

Midcoast Broadband Coalition (renamed Midcoast Internet Coalition) Meeting
March 10, 2021

5:00pm

Zoom (conducted during pandemic)

Streamed from and recorded by The Town of Camden, including LiveStream, Broadcast on Town of Camden YouTube Channel.

Minutes

1. Call to Order

Participants:

Chair Debra Hall (Rockport); Vice Chair: Matt Siegel (Camden)

Representatives:

Camden: Marc Ratner (SB), Jeremy Martin, Planning Director

Cushing: Craig Currie (SB) (Guest)

Hope: Melissa Foster Hall

Lincolntonville: Josh Gerritsen (SB), Jordan Barnett-Parker (SB)

Northport: Shelly Patten (SB), Jamie Ritter, Brady Brim-DeForest

Owls Head: Jacob Post (Guest)

Rockport: John Viehman, Denise Munger (SB)

South Thomaston: Sheryl Dacso (only to report on adoption of Guiding Principles)

Thomaston: Brian Doyle, Economic Development Director

Union: John Gibbons (Guest), Holly Savage

ACTION ITEMS

2. Approval of February 10, 2021 Minutes

The draft of the February 10, 2021 minutes were distributed prior to March 10, 2021 meeting.

Motion: To approve the minutes from the February 10th meeting, from Josh Gerritsen, 2nd Marc Ratner

Vote taken: Approved by voice consensus

3. Recommendations of the Marketing, Communication and Branding Committee (MarComm)

a. Vision-Mission-Values-Goals

John Viehman – Goals are a dynamic part of the document intended to be modified and added to, to help us keep on task.

Motion: To approve to adopt as presented, from Brady Brim-DeForest, 2nd Marc Ratner

Vote taken: Approved by voice consensus

b. Branding: names, URLs and acronyms

URL: midcoastinternet.com

Debra Hall – At request of the MarComm Committee, this URL was purchased; noted others not available or excessive cost

Names: Midcoast Internet or Midcoast Community Internet?

Acronyms: **Matt Siegel** – Stay away from acronym MCI, due to association with a former global telecom. Verizon now owns the trade name and service mark MCI.

Matt Siegel – MI can be used in marketing, but “community” left out

Marc Ratner – Midcoast Internet works fine, tells exactly what we’re trying to do, no other description necessary

Josh Gerritsen – Strongly wants “community” in name. We’re not for profit, towns own service

John Viehman – Have a strong tagline to tie in “community” i.e. “Your community run provider”

Melissa Foster Hall – Keep it simple, include community in tagline

Jason Philbrook – He sold his “Midcoast Internet Solutions” business and name to GWI nine years ago

Debra Hall – will follow up with GWI regarding this concern

Motion: To use name “Midcoast Internet,” from Marc Ratner, 2nd Josh Gerritsen

Vote taken: Approved by voice consensus

DISCUSSION ITEMS

Debra Hall, Matt Siegel and Denise Munger reported on the following:

Downeast Broadband (DBU) – example of community utility serving Calais, Baileyville, and Alexander

What we learned:

- Need for universal access is paramount
- It’s a moral imperative that everyone is unified in recommendations for universal access
- Pioneer did the feasibility study
- DBU solicited proposals for municipal financing from a number of banks, including Camden National Bank
- DBU President Dan Sullivan highlighted the importance of marketing the fact that the utility becomes an asset to the towns, the profit goes back into the town’s infrastructure, not to a for-profit entity
- There’s a 30-week lag time, two years to build, backlog to fiber, we’re looking at 6 months to a year – keep this in mind

Pioneer Broadband

What we learned:

- Fiber is the way to go

- Universal access is key
- Costs of ONT vs. Drops
 - Passes – dark fiber (“dark” until “lit up” from ISP)
 - Drops – pole to house
 - ONTs (electronics) \$400-\$600 – cost for ISP
- We will pay to install dark fiber but need to make a decision whether to pay for drops
- It makes it less attractive to ISPs if “we – the utility” don’t pay for drops
- If the utility owns drops, it makes it easier if the customers to change ISPs

What we know about cost at this point:

- 375 miles of roads, 8 towns (\$1000/pole, 22 poles/mile)
- \$25,000 - \$35,000 per mile includes permitting, passes, drops & electronics
- Close to \$16 million for entire project
- Pioneer provides a minimum of 100 symmetrical up to 10 gig commercial
- \$59.99 for 100 symmetrical

Pioneer does not want to provide “cable TV”, but they can (they are trying to phase out cable in Presque Isle project, with a younger demographic)

- Pioneer can offer “triple play – phone, cable, internet”

Jordan Barnett-Parker - LCI is ceasing to provide cable in Lincolnville

Why open access would be beneficial:

- Pioneer hopes we have a couple ISPs available to choose from
- Pioneer can do 3 installations per day
- Break even at 5-6 year mark
- They need to do 5 installations a day to hit this goal
- Both Pioneer and GWI are willing to “play” on the open access networks
- Midcoast Internet may be in the position to be the first utility to offer more than one ISP

How to achieve this:

- Pre-sales are recommended – present to municipalities
- \$19.99 “take” for first year of service
- If service not built, people get their money back
- If service built, deposit applied to first billing cycle.
- This is a good way to get a handle on what the “take up” rate might be

Denise Munger - Determining the “take” rate also helps with financing

Debra Hall - Surveys don’t have a great response, so “pre-sales” would demonstrate the potential take rate in a more effective way

Maintenance cost for fiber is low

GWI

Ensuring the affordability of the building and design of the utility, assures the affordability for customers

What we learned:

Buy-in from towns crucial in creating a “union” that cannot be broken, we’re all in this together.

- Need letters of intent from towns
- It’s what’s going to make this all work
- **This will not raise tax dollars**
- **Towns will not be giving money to ISPs for profit factor**
- Profit from utility will be going back into infrastructure for towns/region to expand coverage
- We need to “ride the train together to get to the train station”
- We need to be smart about our expenditures
- Feasibility study – “fluff” needs to be taken out, we just need “nuts & bolts”
- GWI recommends municipal revenue bond
- Backed by actual revenue stream of utility
- There’s no downside to towns, no approvals needed by towns people or Select Board
- Money comes from:
 - utility to pay bond
 - collateral is the projected revenue stream of utility

Example:

- Cost of network \$16 million
- Figure 3 years of operating costs into bond
- Get bond for 20 million to cover operations for 3 years
- Do installations, bond paying for this
- As installations occur, for every installation / use on system, ISP pays utility \$18/user (\$40/commercial)
- Take up rate 1000 people, that revenue is coming in
- Bond money being used for build out
- Around 5-year mark, the Utility starts breaking even
- Taxpayers aren’t paying anything extra
- If the utility goes under, there’s no recourse to town but having a building structure left over
- Utility operating costs projected at \$1.2 million/year

Marc Ratner - This seems like a real workable plan

Debra Hall - As long as everyone is on board, economies of scale helps make it make sense

Marc Ratner - Get rid of cable to internet, cable is on its way out

Debra Hall - “cutting the cord” is the future, GWI has a team that helps people learn to stream TV

Brian Doyle - Are there any other companies (ISP’s) that have more experience?

Debra Hall

- GWI – 25 years
- EC Fiber (Vermont) 15 years

Jason Philbrook - GWI & others (Pioneer) work together to get laws changed

Melissa Foster Hall - Spoke to LCI, they are expanding in Hope, pressing Hope into another ConnectME grant

Debra Hall - LCI builds out as much as they can using grant money, not really open to playing in “open access” model

Matt Siegel – LCI was invited to participate, not interested in open access, but interested / concerned about “overbuilding,” how do we address this?

Debra Hall – this group (Midcoast Internet) supports open access. We’re happy to include LCI, they may be willing to use our lines, but may not open their lines for others to “play on”

Josh Gerritsen – LCI offered to do work, but residents were quoted very high prices

Debra Hall – LCI is a small family-owned company, they do the best they can. They are providing fiber, under the CARES Act, to families that don’t have it

Melissa Foster Hall – LCI is doing a good job, but we want to get service to everyone down every town road, our priority is to get it to every home

Debra Hall – GWI & Pioneer stressed to do “pre buy.” This will show take up rate, so the towns don’t overbuild especially where LCI is

Josh Gerritsen – This is why each town should have a Broadband Committee

Melissa – There are “provider driven” and “community driven” applications

Jordan Barnett-Parker – LCI is building out fiber utilizing only government money

They are discouraging people to upgrade so they can continue to bill for fiber, but deliver through the “old stuff”

Debra Hall – We need to create a “financing group” to aggressively pursue community driven grants

Josh Gerritsen – It’s important for the towns to work with the utility and not against it

Debra Hall – any town that wants to work with the utility, their grants should be about working with and getting that grant for the utility.

Melissa Foster Hall – I’m reconnecting with LCI in two weeks but am putting the brakes on the ConnectME and CARES act grants.

Jamie Ritter – Consider the higher priority is broadband to kids, \$7 billion through FCC and Maine Department of Ed. May be getting more money to connect kids. There are problems with FERPA (Family Educational Rights and Privacy Act) regulations, students are a priority, we can come up with creative ways for parents to do a survey so we can get the specific addresses so households can be connected. We NEED these addresses.

Debra Hall – We need to get a group to focus on financial end of things

Marc Ratner – Camden will approve Guiding Principles hopefully at their next meeting. Any pushback?

Brian Doyle – no pushback, they just want more information. The Guiding Principles make sense.

Next Steps?

- Need legal entity to proceed
- Will need Board of Directors established for the legal entity

- Marketing Committee is doing a great job so far
- Not too early to start rolling that out
- Send Debra an email if you want to join the Marketing Committee
- Need a Finance Committee
 - Need members for this, get in touch with Debra
 - Focus on grants
 - Revenue bonds, municipal bonds

Debra – Feel free to invite anyone that wants to be involved with the meeting

Future/Regular Meetings

The group set future meetings for the second Wednesday of each month at 5:00pm as follows:

April 14th

May 12th

June 2nd – Please note this is the first Wednesday of June to avoid town elections/annual meetings

July 14th, Aug 11th, Sept 8th

Oct 13th, Nov 10th, Dec 8th

Adjournment

Motion: No motion to adjourn

Vote: By consensus, meeting adjourned 6:30 p.m.