



STATE OF MAINE
CONNECTME AUTHORITY
3RD FLR. CROSS STATE OFFICE BUILDING
78 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0078

DICK THOMPSON
ACTING CHAIR

GREG McNEAL
RALPH JOHNSON
DENISE GARLAND
SUSAN WOODS
BRUCE WILLIAMSON
AUTHORITY MEMBERS

ConnectME Authority
www.maine.gov/connectme/

Maine PUC Worster Room
101 Second Street, Hallowell, ME
([Directions to MPUC](#))

Friday, February 12, 2016
2:00 PM

Agenda

1. Introduction of ConnectME Authority members and staff
2. Strategic Plan
3. Community Planning Grants
4. Infrastructure Grants
5. Executive Director Report
 - Financial Reports
6. Public Comment

PRINTED ON RECYCLED PAPER

PHILLIP LINDLEY
EXECUTIVE DIRECTOR

WWW.MAINE.GOV/CONNECTME/

PHONE: (207) 624-9970
MOBILE: (207) 441-0498

**CONNECTME AUTHORITY
COMMUNITY BROADBAND PLANNING GRANT PROGRAM**

Scoring Criteria	Points
1. Project Plan	25
2. Plan Deliverables	20
3. Value Added Collaborations	20
4. Budget	15
5. Overall Financial Feasibility	15
6. Past Performance	5
Precertification Checklist	Y or N

1. Project Plan – this criteria is worth 25 points

- 1.1. Provide documentation of project management plan.
- 1.2. Provide the timeline to complete the proposed community plan deliverable.

2. Plan Deliverables – this criteria is worth 20 points

- 2.1. Provide narrative addressing how the statutory requirements of §9217 will be addressed in the final plan delivered to the community.
 - A. Define local broadband needs/goals.
 - B. Inventory existing broadband infrastructure assets within the municipality, municipalities or regions.
 - C. Include a gap analysis defining the additional broadband infrastructure necessary to meet identified needs and goals.
 - D. Include one or more potential network designs, cost estimates, operating models and potential business models based on input from broadband providers operating within the municipality, municipalities or region and any other parties that submit a network design solution in the course of developing the plan to address any broadband gaps identified in paragraph C. and
 - E. Include an assessment of all municipal procedures, policies, rules and ordinances that have the effect of delaying or increasing the cost of broadband infrastructure deployment.
 - F. Digital Inclusion
 - 1. Affordable Internet
 - 2. Affordable Equipment

CONNECTME AUTHORITY
COMMUNITY BROADBAND PLANNING GRANT PROGRAM

3. Digital Literacy Training
4. Public Computer Access

3. Value Added Collaborations– this criteria is worth 20 points

- 3.1. Describe how the broadband community planning grant will generate improvements to community strength through collaborating in such areas as economic development, education, employment, governmental services, health care, public safety or other regional community oriented activities.

4. Budget – this criteria is worth 15 points

- 4.1. Submit budget aligned to significant Project Plan milestones, costs and tasks

5. Overall Financial Feasibility – this criteria is worth 15 points

- 5.1. Describe the applicant's experience relevant to proposed project.
- 5.2. Provide a description of financial viability by submitting pro-forma financial statements for the project and company financial statements. Confidential financial information may be submitted and should be so marked and submitted in a separate file.
- 5.3. Provide a description of team member's background and roles.
 - 5.3.1. Principal point of contact.
 - 5.3.2. Team member bios and role in planning project.
 - 5.3.3. Provide proof of support and endorsement from the participating local municipalities.
 - 5.3.4. Provide the names of local officials and community representatives that will be directly involved as members of the team.

6. Past Performance – this criteria is worth 5 points

- 6.1. Provide documentation demonstrating past performance in executing grant funded programs.
- 6.2. Provide three client references.



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Date

On behalf of the ConnectME Authority, I am pleased to announce the **tenth grant round** of our broadband infrastructure-funding program. We are looking for creative solutions for expanding affordable broadband service to the unserved areas of Maine. For this round, we continue to request smaller, focused proposals, with a suggested grant limit for each project of \$100,000, funding no more than 50% of the total project, while recognizing that we can be flexible for exceptional proposals. Legislation creating the ConnectME Authority provides for funding from a 0.25% surcharge on in-state communications services.

We also require that prospective applicants indicate in their application that they have communicated with nearby existing broadband service providers for current and future plans for expansion in the proposed project area. The intent of this contact is to minimize overlap and to prevent ConnectME Authority funds from being used in areas where private investment is or will deliver broadband service.

We recommend that applicants find partners among the various providers of broadband services or community-based organizations to use the grants as seed money to get operational infrastructure installed. The amount of local public and private funding will be considered when reviewing the applications.

Please review the ConnectME Authority Rule and Statute, which can be found online at <http://www.maine.gov/connectme/>. Pay particular attention to Section 6(D) of the rule, which describes the application and evaluation process. Due to recent statutory changes, the description of eligible applicants and the challenge process specified in the Authority's rule is no longer applicable.¹

Please be aware that the Authority has stated its primary funding activities will be targeted at areas where residents do not currently have access to any terrestrial broadband service. The Authority will give preference to those projects that provide the greatest relative improvement to existing broadband service, if any.

Finally, all ConnectME Authority grant awardees (applicant and/or eligible provider partner) will be **required** to fully cooperate with the Authority and its contractor, James W. Sewall Company regarding data collection for the broadband mapping project.

¹ See Chapter 284, Public Laws of 2015 (LD 1063)

The Maine State Legislature recognizes the importance of making broadband services available throughout our entire State. Future economic opportunities depend on our ability to have these services affordable and available to all residents of Maine. While many providers have made great strides in most parts of the State, we must seek ways to encourage deployment in all unserved areas.

The Authority recently updated its definition of broadband. "Unserved" for grant funding purposes will be any area that receives service that is not capable of providing 10Mbps download and 10Mbps upload. Application projects must be able to provide this level of service. Grant applications and scoring guide can be found on the Authority website at <http://www.maine.gov/connectme/grants/index.shtml>.

Information resources can also be found on the Authority's website at <http://www.maine.gov/connectme/about/resources.shtml>. Pre-prepared maps are also available in the Static Map Gallery.

Confidential information may be included if clearly marked and in a separate file. Please contact Phillip Lindley, Executive Director (207) 624-9970, phil.lindley@maine.gov for further information or questions.

Sincerely,



Phil Lindley
Executive Director

ConnectME Fund Tenth Round Grant Application

Date

Due Date

1. **Date:**
2. **Project Title:**
3. **Submitting Entity:**
4. **Grant Amount Requested:**
5. **Total Project Cost:**
6. **Project Contact Information**
(Please include: Name, Title, Address, Telephone Number, and E-mail Address.)
7. **Party Who Prepared Application**
(Please include: Name, Title, Address, Telephone Number, and E-mail address).
8. **Executive Summary of the Project**
9. **A description of the geographic area proposed to be served** by the project and sufficient information to establish that it is an **unserved** area, preferably at street-level granularity, and not likely to be served in the near future. (Most applicants conduct independent research to determine if a community has broadband or are sufficiently familiar with the community to know that there is not any terrestrial broadband available). The level of current broadband service in the project area, if any must be clearly documented.

We recommend that applicants find partners among the various providers of broadband services or community-based organizations to use the grant as “gap-financing” to get operational infrastructure installed. The amount of local public and private funding and in-kind contributions will be strongly considered when reviewing the applications. Applicants should also be aware of Maine Fiber Company’s “Three Ring Binder” project for backhaul and middle mile transport (www.maineiberco.com) and the company’s discount and incentive program.

The Authority recently updated its definition of broadband. “Unserved” for grant funding purposes will be any area that receives service that is not capable of providing 10Mbps download and 10Mbps upload. Application projects must be able to provide this level of service. Previously funded projects will not qualify for grants to upgrade service. Projects that provide the greatest increase in service delivered will receive higher scores.

All ConnectME Authority grant awardees will be **required** to fully cooperate with the Authority and its contractor, James W. Sewall Company, regarding data collection for the broadband mapping project.

10. **A description of the proposed project**, including:

- a. public-private partnerships and collaborations that have been established;
- b. sufficient information that allows the Authority to determine that without the Authority's action, the installation of advanced communications technology infrastructure in an unserved area would not otherwise occur;
- c. the type of service to be provided, indicating the technology used and the upstream and downstream speeds of the service to be provided;
- d. an estimate of the time required to complete the proposed project;
- e. the number and percentage of households and businesses within the area to be served by the project (i.e. who can be served given technical limitations);
- f. the estimated price per customer of the service to be provided by the proposed project; and
- g. a map (preferably GIS compatible) or list of municipalities or parts of municipalities that may be covered by the proposed project with GEO Codes.

11. The applicant's financial commitment to the project in addition to the funding requested from the Authority (additional funds and in-kind contributions);

12. The estimated number of customers/households who will directly benefit from the project (provide lists or numbers of potential customers that have indicated a strong commitment to subscribe);

13. Evidence of community support for the proposed project, which may include letters or signatures of residents or businesses located within the area of the proposed project (also, provide letters of interest from landowners for placement of facilities and support commitments from municipalities or community groups);

14. A description of the applicant's experience relevant to the proposed project; and

15. A demonstration of financial viability provided by pro-forma financial statements for the project and company financial statements. Confidential information may be submitted and should be so marked and submitted in a separate file.

Completed applications are due **Date**. The ConnectME Authority will make grant awards after reviewing and ranking the applications; based on the availability of funds.

Due to recent statutory changes, the description of eligible applicants and the challenge process specified in the Authority's rule is no longer applicable. ¹

The Authority has grant reporting requirements to include progress reports and final completion reports. Grant recipients will be required to report annually for five years regarding household availability, expected subscriptions, and actual subscriptions per project.

To ensure that all applications are completely and effectively reviewed, please follow the numbered/lettered format of the application above, addressing each section and subsection. See Grant Scoring Guide for evaluation criteria. Additional information may be included as necessary. Electronic formats are preferred (Adobe PDF or MS Word) and

¹ See Chapter 284, Public Laws of 2015 (LD 1063)

confidential information should be in a separate file. Submit applications electronically or by mail to:

ConnectME Authority

Phillip Lindley, Executive Director
Statehouse Station 78
Augusta, ME 04333-0078

Phone: (207) 624-9970
Mobile: (207) 441-0498
Email: phil.lindley@maine.gov
Website: www.maine.gov/connectme/

Financial Analysis and Budget

The budget will be reviewed on reasonableness and accuracy. Provide the following financial information with as much detail as possible:

	ConnectME Grant Funding	Cash Match	In-Kind Match	Other Funding Sources	Total
Personnel					
Contractual Services					
Start up Expenses and Capital Expenditures (Hardware, software, etc.)					
Supplies and Materials					
Telecommunications					
Training					
Travel					
Other costs					
Total					

The ConnectME Authority reserves the right to request additional information deemed necessary to properly evaluate the application.

Please be aware that some of the information in the application may be made available to existing broadband service providers, as required by the ConnectME law and rule.

Confidential information may be submitted, but only those specific portions considered proprietary should be so marked (see also § 4 of the ConnectME rule).

ConnectME Authority – Broadband Grant Scoring Guide
Revised August 28, 2015

The application evaluation process will allow the ConnectME Authority to evaluate all applications submitted during a particular application period set by the Authority. The scoring of applications is based on a 100-point scale. A project with a total score of less than 50 points may not be funded. Applications will be judged using the following four scoring categories, as described in the Authority rule:

Cost-Benefit. This category is worth **35** points.

The cost-benefit scoring is based on relevant factors, **including, but not limited to, the amount of funding requested from the Authority per customer eligible to be served by the project, with lower funding per customer receiving a higher cost-benefit score.** Applicants should demonstrate financial viability by providing pro-forma financial statements and detailed business plans.

Grant dollars requested/customer eligible to be served	Points
Less than or equal to \$500	25
\$501-\$1,000	20
\$1,001-\$1,500	15
\$1,501-\$2,000	10
\$2,000-\$2,500	5
Greater than \$2,500	0

A maximum of ten additional points will be added to the C-B score for any application requesting a 50% or less grant for the proposed project. A sliding scale will be used for those grant applications above 50% ($\leq 50\% = 10\text{pts}$; $51\% - 60\% = 5\text{pts}$; $>60\% = 0\text{pts}$.)

Community Support. This category is worth **20** points.

The community support score is based on relevant factors, including, but not limited to, evidence of community support for the project and the percentage of the geographic area to be covered by the proposal that will be served by the proposed project. Strong consideration (and higher point value as shown in the table below) will be given to those applications that include petitions or listings of a significant number of the available households and businesses expressing a strong desire to subscribe to broadband service provided from the proposed project.

Support as a percent of homes/businesses passed by project	Points
100%	20
50% - 99%	15
25% - 49%	10
<25%	5

Project Scope. This category is worth **30** points.

The project scope score is based on relevant factors prioritized below:

1. The relative increase in the highest available advertised download “speed” or bandwidth compared to the existing internet service in the area to be served by the proposed project. This factor provides more points to projects that provide the greatest increase in download speeds. For example, a project providing speeds in excess of 25 Mbps (Tier 6) in an area where the highest available download speeds for internet access was 1.5- 3 Mbps (Tier 2) would provide an increase of 4 Tiers, and would receive 15 points. For purposes of the chart below, internet access speeds of <768 Kbps would be equivalent to “Tier 0.”¹

Increase in Download Speed Relative to Existing Services Providing Internet Access	Points
Increase of 5 Tiers	20
Increase of 4 Tiers	15
Increase of 3 Tiers	10
Increase of 2 Tiers	5
Increase of 1 Tier	0

2. The **number of potential customers** to be served or households passed by the project. For example, a project that proposes to provide broadband service to 100 households will receive more points than a project that will provide service to 25 households.

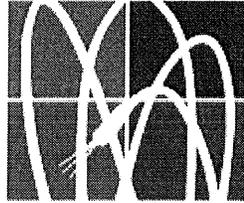
Point values for the number of potential customers to be served by the project: 100 or more = 10 points; and less than 100 as a percentage of 10 points (e.g. 87 = 9 points, 46 = 5 points, 12 = 1 point, etc.).

3. The grant applicant’s financial commitment to the project (cash, in-kind, donations, etc.).

Project Value. This category is worth **15** points.

The project value score is based on relevant factors, including, but not limited to, the estimated retail price per customer to receive service from the proposed project and any other details of the project that may benefit customers in the area proposed to be served by the proposed project. For example; more points will be awarded for a higher number of businesses and/or health care facilities in the project area that do not have access to broadband service; and lower scores for relatively higher retail prices; and higher or lower scores depending on other factors such as the type of construction required. **Applicants should use this category to introduce elements of their project that may be significant and not incorporated in one of the other three categories.**

¹ Basic Broadband Tier 1, 768 kbps to 1.5 Mbps; Broadband Tier 2, 1.5 Mbps to 3 Mbps; Broadband Tier 3, 3 Mbps to 6 Mbps; Broadband Tier 4, 6 Mbps to 10 Mbps; Broadband Tier 5, 10 Mbps to 25 Mbps; Broadband Tier 6, 25 Mbps to 100 Mbps; Broadband Tier, 7 Greater than 100 Mbps. As defined by the Authority, May 12, 2011.



MFC
Maine Fiber
Company

EMBARGOED UNTIL 11AM
Friday, November 13, 2015

Contact: Monica Castellanos
(207) 240-2581

CHANGING THE MATH ON RURAL BROADBAND IN MAINE:

Maine Fiber Company Announces Over \$500,000 in Last Mile Incentives and a New, Discounted Rural Rate Providing Over 50% Combined Savings for Projects Serving the Most Rural Parts of Maine

(Portland, Maine) – Maine Fiber Company, LLC (MFC), owner and operator of the 1,200 mile Three Ring Binder fiber optic network, today announced two major initiatives designed to spur true high-speed “10/10” broadband Internet growth in the most rural parts of Maine, including \$500,000 in incentives and a rate reduction on over 60 percent of its Maine network starting January 1, 2016.

“From day one when the company was formed in 2010, Maine Fiber Company has believed a strong, open access fiber optic infrastructure was critical to creating economic opportunity across Maine,” said MFC CEO Dwight Allison. “We have worked hard to build a durable business based on the brand new idea of an open-access fiber provider. Today we are pleased to partner with the ConnectME Authority to offer two significant, voluntary incentives to help Maine businesses and consumers in some of the most rural parts of the state connect to world class Internet speeds.”

Allison and MFC Vice President Jeff McCarthy outlined the company’s two incentives. Through the *MFC Last Mile Now Incentive Program*, projects approved by the ConnectME Authority will be eligible for in excess of \$500,000 in discounts and incentives, including no payments due during the critical first two years. When combined with the new *MFC Rural Rate Discount*, anyone needing middle-mile fiber to connect a last-mile broadband project in the most rural parts of Maine -- on well over half of MFC’s Three Ring Binder route, will be eligible for savings totaling more than 50% over five years.

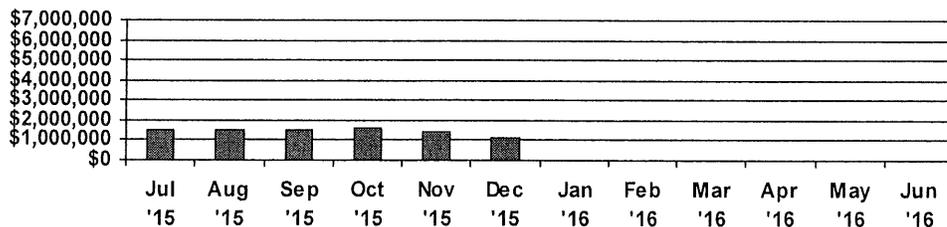
“Maine Fiber Company’s voluntary Last Mile Now Incentive and Rural Rate Discount are important steps forward for bringing true ‘10/10’ high-speed broadband to businesses and customers in rural Maine,” said Phil Lindley, Executive Director of the ConnectME Authority, referring to the new 10 megabit per second upload and download speed that is now the standard for what constitutes true high-speed broadband in Maine. “These are well targeted incentives that will make it easier for individual last mile projects to be completed and easier for companies, municipalities and others to serve entire communities. That is good news for Maine.”

“Maine Fiber Company appreciates the input Phil Lindley and the ConnectME Authority and many others provided to help shape our Last Mile Now Incentive and Rural Rate Discount,” said Jeff McCarthy of MFC. “While it has taken some time to ensure MFC and the new open-access fiber provider model was durable, we are pleased to be in a position to partner with others across industry and policy circles to continue bringing true high-speed Internet and economic opportunity to all parts of Maine. With these incentives, we hope to begin changing the math for rural Maine.”

Maine ConnectME Fund

Monthly Fund Performance Report for December 2015

	<u>December 2015</u>	<u>Fiscal Year to Date</u>
Opening Balance	\$1,464,366.97	\$1,336,227.47
Cash Receipts		
Assessments (Current Year)	\$40.35	\$281,468.06
Assessments (Prior Years)		\$309,074.37
Miscellaneous		
Interest	\$13.72	\$94.11
NTIA Mapping Grant		
NTIA Planning Grant		
NTIA Capacity Building Income		
NTIA Technical Assistance Income		
Gem Software		
Megis		
NTIA FirstNet	\$55,416.55	\$226,526.75
Receipts Not Yet Allocated Above		\$22,784.67
Total Receipts	\$55,470.62	\$839,947.96
Expenses		
Grant Disbursements	\$221,471.14	\$362,352.41
NTIA Mapping	\$33,408.47	\$41,151.13
NTIA Planning		
NTIA Technical Assistance		
NTIA Capacity Building	\$5,000.00	\$11,000.00
Gem Software		
NTIA FirstNet	\$41,082.02	\$243,164.54
OIT Payroll and Personnel Svcs	\$1,077.71	\$252,917.05
Map Hosting		
MEGIS		
Technical		
Administrative Fees	\$5,413.32	\$18,506.59
Audit Fees		\$25,025.00
Miscellaneous	\$2,136.95	\$11,810.73
Refunds		
Total Expenses	\$309,589.61	\$965,927.45
Operating Surplus/(Deficit)	(\$254,118.99)	(\$125,979.49)
Closing Balance	\$1,210,247.98	\$1,210,247.98



ConnectME Authority
January 22, 2016 – Meeting Notes

1. Introductions

Authority Board Members: Dick Thompson; Sue Woods; Bruce Williamson; Denise Garland; and Ralph Johnson

Authority Staff: Phil Lindley, Executive Director; Lisa Leahy, Associate Executive Director; and David Maxwell

The Board voted in favor of Dick Thompson serving as acting chair, a temporary assignment, until the Governor appoints a new chair.

Board members, Authority staff, and members of the public introduced themselves.

2. Strategic Plan

Board members reviewed, provided feedback to, and asked questions regarding the latest version of the draft strategic plan (dated January 19, 2016). A revised draft will be created and made available by February 1st.

3. Community Planning Grant Program

Lisa Leahy presented a document distinguishing the two planning grant programs:

- broadband planning grants (Title 35-A, Section 9217); and
- planning grants in accordance with the Municipal Gigabit Broadband Network Access Fund (Title 35-A, Section 9211-A).

Also reviewed and discussed were potential scoring criteria for broadband planning grants. Criteria will be revised and re-visited at the February 12, 2016 Board meeting in anticipation of soliciting for the first round of planning grants in March.

Announcement of solicitation for the next round of infrastructure grants will likely occur in March. At the February meeting, Board members will determine the apportionment of available funds between broadband planning grants and infrastructure grants.

4. Executive Director Report

Phil Lindley presented a grant extension request for Mid-Maine Telecom, LLC. After discussion, the Board voted unanimously to approve the extension.

Phil Lindley presented the 2016 fiscal year budget as prepared for the 2015 independent audit conducted by Macpage; actual expenditures through December 31, 2015 and projected

expenditures through June 30, 2016. The Board discussed and unanimously approved the budget for FY 2016.

The 2015 annual report of the ConnectME Authority was discussed and unanimously approved with minor changes. The report will be filed with the legislature committee on Energy, Utilities, and Technology as required by law.

The Board determined to maintain the meeting schedule of the fourth Friday of every month.

Phil Lindley updated the Board on a legislative work session held earlier in the week regarding 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."

An analysis of continued broadband mapping will be presented for discussion at the February 12, 2016 meeting.

Phil Lindley stated that the trial date for the case against GWI regarding Broadband Sustainability Fund payments will be April 27 and 28.

Phil Lindley advised the Board that Authority staff has been informed it must vacate current space on the 3rd floor of the Cross Office Building. He is investigating alternatives within the building as the location is central to most Authority functions. Board members agreed that the Cross Building is the desired location for Authority staff.

5. Public Comment

Several members of the audience commented on or asked questions about:

- the draft strategic plan;
- broadband planning grants and pre-certification requirements; and
- the need for greater broadband in the agricultural community

The meeting adjourned at 4:25PM.