

WV Broadband Enhancement Council Meeting Agenda / Minutes



Meeting Title	WV Broadband Enhancement Council Meeting		
Chairperson	Robert Hinton		
Date	December 8, 2016	Location	WV Capitol Complex Building 6, 6 th Floor, Conf. Rm. A
Time	9:00 am		
Audio connection	304.957.6999 Conf. ID: 515-1283		

	Council Member	Representing		Council Member	Representing
P	Robert Hinton, Chairman	Rural Business User Congressional Dist. 2	P	Josh Jarrell attending for J. Keith Burdette	Dept. of Commerce, Cabinet Secretary
P	Robert Morris, Vice Chairman	Urban Residential User	P	Gale Given	Office of Technology, Chief Technology Officer
P	Alissa Novoselick, Secretary/Treasurer	Urban Business User	P	Brenda Morris attending for Michael J. Martirano	Dept. of Education, State Superintendent
P	Robert Cole	Rural Residential User Congressional Dist. 1	P	Matt Turner	Higher Education Policy Comm., Exec. Vice Chancellor
P	Michael Shaffer	Rural Residential User Congressional Dist. 2	-	Vacant	WV Senate (Dem. Party) (ex-officio/non-voting member)
P	R.A. "Pete" Hobbs	Rural Residential User Congressional Dist. 3	-	Vacant	WV Senate (Rep. Party) (ex-officio/non-voting member)
P	John Reasback	Rural Business User Congressional Dist. 1	-	Vacant	WV House (Dem. Party) (ex-officio/non-voting member)
P	Michael J. Holstine	Rural Business User Congressional Dist. 3	-	Vacant	WV House (Rep. Party) (ex-officio/non-voting member)
-	Brittany Carnes	Business User of Large Amounts of Broadband	-		
-			-		

P = Present; TC = Teleconference; VC = Videoconference; _ = Absent

Agenda (Topics and Minutes)

Topic	Details/Minutes
Opening Remarks	-
Minutes from the November 10, 2016 Meeting	The meeting was called to order by Chairman Hinton and it was determined that a quorum was present. Mr. Hobbs moved for the approval of the November 10, 2016, meeting minutes. Motion seconded by Mr. Morris. The minutes were approved with the correction of a name spelling on page three.
Discussion on Ookla Data	The Development Office worked with the Purchasing Division and it was determined that the Ookla Data is a subscription and is exempt from having to go through the bidding process. The WV-48 and Purchasing Affidavit have been received and Mr. Marshall is working with the Dept. of Commerce's Purchasing

	<p>Officer. Chairman Hinton will stop by the Attorney General’s office today to see if they can expedite their approval. However, because of the decision by the Div. of Purchasing regarding the “subscription” purchase, consultation with the AG’s office was not needed.</p>
<p>Presentation by Hardy Communications</p>	<p>Scott Sherman, General Manager and CEO, and Derek Barr, Director of Customer Sales and Marketing, gave a presentation. Hardy Communications is a provider in Hardy County. They have deployed a network for residential and businesses. They are a nonprofit corporation that serves mostly Hardy County but do go into small portions of Grant and Hampshire Counties. They offer broadband service through HardyNet. They provide fiber to the home services to much of their footprint. They still have some DSL and some fixed wireless. They do not own any towers. Most of the towers are served by their fiber. They offer the DSL in areas where they haven’t expanded fiber optics. They have 2,078 fiber customers, 1,516 copper and wireless and 3,594 total broadband; 3,326 residential and 268 business. Total subscribers are just below 5,000.</p> <p>They deliver broadband to Valley Health and Hampshire County 911 through a wireless connection. Through this service they serve anchor institutions, educational institutions and Hardy County Board of Education and Community and Technical Colleges. It is also available to fire and rescue and the police. They also serve government offices, doctors’ offices, and public service entities. They own a site on Green Knob in Pendleton County and allow STET (State Emergency Care System) and the State Police to locate on that site at no charge. Anchoring and WinNet is what they are most proud of. This service is not provided to residential customers.</p> <p>In 2010 they received \$3.2 million dollars in funding from the National Telecommunications and Information Administration through BTOP. That was to build a middle mile ring of fiber throughout Hardy County to connect the anchor institutions. They put up an in-kind match for their portion as required by BTOP. They are also paying off a large loan that funded part of their OneNet project. They constructed 122 miles of ring fiber throughout Hardy County. Also in 2010 they received \$31.6 million dollars from RUS through their broadband initiatives program to build Hardy OneNet. This is the first fiber to the home which launched in 2013 and they have continued to expand since then. They offer broadband, high definition digital television, IPTV and digital voice over their fiber. Their standard broadband packages right now are 10 mbps down and 2 mbps up, 20 mbps down 7 mbps up, and 30 mbps down 10 mbps up. They do have higher speeds available and can pretty much go as high as a person wants to go. They have some business customers who request much higher speeds. For the most part the residents of Hardy County are thrilled with 10 mbps. They were 5 mbps download less but they are bumping them up for the holidays and leaving them at the higher speed with no extra cost. Eighty percent are at 5 mbps which will go to 10 mbps.</p> <p>For the broadband initiatives program (BIP) they constructed 612.6 miles of fiber, which doesn’t include the BTOP 122 miles or their own ring fiber. For BIP they had 612.6 miles, 525.4 was fiber cable and drops. Their main line copper mile was 747.6 miles. They did overbuild so they would have the networks going forward. There are still some locations that they have not deployed due to cost but they hope to deploy in the future. They have two routes out to the worldwide web</p>

through Shentel and Cogent. They both travel out different corners of Hardy County. They have a battery back-up unit for their fiber in case of a power outage which powers phones but not internet or TV. FCC regulations require the phones to stay on.

As of November HardyNet was made available to 5,400 locations in Hardy County. They have a two-month wait list for new installations. They have divided Hardy County into 40 project areas and 13 of those are above 50% take rate and another 15 are above a 40% take rate and they have no areas below 20%. The take rate has climbed every single month. This is the overall take rate. Most are triple.

Since they have been paying 100% on their own, they have expended \$1.5 million in capital expenditures. They have installed 850 homes and businesses and with fiber construction they have made it available to 750 locations. They get audited by the federal government and out of the \$31.6 million spent only \$30,017 was disallowed. This was not a problem as they were legitimate capital expenditures, it just wasn't a part of the project.

They participate in federal assistance programs to help people get broadband. Lifeline has just been for telephone but is now expanding to include broadband. It is \$9.25 a flat rate for the service. They offer and promote Lifeline but not very many people take it. Most people didn't want it because it was limited to just a basic service they didn't want. There is also WV Tele-assistance which they participate in but it is just for telephones.

They meet every other week to look at new areas they can expand into. They have a database that has names and addresses. They look at the population of areas and the interest of people in those areas. They then look to see what the cost would be and determine if they can afford it. They don't need to make a big profit as they are a nonprofit and just need to be able to pay their loan back. About 72% of their deployment was funded by grants.

They would like to get fiber out there everywhere but logistically they can't get there due to cost and topography. There is no way that HardyNet is ever going to have the money to cover other counties. They have been successful in Hardy County and would be happy to assist others out there with their counties. It is very expensive to build fiber both middle mile and last mile. Programming costs are outrageous. If they break even they are happy. Pretty much all the channels are owned by four or five companies and they keep them consolidated so you just can't pick the twenty channels you want. They bundle certain channels and you have to pay for them all even if you just want one channel in the bundle.

Right-of-way issues was the biggest surprise they ran into with their fiber project. There were areas that people wouldn't give them the right-of-way and they are not in a position to pay for it. They do not practice eminent domain and don't plan to get into that. The WV State Farm wanted service but there was no way they could get to them due to right-of-way issues. One land owner wanted a million dollars.

	<p>The cost to run fiber depends on whether it is new construction. In river valleys they typically bury plant then for aerial they need to provide poles. They use existing pole lines and the costs run \$15,000 to \$20,000 a mile but if you need poles then it is \$25,000 to \$30,000. Some valleys it will cost \$35,000 a mile. The last part of the last mile getting the fiber into the home is \$2,000. They ask for an initial two-year contract but after that there is no contract.</p> <p>They charge the customer \$17 for the entry level broadband which is extended calling area for phone service. The typical package that includes extended area phone calling and the middle tier TV package is \$135. They offer local calling and nationwide unlimited calling. Their biggest package, which would be a platinum TV tier, includes all the main channels, 25 mbps, and unlimited calling is \$213 a month.</p> <p>There needs to be more coordination among agencies and government entities so if someone is going to run a water line or sewer line etc. they go ahead and lay the fiber as well. The line only costs .37 cents the cost is the construction.</p>
Discussion on Website Update	<p>Ms. Given had a website established for the Council to take a look at. This is the first path and the Council needs to let her know if they want to make changes. They have set up some live links and borrowed some of the things from the previous Broadband Deployment Council site. They can add or subtract content and have put it together in a fashion it will not be difficult for someone to update it. WV Office of Technology staff demonstrated the website and its functionality. All the census maps are included on the site but they are old and unsure if they are needed. A lot of the documents on the site have not been updated since 2010 and 2012. The Council needs to provide a list of items they would like to be included. The website is available for members to view and make suggestions. They have tried to make the website simple and not complicated to update. All of the presentations so far that are public will be placed on the website. The Council needs to let them OT know what type of roles they want for the members and staff. Members are to visit the site and then provide suggestions.</p>
Interim Legislative Session	<p>Chairman Hinton was asked by the Joint Committee on Technology at the last minute to come and give a brief update. Basically he gave an overview of what has been discussed at the meetings and the presentations given by providers. He advised that the Council has prepared a Strategic Plan and is working to figure out how they will achieve the goals laid out in the legislation. He also talked about how the Council can be an asset to the legislators and a conduit between them and the vendors. He also discussed that they need to work to have public/private partnerships to hopefully go after federal dollars available and capture those funds. The legislators asked questions as to whether there should be legislation to require vendors provide at least 25 mbps and how WV ranked with other states. There were a lot of other presenters at the meeting and the Council only had a portion of the meeting. Chairman Hinton advised that the Council could educate assist the members in making policy decisions. There were not enough members there for a quorum. Senator Walters suggested that the Council talk with Ryan Palmer about Telehealth Grants.</p>
One Gig Campaign	<p>A handout was provided. The perception outside the state of West Virginia's broadband availability is very negative. One thing the Chairman believes the Council should focus on is how to change the message and attitude people have of WV. How can the Council provide a more positive perception going forward? The handout is a draft concept called Gig Ready WV. The Council needs to get the</p>

	<p>support of businesses and residents which would pull everyone together and send a positive message out they are working together. This will help with economic development and business recruitment. Having some type of campaign and message might be helpful. The message has value but WV in most cases is its own worst enemy. The Council needs to have dialog with the legislature for changes moving forward such as the right-of-way issue. The campaign is a first step to bring people together and getting them on board to bring an infrastructure together and show unified support. There needs to be a top down goal that shows what their mission is. The group discussed the advantages of such a campaign and some of the difficulties. The Council's supportive of the concept but the details need spelled out. It is a great first step. The members are going to give this some thought over the next month and provide input on possible revisions and/or name changes.</p>
Education	<p>Brian Profitt sent Chairman Hinton some research reports and documents on things that have been done in other states. He has offered to put on a free seminar for the Council on broadband and solutions. He has suggested the date of January 29, 2017. This is open to Council members, vendors, providers, legislators, etc. This would be a full day seminar. Chairman Hinton would also like to bring someone in from the CTC, ARC and FDA to discuss how to secure funding, who is eligible and how to apply for the funding in the particular programs. Someone from FCC would also be beneficial. January 29th is a Sunday so there was a miscommunication on the date. Chairman Hinton will get back with the Council on the date.</p>
Discussion on Provider Presentations	<p>No provider presentations have been set up to date as they are still working to develop the list of invitees.</p>
Public Comments	<p>No public comments.</p>
Adjournment	<p>Meeting adjourned at 11:57a.m.</p>