

Steering Committee Meeting Notes

Friday, July 19th, 2013 10:00 am – 11:30 am

The Community Foundation of Mendocino County

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1. Call to Order: 10:00 am

- a. Attendees: **Brian Churm** (Alliance Technology Chair), **Carole Brodsky** (Alliance Media), **Dan Hamburg** (Supervisor, Mendocino County), **Doug McCorkle** (North Coast Railroad Authority), **Greg Jirak** (Alliance Strategic Planning), **Jacob Turner** (Ring Nebula Systems), **Jim Moorehead** (Alliance Chair), **Jeanine Pfeiffer** (ethnoecologist), **Jeff Tyrell** (District Rep, Senator Noreen Evans), **John Kuhry** (ED Economic Development & Financing Corp), **Kim Remick** (McNab Ranch), **Mike Nicholls** (Co-chair Access Sonoma Broadband), **Ruth Valenzuela** (Senior Field Rep, Assemblyman Wes Chesbro), **Trish Steel** (Alliance Admin Coordinator)
- b. Call-in: **Jack Long** (Economic Development Manager, Lake County), **Mitch Drake** (Golden Bear network architect), **Marcia Armstrong** (Supervisor, Siskiyou County)
- c. Changes to agenda: Move SB740 to top of the agenda since Ruth may need to leave early.

2. Senate Bill 740 – Ruth Valenzuela

- a. Ruth (Assemblyman Chesbro's office) gave a report on the status of Senate Bill 740 that involves funding for the California Advanced Services Fund. Their office is tracking hundreds of bills, and they received an action alert that SB740 had been amended. There were more changes, and some funding was put back into the bill, and then they received an alert that it had failed in the Assembly Utilities and Commerce Committee on July 1st.
- b. No one is talking to them directly, but Padilla's office is expecting it to be reconsidered, and thinking it will come back in August. Jim has heard the same thing.
- c. Their office doesn't really know what is going on because the Utilities and Commerce Committee doesn't have any hearings scheduled.
- d. Ruth suggested that we all look carefully at the new bill and review the language; she is unclear if the concept of underserved is in the bill or not, or if it ever was.
- e. Jim asked if the CPCN requirement was still in the bill, to which Ruth suggested that we call Senator Padilla's staff and ask those specific questions. Mike volunteered to call Jacqueline Kinney (Principal Consultant for Padilla) and ask that question.
- f. The Regional Council of Rural Counties (RCRC) last comment was that they were "seriously concerned," so it would be good to check with them to see where they currently stand on the bill.
- g. The Alliance, Sonoma Connect (Access Sonoma Broadband's prior name), and Mendocino County are currently counted as being in support of the bill.

- h. Mitch has read some previous versions of the bill, but if what he is hearing about the current version only including unserved areas (and not underserved) is true, then it does GBB no good.
- i. In the California Emerging Technology Fund (CETF) recent statement, underserved is mentioned and says that both unserved *and* underserved have to be considered.
- j. The Alliance has a policy that unserved is the extreme of underserved, and that there is really no difference because they are both “substandard.” In eliminating the digital divide, it doesn’t matter because 800 kb down is almost the same as being unserved (Greg).
- k. Jim feels that this is another play by the telecoms to kill Golden Bear Broadband (GBB), because if this legislation is approved and the money is only available for unserved households, GBB is not economically sustainable.
- l. Mitch clarified a very important point: you can’t make a viable business case model for unserved areas without a robust and diverse middle-mile infrastructure first, and they can document that fact. For example, if a provider wanted to build a business case for last mile service to an unserved area such as Sea Ranch, with 1800 unserved households, to buy backhaul (middle-mile) internet from the Verizon or ATT networks, a business would be looking at \$15,000/month in operating expenses just to connect to their network. That why GBB is building an affordable middle-mile infrastructure, and this picture and argument is not being told to the right people at the right locations.
- m. Golden Bear Broadband needs a legislator to champion the project and what it is trying to do (build a diverse, robust middle-mile infrastructure). Mike Ort (Praxis) met these same challenges with the Digital 395 project and they had Senator Roy Ashburn successfully champion the project.
- n. Jim then suggested that Wes Chesbro would be a good champion, as he is already concerned about the mapping problem and its impact on legislative decision-making. Jim ran an analysis (attached) on the legislative districts from the official NTIA broadband database which is shared with CPUC. For Chesbro’s 2nd Assembly District, the report shows that 95.1% of the households in his district have broadband at or above speeds of 6 Mbps download, and that 56% of his district’s households have broadband at speeds of 100 Mbps down (not including satellite, which is not considered broadband). It should be obvious to most that this database is seriously flawed.
- o. There was breaking news a few days ago when Sunne McPeak, President of the California Emerging Technology Fund (CETF) released a public report titled, Overview of problems with the CPUC Annual Report on CASF. (soon to be posted on Alliance website at: <http://www.mendocinobroadband.org/data-and-reports/>). Jim said that this report is a scathing indictment of the mapping base that the government is using to make these decisions. This is a watershed event, because for the first time a state agency is officially recognizing the problem.
- p. Some excerpts from this report:
 - i. There is no rural county or city in California that agrees with either the CPUC Report on CASF or the CCTA interpretation of the situation...

- ii. The CPUC maps on broadband deployment and availability are inaccurate. There are inherent problems with the CPUC broadband access availability mapping because of aberrations embedded in the industry data and the mapping methodology.
- iii. But, ground truth analysis by regional consortia and rural community leaders revealed that those maps were about 50% in error...
- iv. ...the CPUC annual data contends that there is 97.6% deployment in California currently. This is a statistical illusion.

3. Broadband Coalition of Northern California Counties (BCNCC)– Jim Moorehead & Mike Nicholls

- a. The BCNCC was formed to unite the northern counties in identifying a common problem: *Substandard broadband is damaging the economies of Northern California Counties.*
- b. We will ask leaders from various sectors of each county to sign onto this statement which identifies the common problem that everyone understands and agrees with, and build a broad coalition around the problem side.
- c. This coalition is differentiated from the solution side, as the solution side will most likely have various opinions to which everyone may not agree.
- d. As an example, the Alliance and Access Sonoma Broadband are willing to state that our solution involves government funding such as the California Advanced Services Fund (CASF), and for those counties that also agree with this as a solution can join with us in taking action. Should a particular county not believe in this solution, that is ok because we can still agree on the issue, and continue to experiences and ideas and learn from one another. No county, individual, or organization is required to take action on any solution they do not agree with.
- e. The Alliance will be sending information out to Coalition participants very soon; we apologize that it is not on the timeline that was originally proposed, but due to the release of the watershed CETF report, the Alliance and ASB held intensive strategic planning and organizational structure meetings to clarify our current position and future path forward.

4. Golden Bear Broadband (GBB) update – Mitch Drake

- a. Because of the intense opposition that GBB is facing from the established telecoms, the project really needs a legislator at the state level to champion it. Even better would be two or three elected officials from the GBB counties.
- b. When the Digital 395 project became controversial, they had this kind of support which was an important reason it was successful.
- c. Ruth asked for clarification on what Digital 395 was, so Greg summarized it for her: it was another large, \$100 million, middle-mile project in the Owens Valley that was mostly American Recovery and Reinvestment Act of 2009 (ARRA) funding, but 19% came out of the CPUC CASF fund. The CASF draft resolution did not recommend approval because the rules didn't allow it, so the applicants sought the Alternate Draft Resolution (ADR) directly from the commissioners and were successful. The ADR is a way for the

commissioners to have flexibility for projects that make sense yet don't quite fit within the strict funding rules.

- d. The CVIN project was another large grant-funded project, and both the Digital 395 and the CVIN project in the valley are about 99% finished, with the last finishing touches scheduled for completion by August 1st. Mitch was the architect of the CVIN project and helped both teams in putting their application together. Together they represent about \$170 million of ARRA funding for critical infrastructure, and those areas are already seeing the benefits. But it has taken three years from start to finish.
- e. That's why it's important that we get started now and not lose this opportunity! Greg pointed out that northern California has already been left out, as we got ZERO ARRA funding for broadband projects.
- f. Supervisor Hamburg suggested Wes Chesbro as a potential GBB champion, as he is "one of the best" in Sacramento, very intelligent, and committed to the universality of broadband. Wes is also in his last term, and what better legacy for him to leave to the north coast than universal broadband? Four or five of Wes's counties are in GBB, and this issue is fundamentally about the future of northern California.
- g. Assemblyman Chesbro's field representative Ruth Valenzuela was in attendance, and although she cannot speak for him, she will talk to him about it. Unfortunately, he is not on any of the committees that discuss these things.
- h. Mitch acknowledged the difficulty in discussing the project with non-technical people, but he would be available to speak with Assemblyman Chesbro, his staffers, or other potential champions for GBB. Right now the message that is going out is being spun by the carriers, who don't want to serve these customers but also don't want anyone else to serve them either. We need to get the message out that "they can't have their cake and eat it too."
- i. This message is important, because if these counties don't have any other plan, they are going to suffer for many years to come. Even if the GBB is approved, it's still a two-to-three year process.
- j. Jeanine said that she has not seen any analysis of the economic cost of not having broadband, and asked if the Alliance has considered doing such an analysis. She said that if we have a powerful number that estimates the cost to each of our communities each year, it would be very useful.
- k. In 2011, Dan asked Greg to do an analysis on the economic impact of the collapse of the ISP Esplanade along the south coast, and he will send that to Jeanine. When the ISP folded, a number of small businesses also went out of business because they didn't have broadband. Greg's analysis was an eye-opener to the Board of Supervisors and key to gaining their unwavering support for the Alliance.
- l. There are also examples from other areas: in Laytonville, Bailey's On-line moved their operation to Woodland and fifteen jobs were exported to another county, in part due to lack of broadband for expansion of their business. Siskiyou Supervisor Marcia Armstrong said that her son had to move to take advantage of educational opportunities.
- m. Jeanine asked if we would like to do this, as she has a Master's degree in the Social Sciences, has done a lot with economic development and could help us. Jim's response

was an enthusiastic “yes!”, and Mike would also like to be included. Jeanine would like to get this in a month or less.

- n. John Kuhry suggested using “implant” software for doing such an analysis, as he feels that it is industry standard, although used with GIS it is very specific to one area.

5. Closing comments - Jim Moorehead

- a. In regards to SB 740, the Alliance and ASB have planned an email mailing to the Assembly Utilities and Commerce Committee, and the Senate Energy, Utilities, & Communications Committee, and early next week an email mailing to the CPUC commissioners and their staff. Next week we will also do a mailing to the media. All these mailings will include the CETF “problems” report.
- b. Mitch added that because we don’t know what exactly is in SB 740, we shouldn’t send a letter of support for it. Greg clarified that instead of something specific, we will just argue that we support full funding for the CASF fund.
- c. Once the Draft Resolution for GBB is published, then there is only a thirty day response period to go on record with comments.
- d. GBB has to comment in order to have standing, and in the ADR, GBB can only bring up issues that they comment on.

6. Caltrans planning grant

- a. We hope to hear something about whether the MCOE/MCOG/Alliance application has been funded by August.

7. Meeting adjourned at 11:05

8. Next meeting: July 26th, August 2nd