

Steering Committee Meeting Notes
Friday, May 16th, 2014, 2014 10:00 am – 11:45
The Community Foundation of Mendocino County
204 S. Oak Street, Ukiah, CA 95482 (707) 468-9882

New Dial In Number

Dial In # (760) 569-7225, Participant Access Code: 108 1131#

1. Call to Order: 10:00 am

- a. Attendees: Dan Hamburg, Jim Moorehead, Brian Churm, Matt Goff, Mike Nicholls, Richard Lamken, Trish Steel
- b. Call-in: Cathy Emerson, Randy MacDonald
- c. Additions to the agenda: Net Neutrality update/discussion - #6, BC

2. Broadband Coalition of Northern California Counties

- a. We will be making our joint Access Sonoma Broadband/Broadband Alliance letter to the FCC regarding state restrictions on local control of broadband networks into a template and sharing with our Broadband Coalition of Northern California Counties.

3. North Bay North Coast Broadband Consortium

- a. On May 9th we received the good news that the CPUC staff recommended partial funding of our four-county broadband planning consortium application. It goes before the Commission at their June 12th meeting.
- b. If approved, the effective start date of new consortium will be July 1st.
- c. Consortium management had a meeting on May 7th in Santa Rosa with CPUC Communications Division Director Ryan Dulin, which was very positive. Mike said he is grateful for Ryan taking the time to meet us, and Mike feels that Ryan understands the needs of our counties and invited him to take a ride up the coast and physically see for himself the terrain of the coastal communities and the state of our broadband.
- d. Ryan stressed the importance of data, so at the consortium level we want to increase the circulation of the CPUC Broadband Validation Survey which provides solid data for our counties.
- e. ASB will create a 500-word article about the CPUC Validation Survey that the Sonoma County Farm Bureau will put in their monthly Farm Bureau publication. We need to get a lot more organizations to help us spread the word through their websites and newsletters.

4. Access Sonoma Broadband (ASB)

- a. The next ASB meeting will be held on Wednesday, May 21st in Santa Rosa. At this meeting the Connect Joy Road group will be making a presentation about the possibility of creating a broadband cooperative.

- b. Mike met with the Farm Bureau last week (see above), and he will be meeting with PG&E soon in hopes of getting funding support from them.

5. Updates from Cathy Emerson

- a. CPUC Broadband Validations Surveys: although there are some places that have been submitting the surveys (Mendocino County, Sonoma County), statewide not nearly enough people have completed the surveys. We need to increase awareness in more areas of the state somehow.
- b. Richard from MCOE said that he may be able to share with some of his contacts, and Trish provided him with the paper and electronic version of the survey.
- c. If anyone else has state contacts, newsletters, and is part of larger organizations, please consider sharing the survey with these contacts to help get the word out.
- d. The 21-page CPUC California Broadband Report on Adoption (as of June 2012) is now available, and everyone is encouraged to read it:
<http://www.cpuc.ca.gov/NR/rdonlyres/0E08E45F-0DE2-447A-9BBB-A69496FF698C/0/CABroadbandReportUpdateasofJune2012FINAL.pdf>
- e. Data from the report comes from the FCC form 477, a semi-annual report filed by Internet service providers that shows how many wireline and fixed wireless connections they claim per census tract. From the report:
 - i. There was over a 30% gap between average rural broadband penetration and large urban broadband penetration.
 - ii. Less than half of rural households were connected to broadband in 2012.
 - iii. About a quarter of that difference was due to lack of broadband access.
 - iv. Eight urban counties had penetration rates greater than 80%, whereas seven rural counties had penetration rates below 50%.
 - v. As in rural areas, there were low penetration (below 50%) rates also within large urban areas.
 - vi. Compared to other states, California ranked 14th in terms of broadband availability.
- f. There is a lot of information in this report, but Cathy feels it gives an accurate representation as to what is happening in our communities; the penetration and adoption numbers are showing us that only about 44.8% of the population are actually able to access broadband services;
- g. If you have any questions, you can email your questions to Trish and she will forward them to Cathy for you.
- h. Cathy also travelled with CPUC Commissioner Catherine Sandoval on 4/23 and 4/24; she is fired up about the rural broadband cause, and may be an impressive public servant (Dan) but the political reality is that she may not have the 3 (of the 5 Commissioners) votes that she needs to change things. The Commissioner suggested to Cathy to find someone to bring legislation to continue consortia funding.
- i. Jim agreed, as he was told by a CPUC telecom staffer that we need to go to the legislature to change things, as the CPUC has to follow the statutes written by the legislature. Given the political influence from telecom big money, this is discouraging.

- j. Cathy said that we need to be patient with the process, as the CASF staff is understaffed and overwhelmed right now;
- k. For counties that will be applying for CASF infrastructure grant money, it's expected that soon CASF staff will announce what the new rules will be for applications for the remaining CASF funds; it's believed that the funds will be distributed on a first-come, first-served basis.
- l. There was also some discussion of the Northern Planning Area Committee (NPAC) quarterly meeting which was held on 5/1/14 and which Cathy and Randy both attended. The NPAC is for the operational coordinators for each county to prepare for major incidents and coordinate with public safety.
- m. Randy (who has attended three of these meetings) feels that they don't have the perspective about the value of broadband, and that public safety is not taking the lead...
- n. Cathy feels like the first responders and sheriffs are territorial and don't want to collaborate/communicate with the broadband consortiums; she felt this so strongly that she plans to step out and will defer to someone else on this.
- o. Dan attended a California State Association of Counties (CSAC) meeting recently, and noticed that in Yolo County the LAFCO was involved with broadband; he said that in Mendocino County we haven't tapped into that resource yet.
- p. He also said that some of their experiences were consistent with ours...several supervisors were talking about the huge Rim Fire (near Yosemite) recently, where the lack of broadband made it extremely difficult and there was a sense of abandonment of this very necessary public service. Dan thought that there was something in this to "build on", and suggested to CSAC that they focus on rural broadband. It was also brought up that it is not only the rural areas that are left out, but that there are some areas right on the edge of Davis that are unserved.
- q. Matt added that this sounds like a "lack of vision" and if they look at what some metro police stations are doing, they would see the benefit of having robust connectivity. He said it feels like we are stuck "back in the days..."

6. Net Neutrality Discussion – Brian Churm

- a. Yesterday there was a 3-2 FCC vote (along party lines) about net neutrality; there is a lot of media hype and Brian provided some information to help us figure out what is going on.
- b. The vote only opened up a 120 day comment period, with the first round of comments due by July 15th; nothing is law from the vote.
- c. The public does not have a lot of trust in the FCC at this point in time; the Chairman was formerly a lobbyist for the cable industry and so people feel that we may be on a "slippery slope." There are a lot of alarms that are being raised by the public.
- d. Also, the amount of money that is spent from telecom lobbyists dwarfs that being spent by the opposing side, even though it includes companies such as Google, FaceBook and Microsoft.
- e. Many people feel that the "deal is done" and that the comment period is meant to appease the masses.

- f. Brian builds broadband networks, and he provided some history and the perspective from the carrier side of things, and how we got in this mess.
- g. History: the internet evolved in the 70s and 80s from the Department of Defense and University research; they build networks that were supposed to be resilient and never able to be destroyed. It was designed that if one path is destroyed, then it will find another path.
- h. These groups (educators and the military) connected with other groups and created a point of interconnection, which is called a “peering” point. They shared the cost just as they shared information equally. Berkeley and Stanford create a peering point, and share info and costs. The same thing with the military: the Army needed to share information with the Navy, they touched and created a peering point.
- i. Now if we jump forward in time, it’s not just the military and the universities that have connected. There are two main groups: the “eyeballs” and “content”.
- j. We the consumers are the eyeballs; in the United States eyeballs are connected primarily to very few carriers, the main ones being ATT, Comcast, and Verizon.
- k. Companies like Netflix, Google, Amazon are classified as content; the content providers are typically connected to commercially focused networks, like Level 3 and Covad. Some are connected to ATT but most are not.
- l. These networks have to touch the eyeball networks at points of interconnection (the peering points).
- m. The problem is at this point of interconnection. Why? Originally peering was free, as it was an equal exchange of information (Berkeley and Stanford exchanged equal amounts of information).
- n. Today, that exchange is very lopsided. For example, the amount of information that you send to Netflix (“I want the movie Avatar”) is miniscule to the amount of information that Netflix sends you when they send the movie back.
- o. So Netflix is connected to Level 3, and they are paying Level 3 for that connection. The consumer is connected to ATT and pays ATT a monthly amount. But, in the center is a peering point between ATT and Level 3 and both sides are paying for it. ATT has to buy equipment to connect to Level 3 and is not getting anything going out, it’s all coming in. I have to upgrade all my equipment for all the data coming in, but no one is paying me for that. That’s the problem.
- p. The FCC has not addressed this problem. Instead they are looking at the “fast lane” issue inside the ATT network, but that won’t fix the peering issue.
- q. The issue can be fixed with something called “paid peering”, and that’s what most companies do today. This means that if the exchange of traffic is lopsided, then one side pays for the imbalance.
- r. Brian says that “this is the industry sorting itself out” and that it should be allowed to happen.
- s. What the FCC is proposing at looking at is creating a priority lane within the network coming to you. This is where it gets sticky, especially if political or commercial interests become involved. No one has a good answer to “How do we make the rules”.
- t. Technically that sorting is already happening.

- u. For example, if you have Comcast or ATT U-verse and your voice service is bundled with your cable, you are already having a sort. The box in your home is already making calls about what has priority, otherwise your phone would mess up if it was given same priority as email. It is not given the same priority, because the email can take a few second delay while the voice can't and so voice is given priority. The same thing with video, and it happens already.
- v. Now question is: can we do another priority service and not eventually erode away the rest of the general traffic stream?
- w. A perfect example of what the FCC is looking at are the private road lanes in downtown LA. There is a meter above the lane that tells you how much you have to pay to use that lane. The difference in quality between these private lanes and the public lanes is extreme.
- x. So, how do you regulate that? We know that reality in that there is money to be made in keeping the private lane upgraded, but the public road will not be upgraded. So those who have seen this commercial sorting, and seen the mixture of the two, are concerned.
- y. There could be sorting in ways other than commercial. For example, there could be a Merchant group of affiliation of companies that have a general purpose together (media, political) and they say, "This is the cost for traveling on the fast path." But because they are an affiliation they are just shifting money from the right hand pocket to the left hand pocket.
- z. As an example, NBC and Comcast merge, and Comcast charges \$1000/MB for internet service in the fast lane. This high cost is prohibitive, and no one can pay that price, *but* NBC can because it goes back to Comcast. There is zero net transaction at the top of the corporation, but by their pricing they have affected a fast lane for their own interest. They can say it's open to anyone (the FCC says that they can't discriminate), but no one else could pay that sort of price. This is what people are worried about.
- aa. Cathy asked if this is the same as consumption-based rates, which if you want a faster speed you have to pay for it.
- bb. Brian said that it would depend, but in this case a preference is given to a community of interests.
- cc. It can also lead to a control of information that wasn't there before, that what was done in the past for performance reasons (better voice service) has moved up to another level and moving it to a commercial level.
- dd. Dan asked if this is inevitable, to which Brian said it was inevitable given the market, and the question is really what comes out of it. He suggested that people are creative, and we may see the rise of 2nd level or tier of internet.
- ee. In China (which filters everything), people use Virtual Private Networks, (VPN) which create a tunnel to someone that is premium, and others can't see what's inside. So, since you don't know what is inside the shell you have to treat it all the same.
- ff. Matt said that education is trying to create a new internet for itself ("I-2") with connections for universities and academics.
- gg. Dan thinks that it's really about the powerful deciding how the game will be run, not the market... and that those with the power will control the information and the debate...

- hh. Brian said that it's very hard to see in the future, but if companies will start controlling information, people will start choosing differently. And as a reference point, cell phones networks are already operating this way and it hasn't changed things much.
- ii. But, it is a slippery slope, and Brian's concern is giving the decision power to the FCC to bring case by case in front of them for decisions like, "Yes, this deal is good, go forward..." He doesn't have the trust in them right now.
- jj. We should pay attention to the comments from ATT and Verizon and be asking questions about that.
- kk. Jim asked for Brian's recommendation in terms of action for the Alliance and this current comment period that has opened up.
- ll. Brian's suggestion is to try to figure out the best solution....we can't ignore it because it is happening already, so how do we deal with it? Have clear rules for these "priority" lanes of information and try to balance that or force that balance ("If you set aside x amount of bandwidth as priority then y amount has to be set aside for general".) To Brian, that would be a good step forward. He doesn't know the best solution.
- mm. Jim asked if we should start thinking about writing a letter, to which Brian said yes, and to maybe take a different tact...something like "If you put in these priority lanes then you have to show that you invested x amount of money in rural broadband" and to put some of the revenue from the expensive lanes to be designated to go into the general lanes.
- nn. The charter of the Alliance is to get rural broadband built out, and we need to think about how is the best way to do that.
- oo. The FCC has already received 30,000 comments...
- pp. JM would like to start framing out a letter, and wondered how to make our letter stand out? Can we get the CPUC to sign a letter?
- qq. Matt suggested a national broadcast...David Cay Johnston (Newsweek) was also suggested as a potential helper.
- rr. Should ISPs be classified as common carriers? If so, utilities have strict rules as to how they can operate, and they have to be impartial.
- ss. Brian thinks it would be a better world if this re-classification happened, but that he doesn't think that it is a viable option because the lobbying effort against it is too strong.
- tt. Jim agreed, saying that if the FCC started looking at this option, the lobbyists would start a campaign to de-fund the FCC or go to the legislature and over-ride the FCC.

7. Revised BAMC meeting schedule

- a. Starting next month, the BAMC Meeting schedule has been changed to first Friday of the month
- b. The following are the upcoming meeting dates for the rest of 2014:

June 6

July 11

August 1

September 5

October 3

November 7

December 5

8. Other Updates

- a. Cathy recently participated in the Bay Area Council of Economic Institute, which included high-level conversations about the intersection of broadband and energy and changes needed in such areas as strategy and deployment. They will be issuing a report soon. The research was funded by ATT and PG&E.
- b. Cathy wants to take this report and take to the Governor's Office of Economic Development and pitch to the governor himself...she will forward us a copy of the proposal once she has it.
- c. Dan updated the group about the Village-Town Settlement proposal for the Hopland area. There is a new short publication on the project, and Claude has set up shop in Ukiah and is building proto-type units for people to see. If you want info on this proposal the booklet is available online at <http://mendovito.com/>

9. Meeting adjourned at 11:45

Next meeting: May 30th, June 6th, July 11th