U.S. UCAN Middle Mile Call
Friday, July 29, 2011

Present: Bob Bocher, Lonnie Leger, Brian (KINBER), Patti (KINBER), George Loftus, Robert and Patty from Merit

U.S. UCAN Staff: Mark Johnson, Mike McGill, Mike Sullivan, Wendy Kuhn, Ryan Bass, Heather Todorov

Agenda:

• Welcome and introductions
• Impact of proposed changes to the FCC's Universal Service Fund
◦   Bob Bocher, Wisconsin Department of Public Instruction
• Report of the NTIA BTOP conference call
◦   Any participant of the call
• Political / Legislative Challenges
• Community Outreach challenges/opportunities/approaches
• Round robin reports of progress / problems
• Planning committee for Workshop in Raleigh on Monday October 3, 2011
• Hot topics
Adjourn

Discussion:

E-Rate and FCC High Cost Program
Bob Bocher joined the call to provide an update on the FCC's USF changes, the federal E-Rate program and High Cost program.

o   **E-Rate:** The NBP recommended that FCC broaden the eligible providers list for broadband and telecommunications services. during the drafting of the NBP, the group made a number of public proposals requesting changes, including E-Rate. Of most interest to state R&E community, they finally opened up the ability of any entity (e.g., municipality, state R&E network) to provide broadband services. Fortunately, that recommendation was made, but was the first area the FCC picked upon for writing rules and recommendations in the NBP about a year ago (May 2010). Any entity can provide broadband service. For example, WiscNet takes this as a very positive step by FCC, as it provides another option for schools and libraries to get broadband vs. just that offered by private carriers.
o   Unaware if any 'other' providers (vs. standard telcos) have signed up. This may be related to not wanting to break existing contracts. Clarifications came out from the FCC in December. It is not clear what parts of broadband services would be eligible (dark vs. lit fiber, etc.). Because of this, some entities held back from making commitment to seek service from a provider other than a common carrier.

- o Hopefully, as we move into 2012 E-Rate year that there will be more interest among the school and library community.
- o It is incumbent on the provider side, in each state, to make CAIs aware that they now have another option.
- o There are certain instances where CAIs were waiting for other CAIs (e.g., neighboring school or library) to make the leap to apply with another provider.
- o There's good data from ALA on the challenges that libraries face with broadband connectivity. Some are bumping up against the maximum bandwidth their carrier can provide (15-25 Mbps circuit on copper?); others say they need more bandwidth, but can't afford it because of the high costs being charged, especially at higher bandwidth range.
- o **High Cost Program** The NBP, suggests reforms to the USF High Cost Program. This Program is generally designed to ensure that that people in high-cost (rural) areas pay the same as people in urban areas for basic telephony. Carriers that serve the high-cost areas are subsidized. The NBP suggests that rather than subsidizing voice-grade circuits; provide a subsidy for provisioning broadband service (e.g., VOIP). It recommends a transition from legacy-discounted program to discounts on broadband.
- o There was a call with the FCC last Monday. Generally, the FCC only subsidizes residential users. SHLB met with the   FCC, SHLB regarding including CAIs in the 'High Cost' subsidy. The FCC said they are working on making the High Cost Program more of a broadband program to serve schools, libraries and other CAIs. It is likely that sometime this fall the FCC will release a major ruling on the High Cost Program to make the transition to including CAIs. It will take 3-5 years minimum, because of rural carriers dependency on current services for revenue.
- o The Public comment period closed last April or May. Some of the major carriers, including AT&T, released a pronouncement on what they'd prefer to see in the new ruling. It is likely to be contentious when it comes out from the FCC. There may be another comment period afterward.
- o Mark asked how many of the rural telco's are prepared or interested in offering broadband? Is there any data available?
- o AT&T document didn't include many of the small telcos. In Wisconsin, they have ~70 small providers.

Report of the NTIA BTOP conference call
Participants were asked about the NTIA BTOP call.   They are led by Bill McGuire. Patti from Merit regularly attends the call. She commented that they are sometimes useful and sometimes not. They tend to be an opportunity to receive information rather than an opportunity for discussion.

ACTION: Heather will send notes to Mike M. from the 7/21/11 call regarding "Providing Broadband Services to CAIs that Receive E-Rate Funding".

Round robin reports of progress / problems

- o George: OSHEAN is progressing well. 45 miles of fiber have been built out of 350 planned. Altogether, they are at 8 weeks into the program and are at ~80 of 350. They are pleased with progress to date all change requests are completed and things are falling into place. They are signing contracts for laterals, starting in 3Q of this year.
- o Mark: MCNC is on track to have Round 1 build done a year early. Round 2 construction is about to get started. It is significantly more miles than Round 1. All construction is underground in NC. They have issued an RFP for a commercial marketing partner for the BTOP fiber and are evaluating responses. The partner will sell available fiber on the entire footprint; MCNC will share profit with the partner. MCNC has locked up availability of the fiber needed for its BTOP awards.
- o Patti: Michigan is moving forward on Round 1. They have built several segments of underground conduit and are a month away from major construction. They expect to have 30 crews on the road within a month. They are few days away from starting on Round 2; construction will begin quickly on route U.S. 2 in the U.P. Merit will take delivery of the majority of fiber and then will store it in a warehouse.
- o Patty: Pennsylvania (KINBER) just received it revised FONSI. Only about 5% of the project will be underground. They have just completed and RFP for equipment and related services and are starting a NOC RFP. There are some permitting and right-of-way delays.
- o Fiber acquisition was identified as a concern. If it has not already been procured, there can be a 6 months – 1 year wait for new fiber.

George raised the question --Has your approach to public outreach changed since what happened in Wisconsin?

- Merit had a site visit from NTIA 2 weeks ago. They were asked to present their outreach plan so other awardees should anticipate a similar request at these visits. Merit's plan was well received. Call Patty with any questions.

- OSHEAN is receiving publicity from BTOP and because it is in the process of a merger with RINET. They will have combined pre-K to post-grad network availability. There has been good press on this.

- Dave Lois, Exec. Director of WiscNet, talked about some of the consequences of the proposed legislation. They reached out to their supporters on Twitter and Facebook. He made the point that it is important to plan your social media strategy so you are prepared to rally contacts quickly if it is needed.

- Merit changed their messaging after Wisconsin. They invited sub-recipients to meetings. They also visited the state CIO to make sure they were aware of project and were supportive.

- MCNC ensures that marketing is responsive to all comers. For example, AT&T was welcome to participate. MCNC calculated how much of the total project is going to the private sector in terms of dollars. They have this chart in a leave-behind booklet. In MCNC's case, it's $145.5/$146M to the private sector.

- Merit has that number (%) at their fingertips as well.

George suggested that outreach plans would be a good topic for our next call – sharing ideas **[ACTION]**.

Internet2 Fall Member Meeting in Raleigh, NC

George indicated that this group has an opportunity to meet face-to-face in Raleigh on Monday afternoon, October 3, 2011.

We'll be looking to gauge interest and whether folks are willing to attend. It will also be necessary to put together a planning committee – not very arduous (a few phone calls).

Patty from Merit – would like to volunteer and agrees this is worthwhile.

MCNC Community Day is jointly hosted with the Internet2 Meeting. The MCNC part is Weds/Thurs (October 5-6). Participants on this call are welcome to attend Community Day.   There will be three plenary talks and a reception Wednesday evening, 10/5.

The next call is August 26 at 2:00 PM