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LA: DAS  
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New Title?: N  
Add Emergency?: N  
Date: March 30, 2015

**Amendment to LD 826: An Act to Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet**

**Sec. 1. Amend the bill by striking out everything after the enacting clause and before the summary.**

**§9211. ConnectME Fund**

**1. ConnectME Fund established.** The ConnectME Fund, referred to in this section as "the fund," is established as a nonlapsing fund administered by the authority for the purposes of supporting the activities and projects of the authority under this chapter.

**2. Assessment.** After receiving authorization pursuant to Title 5, section 8072 to finally adopt major substantive rules under section 9205, subsection 3 or after January 15, 2007, whichever is later, the authority may require every communications service provider to contribute on a competitively neutral basis to the fund. The assessment may not exceed ~~0.25%~~ 1.25% of the revenue received or collected for all communications services provided in this State by the communications service provider. A facilities-based provider of wireless voice or data retail service may voluntarily agree to be assessed by the authority as a communications service provider under this subsection.

A. 60 percent of the funds received from the assessment under this subsection, must be used to enhance communications technology infrastructure in unserved rural areas.

**3. Explicit identification on customer bills.** A communications service provider assessed pursuant to subsection 2 may recover the amount of the assessment from the provider's customers. If a provider recovers the amount from its customers, it must explicitly identify the amount owed by a customer on the customer's bill and indicate that the funds are collected for use in the ConnectME Fund.

**SUMMARY**

This amendment increases the assessment from .25% to 1.25% of the revenue received or collected for all communications services provided in the State by the communications service provider for the purpose of supporting the activities and projects of the ConnectME Authority.

*127th Legislature*  
*Senate of*  
*Maine*  
*Senate District 6*

*Senator David C. Burns*  
*3 State House Station*  
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Testimony of Senator David Burns before the Joint Standing Committee  
on Energy, Utilities and Technology  
April 2, 2015

*LD 826, An Act to Promote Maine's Economic Development and  
Critical Communications for Rural Family Farms, Businesses and  
Residences by Strategic Public Investments in High-speed Internet.*

Senator Woodsome, Representative Dion and distinguished members of the Energy, Utilities and Technology Committee, my name is David Burns and I represent Senate District 6 which includes all of Washington County and communities in Hancock County. I am before you today to testify in support of LD 826, *An Act to Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet.*

Throughout my Legislative service I have received numerous calls from constituents who have little to no access to high-speed internet. I am sure that every other legislator that represents pieces of rural Maine has had similar calls. Many of the constituents who contact me regarding this issue own and operate small businesses in underserved internet areas. The message that these folks convey to me has all been the same, "we cannot successfully run our business with the lack of access to high speed internet services".

In recent years this state, through efforts of the Legislature and our Chief Executive, has worked to become more "business friendly". We all understand and appreciate that businesses, whether large or small, aides in economic growth and decreases unemployment rates. Washington County, like other rural counties in Maine, has a relatively high unemployment rate at 9.9%, well above the statewide rate of 6%. If the expansion of broadband internet throughout my district could help lower these numbers, it seems like a no brainer to me. If we really want economic growth for many of our rural communities that are struggling with high unemployment and poverty, we need to support measures such as this bill.

I give this proposed legislation my full support, and would welcome any questions that the committee might have.



# HOUSE OF REPRESENTATIVES

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## **Robert J. Saucier**

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April 2, 2015

Testimony of Rep. Robert Saucier

### **LD 826, An Act To Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet**

Before the Joint Standing Committee on Energy, Utilities and Technology

Good afternoon Senator Woodsome, Representative Dion and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology. My name is Representative Robert Saucier and I represent House District 147 in Presque Isle. The bill I am presenting to you today is **LD 826, An Act To Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet.**

The ConnectME Authority was created in 2006 to develop and implement its broadband strategy for Maine. In 2007, the Legislature approved the Authority's major substantive rule that defines the state's broadband strategy and implementation process.

The goal of the Authority is to facilitate universal availability of broadband service and to increase the "take rate" or adoption rate to greater than the national average. Increasing access and take rates is critical to Maine's education and economic prosperity. Today, 100 percent of schools, universities, community colleges, libraries and municipal offices have access to high speed broadband. Rural areas in Maine have very little to no access to high speed broadband internet.

Access to high speed broadband internet service in Maine has climbed to 94 percent. The remaining 6 percent of Maine customers that have no access to internet service at all include many farms such as: dairy, vegetable, grain, cattle and organic farms. There are also many home businesses and people who pay huge sums of money to have a smart phone to create their own hotspot to have internet access. Sadly, even that is sketchy at best. Some are even deciding where to live based on Internet availability.

The ConnectMe Authority is a wonderful program that has a goal to provide access to internet services to all of Maine's people. The greatest hurdle facing the Authority is the fact that it is woefully underfunded. The funding for the Authority is a .25 percent (one quarter of one percent) surcharge on all communications, video and internet service bills for retail in-state service. This funding stream provides around \$1.4 million a year. Grants as low as \$7,000 to

over \$500,000 are awarded each year to fund between 6 to 23 projects depending on the scope and size of the application to the Authority.

This bill hopes to increase the funding for the ConnectMe Authority to 1.25 percent (one and a quarter cents) so it can issue more grants to install 5 times the amount of last mile installations as currently exist. At the current rate of funding, it is estimated that it will take many decades even a hundred years to get all of Maine connected.

According to the Authority, broadband serves as a key engine to economic growth and opportunity. Consumers with broadband at home can save more than \$7,000 a year and annual revenues of broadband-connected small businesses are \$200,000 higher than those without broadband.

It is time to provide adequate funding for the ConnectME Authority. Much-needed grants would provide last mile connections so that family farms, small businesses and the people of Maine can be connected to the rest of world in this global economy.

I would ask that the committee pass this reasonable funding bill and get Maine moving. Thank you and I would be happy to answer questions.



# HOUSE OF REPRESENTATIVES

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## **William R. Tuell**

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Testimony in support of:

**LD 826 – “An Act To Promote Maine’s Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet”**

Joint Standing Committee on Energy, Utilities and Technology

Senator Woodsome, Representative Dion and Distinguished Members of the Committee on Energy, Utilities & Technology:

My name is Will Tuell. I represent the communities of Cutler, East Machias, Eastport, Lubec, Machias, Machiasport, Roque Bluffs, Whiting and Trescott Township in the 127<sup>th</sup> Maine Legislature, and I am here in support of LD 826 as many of my constituents and I feel that it would benefit small, rural, geographically isolated areas like I represent.

To backtrack a bit, I got my first internet connection in the late 90s when a local startup brought dial-up to the area. That company was one of the first to provide internet service in Maine, certainly in our neck of the woods. Despite going to college, starting a career, and having other expenses, I felt it was important to be connected to the internet, and paid for my “lightning speed” dialup.

In 2005 Axiom Technologies set up shop in Machias and brought high speed, broadband internet to the area. I was one of their first customers, and thought I was really in the fast lane when they came to town.

Over the years, Axiom has continued to grow, expand, and invest in the broadband infrastructure in our region. Thanks in large part due to the establishment of the Connect ME Authority and the Three Ring Binder, amidst others.

Despite this suit and tie, I am not a rich person. I’ve minded my money well, and I’ve had what I needed, but I’ve always coughed up the \$37-40 a month for broadband internet because researching and writing news articles – even for a local weekly on weekends – would be absolute murder on a clunky dialup setup.

I am not the only person who needs broadband. Over the past few days I have heard from architects, other writers, people in the hospitality industry, farmers, and people who have come to Washington County for a slower paced lifestyle but still want to work from home.

These folks feel, as do I, that we need to invest in our broadband infrastructure, and really make sure that Connect Maine is putting cutting edge technology on the street by working with industry partners. Am I saying a funding increase will do that completely? No, but I think that somewhere in that two to three dozen bills on broadband this session, we ought to be able to do something that invests in Maine's broadband infrastructure. Whether it's more money for the Connect Maine Authority, more favorable regulation that allows for the expansion of broadband capacity, or what, I don't have the magic bullet, but I do think we ought to do something to help rural Maine compete on the global stage.

Last week I testified in LCRED on a bill that will remove obstacles to call centers in rural parts of the state from hiring people. Call center jobs can be done remotely, over the internet, and the people doing some of those jobs can do them from home, making at least \$10.50 an hour, with benefits added in.

How many of you want to reduce the cost of health care? Probably everyone, right. Well, one way to do that is to invest in telemedicine. Telemedicine is not possible without a strong, robust broadband backbone. Do you think people in Lubec or Eastport want to spend five hours on the road to get to a doctor in Bangor like they are doing now? At \$2.40ish a gallon of gas?

The answer is no, they don't. And if they can, again, visit with their doctor on a high resolution, high speed connection locally, maybe it won't cost the patient so much, or the medical professional so much to deliver vital health care.

I am not saying that broadband is our salvation as a state, but when we are near the bottom of the union, we ought to be doing more to get up to speed with other states.

Businesses of all sizes use broadband, they need to stay current with the market, their competitors, and their industry. It isn't about being connected though, it's about being efficient, being ready to make new contacts and connections that might not otherwise happen.

I want to close by saying that in really rural areas like my district, people are hunting for jobs. Yes, that may seem obvious, and yes, you've probably heard the story before, one thing you might not know about our area down home is that we're rife with micro-enterprises in a host of industries. Whether fishing, farming, the service sector, health care, education; whether on the local, regional, national or global marketplace, rural Maine needs a serious investment in broadband infrastructure to help us grow and compete with the rest of New England, the United States, and the world.

I want to close by thanking you for the opportunity to speak here today. There are many folks back home who couldn't be here, who asked me to speak, and their message is clear – Washington County, all of rural Maine, needs a robust, dependable, and dynamic, investment in broadband infrastructure.



Jane E. Bell

25 Tide Mill Road

Edmunds, ME 04628

733.4756

April 2, 2015

**Testimony in favor of LD826 An Act To Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet,**

Senator Woodsome, Representative Dion, members of the committee,

Good afternoon. I am Jane Bell from Edmunds, Maine. I am here with our granddaughters Hailey Bell and Ruth Bell, members of the ninth generation on our Farm.

I am here to testify in support of LD 826, *An Act to Promote Maine's Economic Development and Critical Communications for Rural Farms, Businesses and Residences by Strategic Investments in High Speed Internet.*

We live on the shores of Cobscook Bay, in the unorganized territory of Edmunds. Tide Mill Farm is a diversified farm that has been farmed by the Bells since 1765. Currently members of the 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> generation Bells partake in organic food production, sustainable wood harvesting, farm tours, farmhouse rental and a balsam wreath business.

There are twenty members of our family making their homes and businesses in the easternmost corner of Maine. Currently *Axiom Technologies* is our broadband provider; the 2MB connection does NOT meet the Internet needs of Tide Mill Farm. However, access to broadband eight years ago was such an improvement over dial-up that we were satisfied for quite a while! However, as technology and businesses and families grow, the Internet speed no longer meets our needs, slows down efficiency, and increases the cost of doing business in rural Maine. *Axiom* is not able to increase the bandwidth without considerable cost to them; that cost would not be recovered.

We have begun discussions with *Axiom* regarding fiber access to the high-speed line that parallels Route One. Nationwide, the cost of preparing for and laying fiber is an average of 25K per mile. Our Farm is a mile from Route One. It will be a very long time before our family can sell enough milk, meats, vegetables and forest products to make that kind of financial commitment.

We all know public broadband investment would expand economic growth, creating jobs in urban as well as the rural regions of our State. The question for all Mainers is HOW to pay for the upgrade needed in the "infrastructure of connectedness." Perhaps cellular phone companies charge a surcharge as the landline providers do? If Tide Mill Farm is going to help feed Maine, fuel furnaces, educate tourists, ship wreaths, and manage woodlands, we must have high speed Internet!

LD 826 might be likened to the Rural Electrification Administration in the 1930s where the costs were distributed amongst all, for the benefit of all. Another thought: Tide Mill Farm is 110 miles from Interstate 95. We help support that paved highway of connectedness; it benefits us greatly, although we are not near it. It is time that we publicly support high-speed Internet access for all Mainers.

I understand that funding is the big challenge here. The truth is that for every dollar invested now, there could be a ten dollar return in the form of economic stability for Mainers several years from now. We fought such a battle again and again while our son with autism journeyed through Maine's public school system. Shortsighted administrators resisted (all the way to federal court) the dollar investment for our son, as it was their dollar now, ignoring the long-term benefit to Jesse, our community, and the State of Maine. Jesse now lives in his own home on the Farm, works daily in the dairy operation, is on the local fire department and works at University of Maine Machias several hours each week. I would say that was a fair return on each dollar of taxpayer's money!

I am asking your support to increase Connect ME's funding from one million to five million dollars annually, and prioritize funding to the rural unserved 6%. Please vote "ought to pass" on LD 826.

Thank you for your time and consideration. Are there any questions?

*Jane E. Bell*

**Shelly Mountain**  
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February 25, 2015

**Testimony in Support of LD 826 (An Act To Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet)**

Senator Woodsome, Representative Dion, and members of the Committee on Energy, Utilities and Technology:

My name is Shelly Mountain and I live in Mapleton. In preparation for this testimony I looked at some of my bills that charge me user fees and taxes. Verizon charges \$2.25 a month, Dish \$3.25 a month, and Fairpoint charges me \$14.89 a month in taxes and fees. Then I went to the Connect ME website and clicked on the map of Mapleton. Almost all of the roads in Mapleton are green, meaning that they have "broadband service meeting or exceeding speed tier 2 downloading and tier 1 upload criteria." There is about ½ mile stretch of road in Mapleton that is red, meaning it has "no broadband service meeting or exceeding speed tier 2 downloading and tier 1 upload criteria." That is where I live.

I suppose that Fairpoint considers that a success. I consider it an unfair failure. I check the Fairpoint website often to see if broadband has yet reached my area. It never has. I call Fairpoint frequently to see if the information on their website is incorrect and ask when they will be providing me with broadband service. They are never able to tell me when, they just advise me to keep checking. I am tired of checking and I am tired of paying all those taxes while being denied the services.

The purpose of the Connect ME taxes is to incentivize Fairpoint to deliver broadband in areas where a profit motive does not incentivize them. Clearly, it is not working that way. For years I have been paying into a fund that allows my neighbors to enjoy reliable high speed internet. I am tired of being so generous. I would now like to benefit a little bit myself. I am paying the same taxes as other residents of Mapleton and not receiving the same services. That is not at all fair.

Testimony Before the Joint Standing Committee on Energy, Utilities and Technology

LD 826

By Gail Maynard  
Thursday, April 2, 2015

Senator Woodsome, Representative Dion, distinguished members of the committee,

Good afternoon. My name is Gail Maynard. I am an organic beef and grain producer from Aroostook County. My family operates Orchard Hill Farm in Woodland.

As a member of the Aroostook County Farm Bureau, I am here today to testify in support of LD 826, An Act to Promote Maine's Economic Development and Critical Communications for Rural Farms, Businesses and Residences by Strategic Investments in High Speed Internet.

Orchard Hill Farm sells grass fed beef through farmers' markets, a farm store and local retail outlets. We cannot expand our markets; conduct on-line sales, promotion, and education without access to reliable broadband internet. One half mile down the road, Time Warner Cable provides high quality service. The company will not put in the extra cable, and there is no way our farm could afford the cost of connection. As a result, we are relegated to the dark ages of technology. This grim picture is anything but business friendly.

We have recently completed product development for a value-added component of our business. Market research and customer response to our "Maine Black Fly Beef Jerky" line has been very encouraging, but we are stalled in this technological backwater. We have done the research; we know where our markets are, but we can't get there from here. There is no one to go "the last mile" for us. We are among the 6% rural "unserved" of Maine.

Strategic public broadband investment would expand economic growth, creating jobs in rural areas as well as statewide. LD 826 is really about basic issues of economic fairness and social equity. All Mainers deserve reliable access, similar to what was achieved with the Rural Electrification Administration (REA) of the 1930's. It's time for an update!

Please support increasing Connect ME's funding from one million to five million dollars annually, and prioritize funding to the rural unserved 6%. It's the smart thing to do; it's the right thing to do.

Thank you for your time and consideration. And I'd be happy take any questions.



Gail C. Maynard

Orchard Hill Farm  
Woodland, Maine  
207 498-8541

Good afternoon Senator Woodsome, Representative Dion and members of the Energy, Utilities and Technology Committee,

My name is Lorette Adams and I live on the West Ridge Rd. in Mars Hill, Maine. I am one of the unserved in relation to broadband and high speed internet. When we moved up to Northern Maine and purchased our first computer, to justify the cost, I decided that I would try to sell some of my "treasured" garage sale finds that seemed so plentiful and available on my new home turf. Sure enough some of the old, gently used items were unique, and to my delight, sellable. The biggest problem that I had was that the only internet access at that time was a dial-up modem through the telephone line. Now, if you've never experienced a dial-up connection, let me tell you it was painfully slow! Downloading a few pictures could take 20-60 minutes despite changing the size of the pictures to use less space.

Fair Point Communications internet service stops approximately 1 mile South of our home and we have very limited options for service from our other local providers. Since we got a computer in 2003 we have been seeking a reasonably priced internet provider and after many repeated calls to all service providers seeking answers we were told that we live too far outside of the boundaries of their networks, but "check back with us as we are expanding our reach soon." That was 12 years ago and we still have very limited and expensive options.

For us there is no unlimited data plan available which makes this a very cost prohibitive proposition. We currently have Verizon wireless which costs us \$80.00 monthly for a 10GB plan with a \$10.00 per gigabyte charge if we go over. These limitations make you very mindful of every minute and picture and video that you watch or use. Not understanding the size of data and download times I was very excited to watch a movie when I purchased my kindle. I watched one movie and that combined with the regular news and facebook usage put us up past 50% of our monthly usage of 4GB and we were only 2 weeks into the month. Since then, I MAY rent a movie at the end of the monthly cycle IF there is enough data left.

If we have any hope of keeping and attracting business in the state of Maine we must expand service to the unserved parts of the state to even the playing field and allow small businesses a chance at competing with the rest of the world.

Please support LD 826 to increase funding for the Connect ME program. Our people and our businesses need this badly. It will allow all sorts of businesses to sprout up anywhere.

Thank you for your time.

Lorette Adams

350 West Ridge Rd. Mars Hill, ME 04758



**New England  
Farmers Union**

UNITED TO GROW  
FAMILY AGRICULTURE

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Testimony from Mary Castonguay

April 2, 2015

Joint Standing Committee on Energy, Utilities and Technology

Senator David Woodsome (R-York), Chair

Room 211, Cross State Office Building

c/o Legislative Information

100 State House Station

Augusta, ME 04333

Dear Chairman Woodsome:

Good afternoon and thank you for the opportunity to speak to the committee today. I'm Mary Castonguay, of Castonguay Ayrshires in Livermore, Maine. My parents purchased this 50-acre farm in 1986, and my brother and I took it over in 2009. We have gradually added acreage, and we now own 450 acres and milk 72 Ayrshires. We sell our organic milk to the Organic Valley co-operative. I am a member of New England Farmers Union.

To give you a little background from the USDA Census of Agriculture, Maine has 2,311 operations with direct market sales, (which is fifth nationally measured in percent of farms). Direct sales brought in almost \$25 million to the state in 2012. Those operations depend heavily on high-speed Internet connections.

I am lucky enough to have access to high-speed Internet where I live, but my friend, and fellow New England Farmers Union member Alison Bates, does not. I use the Internet for my business daily. Any government contracts I fill in must be completed online. It's tax season, as you know, and every day I communicate by email with my accountant. If, like some farmers I know, I had to run to town to check my email every day, life would be very difficult.

I update the farm's Facebook page daily. Farmers who sell direct to consumers need to showcase what they're selling that day. With social media, you need that daily presence. Without the Internet, you can't reach your customers and you lose your marketing edge. I would be lost without access to high-speed Internet. If I had to schedule my Internet use to coincide with my weekly trips to town to conduct errands, my business would suffer. I'm sure the 6 percent of Mainers without high-speed Internet are doing their best, but farmers need the support of this state to make sure we have farms in Maine for generations to come.

I urge you to support LD 826. Thank you.



April 2, 2015

Members of the Joint Standing Committee on Energy, Utilities and Technology

I'm Jim Gerritsen. My family and I grow Maine Certified Seed Potatoes in Aroostook County. We support LD 826.

We have been farming for 39 years in the Unorganized Territory of Central Aroostook County. We are part of Maine's Unserved 6%.

Twenty-six years ago we began a mail order business through which we sell our Certified Seed Potatoes directly to gardeners and farmers in all 50 states. Then 15 years ago we added a web store to our business. Today, 75% of our orders come in over the web.

Ten years ago we switched from dial-up to a microwave wireless signal. While the wireless signal was an improvement over dial-up, it has become unreliable.

Like many Maine businesses we are reliant on the Internet. We upload color images on social media, upload and download color graphics in working with artists, printers, and a weekly newsletter emailed to our 12,000 customers.

Unreliable Internet is hurting our business. Sometimes the Internet goes out and on an almost daily basis our Internet service becomes so slow that for what little work we get done, we should probably just send our crew home.

Last week on Monday in the middle of our peak-shipping season, our Internet was down for the entire day. We could not download orders, process credit card transactions, print shipping labels, track packages or manage online banking. We kept our crew of ten working, but the next day when service was restored we had twice as much to do. Poor Internet service costs our company \$10,000 a year in lost productivity.

Two years ago Fairpoint ran a fiber optic line from the Three-Ring Binder project on U.S. Route 1 to cell phone towers on Number Nine Mountain. That fiber optic line runs 3200 feet from our on-farm office. Fairpoint has offered reliable 10Mg Down/10Mg Up fiber optic service. But we can't afford the "last mile" \$12,000 upfront installation fee.

Last year we were one of the 38 projects statewide - totaling \$8 million - which requested help from ConnectME. Only eight projects were funded and then they exhausted the million dollar fund.

Studies (<http://sngroup.com/about-sng/defining-broadband/>) show that for every \$1 invested in high speed Internet, \$10 of local economic activity is generated. So high speed Internet infrastructure investment in rural Maine will grow Maine's economy and help keep jobs and our children in Maine.

High speed Internet is as vital today as electrification was in the 1930s. Maine should adopt a policy goal of universal broadband Internet to join other universal services such as roads, schools and utilities like electricity and telephones.

LD 826 increases ConnectME funding and prioritizes infrastructure investment in Maine's Unserved 6%.

LD 826 is visionary, just and deserves your support.

\ Thank you.

Jim Gerritsen

Wood Prairie Farm  
Jim & Megan Gerritsen and family  
49 Kinney Road  
Bridgewater, Maine 04735

**Testimony Before the Joint Standing Committee on Energy, Utilities and Technology**

**LD 826**

By Frank P. Allen IV

Thursday, April 2, 2015

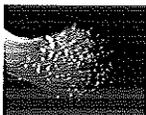
Members of the committee, good afternoon and thank you for this time. My name is Frank Allen and I am an IT Specialist from Mars Hill in Aroostook County. I am a member of the Aroostook County Farm Bureau and am here today to testify in support of LD 826.

I have spent my entire life in rural Maine and seen the progression of options to access the internet, and they have long been stagnant. When I was first able to make the transition from Dial-Up to a Broadband Wireless connection I was elated, but more than a decade has passed and much has changed. Many areas still do not have access to a high speed connection of any kind, and many more people like myself that have broadband are forced to make due at 1/10<sup>th</sup> the speed necessary to remain competitive with urban areas and the rest of the world. I am part of the 6% "unserved" in Maine.

I currently am working towards a Bachelors degree online and have already acquired an Associate's Degree in the same manner. Almost all of my work requires me to have a quality internet connection, and I am consistently at a disadvantage due to the lack of high speed access. I love Maine, and most especially it's rural areas which I call home, but if something does not change my profession and continued education may require me to relocate in the near future. This is something I would never wish to do, but today quality internet access has become a necessary utility for most businesses.

With expanded broadband access rural areas in Maine would be able to flourish. New job opportunities and economic growth would occur across the state and give people the tools they need to create a more modern and competitive economy regardless of their physical location.

I ask that you please support an increase to Connect ME's funding so that the unserved 6% of the state can be brought up to speed, and continue to move forward creating a brighter future for all of us.



WCFI  
Washington County Fiber Initiative  
<http://www.wcfiber.com>

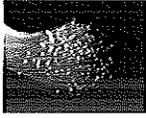
Senator Woodsome, Representative Dion and Members of the Committee my name is Dan Sullivan. I am the IT Manager at Woodland Pulp LLC, St. Croix Tissue Inc., a small businessman and the chair of the grassroots organization Washington County Fiber Initiative. I have been in the IT industry for over 35 years. My wife and I have been small business owners for the last 30. I am here to offer full support for the bill you are discussing today.

This is an exciting time. This Legislature will be hearing 30 plus bills all to do with fixing Maine's dismal broadband infrastructure.

Generally speaking I believe everyone has a feeling for how much Maine's economy will benefit with state of the art super fast networks. Building them is not an if but a when.

There is so much confusion around this subject that part of the problem is we don't know where to start. Well, actually we do know where to start.

The backbone of the Internet is all fiber optics. The middle mile, networks like Three Ring Binder and the networks owned by Time Warner, Fairpoint and others are all fiber optics. Unfortunately that "last mile" to our homes, farms and businesses is not. It is 50-year-old copper cables. It is this copper cable that brings us our connection to the Internet. This copper gives us DSL, Cable TV & Internet and Fixed Wireless. To finish this broadband connection to our homes and businesses we need to finish it with fiber optics. We've built three quarters of this car and put square copper wheels on it. You might be thinking why? As in just about everything else it comes down to money. Lots of it. For year's companies like Time Warner, Fairpoint and others have been making millions providing this Internet connection to some Mainers via these creaky copper lines. These connections are slow, unreliable and expensive. They have not had to upgrade their networks because there was no competition and no incentive to do so. Your committee and the others that will be debating this and other bills can now bring some of that competition to the table. All across this nation towns and cities are saying enough. If the Time Warners, Comcasts, Fairpoints of the world won't build state of the art networks then we will. You are now in the position to bring Maine into the 21<sup>st</sup> century by helping us do just that. But we need to do it right. Please insist that the monies you allocate go to finishing that last mile with fiber to every home and business in our state. Then you will have built envious world-class networks for all of Maine. The jolt to our economy will be enormous.



## WCFI

Washington County Fiber Initiative  
<http://www.wcfiber.com>

There is a lot of confusion around "wireless" as well. Generally when you hear that word you think cell signal. You would be partially correct. In broadband terms it also refers to what is called "fixed wireless". This is a connection to the Internet in some homes and businesses in Maine that are in sight of a tower much like the cell signal but it is not a cell tower. The difference is this "fixed wireless" is supposed to be the broadband Internet connection similar to DSL or cable. We need universal cell service all across Maine, that is a given. But we do not need to take "fixed wireless" as our home and business last mile solution. Fixed wireless is slower than either DSL or cable. It is expensive and extremely unreliable. Unfortunately this fixed wireless solution is often offered as the quick and easy way to reach those hard to reach farms and businesses in our most rural areas. While in some rare cases it may be the answer in most it is not. Just ask the citizens of Cooper Maine where I live. We have been offered fixed wireless broadband to our area since 2008. To date 12 out of 65 homes have it. Those that do are very frustrated with the terrible service.

One easy way to think about this needed infrastructure is, "wherever there is a telephone pole in Maine, there needs to be fiber optic cable on it". FDR did this back the 30's and 40's with phone and electricity. These fiber optic cables are the 21<sup>st</sup> century equivalent.

You have an opportunity to not only fund some of this fiber optic expansion but to insist on it. For over 7 years the ConnectME Authority has given just under \$10,000,000.00 to companies like Time Warner, Fairpoint and they have given us creaky old copper networks and Maine is 49<sup>th</sup> in the nation. You cannot only change that course of direction, you must.

I have included in this letter real world comments from Maine taxpayers. This is only a smattering of the hundreds I have collected over the last 6 years. Please read through them. I believe they put this problem in much better perspective than I can in one short note.

Thank you for taking the time to read my note. If anyone has any questions or would like some further information please contact me at 207-214-4516 or [Daniel.Sullivan@woodlandpulp.com](mailto:Daniel.Sullivan@woodlandpulp.com)

Dan Sullivan  
Cooper,ME



WCFI  
Washington County Fiber Initiative  
<http://www.wcfiber.com>

Comments:

**Woodland Pulp LLC & St. Croix Tissue LLC**

Dan

Notwithstanding the direct needs of our business for high speed connectivity to the global business world, our ability to recruit professionals, such as engineers and operations managers, will be adversely impacted by lack of broadband availability for personal use in the homes. This is also true for our hourly labor force.

Superior broadband service is not only a competitive advantage; it is a basic requisite for sustaining our business.

Marco L'italien

Vice President

International Grand Investment Corporation

We are seeing a growing demand for bandwidth for remote monitoring of mill equipment. Electrical drives, boiler equipment, control systems, environmental compliance, natural gas system, etc. This is bandwidth that needs to be available not only to our industry, engineers and employees but also across the country.

Paul Jack

Manager

Woodland Pulp LLC

Future proof fiber broadband Internet is a significant factor in our overall ability to thrive as a business in this area.

St. Croix Tissue, Inc. is constructing a state-of-the-art fully automated tissue manufacturing plant. With this high tech technology comes the need for high-speed connectivity to equipment suppliers and technical support outside of the plant. It is also critical for St. Croix Tissue engineers and technicians to have high-speed connectivity from their homes to provide fast response when needed at the plant during off-hours.

Martin Richard

Manager

St. Croix Tissue Inc.

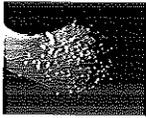
Dan,

Here is one value of high-speed high-capacity Internet.

As you know, the connection between the new St. Croix Tissue development and construction and the home office in China that has to make the decisions and support the project requires good communication half way around the world.

Rick Bronson

Town Manager Baileyville Maine



WCFI  
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- I need Internet to do my lesson planning. The grading system and many of the teachers' manuals are online. I can't depend on our current connection to run these.
  - I can't count how many times my online banking system has timed out.
  - Next year, our son Sam will get an iPad at school and have online assignments. He'll probably have to take the alternative printed assignments to be safe.
  - our other son Zachary wants to take an online Minecraft Mod programming class. If I knew it would work, I wouldn't mind the \$250 price tag, but I don't want to buy it and find out it won't work. So my 9 year old doesn't get to learn the basics of JAVA.
  - I would cancel our \$80/month satellite TV service if we had high speed wired fiber to my home Internet. We've also spent hundreds on DVD copies of TV series we could have streamed.
  - It's nearly impossible to swipe a last second eBay deal =)
  - And, I'm sick of my friends and family "from away" making fun of our slow connection.
- "I don't think I'll change the world with high speed Internet, but I may go crazy without it."

Erica Perkins

Second Grade Teacher

Woodland Elementary School

Baileysville, ME

Woodland Pulp LLC

The need for broadband 'at the speed of fiber' is essential for a modern economy. While Washington County has seen modest improvements in broadband coverage over the past decade, we are still very much behind the advances in speed and infrastructure needed for modern commerce. We must tap into the promise of the 3 ring binder investment. It is a super highway at our doorstep; yet we stroll along as the world races by. Across Washington County, we need to build the fiber 'on-ramps' and 'arterial highways' to this asset to achieve full participation in the digital world.

Thanks again for testifying

Judy

~~~~~  
Judith Cooper East, AICP  
Executive Director  
Washington County Council of Governments



WCFI  
Washington County Fiber Initiative  
<http://www.wcfiber.com>

To whom this may concern,

I am the owner of Johnson's Town Line Auto, Inc. in East Machias, recently we installed a new voice over internet telephone system and computer system upgrade to the business, we have struggled to make this system operate correctly with the internet service currently available to customers in this area, needless to say I did contact Danny Sullivan to enlighten me on the operation and reasons that we were having issues, it was explained and proven to me that we need a robust fiber to my business service to make this system work, at this time my system is still not operating correctly, I cannot express enough the need for better service, trying to start a business in Washington County is very difficult and challenging but trying to expand and grow is even more difficult with having to deal with issues such as these.

Thank you,

Glenn Johnson

Johnson's Town Line Auto, Inc.

East Machias, ME 04654

Our current lack of broadband connectivity severely hampers my ability to be an effective educator. I could complete assignments, grading and research online, yet I am not able to do any of that from my home because of the lack of a broadband connection. In addition, my students could also be completing homework and research if they had a broadband connection in their home. This would open a tremendous opportunity for customized learning and individualized attention for each student. It would also allow me to connect my students with experts from around the globe. In our remote, rural location this connection to the rest of the world is even more critical. Providing broadband to every citizen in Maine could have a tremendous impact on closing the learning gap in our schools. In addition, I could participate in educational webinars, online degree programs and professional conferences through the web with a broadband connection. I would not only be able to participate as a student, but also as an educational leader, sharing my 30 years of experience in the classroom.

Alice Sullivan

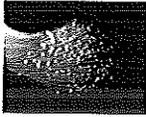
Educator

Woodland & Princeton Elementary Schools

Hi Danny,

My previous story of not having a good enough Internet connection to upload pictures and get that home inspection job would still be good. There are plenty of other legitimate online jobs nowadays, such as data entry and analysis or even virtual assistant jobs. Its not just software designers and finance people from away who could move here, it could also help local people to get employment, or the knowledge and education to get that employment. I have been promised a DSL connection paid for by ConnectME grants for over two years and I am still waiting.

Dan Gladden



## WCFI

Washington County Fiber Initiative  
<http://www.wcfiber.com>

I am an independent publisher and editor. My business requires me to upload my products to the web for sale nationally and internationally, as well as to make adjustments to the venues that control my online sales and advertising. Because of the horrifically bad Internet connection in my area, I often have to drive forty miles round trip to an Internet cafe to upload my products or make changes to my web sales points. On one occasion even not that would suffice, and I had to mail a disk to an acquaintance with business Broadband who lives in Bath, Maine; she then uploaded files to my website for me. Even when I do manage to get serviceable connections, they frequently break off unpredictably or run so slowly that it may take several hours to upload an 8 MB text file to the Web. I am also unable to take webinars that would improve my business productivity, or to engage in Web-based conferences with my clients.

Symmetrical optical fiber Internet to every home and business in Maine is the answer to this problem. My small business would certainly be able to earn more if I were able to download data and upload products at high speed.

Nor is the vast benefit to small businesses in Maine limited to those companies that already exist. More people would be excited about moving to the beautiful area in which I live if they could run thriving small businesses from houses in my town. **Symmetrical optical fiber Internet access is the technology that will finally make Maine "Open for Business."**

Stuart Sholwell

Mermaid Press of Maine

Danny,

My wife and I both have home offices in Cooper Maine for our separate companies.. We use the Internet to purchase supplies, interact with our customers/clients/staff and communicate with our shippers. The lack of broadband Internet access makes it difficult to efficiently conduct business. We both love living in Cooper but business provides our livelihood and good broadband access is a very important part of our business.

When we first moved to Cooper 17 years ago our businesses were small and postal mail or dial-up Internet was sufficient for our needs. As our businesses grew we changed to Satellite Internet access. Now that our businesses continue to grow we have a real need for broad band Internet. We hear that there as been some talk about "wireless" Internet access but that is only minimally better that what we currently have.

We hope that The State of Maine will help this need for fiber-optic Internet access to come to fruition in Cooper.

Scott Withers

Withers Silversmith

Marjorie Withers

Turnaround

Thank you all for generating a number of bills to address the dire inequities of the distribution of Internet connectivity in our rural areas.

After 40 years of investing our lives in Downeast Maine, serving on numerous committees (including a DOT Infrastructure Development Committee), advocating for governmental accountability toward bringing the rural economies up to sustainable level, and building a multi-million dollar dental practice employing 14 people full time, I believe this issue is critical if we hope to bring Washington County out of poverty

Respectfully,

James E. Sparaga DMD,M.Ed.

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Robin Zinchuk

**Testimony of Nancy Smith, Executive Director of GrowSmart Maine  
in support of LD 826  
“An Act To Promote Maine's Economic Development and Critical  
Communications for Rural Family Farms, Businesses and  
Residences by Strategic Public Investments in High-speed Internet”  
April 2, 2015**

Senator Woodsome, Representative Dion and members of the Joint Standing Committee on Energy, Utilities and Technology, my name is Nancy Smith, I live in Monmouth and I am the Executive Director of GrowSmart Maine. We are a statewide non-partisan non-profit organization working to improve Maine's economy, protect its distinctive character and communities, and enhance our state's quality places. We support this bill because we believe strategic investments in broadband will make headway in achieving these objectives.

Rural Maine; how many different ways do we define it? This bill focuses on rural areas as the 6% of the state unserved by high-speed internet. I spoke last week in support of LD 163, which defined rural areas as towns with a population below 1500 people. Though the data shows that the economic drivers in Maine are, for the most part, located in the more populated areas of Cumberland and York Counties and the Midcoast region, most of what we all recognize as Maine is in the rural areas; Aroostook County potato fields, Downeast lobster boats and the western Maine forests. These areas are not postcards. Though they are beautiful, these places are where Maine's farmers, fishermen and forestry professionals live and work.

Today, with more people first choosing where they live and then seeking work that suits that location, rural Maine has potential for additional forms of economic activity. This isn't an either/or proposition. We need to look to our natural resource base and to the quality of place that draws people to live here. Economic strength is possible in both strategies, and frankly they build off one another. I've engaged in both economies. I worked in the forestry industry for close to twenty years and was part of a central Maine family livestock farm for more than fifteen years. After serving in the Legislature for eight years, I now choose to live in Monmouth while working out of a Portland office a few days a week. My working life in Maine predates the internet – I remember when we got our first office computer at the forestry field office in Lincoln, and I have to say I don't miss dial up access. A call to increase the rate of strategic broadband investment and leverage additional federal funding, as proposed in this bill, is a significant step that GrowSmart Maine fully endorses.

The one caution I would raise is in the language that would prioritize expansion of high-speed Internet into unserved rural areas a key emphasis of ConnectME efforts. Public investments in infrastructure, be it roads, water and sewer, or broadband, must balance costs of investments with likely returns. There must be creative and strategic methods to connect farmers, fishermen and other natural resource businesses as well as those who simply choose to live remotely, without the costs of last-mile infrastructure down every last mile in Maine. I encourage this committee to seek that balance.



# *Maine Organic Farmers and Gardeners Association*

## *Common Ground Country Fair*

### **Testimony In Support of LD 826**

*An Act To Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet*

April 2, 2015

Good afternoon Senator Woodsome, Representative Dion and members of the Joint Standing Committee on Energy, Utilities and Technology. My name is Heather Spalding and I am the Deputy Director of the Maine Organic Farmers and Gardeners Association (MOFGA). We are a statewide organization, based in the town of Unity. We represent more than 11,000 dues-paying members and more than 450 certified organic farms and processing operations. Our core mission is to help farmers and gardeners grow and sell organic food and fiber.

MOFGA supports LD 826 as we feel that all Maine people deserve broadband internet access. Many of our members are at a distinct disadvantage because they do not have access and are not likely to get it without prioritized action through ConnectME.

Farm demographics are changing quickly in Maine and we can be proud that Maine is experiencing an increase in the number of farmers and farms rather than a drastic decrease like many other states in the country. MOFGA has had a hand in this promising trend.

In the past decade, more than 200 farmers have learned organic farming techniques and sound business practices through the MOFGA's Journeyperson Training. These farmers have created more than 150 new farm businesses, and 89 percent of the graduates are still farming in Maine. These new farmers are motivated, creative young people who are choosing to settle in Maine and raise families. They are creating job opportunities for themselves and others in their communities. Many of them are putting down roots in more heavily populated areas and going to markets in southern Maine. In fact, more than one-third of the farmers selling at the Portland Farmers' Market last season were trained as MOFGA Journeypersons.

This is all very exciting but we have to acknowledge that farmers are feeling some congestion in markets and we need to do all we can to help farmers be successful in all areas of the state, especially in areas best suited to agricultural production. We need more farmers on farmland in less populated areas of the state. For example, of the 450+ MOFGA certified organic farms in Maine, 28 are in Aroostook County, 19 in Washington, and 8 in Piscataquis. Having broadband internet access in these areas will be an important incentive for families when they are choosing where to start new farms.

People in Maine are recognizing that our state can become the breadbasket of the Northeast. We have the land, we have the knowledge base, and we have the demographic trends to make it happen. Governor LePage referred to this at the Commissioner's luncheon at the Maine Agricultural Trades Show in January. But, how will Maine achieve this if the regions with significant land-base are not linked into broadband service? No broadband will be a disincentive and the breadbasket will remain a dream.

We recognize that there are many related bills coming forward this legislative session but we feel that the most important is LD 826 as it seeks to ensure that all people have some high-speed access before some get faster access. Our understanding is that only LD 826 places access for the unserved 6% ahead of access for the underserved.

MOFGA extends its great appreciation to Representative Saucier for his leadership in addressing this critical challenge for farmers and processors in rural Maine. I also want to thank the Farm Bureau for the great organizing effort they have made on this important issue. And thanks very much to the members of this committee for considering this important legislation. We hope you will issue a unanimous Ought-To-Pass vote.

# Please Support High Speed Internet Investment for Rural UNSERVED Maine

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Senator Woodson, Representative Dion and committee members:

I am Don Flewelling from Pioneer Broadband, an Internet Service provider based in Houlton. I live in Presque Isle. Pioneer Broadband has been a recipient of 36 ConnectME projects all designed specifically to serve unserved rural areas where no broadband service was available. I stand today to support LD826. The intent of LD826 is to recommend the increase the funding of the ConnectME Authority and to focus those increased funds on the UNserved areas of rural Maine.

## 1. Prioritize The Needs of Maine's Unserved 6%. UNServed VS. UNDERserved.

Before January 16<sup>th</sup>, 2015, the ConnectME Authority defined "broadband" service as 3 Megabit download speed with a 1 Megabit upload speed (3M/1M) AND the State of Maine was considered to have that speed available to 94% of the potential customers in the state. Therefore, the studies established that 6% remained UNSERVED and ConnectME's focus was on projects that reached out to these UNSERVED areas.

On Jan 16, 2015, the ConnectME Authority changed the Broadband definition to 10Megabits download by 10Megabits upload. As soon as the vote was taken someone in the room noted that instead of Maine being 94% served, it was now 12% and 88% Unserved. However, in my judgment this change created new class of customer called the UNDERserved. UNDERserved means that a town might have 1 or 2 carriers that deliver 3M/1M service in part of their town, but not 10M/10M as the new definition described. Since it wouldn't meet the new criteria, the Underserved area would be eligible for ConnectME funding.

However, the 6% of Maine still remains Unserved... completely unserved. They might have dialup access or fixed wireless or satellite, but those methods don't come close to the OLD broadband definition, let alone the new definition.

Consistent with ConnectME's historical mandate, *it is the express intent of this bill to prioritize increased grant funding to Maine's very rural 6% which remain UNServed, rather than enhance opportunities in areas (now 82%) that are merely "underserved".*

2. The Legislature should direct ConnectME to leverage additional federal funds to help provide "middle mile" and "last mile" infrastructure. In the past, the Authority has received federal funds for mapping studies, (as was its mandate) but the time for further funding of studies is long past, - the Authority should also get federal funds and those funds should be focused on new infrastructure in rural unserved areas.

Others today will speak to the economic benefits increased broadband service.

The Pioneer network was initially built with unlicensed fixed wireless gear and microwave links, stretching from Lubec to Madawaska, but for the last 8 years, we have been moving steadily away from wireless service and converting customers to DSL and Fiber Optic service and time and investment money permit. In our experience, fixed wireless cannot handle the demands that today's customers expect.

Pioneer's focus has always been the many unserved areas that surround us. We hope you'll support LD826 and continue to work to turn the 6% of Maine that is Unserved into 0%!

## Please Support High Speed Internet Investment for Rural UNSERVED Maine

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### My economic development story:

Dwight Perkins of Big Lake Township. Pioneer received grant funds from the ConnectME Authority and the Sunrise County Economic Council to build a Fiber to the Home network for Big Lake Township. The town has 40 year-round residents and several hundred summer visitors.

Mr. Perkins has been a long time visitor to the unorganized township in Washington County. He had an online business that he had run from his home in Walpole, Massachusetts. Now that he has a fiber optic connection in Big Lake Township, he is selling his Mass. Home and taking steps to become a full time Maine resident, running his business from right here!



# Maine Farm Bureau Association

*"The Voice Of Organized Agriculture"*

April 2, 2015

Senator Woodsome, Representative Dion and members of the Energy, Utilities and Technology Committee:

My name is Jon Olson. I am the Executive Secretary of Maine Farm Bureau, the state's largest general farm organization.

Maine Farm Bureau favors LD 826 – An Act To Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High Speed Internet.

Maine agriculture is a bright star for our state. Farming in Maine has grown, and Maine continues to lead the New England states with 8,174 farms; the value of Maine's crops and livestock grew 24% over the past 5 years. Maine's agricultural enterprises provide more than \$764 million through the sale of farm products and contribute more than \$2 billion annually to the State's economy, and Maine agricultural products are increasingly available locally in farmers' markets, schools and institutions.

When I started working for the Maine Farm Bureau 35 years ago, I can remember the latest technology to help farmers. It was a fax machine. The fax machine enabled the farmer to receive and place orders immediately, correspond with customers and vendors – those sorts of things. But it is important to remember all that a farmer needed was a land phone line and he was ready to go.

This technology mostly has been replaced by high speed internet. But the implementation of it is not as simple as having a land phone line. Farmers must rely on high speed internet infrastructure. And for 6% of Maine farmers, rural businesses and residences, this infrastructure is not available. The enactment of this bill that increases ConnectME Authority funding for high speed internet infrastructure investment will tremendously help these unserved Maine people. It is a question of fairness.

Thank you for your attention to the above. I'll be happy to answer any questions you may have.

# Please Support High Speed Internet Investment for Rural UNSERVED Maine

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Talking Points Put this in your own words... Tell YOUR story!

**1. We Urge the Legislature to Invest in Rural Maine's Economic Future and Support LD 826.**

*"An Act to Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses, and Residences by Strategic Public Investments in High Speed Internet."*

**2. Tell Legislators Your Own Story.**

*When writing to or testifying before Legislators, your greatest impact will be made when you relate details of your own story. Briefly describe who you are, where you're from and what you do. Then zero in and explain why you personally support LD 826 and provide details how improved access to High Speed Internet will impact your life and improve your family's economic security. For example, "I'm a farmer and part of our local food hub. We must have reliable high speed Internet so we can communicate crop availability to the Hub Coordinator and also regularly upload photos of our crops which will be used in Hub marketing."*

**3. Increase ConnectME Funding.**

We recommend that the Legislature increase the funding for the ConnectME Authority. The Authority should prioritize the expanded funds to expand high speed Internet access to unserved rural family farms, businesses and residences in Maine.

**4. Prioritize The Needs of Maine's Unserved 6%. UNServed VS. UNDERserved.**

Before January 16<sup>th</sup>, 2015, the ConnectME Authority defined "broadband" service as 3 Megabit download speed with a 1 Megabit upload speed (3M/1M) AND the State of Maine was considered to have that speed available to 94% of the potential customers in the state. Therefore, the studies considered that 6% remained UNSERVED and ConnectME's focus was on projects that reached out to these UNSERVED areas.

Jan 16, 2015, the ConnectME Authority changed the Broadband definition to 10Megabits download by 10Megabits upload. This change created new class called the UNDERserved. UNDERserved means that a town might have 1 or 2 carriers that deliver 3M/1M service in part of their town, but not 10M/10M as the new definition described. Citizens have some lesser level of Internet available, but it wouldn't meet the new criteria, thus their underserved area would be eligible for ConnectME funding.

However, the 6% of Maine still remains Unserved... completely unserved. They might have dialup access or fixed wireless or satellite, but those methods don't come close to the OLD broadband definition.

Consistent with ConnectME's historical mandate, *it is the express intent of this bill to prioritize increased grant funding to Maine's very rural 6% which remain UNServed, rather than enhance opportunities in areas (now 82%) that are merely "underserved"*.

**5. Designate Universal Broadband As Key to Maine's Economic Development.**

Improved broadband communications for rural unserved farms and businesses will create new economic growth and job opportunities *and keep jobs in Maine!*

# Please Support High Speed Internet Investment for Rural UNSERVED Maine

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**6. Maximize High Speed Internet Investment Multiplier Effect.**

Economic studies show that high speed broadband investments generate 10 times the benefits, thus increasing rural broadband investment in Maine will add up to \$50 million annually to Maine's economy.

**7. Leverage Federal Funds.**

The Legislature should direct ConnectME to leverage additional federal funds to help provide "middle mile" and "last mile" infrastructure. In the past, the Authority has sought and received federal funds for mapping studies, (as was its mandate) but the time for further funding of studies is long past, - the Authority should also get federal funds and those funds should be focused on new infrastructure.

**8. Elevate Strategic Public Investment.**

It is time to increase the rate of strategic broadband investment in unserved areas because without improvement, at current funding levels, it will take 100 years to build "last mile" high speed fiber optic infrastructure across Maine.

**9. Fund Solutions Identified By Recent Study.**

A 2013 ConnectME study found that Maine continues to lag behind most other states. Increased public funding will help increase the economic benefits and make Maine a more attractive place for businesses to invest.

**SUMMARY**

It is time to prioritize the provision of high speed Internet service to UNSERVED 6%, which consist of very rural family farms, businesses and residential customers. It will help tremendously to increase ConnectME's funding from 1 million to 5 million dollars annually.

If you need further information please contact Maine Farm Bureau at (207)622-4111.

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Notes:

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State of Maine  
Office of the Public Advocate  
112 State House Station, Augusta, Maine 04333-0112  
(207) 287-2445 (voice) 711 (TTY) [www.Maine.gov/meopa](http://www.Maine.gov/meopa)

Paul R. LePage  
GOVERNOR

Timothy R. Schneider  
PUBLIC ADVOCATE

April 2, 2015

**Office of the Public Advocate Testimony in SUPPORT of LD 826 “An Act to Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet”**

Chairman Dion, Chairman Woodsome and Members of the Energy, Utilities and Technology Committee,

The Office of the Public Advocate testifies in support of LD 826, An Act to Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-Speed Internet. Though it is only a concept draft, we believe that the bill correctly identifies the need for additional public investment in broadband infrastructure, and we believe that the ConnectME Authority is the appropriate entity to disburse those funds.

Since being appointed Public Advocate, I've done a lot of thinking and talking about Maine's broadband needs. In part, this is personal—I've lived in parts of Maine where dialup was the only broadband option—but it's also driven by the calls we receive from consumers. Until the FairPoint strike, most of the call our office received regarding telecommunications issues were from residents and small business owners who were unable to obtain broadband service that met their needs.

The ConnectME Authority is the entity charged with solving this problem, but the level of funding is woefully inadequate to the task.

- ConnectME estimates that approximately 7% of Maine homes, roughly 40,000 locations, do not have access to the previous state definition of broadband of 1.5 Mbps down.
- The current ConnectME surcharge of 0.25% of communications service providers' in-state revenues currently generates about \$1.1 million per year.
- For ConnectME's most recent grant round, the average grant request per location served was about \$750, but the average for those grant requests that didn't receive funding was about \$1500 per location.

Thus in rough numbers, at current funding levels, the ConnectME Authority would achieve its goal of making "broadband service . . . universally available in this state" in about 55 years. This to deliver a level of broadband service that the Authority recently concluded was outdated.

Since this is a concept draft, I want to identify some issues we would recommend the Committee think about as it considers this bill.

**Equity.** As the Committee thinks about increasing funding for ConnectME, I assume it will also give some consideration to where this funding will come from. The current surcharge applies to all "communications providers" in the state of Maine, with the notable exception of wireless providers. While the burden imposed by the ConnectME Fund is minimal (25 cents on a \$100 customer bill) we believe it should be borne equally by all communications customers, regardless of the technology they use to obtain service. Moreover, the exclusion of wireless providers has contributed to a decline in the annual revenue to the ConnectME Fund, as more and more customers move from fixed to mobile services.

**Connecting Farms vs. Connecting Communities.** One of the benefits of the ConnectME Authority's new definition of broadband is that it accurately describes Maine's broadband problem: it is not just a few streets that have been left behind, but whole communities, even whole counties. Our urban centers and some other isolated patches of the state (some the recipient of ConnectME grants) have access to broadband that meets modern needs, but the state's rural communities do not. I would urge this committee to think about how to encourage solutions that provide high speed connectivity not to a single street or one type of business, but to whole communities.

**Strategic Public Investments.** The bill's title references strategic public investments in high speed internet access, but as a concept draft, does not provide further definition. I would encourage the Committee to think about how we can make our public investments in broadband truly strategic. This probably involves using these public funds to take advantage of and leverage additional private investment, and spending them in service of a well-defined plan to build critical infrastructure that will last.

Respectfully submitted,



Timothy R. Schneider  
Public Advocate

## INTRODUCTION

Chairman Woodsome, Chairman Dion and members of the Joint Standing Committee on Energy, Utilities and Technology. My name is Mike Edgecomb, Director of Government Relations for Time Warner Cable. I am from Limestone, Maine, and currently reside in Spruce Head, Maine. We respectfully submit testimony neither for nor against LD 826 An Act To Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet.

## DISCUSSION:

As the largest broadband provider in Maine with over 290K residential and business customers from Allagash to York, we understand and appreciate the importance of broadband. Time Warner Cable has made building out its network in rural areas a priority whether that has been through the acquisition of cable companies such as Pine Tree Cable in Washington County to providing fiber to the home around Long Lake in Madawaska, or on the Islands of North Haven and Vinalhaven. Over the past five years Time Warner Cable has continued to extend its network to 20,000 new homes and businesses across the state offering the same services throughout.

We applaud Representative Saucier in his efforts to help the 6% of Mainers who are truly unserved and need access to broadband but are concerned with such a substantial increase to the Connect Maine fund that is suggested in the bill. There are many efforts in the works this session that focus on broadband in Maine – and there have been varied approaches to all of them. This issue is also being addressed by the FCC through its Connect America Fund, which will be repurposing the Federal Universal Service Fund to build out broadband in unserved areas. In fact, in the near future FairPoint will be given the right of first refusal for approximately \$78M over 6 years to deploy broadband in unserved areas.

In an effort to move the needle and get to the last remaining 6% policy makers should take an economically responsible approach, one that focuses on promoting private investment and does not duplicate efforts; it doesn't make sense to use tax dollars to build broadband where it already exists.

Time Warner Cable respectfully suggests adopting the following principles when looking at broadband deployment and adoption efforts:

- Taxpayer funds for broadband deployment should be used in unserved areas only.
- Using taxpayer dollars to build broadband in already served areas wastes taxpayer resources and harms true competition by "tipping the playing field."
- Some states have "experimented" with spending taxpayer dollars on duplicative municipal networks — Many, like Burlington VT, have resulted in utter failure --- all have relied on significant taxpayer support diverting public tax dollars away from other critical needs like public protection, education and social services. Also, these networks often result in significant taxpayer debt with a long payout and the inability to reinvest in technology to keep a modern, state of the art network operating.
- Supporting broadband adoption programs enabling Mainers to acquire and to make effective use of broadband service where it is already available. Getting more Mainers to be broadband "adopters" will bring them tremendous benefits.
- State actions should preserve and enhance incentives for continued private broadband investment and should invest in important broadband adoption initiatives.

## CONCLUSION:

In conclusion, Time Warner Cable would like to continue to be engaged in this issue and assist the Committee in these efforts to reach the truly unserved residents in Maine.

**David Bright**  
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April 2, 2015

I'm David Bright, a resident of Dixmont, where my wife and I operate a small fruit and vegetable operation.

How this bill comes out will not affect me directly. I have 6-1 broadband Internet service from Unitel, my local phone company. I could at any time bump that up the speed by paying a higher monthly fee. And by the end of the summer I will have access to fiber broadband, as Unitel is about to install fiber throughout its service area. This small company serves a rural area of seven towns, the largest having a population of just more than 2,000. I believe there is some ConnectME money in that plan, although Unitel is putting a lot of its own money into the product, seeing it as a wise long-term investment.

So right now I am, technically, one of the **UNDERSERVED**. One of the 82 percent, if you will.

I have moved up from being one of the **UNSERVED**. When I moved to Dixmont 16 years ago, I worked for a computer company in New Hampshire. I was on the road most of the time, but when working at home the only option I had back then was a satellite system. But it was unreliable, would fail in stormy weather, and presented latency problems that made it impossible to connect to the secure networks of some of my clients around the country. Getting 6-1 DSL service was a blessing.

This bill is about those who are still **UNSERVED**, the remaining six percent of the Maine population who have no access to reliable broadband Internet.

I hope future discussion of this bill won't get lost into the debate over whether these few matter. Whether it's worth the extra expense to go that Last Mile to make Maine 100 percent connected. The legislature has faced this "Last Mile" dilemma many times before – not only in terms of bringing phone and electrical service to rural areas, but in terms of building waste-water treatment plants, roads, and adequate schools; in terms of providing public safety, medical services and even polling places.

The concept behind this bill is not about the cost, but to set a state policy that access to broadband Internet is now an essential part of the Maine economy and should be available to 100 percent of the state, that before we spend more on increasing the speed of those who already have access to broadband Internet, we make sure that everyone **HAS** access to broadband Internet.

Once that policy is in place, I'm sure the collective wisdom of the Legislature and Governor can find a way to fund it.

What you do on this bill won't affect me. I have broadband access. But I believe all people in Maine should have access. How you fund it may affect me, but I am willing to pay an equitable share to assure that the economy of the whole state improves.

Thank you.



April 2, 2015

**Re: LD 826 "An Act to Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet"**

Chairman Woodsome, Chairman Dion and members of the Energy, Utilities and Technology Committee, my name is Fletcher Kittredge. I am employed by GWI as CEO and I am here on behalf of the Maine Broadband Coalition testifying both for and against LD 826. The Maine Broadband Coalition (MBC)<sup>1</sup> is an informal federation of public policy professionals, educational institutions, businesses, non-profit organizations, and individuals who care deeply about Maine's economic future. It is not a membership organization and it does not fundraise.

We are dedicated to improving Maine's economy and quality of life through building one of the best network infrastructures in the country. We are technology neutral; technology is a tool to solve problems, not a goal in and of itself. We strive to improve the network for all of the State of Maine, not one particular region or population segment. We believe the job is not finished unless all of the State has a superior network. Technology is constantly improving; therefore, the bar is constantly being raised. This is a long-term effort and the coalition is in it for the long-term. We **strongly** support the goals of LD 826, but we have concerns about some of the methods it maps to reach those goals.

#### **The Problem**

The problem LD 826 seeks to solve is real. There are pockets of rural Maine that have some of the worst Internet connectivity in the country.

I am sure the low quality of Maine's broadband is a topic you will hear more than a sufficiency about over the coming weeks, but there are a few very recent studies I would like to draw your attention to:

- Akamai "State of the Internet Report" from 2014 ranks Maine as 40th in average peak connection speeds:
  - <http://www.akamai.com/dl/content/q4-2014-soti-report.pdf>

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<sup>1</sup> <http://mainebroadbandcoalition.org/>

- <http://www.washingtonpost.com/blogs/govbeat/wp/2015/03/25/map-the-state-of-broadband-in-the-states/>
- National Broadband Map, when you use the "Analyze" feature, has Maine at 42nd based on download speeds greater than 3mbs
  - <http://www.broadbandmap.gov/rank/all/state/percent-population/within-nation/speed-download-greater-than-3mbps-upload-greater-than-0.768mbps/ascending/>
- Ookla's "Net Index" has Maine 51st in Household Download Index based on average download speeds
  - <http://www.netindex.com/download/2,1/United-States/>

Akamai's report is useful, not only because it is recent, but also because it likens individual speeds by state to that of other countries. It is illustrative to compare Maine's performance to places like the Ukraine, Alabama, Puerto Rico, Thailand, and West Virginia.

The conditions that led to us being behind in infrastructure persist and the situation is only going to get worse. The private sector is investing in improving the network infrastructure in parts of the country that have dynamic economies and lucrative demographics. Maine doesn't match that profile yet and we are going to need to develop a level of self-sufficiency until we do.

The poor quality of Maine's Internet infrastructure retards the economic development of all of Maine, not just rural regions. Young people are leaving Maine -- particularly rural Maine -- partly because young people won't live in a place where there is poor broadband. Companies are not locating in Maine because they can't get the level of Internet access they need at an affordable price. Existing businesses can't compete nationally because of the state of Maine's broadband. The poor quality of Maine's Internet is driving people and investment away. If we build a superior Internet, that will reverse and people and investment will be drawn to our state. A superior Internet can unlock the value of Maine's great quality of life.

### **The Solution**

State investment in rural broadband is proper. First, there is the issue of equity. Second, the government investment in other network infrastructure such as Rural Electrification and Universal Service has, over the decades, resulted in economic benefits to all of society. The ability to count on a network resource being available to all citizens (and customers) opens up a set of new choices for economic development and new markets for businesses. Third, there ought to be a strong bias towards private investment in communications infrastructure, but where there is a market failure in a key utility public-private partnerships or pure public investment should be considered. There is demonstrably a market failure in rural Internet access.

So the concept of investment in Maine's rural Internet is a good one. However, we have three concerns about its implementation as conceived in LD 826. First, that using the current ConnectME Authority as a vehicle without the strengthening of the Authority would result in lack of sufficient oversight. Second, that technical inefficiencies will be created by lack of a state-wide strategy. Third, by explicitly limiting investment to one region of the state, all of the state will be injured.

### **Issues**

The ConnectME Authority is one of the smallest state agencies. It was set up a decade ago to administer, annually, a limited number of small grants. Its resources are also limited, with no Internet engineers on staff, and it depends on outside volunteers to review grants particularly for technical feasibility. ConnectME does not have sufficient staffing to come up with an in-

depth statewide roadmap for building a superior Internet. ConnectME's ability to audit grants during construction and after completion is limited as well. Without strengthening ConnectME, grants administered by ConnectME could be wasted. Currently, the ConnectME Authority is set up in a manner that gives the telecommunications industry an out-sized amount of influence to the detriment of businesses and consumers.

Building networks in isolated pieces without standardization and plan to connect them later is inefficient. In the worst case, it can render the network unusable. The opposite is also true: improving the network in one area makes it easier to improve the network in surrounding areas. You can't build good connectivity in Newfield without good connectivity in Shapleigh and you can't have good connectivity in Shapleigh without a build-out of Sanford.

We believe that by effectively limiting state investment to "rural Maine", the bill will injure all of Maine. No matter how large the investment in rural Maine, it is impossible to "move the needle" in Maine's comparative broadband ranking just by investing in rural Maine alone. A significant portion of Maine's population lives in towns and cities. The towns and cities are the economic drivers for all of Maine, including rural regions. While some parts of rural Maine has the worst Internet, as I am sure those of you who represent towns and cities will hear from your constituents, all of Maine has a problem. The limits the concept draft places on investment in areas other than "rural rural" Maine will be seized upon by those who have a vested interest in the current underinvestment in network infrastructure as a tool to block further investment in network infrastructure. This would not be good for Maine.

#### **Summary**

We believe that the Committee ought to strengthen the ConnectME Authority and have the strengthened Authority be the administering body for development of the State's plans for communications infrastructure development and the administering agency for the State's investment in such infrastructure. We believe that state investment in rural broadband is needed because of the market failure, but such investment should be made in a manner that does not injure other regions.

Testimony of FairPoint Communications

Before the Joint Standing Committee on Energy, Utilities and Technology

LD 826, An Act To Promote Maine's Economic Development and Critical Communications for Rural Family Farms, Businesses and Residences by Strategic Public Investments in High-speed Internet

April 2, 2015

Good afternoon, Chairman Woodsome, Chairman Dion, and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology. My name is RoJean Tulk. I live in New Gloucester, Maine. I am Director of Government Relations for FairPoint Communications. On behalf of FairPoint, I'm here today to offer the following comments neither for nor against LD 826:

FairPoint largely supports the goals of the concept draft as stated in LD 826. FairPoint defines itself as a broadband company, and indeed, has been the state's leader in deploying broadband to the rural, high-cost areas of Maine. Since 2008, FairPoint has invested approximately \$1 Million per week in its fiber network and related broadband services in the three-state northern New England region. We fully understand the challenges, both financial and geographic, of deploying broadband service to the most rural and remote areas of our state.

FairPoint notes that the ConnectME Authority was established for just this purpose – to provide funding for broadband deployment projects in sparsely populated areas that otherwise could not be funded through private investment alone. The ConnectME Authority has been successful in providing funds for these types of projects, and FairPoint has participated in the ConnectME program, receiving several grants for this stated purpose.

While the ConnectME Authority has been successful in getting broadband service to rural Maine, still more needs to be done. For businesses and consumers who don't have access to broadband, gaining access to this fundamental telecommunications service has become more and more challenging. We must work together – government, businesses, consumers – to address the telecommunications and broadband requirements of living and doing business in the 21<sup>st</sup> Century. FairPoint definitely agrees that further use of ConnectME funds should be targeted to those areas where private investment alone cannot go.

Another portion of LD 826 proposes to increase the ConnectME fund by 500 percent. That means consumers who pay the ConnectME surcharge on their voice communications bills will see roughly a fivefold increase in that surcharge. End users are already overburdened by a plethora of fees and taxes. In many cases, public policy makers are responsible for determining the merits and necessity of these various charges. We caution the Committee to proceed cautiously as it considers this proposed surcharge increase. In the case of LD 826, should customers of voice service be required to pay a surcharge to increase broadband service, even if those voice customers don't subscribe to broadband service themselves? This is a question you will have to wrestle with during this session, along with many other broadband-related matters.

Currently, FairPoint is neither for nor against LD 826. The bill raises issues that Maine's public policy makers need to consider, determine, and define. Because it is a concept draft, LD 826 must be further refined with specific language in order for FairPoint to be able to agree or disagree with its tenets. We look forward to working with the bill's sponsors and this Committee in working out appropriate telecommunications public policy that will position Maine's consumers and businesses to live, work, and compete effectively, now and in the future.