Telecommunications & Connectivity Advisory Board

Meeting Minutes

August 2, 2017 Meeting

1:00 pm – DPS 112 State Street, GIGA Conference Room, Montpelier, VT

Attendees:

1. David Snedeker – Chair of the Board, Northeastern Vermont Development Association
2. Tim Lueders-Dumont – State Treasurer designee
3. Robert T. White – AOT
4. Theresa Membrino – by phone
5. Heidi Spear – by phone
6. Sec. Michael Schirling – by phone
7. Clay Purvis – Director of Telecommunications & Connectivity, Dept. of Public Service
8. Corey Chase & Steph Magnan – Telecommunications & Connectivity Staff, DPS
9. Dan Glanville & Melissa Pierce – Comcast
10. Margo Caulfield – Cavendish Telecommunications Committee (CTC)
11. Brendan McNamara – Cavendish Town Manager
12. Representative Michael Marcotte
13. Stephen Whitaker – member of the public

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| Item | Item Description | Action By |
| 1.0 | Call to Order at 1:05pm | Chair DS |
| 2.0 | Introductions | Chair DS |
| 3.0 | Motion: Approve 5/18/17 meeting minutes | TD, second TM, vote unanimous (4 for), MS abstained |
| 4.0 | Comcast Bidder Presentation | DG |
| 4.1 | DG responded to 5 questions prepared for Comcast by CAB | DG |
| 4.2 | Does Comcast have flexibility on the price? No. Comcast prepared its bids based on cost-based pre-determined factors. | DG |
| 4.3 | What is the total project cost? The bid was for $300,000, the total project cost is $464,607. This project is about 8 homes per mile, much lower than 25 homes per mile industry average. | DG |
| 4.4 | Are there commercial properties passed by the project? Comcast identified 2. | DG |
| 4.5 | What is the expected take rate? It is unknown, but Comcast has high hopes and is anxious to build. | DG |
| 4.6 | Why was there such a difference between the bid price of $230,690 and actual cost of $59,807 in the previous Comcast bid? The bid was for a larger area which would have required an expensive node. Only part of the bid was approved and Comcast was able to complete the project without the node. | DG |
| 4.7 | Bid overview: Project will pass 114 of 135 locations identified by DPS as eligible. Actually 119 will be passed by project but 5 of these are not eligible for support. The town of Cavendish requested that Comcast consider three areas, A, B, and C, and Comcast only bid on C. | DG |
| 4.8 | Possible discrepancy in locations to be served. The proposal refers to “about 96 locations” while the DPS summary states 114 locations. | TM |
| 4.8.1 | DPS and Comcast will ensure grant agreement refers to 114. | SM & DG |
| 4.9 | What is the cost per mile, of the project, and is this typical? | TM |
| 4.9.1 | Industry averages typically range from $25K/mile to $50K/mile depending on the degree electronics or make-ready work are required | DG |
| 4.10 | How does cost sharing work on C.I projects? In this project Comcast requested $300K, for a $465K project, suggesting a 35% Comcast cost sharing rate. | HS |
| 4.10.1 | The RFP did not require bidders to specify cost sharing. | CP |
| 4.11 | Why was the total amount of the project not listed in the Comcast proposal? | TBD |
| 4.11.1 | Because the RFP did not require it, it only required the bidder to specify the funds it is seeking. | DG |
| 5.0 | Presentation by CTC | MC |
| 5.1 | Survey results show poor availability and poor speeds, document circulated, surveys done in 2014 and 2015, things especially for TDS have deteriorated since. | MC |
| 5.2 | Surrounding towns have ECFiber and VTel, lack of broadband makes it hard to sell property in Cavendish. | MC |
| 5.3 | Cavendish hit hard by storm Irene, TDS copper plant deteriorated and has not recovered. Even though TDS markets 4/1, no customer reports receiving this speed. | MC |
| 5.4 | Customers regularly report that TDS has stopped offering DSL broadband to new customers in Cavendish. | MC |
| 5.5 | Customers in Cavendish especially irritated that TDS built 50 Mbps service at new condos in Okemo but will not invest in Cavendish. | MC |
| 5.6 | Reiterate and agree with MG presentation. Underscore the effect on real estate: out of a pop of 1200, he has spoken with 9 families newly considering moving in the last 5 months because of lack of broadband – tremendous detriment. More people than not work from home in some capacity. | BM |
| 5.7 | Appreciate MG and BM coming from Cavendish, concur with the necessity of broadband. Expressed concern about vendor lock-in and relative resilience. Request that MG and BM speak to the confidence in Comcast in the community. | HS |
| 5.7.1 | CTC reached out to 5 broadband providers, and found Comcast by far most responsive. | MC |
| 6.0 | Motion: executive session pursuant to 30 VSA 202F(K) | TBD, second TM |
| 6.1 | Vote to enter executive session | Unanimous (5 for) |
| 6.2 | MS exited meeting |  |
| 6.3 | Motion: end executive session | DS, second TM |
| 6.4 | Vote: end executive session 2:05pm | Unanimous (4 for) |
| 7 | Motion: approve Comcast proposal | TBD, second TM |
| 7.1 | Motion note: while moving to vote, and planning to vote for proposal, raise 2 issues for consideration in future RFPs:   1. Set dollar range (min and max) for bids 2. Require bidder to list total project cost | TBD |
| 7.2 | Also consider adding to future RFPs a section to address cost sharing, as a percentage. | TM |
| 7.3 | Vote: approve Comcast bid | Unanimous (4 for) |
| 7.4 | Comcast and Cavendish representatives depart, escorted by CP |  |
| 8 | Telecom Plan, discussion deferred until CP returns | DS |
| 9 | FirstNet: DS inquired about FirstNet, what CAB can or should do | DS |
| 9.1 | CP explained that there is an independent VT FirstNet board, and the PSD has a member Jim Porter on the Board. RTW said he represented VTrans on the Firstnet Board. CP suggested that the CAB could consider writing the FirstNet Board a letter if CAB had recommendations. | CP |
| 9.1 | 1. SW drew attention to VT statutes and said that it was an abdication of responsibility to not be involved in Firstnet, saying that the statute says that the CAB should coordinate activity among state agencies on telecommunications policy.  2. SW mentioned that the VT Firstnet Board charter identifies a seat on the Board for the VTA. He suggested that since the CAB has essentially replaced the VTA, perhaps the CAB could fill the VTA board-member position. | SW |
| 10 | CP described the Vermont Telecommunications Plan and that the DPS was working to revise the plan, incorporating outreach to other agencies required by H.347 from 2017. | CP |
| 11 | Public Comments: MM expressed that generally the Vermont legislature is supportive of public-private partnerships, and is disappointed in what he heard about TDS. It was his understanding that the CAB was created to assist the DPS by providing expert analysis in projects such as the grants and the telecom plan. | MM |
| 12 | Schedule next meeting, DPS will poll members for a date in late September 2017. | DS |
| 12.1 | CAB members request additional information about what CAB is expected to do annually so that plans can be made to spread work out in meetings. Suggest putting this information on Sharepoint site | TM + HS |
| 12.2 | Suggest creating bid ranking rubric based on criteria and methodology, as part of reviewing next RFP before it is issued. | TM |
| 13. | Motion: adjourn at 2:40pm | DBD, HS second, vote unanimous (4 for) |