

Phillip Lindley, Executive Director
ConnectME Authority
Statehouse Station 78
Augusts, ME 04333-0078

Dear Mr. Lindley:

I submit this pre-application letter for a ConnectME grant on behalf of the Isle Au Haut Community Development Corporation (501c3 nonprofit entity).

1-Isle Au Haut is an Island in Penobscot Bay that these days faces daunting economic challenges, chief among them a declining year round population and a drop to three school age children to attend the K-8 one room school house. Historically an island economy founded on fishing, IaH is now exploring ways to diversify the island economy to attract new year round residents and to expand the time spent on the island by part-time islanders who can conduct their businesses with the support of broadband service, while at the same time re-invigorating the traditional island institutions, the school, the island store and the mail and passenger ferry services.

Two keys components of this Island stimulus initiative are expanding affordable housing to attract new island residents and broadband communications technology to attract and enable new residents with occupations that allow “tele-commuting”.

IaH has partial DSL service, provided by TDS. TDS has been the island’s telephone service provider for more than 5 years, but they offer DSL only to the more densely populated portion of the island. Though telephone service is available to everyone on IaH who wants it, DSL service does not extend to 30+ properties on the south end of the Island located approximately 1 to 2 miles from where DSL terminates.

On the south end of IaH there is rich mixture of occupations; there are lobstermen, the IaH school teacher, a builder, a physician, an architect, a University of Maine professor, a University of Minnesota professor, the owners of a film production company, the CFO of a fortune 500 company, all of whom operate well below their potential efficiency in their occupations on the island where some work full time and others combine work and vacation. Needless to say, they and others living on the south end eagerly await the day when DSL service is available to them. There is general agreement here that the entire island economy will benefit from extending DSL services to those living on the south end of IaH.

2-So far, repeated efforts to persuade TDS to expand DSL service to the south end have failed. Letters from multiple sources among south end residents have it seems not persuaded TDS of the cost effectiveness of additional investment in

their system. However, with each year the number of prospective, in fact certain, customers increases. There have been 5 new houses built in the area beyond existing DSL service in the past 3 years.

Efforts continue to encourage investment from TDS to expand DSL service here, and we (ICDC) are eager to work with them in whatever way we can to help achieve the goal of expanding DSL service to the entire island. This grant pre-application letter anticipates a strong working relationship with TDS in the event a grant is needed and awarded to us.

3-Our goal is to install the necessary technology to bring DSL service to those living beyond the current termination point. As mentioned, poles and telephone lines are already in place in the un-served area, so grant monies would be spent only on technology required to amplify and extend the signal approximately 2 miles. Unofficial estimates of the cost of the expansion range from \$60K-80K. Efforts have recently been made to verify more accurate cost estimations from TDS, but have been unfruitful at this date. The DSL service would be 1.5mb/s upstream and 768kb/s downstream.

4-Lacking official cost estimates from TDS at this time, we can only offer a provisional estimate of a ceiling cost of \$80,000. Follow-up conversations with TDS contacts will adjust this number.

5-The ICDC has been in existence for over 15 years during which time it has successfully built and managed five rental properties on IaH. It is currently planning to improve and expand existing properties and to acquire new properties on which to build new rental properties. This effort will be financed by a combination of income from property sales, rental income and state and federal grants. ICDC treasurer is a CPA and CFO of a Fortune 500 company.

6-Expansion of DSL service on IaH has the present potential of benefitting 15 households and near future potential (based on recent property sales and applications for building permits) of 30 households. Based on a household average of 2.5 occupants, in the present and near term, the expansion would benefit 38-75 people (combining year-round and part-time residents).

7-Regarding public-private partnerships, we are in preliminary discussion with TDS, having had conversations with Mark Violette, regional marketing manager for New England and exchanged emails with both Wanda Butler and Perry Speaker, Marketing Manager.

8-In addition to comments about ICDC's history above in item 5, the ICDC board and staff comprise a diverse set of critical talent and experience related to business affairs on both IaH and beyond. Since several board members live and work off island, the board conducts and coordinates its work largely through a combination of conference calls, email and web supported meetings. The board

is committed to full transparency in relation to the IaH community it serves and conducts open meetings to which all IaH residents are welcome.

The ICDC has been the recipient of federal and state grants and executed them successfully according to requirements of grantors. ICDC board members and advisors have vast experience in public and private sector business affairs, including administration of multi-million dollar contracts in construction and communications industries and are fully qualified in such administrative disciplines as accounting, maintenance of accounts payable and receivable records, cash flow management and federal and state tax filings.

Respectfully,

Ellard Taylor, Chairman of ICDC.