whole. Maine is consistently ranked as having some of the worst broadband speeds and penetration rates in the country. On a global scale, our State's Internet quality pales in comparison to countries like the Ukraine, Lithuania, and Macao.¹ Unfortunately, this problem is going to continue to get worse as states and countries around us continue to develop broadband capacity at a faster rate.

The importance of broadband to the State's economy cannot be overstated. Estimates have shown that the Internet's contribution to the global economy and economic growth rates are substantial. One report states that ". . .the Internet's contribution to GDP vary, but the consensus is that it was worth more than 3.4% of major economies' GDP by 2010-11 and that is growing fast; by 2016 the value of the Internet is expected to double from 2010 levels."² A strong broadband infrastructure has a great effect on job creation as well, accounting for as much as 34% of new commercial jobs.³ Without such infrastructure, investment, businesses, and people will move out of State.

The problem the State of Maine faces is great but, unfortunately, there is currently no solution in place to solve the issue. Investment to build out infrastructure has traditionally come from private financing by a small list of companies but these companies are often strapped for capital and it is unrealistic to expect that they have the financial capacity to reach every pocket of the State. With Maine being so rural, the cost

¹ <http://www.washingtonpost.com/blogs/govbeat/wp/2015/03/25/map-the-state-of-broadband-in-the-states/>

² <http://www.economistinsights.com/technology-innovation/analysis/hyperconnected-economy/tab/0>

³ Strategic Networks Group, Digital Economy Database: IL, KY, NC, NE, GA (September, 2012-2014)

to reach many regions is too expensive for a majority of the private companies and the return on investment is too small to make it worth the effort. Investment is unlikely to come from the financially unstable incumbent telephone company and the primary cable company has no competition, thus no motivation to upgrade network infrastructure. All of these factors hinder the ability of Maine to build superior broadband networks.

Building robust Internet infrastructure will be a massive undertaking and will not occur without investment on both the State and Federal levels, similar to that of rural electrification and universal service. The State must take measures to address the current market failures and develop a cohesive and comprehensive strategy to fix the broadband landscape in the state and we feel that LD 1063 is the first step in doing so.

LD 1063 focuses appropriately and necessarily on the ConnectME Authority, Maine's governing body on broadband and also one of the State's smallest agencies. The Authority has not amended its duties since its creation a decade ago and is also limited in its resources. The ConnectME Authority has no Internet engineers on staff and has restricted funding, allowing for the distribution of small grants only. LD 1063 would remove staffing limitations which would allow for the Authority to gain resources it desperately needs while increasing the available grant funds.

LD 1063 also places a requirement on the Authority to develop a triennial strategic plan for broadband service in Maine. Such a plan currently does not exist. Having a strategic plan with measurable benchmarks to be reported to the Legislature is a necessity if we want to successfully fix Internet quality in the State. Without a plan, we could see failed deployments, resources wasted, and investment and efforts unnecessarily duplicated, all of which would be catastrophic for Maine.

Finally, LD 1063 allocates funding for community broadband planning grants. Over the past year, GWI has been contacted by dozens of municipalities with poor service. They all have one thing in common which is a dire need for upgraded networks. Though the reasoning, which can be one of a need to future proof a community to the necessity to keep businesses in the area, vary, they all have the same common issue of insufficient infrastructure. A few of these communities were able to successfully deploy next-generation networks without great assistance⁴, but most do not have the resources, funds, nor the technological expertise to do so. By requiring the ConnectME Authority to provide funds for broadband planning grants, it will enable many of these resource and financially inhibited areas to plan for their future.

We at GWI and the Maine Broadband Coalition feel that it is vital to fix Maine's broadband problems in order to remain economically viable with the regional, national, and global economies. By strengthening the ConnectME Authority and allowing the Authority to be the administering agency for State investment through careful planning and accountability, it will enable communities to develop and grow broadband

⁴ <http://www.pressherald.com/2014/09/22/super-fast-internet-coming-to-parts-of-south-portland/>
<http://www.wcsh6.com/story/news/local/2014/08/11/rockport-builds-municipal-owned-internet/13922981/>

infrastructure through public-private partnerships. Therefore, we urge the committee to vote Ought to Pass on LD 1063.



Information Technology Services
5757 Neville Hall
Orono, Maine 04469-5752
207 581-3501

TESTIMONY

On

LD 1063

“An Act to Promote Community Broadband Planning and
Strengthen Economic Opportunity throughout Maine”

Jeff Letourneau

Executive Director, Networkmaine, University of Maine System

JOINT STANDING COMMITTEE ON ENERGY, UTILITIES
AND TECHNOLOGY

April 21, 2015

Senator Woodsome, Representative Dion, and Members of the Joint Committee on Energy, Utilities, and Technology.

My name is Jeff Letourneau and I am the Executive Director of Networkmaine for the University of Maine System. I testify today in support of LD-1063. The establishment of good public policy around broadband expansion is critical if the University is to fulfill its mission of educating Maine’s people in the 21st century.

I am responsible for technology-infrastructure in support of all seven Universities and their multiple campuses, research centers, cooperative Extension offices, and various other facilities across this great state. In this responsibility I get a rather unique insight into the availability and quality of broadband services, or lack thereof, in various regions of the State. It was the University’s inability to buy the level of broadband connectivity it required at an affordable price that motivated me back in 2009 to initiate the efforts that led to the creation of the Three Ring Binder middle-mile fiber network. I should digress for just a moment to recognize that in this room today there are many of the other thought-leaders that brought the Three Ring

Binder from what some thought an unrealistic idea to a hugely successful project that will bring benefits to Maine for decades to come.

I also have the privilege of leading the University's activities in its partnership with the Maine State Library, Maine Department of Education and the Maine government's Office of Information Technology to deliver broadband connectivity to Maine's K12 schools and public libraries through a program called the Maine School and Library Network or MSLN. While this collaborative effort has had great success in ensuring Maine's school and library *buildings* have adequate broadband connectivity it is through these activities that I have come to learn of the significant inequities that many of Maine's *students* and their *families* face.

Universal access to modern broadband services is far from a reality in this state. I see this through MSLN based on the wide variation of broadband costs in connecting participating schools and libraries. Based on the results of a RFP process we just completed, the same basic level of connectivity for MSLN costs \$500/month in Portland, almost \$800/month in North Anson, and over \$4,200/month in Frenchboro. Networkmaine normalizes these rates across the over 800 participating schools and libraries and the \$7.5 million it spends annually on broadband services as part of the MSLN program to ensure equity of access to all of Maine's students no matter the community in which they are raised.

Unfortunately I also see these inequities in residential broadband service. Unless a family lives relatively close to their town's center, the odds of having access to a broadband service that provides multiple megabits of capacity in both download and upload directions are poor. In some cases there are no broadband options at all. This poor state of residential broadband service in many parts of the state is causing an inequity educational opportunity often referred to as the "Homework Gap". The Homework Gap describes the situation where some students lack the broadband connection they need to do their school assignments at home. For non-traditional students, it also describes the inability to take on-line University courses at home.

The University, with its Networkmaine partners, is working to minimize the impact of the Homework Gap by ensuring Maine's public libraries have high-speed broadband connections. While most of Maine's communities lack a Starbucks or a McDonalds with free WiFi, most Maine

communities have a public library. By making WiFi connectivity to their MSLN connection available both within the library and often across their parking lots so that residents have access even when they are closed, public libraries have become a lifeline for many who don't have adequate broadband services.

While all these efforts help to minimize the impact of the larger systemic problem on education, what has been missing is strong, forward-looking public policy that recognizes broadband and Internet access is far more than an entertainment service. It is as important in modern society as electricity and access to clean drinking water. LD-1063 modernizes Maine's broadband policy. It provides the foundation that the other broadband bills in front of you both today and over the past weeks need to be most effective. My only suggestion for improving this bill is to require a representative from the education community on the ConnectME Authority so that this important sector has a continued voice in implementing the State's broadband policy along with the healthcare and economic development sectors.

I urge you to support LD-1063.

Thank you very much for your time and attention. I am happy to answer any questions you may have now or during the work sessions.

2015 Board of Directors
David Webster, Chair
Anna Marie Thron,
Secretary & Treasurer
Paul Boghossian
Carl Eppich
Jennifer Burns Gray
Fred Heimann
Jonathan LaBonte
Jane Lafleur



Buzz Lamb
Michael D. Lyne
Carol Morris
Christopher C. Robinson II
William D. Sanford
Ed Suslovic
Matt Teare
Sen. Dick Woodbury
Robin Zinchuk

**Testimony of Nancy Smith, Executive Director of GrowSmart Maine
in support of LD 1063**

**“An Act To Promote Community Broadband Planning and
Strengthen Economic Opportunity throughout Maine”**

April 21, 2015

Senator Woodsome, Representative Dion and members of the Joint Standing Committee on Energy, Utilities and Technology; my name is Nancy Smith. I live in Monmouth and I am the Executive Director of GrowSmart Maine. We are a statewide non-partisan, non-profit, membership-based organization working to improve Maine's economy, protect its distinctive character and communities, and enhance our state's quality places. We believe this bill makes headway in achieving these objectives.

You will hear testimony today from those well versed in the technological aspects of this bill. My intention is to address the overall goals, as stated in the bill title; to promote broadband community planning and strengthen economic opportunity throughout Maine. What began as group of about a dozen organizations supporting this bill has quickly expanded to a network of businesses, municipalities and non-profits all supporting the strengthening of the ConnectME authority as an important next step in improving broadband across Maine. I've attached a list of the current coalition members with my testimony and encourage you to take a look.

In my town of Monmouth, where I serve on the Economic Development Committee, I have heard from three employers confounded by the lack of sufficient broadband service in town: TexTech, a hundred-year old manufacturing success story, The Theater at Monmouth, Maine's official Shakespearian Theater, also stymied by slow internet service; and the Norton Insurance Agency, an insurance brokerage office located right on Main Street in Monmouth. Manufacturing, service sector and the arts; all working to improve their businesses but held back by poor internet access.

GrowSmart Maine's statewide perspective focuses on legislation having potential for positive impact in communities across Maine. As we seek economic growth that supports the quality of life that defines Maine, reliable world-class broadband must be part of the plan. This applies to the natural resource sector, in particular the agricultural component, that is growing significantly with value-added as well as commodity crops and products. It applies to the IT and creative economy for which a growing number of people are choosing to live in Maine, and either bringing their work with them or seeking it once they settle in. Finally, as seen in my hometown, it matters to Maine's manufacturing sector. With all these sectors, in communities across Maine, broadband improvements are essential to our economic stability and lasting prosperity.

In closing, I will note that two other bills, LD 1185 and LD 1323 also offer valuable improvements for broadband service in Maine and encourage the committee to take the best of each of these bills. We believe that ConnectME is the appropriate agency for broadband in Maine government.

Maine Broadband Coalition

Economic opportunity for Maine through next generation broadband infrastructure.

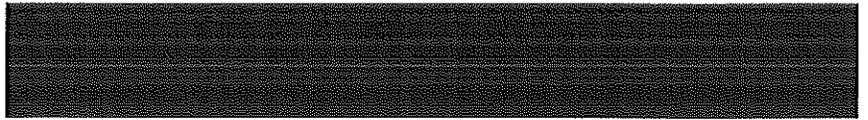
Who Are We?

Maine Broadband Coalition (MBC) is an informal federation of public policy professionals, educational institutions, businesses, non-profit organizations and individuals who care deeply about Maine's economic future. An important purpose of the MBC is to assemble cogent, fact-based information to help public policy makers and Maine citizens make the best choices about building a robust and productive information technology infrastructure — decisions we are all facing right now. We welcome one and all to this effort.

Our GROWING coalition:

- AARP Maine
- Aroostook Partnership for Progress
- Aroostook Technologies, Inc.
- Axiom Technologies
- Town of Bar Harbor
- City of Biddeford
- Blue Marble Geographics
- Town of Brooklin
- CEI
- Community Concepts
- Cornerstone Communications
- Dream Local Digital!
- Envision Maine
- Full Circle America
- GrowSmart Maine
- GWI
- HealthInfoNet
- The Island Institute
- Town of Islesboro
- City of Lewiston
- Maine Center for Entrepreneurial Development
- Maine Development Foundation
- Maine Farmland Trust
- Maine Fiber Company
- Maine Mayors' Coalition on Jobs and Economic Development
- Maine Media Workshops + College
- Mobilize Maine
- NBT Solutions
- Networkmaine
- Northern Maine Development Commission
- Pioneer Broadband
- Piscataquis County Economic Development Council
- City of Portland
- Robinson Public Relations & Outreach
- Town of Rockport
- St. Croix Tissue, Inc.
- Sanford Regional Economic Growth Council
- Small Business Advocate, Secretary of State's Office
- City of South Portland
- Southern Maine Planning and Development Commission
- Washington County Fiber Initiative
- Town of Windham
- Woodland Pulp, LLC

Contact us at <http://mainebroadbandcoalition.org/>



Testimony of Stephen Bero
Systems Operations Manager of Tex-Tech Industries, Inc
in support of LD 1063
"An Act to Promote Community Broadband Planning and
Strengthen Economic Opportunity throughout Maine"

Senator Woodsome, Representative Dion and members of the Joint Standing Committee on Energy, Utilities and Technology; I regret that I cannot attend today's public hearing. My name is Stephen Bero, I live in North Monmouth, and I am the Systems Operations Manager of Tex-Tech Industries, Inc. We are a textile manufacturer, incorporated in 1983, and carry a torch of providing continuous employment in North Monmouth dating back to the early 1800's. North Monmouth is home to our primary manufacturing facility, technical services, research and development, and data services. We have additional offices in Mesa, Arizona, Salt Lake City, Utah, Portland, Maine, Co Kilkenny, Ireland, and Shanghai, China, as well additional manufacturing and support staff in Winthrop, Maine, Bradford, England and Bangkok, Thailand. As a US manufacturer competing in a global market with such a widely distributed workforce, our success depends on our ability to communicate and collaborate around the globe. We believe this bill will support those efforts.

Tex-Tech's Monmouth facility receives internet services from both Fairpoint Communications, originally Community Service Telephone, and Time Warner Cable; the only two providers in our area. I mention Community Service Telephone because, before being consumed by Fairpoint, they were a small company protected from competitive encroachment and this protection has played a role in our lack of available service providers. We use Fairpoint as our primary internet connection; though slow, it is the fastest connection they offer and has proven to be very reliable. The Time Warner Cable connection is used as a backup only, faster speeds are available but outages are too common to switch. Both connections are 15MB/2MB.

Globally Tex-Tech has almost 100 office staff, more than 50 of them work in the Monmouth facility, and many that do not access services there. With email, video conferencing, cloud storage, social media, off site backup, telecommuting, and so many other high bandwidth tools required to do business today, the available bandwidth cannot keep up and often causes delays, lost connections, or other quality related issues. Tex-Tech has tried to address our bandwidth problem by reaching out to nearly every service provider in the region. Each time the results are either: the vendor is unable to provide the service, or the exorbitant installation and continual service cost is inhibitive.

We believe that the strengthening of the ConnectME authority and expansion of its efforts will play a key role in improving affordable broadband in Maine.

Sincerely,

Stephen Bero



**Testimony of Chris Hodgdon, Vice President Government Relations
Joint Committee on Energy, Utilities and Technology
April, 21 2015**

Chairman Woodsome, Chairman Dion and distinguished members of the Committee; thank you for the opportunity to offer comments today regarding our concern with LD 1063 which substantially overhauls the mission of the ConnectME Authority as well the manner in which it completes that mission.

Our concern with this legislation is qualified to be certain, Comcast supports efforts to partner with the private sector to deploy broadband technologies in unserved areas where businesses and residents currently lack access to broadband and we support accomplishing this through policies which are technologically and competitively neutral. Unfortunately, as currently written this legislation would not succeed in implementing these basic principles.

Without the addition of the following concepts through amendment, this legislation will turn the Connect ME Authority towards investment in areas which already have broadband, leaving truly unserved areas behind. The Authority has and will always have limited funds when compared to the hundreds of millions of dollars invested annually by the private sector. Consequently, any diversion away from deploying services in unserved areas will be an unnecessarily wasteful and inefficient use of taxpayer dollars.

These concerns can be corrected with the following amendments.

1. Section 3 of LD 1063 amends MRSA § 9202-A, sub-§§ 2 (C) establishes the priorities of the ConnectME Authority by prioritizing the use of state resources to assist in the deployment of broadband infrastructure in both unserved and underserved areas. By striking underserved and making it clear that the priority is unserved areas the legislature can focus resources on serving citizens without broadband.
2. Section 7 of LD 1063 amends MRSA § 9204-A by articulating a series of duties. In sub section 4 the legislation describes how and where the authority will invest in infrastructure. This subsection can be improved by making investments that are technologically and competitively neutral, as well as ensuring they are done in an efficient manner by making two important edits:

First, as currently written LD 1063 requires that any ConnectME funded project serve both unserved and underserved communities. It will no longer be possible to build a small line extension to serve an unserved cluster of homes. By any analysis this makes no sense and can easily be fixed by making it clear that investments can be made in "one or more" unserved communities. With this clarification, ConnectME will retain the discretion to find solutions that are most effective for reaching unserved pockets of residents.

Second, as written this sub section proscribes the type of technology and network management practices which must be used to be eligible for funding. This is simply government picking and choosing preferred technologies and will not work to bring broadband to the unserved. Instead, the Bill should be written to allow any type of network operator the opportunity to make investments through the ConnectME process. Again, this can easily be fixed by striking the last 7 words of the final sentence in § 9204-A sub §§4. If amended in this way the legislature will be ensuring that all providers will have the ability to contribute to solving the unserved problem which will help guarantee that limited dollars are spent most efficiently.

3. The current ConnectME statute includes provisions which ensure that authority funding is invested in a manner which encourages further private investment and does not impede or diminish the value of existing private investment. For reasons that are not clear they have been repealed in LD 1063. These concepts are critically important because the private sector has been and always will be the source of the vast majority of the investment in broadband networks and policy makers should be very careful not to take steps to inadvertently discourage continued investment.

By restoring this language the legislature will be ensuring that scarce resources will be invested in areas which truly need investment and where the private sector has proven to be unable to invest. That is the current goal of the authority and that should not be lost if this legislation is adopted. Specifically, this can be accomplished by reinserting language in Sec. 7 of the bill that exists in the current language of §9204(1) but was not carried over into §9204-A(1) of the bill, reinserting public-private partnership requirements for broadband deployment grants in §9204-A(8)(A), and reinserting language that existed in §9204(5) into §9204-A(9).

4. Lastly, the new provisions in LD 1063 which describe a new planning process would benefit from the inclusion of language which would create greater transparency and ensure that the process is conducted in a manner which results in an objective analysis of existing infrastructure as well as the need for additional investment. These goals can be accomplished by inserting in Sec. 7, §9204-A(8)(B) a provision which requires a competitive bid process that ensures that the entity developing a community broadband plan for a community lacks any incentive to act in an improper manner in developing such plans.

LD 1063 marks an important opportunity to update the ConnectME statute and with these amendments the authority can be refocused to support the planning needs of

local communities and assist the private sector in its effort to deploy new serves in unserved areas. Without these amendments limited taxpayer dollars will unavoidably be spent in areas where ConnectME investment is not needed and the small number of Maine citizens who continue to lack access will not be served.

Thank you for the opportunity to provide comment on this legislation, I would be happy to answer any questions that you may have.

CONTACT:

Chris Hodgdon
Vice President, Government Relations
54 Regional Drive
Concord, NH 03301
chris_hodgdon@cable.comcast.com
603-628-3380

Testimony of FairPoint Communications

Before the Joint Standing Committee on Energy, Utilities & Technology

Regarding LD 1063, An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine

April 21, 2015

Good afternoon, Chairman Woodsome, Chairman Dion, and distinguished members of the Joint Standing Committee on Energy, Utilities & Technology. My name is RoJean Tulk, and I am Director of Government Relations for FairPoint Communications. On behalf of FairPoint, I am here today to offer the following comments on LD 1063.

In a few short years, advanced telecommunications services have become a vital part of Maine's economy. More specifically, access to high-speed internet has the potential to open world markets to the state, thereby strengthening Maine's economic development. Whether we're talking about selling Maine products and services to national and international markets or enabling grandparents to share photographs or Skype with their grandchildren, broadband access is now an integral part of Maine's economy and quality of life.

To date, private investment has made great strides in deploying high-speed internet services to at least 94 percent of the state. Because broadband has become an even more important, and in some cases necessary, part of life in 2015, work still needs to be done to ensure all Mainers have access to broadband services. LD 1063 attempts to redefine the state's broadband policy and certain elements of the ConnectME Authority to better address the state's broadband needs in 2015 and beyond.

The ConnectME Authority was created during the Baldacci administration in 2007. According to the ConnectME website, "Nearly five years ago, approximately 86% of the state had access to high-speed Internet service with an adoption rate of approximately 40%. In the five years since the Authority was established, broadband access or availability has risen to over 91% with 73% of Maine households subscribing to some type of broadband service (compared to 68% nationally)." While this information appears to have been written in the 2012

timeframe, the point is even more relevant today. Access to broadband has increased, but so has the need and demand for it by both private individuals and businesses large and small.

In the eight years since the Authority was established, broadband service has gone from being a service with interesting potential to one that is necessary for all types of businesses - including fishing, forestry, and farming among others - to education and health care as well as for many aspects of individuals' lives - from gaming and other hobbies to keeping in close contact with family in faraway places. It makes sense to take a look at the ConnectME Authority to determine if its mission, rules, and structure should be updated to reflect today's telecommunications circumstances.

We applaud the bill's sponsor and co-sponsors who have acknowledged the need to update the state's broadband public policy, along with its goals and processes. LD 1063 redefines the state broadband policy and adjusts the make-up of the board of directors. It recognizes that collecting accurate information on the type, scope, and location of state's broadband resources is crucial to developing accurate, timely, and cost-effective initiatives to further deploy broadband service where it is needed. The bill also seeks to considerably increase the ConnectME fund to pay for planning and deployment grants.

In reviewing the bill, we suggest additional principles be considered to strengthen it and ensure that unintended consequences do not result from this well-meaning effort. We would reinstate the language of the current ConnectME statute that recognizes the private investment that has already occurred across the state. The current statute, M.R.S.A. Chapter 35-A Chapter 93 § 9204.1 states in part, "...The authority shall establish criteria that ensure that an area is not determined to be an unserved or underserved area if the effect of that determination would inhibit or impede private investment in any area or diminish the value of prior investment in advanced communications technology infrastructure within any area." (Emphasis added.) With Maine's limited public and private financial resources, great care should be taken to maximize the benefits of the state's advanced telecommunications infrastructure that already exists as well as encourage further future private investment in Maine, as opposed to discouraging it.

We also suggest that additional language with regard to transparency be included in the bill so that, to the extent possible, all service providers have an equal opportunity to participate in building broadband networks where it is finally determined they are needed. This supports the concept that Maine identify and utilize its broadband resources in the most economic and cost-effective manner possible in order to maximize broadband deployment by effectively using its scarce financial resources, both public and private.

Finally, we agree that understanding the extent of current broadband deployment in the state is necessary to chart an efficient and effective course for the future. Therefore, it may be pre-mature to greatly increase the ConnectME fund – and accompanying financial burden on rate payers – until we have empirical data regarding the scope of the state’s 21st Century broadband needs. If regional and municipal planning initiatives show compelling evidence that additional ConnectME funds are necessary to further implement the state’s broadband policy, consideration of the appropriate policy and mechanism in which to raise those funds can be dealt with at a future time.

An amendment to address these additional concerns has been presented to Rep. Gideon. We look forward to working with her and LD 1063’s co-sponsors and the EUT Committee and its analyst to craft a bill that appropriately updates Maine’s broadband policies and goals as well as the ConnectME Authority’s ability to implement those policies and goals while providing a transparent process that includes all concerned and interested parties, be they public or private.

FairPoint appreciates the Committee’s consideration of LD 1063 along with ways to strengthen the bill. We’re happy to answer questions now, and we’ll be available at the work session as well.

TELECOMMUNICATIONS ASSOCIATION OF MAINE

Benjamin M. Sanborn

P.O. Box 5347 Augusta ME 04330 TEL: 314-2609

www.tamnet.org

E-MAIL: Ben@SanbornEsq.com

April 21, 2015

Senator David Woodsome, Senate Chair
Representative Mark Dion, House Chair
Members of the Committee on Energy, Utilities and Technology
127th Maine Legislature
100 State House Station
Augusta, ME 04333

Re: LD 1063, An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine

The Telecommunications Association of Maine (TAM) offers the following testimony neither for nor against LD 1063, "An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine".

This legislation appears designed to accomplish some fairly ambitious goals to redirect the ConnectME Authority to begin working with communities to help develop broadband needs assessments. TAM believes that this core goal is critical in developing the factual data that is sorely lacking amid the discussions regarding how to develop a workable broadband policy for the State. Unlike so many other bills this session, LD 1063 actually seeks to gather information to develop concrete plans based on empirical data before it proposes solutions. This concept of a needs assessment is truly the only way that the people of the State can be assured that public money is being spent wisely and efficiently.

However, TAM cannot support the legislation as drafted due to a significant public policy revision within the bill. In drafting this legislation, 35-A MRSA § 9204 was eliminated and replaced with a brand new § 9204-A that carried most, but not all, of the concepts over from the previous statute. The most significant omission in the new § 9204-A is a removal of the concept that the State should avoid impeding or devaluing private investment. The simple fact is that private investment has run fiber throughout the State, brought 25 Mbps download and 3 Mbps upload speeds to 78% of the residential locations in Maine, and done so in a manner that adds employees to the workforce and taxes to the general fund. If the State were to start overbuilding these investments with government owned networks it would not only result in stranded costs for companies, it would force companies to seriously consider whether and to what extent to continue to invest private dollars in broadband infrastructure in the State. The current language in § 9204 recognizes this issue and expressly structures the ConnectME support in such a way that encourages increased use of private dollars to fund programs to meet specific identified needs. TAM firmly believes that this concept must not be lost, and that if this committee was inclined to pass this legislation it should only do so after amending the language to reinsert those provisions of § 9204 that pertain to private investment in the manner just described.

TAM is also concerned with some other fairly small but important language issues in the proposed legislation. In the proposed § 9204-A(7) there is language that would seem to imply that grants could only be awarded for the construction of open-access facilities serving multiple communities. TAM believes that while grants should not prohibit use of open-access facilities within multiple municipalities, neither should grants require the open-access multiple

municipality approach. The simple fact is that open-access networks are simply middle-mile facilities on a more localized scale. The State already has many private companies offering middle-mile services throughout the State, it is a highly competitive market, and more middle-mile facilities will neither increase the reach nor decrease the cost of last mile service in the State. In addition, requiring grants to serve multiple communities would appear to be unnecessarily limiting in the scope of how ConnectME could help people in need of broadband service.

Accordingly, while TAM applauds and supports the core concept of this legislation, the manner in which it is currently written and some key omissions regarding encouraging sustainable private investment in the State make it impossible to fully support in its current form.

Sincerely,



Benjamin M. Sanborn, Esq.
Telecommunications Association of Maine

Joint Standing Committee on Energy, Utilities and Technology

Testimony of Time Warner Cable
Neither For Nor Against

LD-1063

4/21/15

Senator Woodsome, Representative Dion, and members of the Joint Standing Committee on Energy, Utilities and Technology, Time Warner Cable offers the following testimony neither for nor against LD-1063. We believe that the underlying premise of the bill makes sense—to have ConnectME assist municipalities in inventorying what broadband infrastructure they have, analyzing their options for filling any gaps, and analyzing the economics of various solutions for filling any gaps.

There are several aspects of LD-1063, as drafted, that potentially, and perhaps unintentionally, erode at the foundation of ConnectME and each of these should be analyzed before this Committee acts on this bill.

Fundamentally, the ConnectME Statute recognized that the private sector, not the public sector, had built, and was expanding, Maine's broadband infrastructure. The overarching policy of the ConnectME statute was, and is today, to maximize private investment in Maine broadband, and in no way to impede private investment. Specific provisions in the ConnectME statute prohibit funding projects that overlap on top of private networks. These provisions have helped to maintain an environment in which private capital is safely deployed. As evidence of the success of those safeguards, Maine has seen substantial private investment in Maine since the inception of the ConnectME Authority. For Time Warner Cable, its investment in Maine has brought dramatically higher speed service at a lower cost to the consumer. A comparison of TWC's offerings in 2008 versus 2015 demonstrates this fact:

2008	Speed	Price	2015	Speed	Price
Lite	768kbps x 128kbps	\$19.95	Every Day low price	2 Mbps x 1 Mbps	\$14.99
Basic	1.5Mbps x 256kbps	\$29.95	Basic	6 Mbps x 1 Mbps	\$29.99
Standard	5Mbps x 384kbps	\$44.95	Standard	15Mbps x 1 Mbps	\$34.99
Turbo	10Mbps x 1Mbps	\$54.90	Extreme	30 Mbps x 5 Mbps	\$54.99
			Ultimate	50 Mbps x 5 Mbps	\$64.99

Skype (source: [Skype Support](#))

- For voice calls: 0.1 Mbps download / 0.1 Mbps upload
- For video calls: 0.5 Mbps download / 0.5 Mbps upload
- For HD video calls: 1.5 Mbps download / 1.5 Mbps upload

Netflix (source: [Netflix Help](#))

- Recommended broadband connection speed: 1.5 Mbps download
- For HD quality: 5.0 Mbps download

YouTube (source: [YouTube Help](#))

- Recommended: at least 0.5 Mbps download

Hulu (source: [Hulu Help](#))

- Recommended: at least 1.5 Mbps download

Online Video Games

- Recommended: a low ping (less than 100 ms)

Spotify (source: [Spotify FAQ](#))

- Recommended (standard quality on web and desktop, high quality on mobile): 0.15 Mbps

To the extent that LD-1063 is a policy shift away from encouraging private investment in favor of government investment, this committee should carefully scrutinize the wisdom, and sustainability, of that shift. To the extent that LD-1063 is an inexorable step towards government owned networks, this Committee should analyze the experience of government owned networks elsewhere. Nationally, the experience has been mostly bad, and in several instances, horrific. Locally, the jury, at best, is still out.

To the extent that LD-1063 predetermines outcomes, its language should be amended. As drafted, section 9204-A (4) directs the Authority only to fund projects that may be used by multiple providers. These so-called open access networks, such as the 3 ring binder, ought not be predetermined to be the particular technological solution to perceived problems. For many Mainers who live near the 3 ring binder but are unable to get onto it, that open access network has been long on promise and short on delivery.

LD- 1063 broadens the applicability of the communications service provider fee to include wireless telecommunications providers. Our suggestion is that we ought to figure out broadband policy objectives first—then figure out the cost and whether and how to fund it. Bills before this committee already propose multiple forms of funding including fee increases, general fund appropriation, and bonds. Rather than quickly authorizing the expenditure of state dollars, Maine should first consider how best to utilize the \$78 Million of Federal Connect America Funding that has been earmarked for Maine over the next 6 years.

In conclusion, the planning process set forth in LD-1063 sets up a reasonable mechanism for the state to better understand the successes it has had with broadband deployment and the challenges that remain. Such a foundation will give the state, and its municipalities, a better knowledge base upon which to make decisions.



Testimony of Josh Barstow, Vice President Advance Services, before the
Joint Committee on Energy, Utilities and Technology

April 21, 2015

Chairman Woodsome, Chairman Dion and members of the Committee; Thank You for the opportunity to offer comments today regarding LD 1063, "An Act To Promote Community Broadband Planning and Strengthen Economic Opportunity throughout Maine". My comments are in support of those provided by Mr. Hodgdon and are intended to provide an example of municipal infrastructure planning that, we believe, did not take in to consideration the significant fiber optic infrastructure already in place providing extensive broadband coverage and service options throughout the entire community, including capacity for direct fiber Gigabit service.

First, I would like to introduce MetroCast Communications. Who we are and what we provide to the numerous communities we serve.

MetroCast Communications is a family owned business with roots in the Broadcast Television and Cable Television industries since the 1960s. Currently, MetroCast provides standard cable television, telephone and broadband internet service in 6 states including 5 communities in southwestern Maine, Sanford being the largest of the 5 Maine communities. The broadband networks we build and maintain in our service areas include traditional fiber rich, hybrid-fiber-coax (HFC) technology and direct fiber-to-the-home (FTTH) infrastructure.

In the City of Sanford, MetroCast provides ubiquitous broadband service to 100% of the community through its fiber deep HFC network. The map titled "MetroCast Existing Fiber Optic Network" provides a detailed look at the fiber network MetroCast has built in Sanford. In total, the existing MetroCast fiber network in the City covers 43 street miles and includes over 4,400 fiber strand miles.

In addition to its past investments in the City of Sanford, in 2014 MetroCast constructed an additional 8 street miles of fiber optic cable in the City. In 2015, MetroCast is improving its existing Data Over Cable Service Interface Specification (DOCSIS) cable modem platform with an upgraded platform that will support download speeds of 300

Megabits per seconds. This project will be complete in the 2nd quarter of this year. Additionally, MetroCast will be deploying Gigabit PON technology that will provide broadband bandwidth of up to 2 Gigabits per second (2,000 Megabits per second) for customers requiring extremely high levels of bandwidth.

Currently, MetroCast provides direct fiber optic connectivity to several commercial businesses in Sanford to provide the customized broadband bandwidth they require. Direct fiber optic connectivity has been an available service in Sanford for several years. In addition to commercial fiber service, MetroCast has interconnected the City of Sanford Schools with a private point-to-point fiber optic network. Commonly called an Institutional Network or I-Net, MetroCast constructed and maintains this dedicated interconnect network for use by the Schools. A map of the I-Net is included in the packet provided to you.

To provide immediate and quality customer support to the City of Sanford and the 30+ other Maine and New Hampshire communities that form our regional system, MetroCast employs approximately 250 employees throughout the regional system. With an office located in Sanford and staff dedicated to the local community, MetroCast is strategically positioned to offer and support broadband services to residents and businesses in the community.

Recently, The City of Sanford released an RFP for a municipally built and owned fiber optic network in the community. This network is depicted on the map titled Proposed City of Sanford Fiber Optic Network. As you will see on the map which overlays both the existing MetroCast network and the proposed City of Sanford network, to a great extent, the City's proposed network is redundant to the existing MetroCast fiber optic network in place today. Additionally, the City's proposal calls for approximately 13 miles of "backbone" fiber to be built in a small area of the community. By comparison, MetroCast already has over 40 miles of backbone fiber providing service to the entire community. As mentioned earlier, the MetroCast network is already designed to support direct fiber connectivity or fiber-to-the-premise, FTTP as it is labeled in the industry.

I bring this information before the committee as an example of a community planning effort that did not take in to consideration existing fiber optic infrastructure in place within the community. MetroCast believes it is important for the ConnectME Authority to promote broadband growth in those areas of the State of Maine that, because of various barriers, do not have access to broadband internet service today. We believe the Authority, through its history of providing grants funding broadband network and wireless build outs, has been the catalyst to significant broadband expansion in the rural areas of Maine lacking broadband service. We also believe the Authority's focus should continue to be on those remaining areas of Maine (approximately 6% of the State of Maine) that lack broadband service due to the challenges encountered by private companies to reach these areas, rather than on areas with existing broadband service available communitywide and with significant fiber optic infrastructure already in place.

I want to thank the committee for allowing me this opportunity to testify today and welcome any questions at this time.

Contact:

Josh Barstow
Vice President of Advance Services
21 Jarvis Avenue
Rochester, NH 03868
jbarstow@metorcast.com
(603) 527-3632

Steven Murdough
Sr. Vice President of Operations
21 Jarvis Avenue
Rochester, NH 03868
smurdough@metrocast.com
(603) 330-7701