

WASHTENAW COUNTY BOARD OF COMMISSIONERS BROADBAND EQUITY SUBCOMMITTEE
UNAPPROVED MEETING MINUTES JANUARY 8, 2018

RECORD OF PROCEEDINGS:

A session of the Broadband Equity Subcommittee was held at 200 N. Main St, Lower Level Conference Room, Ann Arbor, Michigan on Monday, January 8, 2018

The meeting was called to order by Barb Fuller at 2:02 p.m.

MEMBERS PRESENT:

Andy Brush, Washtenaw County IT

Kyle Mazurek, Comcast and serving as Industry broadband liaison

Scott Wooster, Chelsea Schools representing secondary education/IT expert

Ben Fineman, Sub-Committee Vice-Chair, President of the Michigan Broadband Cooperative and Broadband Expert

Theresa Herron, Manchester Schools representing secondary education

Teresa Gillotti, Washtenaw County Office of Community and Economic Development

Barb Fuller, Sub-Committee Chair, Sharon Township and citizen representative

MEMBERS ABSENT:

Alicia Ping, Washtenaw County Commissioner

Karen Domino, WISD and Education/Technology Expert

Kent Martinez-Kratz, Washtenaw County Commissioner

Michelle Deatrick, Washtenaw County Commissioner

Conan Smith, Washtenaw County Commissioner

GUEST PANELISTS:

Marilyn J. Passmore, Government Affairs Director, Charter Communications

Karen Coronado, SE Michigan Region Manager, State Government Affairs, Charter Communications

Robert Stewart, Government Affairs Manager, Frontier Communications

Brian C. Norman, Director of External Affairs, AT&T Michigan

CITIZEN PARTICIPATION:

No citizen participation

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INCUMBENT CARRIERS PERSPECTIVE DISCUSSION:

The Broadband Subcommittee was joined by Brian Norman from AT&T, Bob Stewart from Frontier Communications, Marilyn Passmore and Karen Coronado from Charter Communications.

Charter Communications: Marilyn said Charter is a wired/cable operation providing serving over 800 communities with a large percentage being communities of 2000 people or less. They pass 1M customers realizing 800k subscribers. Charter is in Northern Washtenaw County and they don't have contracts or data caps. At this time, Charter is focused on upgrading its existing network rather than expanding its footprint. They have a 30Mbps subscription for \$14.99 per month available to Seniors receiving SSI (Supplemental Security Income) and to children eligible for the Federal free school lunch program. They offer a triple play bundle that combines TV, internet and phone. Charter does not receive any Federal or State funds and in 2016 Charter purchased TIME Warner Cable.

Frontier Communications: Bob stated that Frontier runs by 87% of homes but the "take rate" of service is less than 15%. Bob believes "build it and they will come" does not apply to broadband coverage. Bob said that Washtenaw County is the most difficult county to do construction because of the effort it takes to get the proper permits. Frontier does not "build" on a speculative basis because the cost is too high. Bob referenced a recent survey of small businesses that 47% of them do not see a need for internet. Frontier offers 25 Mbps with unlimited data for \$29.95/month.

NOTE: Bob remarked that Frontier is not a video provider. However Frontier's web site indicates that they have a triple play bundle that includes internet, video and phone.

Bob expressed his opinion that the WCRC's (Washtenaw County Road Commission) permitting is too expensive and onerous. Frontier therefore does not do new construction in Washtenaw County.

NOTE: The Chair will investigate the WCRC permitting process to clarify the costs associated with securing ROW (right of way) access.

Frontier serves the M-52 corridor with backhaul out of Owosso. Frontier will not build on spec. Bob mentioned Governor Snyder's *Project Timothy* in Durand but did not provide any details.

Bob Stewart committed to providing the group a list of "Barriers to Broadband" and a coverage map for Frontier. He suggested that it would be beneficial if local building and zoning standards required installation of conduit at the time of construction to provide for the inevitable demand for Internet. He remarked that middle school students are the market to focus on because their education is steeped in technology and they are the generation that will expect internet access to be ubiquitous.

Bob noted that Frontier makes its grant decisions in August. Conversations about expansion or partnerships should proceed with that in mind.

AT&T: Brian said that AT&T believes that the future is wireless. Wireless high speed is the most wanted service right now. Brian said AT&T isn't going to build something if it doesn't provide multiple services. This kind of business is very capital intensive but the pricing of service is becoming reflective of competition. The state of Michigan has received \$0 in federal money for AT&T and Frontier expansion since 1988.

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Brian stated that AT&T is making the largest capital expenditure in the country for communication infrastructure. He noted that CAF II (Connect America Fund Phase II) is based on an FCC study that relies on census tract data. AT&T has wireless local loops that serve rural customers; there are data caps and spectrum issues. Brian brought First Net to our attention; an independent authority within the U.S. Department of Commerce. Authorized by Congress in 2012, its mission is to develop, build and operate the nationwide, broadband network that equips first responders to save lives and protect U.S. communities.

Brian emphasized that AT&T's goal is customer loyalty and that "churn" is the bane of the communication industry. Churn is when customers jump from one provider to another. Rural markets have less churn. With the advent of smart phones, customer loyalty was undermined as subscribers chased better deals. Not surprisingly, this creates financial unpredictability for the industry. Brian expressed his opinion that future customers are going to expect to be able to connect and communicate wirelessly no matter where they are and that the industry is in a race to be the provider that can meet that expectation. Pricing will come down as competition increases and providers vie for market share.

National security issues are impacting the communication industry as they are expected to exert control what goes over their networks. For this reason, among others, AT&T will not provide service over somebody else's network.

He pointed out that since 1988; Michigan has received zero dollars from the FCC.

COMCAST: Kyle reference the Washtenaw County franchise agreement map that had been distributed at the Oct 16, 2017 meeting. He noted that Service-Ability Requests are evaluated for the cost to expand and pointed out that Comcast's cost is defrayed as more people subscribe. He pointed out that Comcast has special subscription offers for economically challenged households and that eligibility is determined by the presence of a child in the household that qualifies for the Federal free school lunch program. The monthly subscription rate for *Internet Essentials* is \$9.95 and is available for qualified households. These students may purchase a laptop for less than \$150 too. Comcast also has a special program for economically challenged Senior Citizens. Kyle described these programs to the sub-committee at the Oct 16, 2017 meeting.

Kyle provided the Chair with a *Construction Permitting Overview* document after adjournment. See Addendum.

Overall Observations and General Comments

Bob will provide Frontier coverage maps and e-rates for school districts.

Kyle/Comcast and Brian/AT&T said they will not provide coverage maps.

Local governments should include communications infrastructure in their Master Plans. Building Standards, Planning and Zoning Laws should include requirements for communications infrastructure/conduit.

Permitting takes too long and has too many regulations that thwart speedy implementation. Ordinances also impede new construction. Co-locating is preferable to avoid the permitting process. It is not unusual for it to take 90-days to earn site plan approval.

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DELIVERABLE UPDATES:

Scott Wooster: Education Day is set for April 16, 2018 and will be combining all education topics into one day.

DISCUSSION:

Scott Wooster said that the providers need to share their challenges with the committee so they can be addressed

Andy Brush asked if it would be better to have these providers meet with local municipalities so that they could explain what would be needed to provide coverage.

NEXT STEPS

Commissioners Deatrack and Smith will work on a reporting schedule for the end of 2018

Teresa Gillotti will be the lead on coordinating Economic Development Day, scheduled for the February 12th, 2018 meeting. Committee members are encouraged to submit names of people they would like to see at the meeting.

ADJOURNMENT

The meeting ended at 4:08 p.m.

Next meeting: Monday, February 12th at 2:00 p.m. – 200 N. Main St, Ann Arbor, MI, Lower Large Conference Room (same building as the County Clerk & County Treasurer’s offices).

ADDENDUM

Construction Permitting Overview

Provided by Kyle Mazurek, Comcast

#1 – Consult streets and roadways jurisdictional maps for governance review.

#2 – Apply for ROW (right of way) permits with relevant governmental entities based on jurisdictional determinations.

- Cities, Townships and Villages
- County Road Commissions (if shared County jurisdictional boundary, multiple Road Commissions may come into play)
- MDOT (Michigan Department of Transportation)

#3 – Other Permitting

- Utility pole attachment permits (bulk with DTE and Consumers, but also sometimes with AT&T, Verizon, local public utilities, etc. who also own poles)
- Railroad crossing permits / possible lease agreement (in Washtenaw County, Ann Arbor Railroad, CSX Transportation, Great Lakes Central Railroad, and Norfolk Southern Railway)
- Water Resources Commission permits (if designated “county drain” comes into play)
- MDEQ (Michigan Department of Environmental Quality (if wetlands or other environmentally sensitive areas are involved)