ConnectME Authority
July 26, 2012 – Meeting Notes

1. Introduction of ConnectME Authority Members and Staff

   Authority Members: Dick Thompson, serving as chair for the meeting; Greg McNeal; Ralph Johnson
   Staff: Phil Lindley, Lisa Leahy, David Maxwell

2. ConnectME Grant Award Program

   Discussion regarding the grant request review and scoring process. Each of the scoring categories was reviewed and discussed for possible adjustment. For Cost Benefit, Dick Thompson proposed two changes: first, proposals with a per customer grant amount of greater than $2500, should receive zero points, with ten additional points assigned, possibly in a sliding scale approach, if the grant request were to include a match component of 50% or greater. Discussion also included the value of the category with the decision to keep it at 35 points. For Community Support, discussion included recognition that the category is subjective in nature and more consideration should be given to meaningful elements to demonstrate community support. It was suggested that the point value be increased to 20. For Project Scope, this, too, was identified as having a degree of subjectivity. Distinction between unserved and underserved was made and identified as important in project consideration in the future. Members expressed interest in re-ordering the criteria for the category. For Project Value, members suggested using the language in the Authority rule as a basis for this category. This category was recognized as an opportunity for applicants to introduce project elements which may be of significance and which are not incorporated elsewhere in the review criteria. It was suggested that the point value for this category be reduced to 15 point.
   Action: ConnectME staff will re-work project review guidelines, incorporating the comments from the meeting, and provide a new guidance document for consideration at a future Authority Board meeting.

3. ConnectME Advisory Council

   The Board was briefed on the Advisory Council meeting which was held on July 23, 2012. Topics discussed at the Advisory council meeting were: the strategic plan; high cost installations; grant tracking; and engineering studies/reverse auctions. The Advisory Council, for the first time in awhile, has a full complement of members.

   Strategic Plan – Recommendations/Focus Areas

   1. Households
   2. Businesses
   3. Healthcare industry
   4. Educational community
   5. Government services
   6. Broadband industry

Of the six focus areas and recommendations in the strategic plan, the Advisory Council felt that prioritizing numbers 3, 4, and 5 would drive increases in numbers 1, 2, and 6. Numbers 1 and 2 are currently the focus of the Technical Assistance project and the Broadband Capacity Building project respectively. As people begin to understand the "value" through the efforts in numbers 1-5, the broadband industry will see an increased demand, included in number 6. The importance of measuring success, focusing on the specific tactics under each focus area, driving people up the tier levels, and bringing other college/university entities to the table were discussed and it was agreed that the Advisory Council will look at these areas more closely at future meetings for specific recommendations to the Authority.

High Cost Installations

The Council had concern that a standing high cost installation program might be open to abuse. The Council suggested that providers should do their research and know ahead of time about the amount of cap ex and high cost installation issues such as line conditioning are facing a proposed grant funded project; plan accordingly and include the high cost items in the application. Should a provider realize that the cap ex is greater than expected, they could revisit the Authority and seek an amendment to the project and grant amount. The Authority agreed with the Council.

Tracking Grant Progress

The Council discussed tracking grants long term. In the future the Council will investigate adding language to grant paperwork requiring providers to file ongoing yearly status updates; especially regarding numbers of subscribers and take rate, while reserving the right to audit. Currently providers are required to file a completion report at the end of the first year or completion of the funded project, but the subscription number is very low at that time. James Sewall Co. will utilize the mapping capabilities to double check coverage reported. Further research will determine ways to aggregate data to protect that which may be confidential/proprietary in nature.

Engineering Studies

In recent grant rounds providers and applicants have expressed an interest in the Authority funding engineering studies of proposed project areas. The Council discussed funding engineering studies with the caveat that the Authority would be the repository for the results. The results could be used for reverse auction offerings. When the Authority is no longer receiving applications to provide service to unserved areas of the state, they may elect to fund a fixed or set amount of studies possibly by bid process; to be made available to any provider to apply for a grant for that area. These are initial discussion points which the Council wished to investigate further. The Authority agreed with the Council's recommendation not to separately fund studies at this time.

4. Executive Director Report

- NTIA Grants Projects:

The Authority is approximately 50% through the grant period and has expended approximately 50% of the grant funds. The Capacity Building project is behind schedule but efforts are underway using the resources of James Sewall Co. and associates, Planning Decisions, and the Department of Education. The Broadband Capacity Task Force met recently.

- Financial statements provided:
ConnectME Fund Performance Report;
Broadband Sustainability Fund Report; and
Forward looking pro forma financial estimate

- A request for a one month extension for the Town of Porter/Time Warner Cable project was presented for consideration. Board members voted to approve the request.

5. Public comment period

Emma Lishness from Tilson Technologies reported on two projects. The Three Ring Binder project backbone is complete and now available for lease. An event to celebrate the success of the project is being planned. An event to recognize the completion of the Maine State Library Public Computing Centers project is also being planned.

The meeting adjourned at 11:30AM.

ConnectME Authority – Broadband Grant Scoring Guide (revised 7/26/12)

The grant application evaluation process will allow the ConnectME Authority to evaluate all applications submitted during a particular application period that has been set by the Authority. The scoring of applications is based on a 100-point scale. A project with a total score of less than 50 points may not be funded. Applications will be judged using the following four scoring categories, as described in the Authority rule:

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

The cost-benefit scoring is based on relevant factors, **including, but not limited to, the amount of funding requested from the Authority per customer eligible to be served by the project, with lower funding per customer receiving a higher cost-benefit score.** Applicants should demonstrate financial viability by providing pro-forma financial statements and detailed business plans.

Grant dollars requested/customer eligible to be served	Points
Less than or equal to $500	25
$501-$1,000	20
$1,001-$1,500	15
$1,501-$2,000	10
$2,000-$2,500	5
Greater than $2,500	0

A maximum of ten additional points will be added to the C-B score for any application requesting a 50% or less grant for the proposed project. A sliding scale will be used for those grant applications above 50% (≤ 50% = 10pts; 51% - 60% = 5pts; >60% = 0 pts.)

Community Support. This category is worth 2**0** points.

The community support score is based on relevant factors, including, but not limited to, evidence of community support for the project and the percentage of the geographic area to be covered by the proposal that will be served by the proposed project. Strong consideration (and higher point value) will be given to those applications that include petitions or listings of a significant number of the available households and businesses expressing a strong desire to subscribe to broadband service provided from the proposed project. Civil support and demographics of the served area will also be considered.

Project Scope. This category is worth **30** points.

The project scope score is based on relevant factors prioritized below:

1. The technology, or type and "speed" of the broadband service to be offered by the proposed project. For example: Fiber to the home (FTTH) service will be scored highest; and projects will receive more points for service that provides up and down speeds in the higher FCC Broadband Tiers. [1]

2. The number of potential customers to be served or households passed by the project. For example; a project that proposes to provide broadband service to 300 households will receive more points that a project that will provide service to 50 households.

3. The grant applicant's financial commitment to the project (cash, in-kind, donations, etc).

Project Value. This category is worth **15** points.

The project value score is based on relevant factors, including, but not limited to, the estimated retail price per customer to receive service from the proposed project and any other details of the project that may benefit customers in the area proposed to be served by the proposed project. For example; more points will be awarded for a higher number of businesses and/or health care facilities in the project area that do not have access to broadband service. Applicants should use this category to introduce elements of their project which may be significant and not incorporated in one of the other three categories.

Note: Legislative changes to the ConnectME Authority statute (to 35-A M.R.S.A. §9204) [2] state that, "(I)n awarding grants, the authority shall give priority to those proposals that, relative to other proposals, extend access to broadband service to a higher percentage of an unserved area within a municipality or other appropriate geographic area."

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[1] Basic Broadband Tier 1, 768 kbps to 1.5 Mbps; Broadband Tier 2, 1.5 Mbps to 3 Mbps; Broadband Tier 3, 3 Mbps to 6 Mbps; Broadband Tier 4, 6 Mbps to 10 Mbps; Broadband Tier 5, 10 Mbps to 25 Mbps; Broadband Tier 6, 25 Mbps to 100 Mbps; Broadband Tier, 7 Greater than 100 Mbps. As defined by the Authority, May 12, 2011.

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