WV Broadband Enhancement Council
Meeting Agenda / Minutes

Meeting Title	WV Broadband Enhancement Council Workshop		
Chairperson	Robert Hinton		
Date	January 31, 2017	**Location**	Regional Tech Park
Time	9:00 am		
Audio connection	304.957.6999 Conf. ID: 3750172		

	Council Member	Representing			Council Member	Representing
P	Robert Hinton, Chairman	Rural Business User Congressional Dist. 2		P	Woody Thrasher	Dept. of Commerce, Cabinet Secretary
P	Robert Morris, Vice Chairman	Urban Residential User		P	John D. Dunlap	Office of Technology, Chief Technology Officer
_	Vacant	Urban Business User		_	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)
_	John Reasback	Rural Business User Congressional Dist. 1		_	Vacant	WV House (Dem. Party) (ex-officio/non-voting member)
_	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	Brenda Morris	Representing Michael Martirano

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

Agenda (Topics and Minutes)

Topic	Details/Minutes
Opening Remarks	Chairman Hinton welcomed everyone and thanked them for attending. He advised that this is the first of a series of broadband workshops that will take place across the state. He indicated that 50% of rural residents are without broadband service. Strives have been made but not big enough and West Virginia is falling behind. The Council needs to figure out how to solve the problems and needs a better understanding of broadband to determine how to get started. West Virginia needs private/public partnerships. The Chairman advised that this will be an interactive workshop and everyone is welcome to ask questions of the presenters.
Welcome Remarks by Senator Shelley Moore Capito	A video of Senator Capito's remarks was shown. The Senator advised it was a top priority of hers in the Senate to get West Virginia connected to high speed internet in their homes and schools. She has prepared a brochure to assist in launching broadband. It is a guide to Federal resources and for broadband expansion and improvement. She is proud to continue serving on the Appropriations Committee and to be appointed to the Environmental and Public Works committee which deals with infrastructure. She believes that West Virginia has the tools to be successful and that broadband is one of those tools.
Welcoming Remarks by Senator Joe Manchin III	A video of Senator Manchin's remarks was shown. Senator Manchin brought Tom Wheeler, Chairman of the FCC to West Virginia. He also attended workshops to learn how to bring broadband to West Virginia. West Virginia has made strides but there are still significant areas still in need of service. West Virginia is the best place to live and work. Senator Manchin and Chairman Wheeler met with key individuals on broadband and he knows the problems facing West Virginia and the nation. Senator Manchin will continue to assist in getting funding for broadband in rural areas.
Presentation by Joanne Hovis and Brian Profitt with CTC Technology & Energy	Ms. Hovis advised that private/public partnerships will enable broadband to work in West Virginia. She mostly focuses on the public side and Mr. Profitt focuses on the private side. Broadband is the platform of economic life and an important part of infrastructure. It is critical for the future of West Virginia. Density is the core problem. Return on investment is not the same in rural areas and there are less people so the demand is less. Discussion on speeds and the history of how they got from the dial-up mode to where they are today. A diagram included in her presentation shows what we have now, what is available in some areas and conceptually what is needed. Infrastructure does not exist in rural areas. The only thing in some areas is DSL. Fiber is expensive and challenging as you can't get a return on your dollar. You can't even homeschool your children without broadband due to the massive amounts of video needed every day. The Industry has priced the service so the bills are big when you use a lot of data. Plus, there are issues with the download and upload time. Satellites are critical in rural areas but not close with the speed. It is a useful product only if you have nothing else. There are three modules for getting broadband. First is the Municipal Model where a city or county does everything. There are approximately

	140 networks in the county that have done this, mostly small rural towns. When these entities went to the carriers and asked them to build and invest in their community and they refused they did it themselves. They used TIF funding for fiber instead of building a Walmart. This is a high risk option. You must streamline the process. Fiber must be put in when doing infrastructure project such as road, water and sewer projects. The largest cost is the labor so if the labor is being utilized for a project just include the fiber. The presenters gave examples of towns who have done broadband projects and their methods. Some towns have built the infrastructure and then leased it out. The second model is public risk/private execution. This is the business model that President Trump is proposing. They get tax credits and prioritize what infrastructure projects are done. The use of toll roads is being considered for revenue. Generally, legislation would set up the frame work and feasibility studies would be done and then it would be contracted out. Kentucky Wired did this with one procurement rather than sixty procurements. In Connecticut, towns are working together to leverage their ability to do projects. Frontier is the primary provider and approached communities and proposed a high level multi-year proposal to subsidize the communities. The market risk stood with Frontier. Frontier is beginning the concept here with a town in West Virginia. The third model is a shared risk investment. The state built the middle mile fiber with the Recovery Act funds. They put fiber when doing public works projects. Once the town builds the fiber then they competitively bid for a provider. The provider pays the town and if those fees don't cover the town's investment or debt payment, then the company pays 50% of it. Affordability is the key and the rates can't increase more than the inflation rate. Several cities were discussed who have done this. The town or county owns the network and the private sector uses it. If it is not working financially then the town can repurpose for use by someone else. The CTC's website has a vast amount of information and research which can be accessed by the public.
Presentation by Ryan Palmer with the Federal Communications Commission (FCC)	Mr. Palmer administers the Universal Service Fund and programs for affordable access for schools, etc. The FCC has a new Chairman, Chairman Pai, who is from Kansas. Chairman Pai has been to West Virginia and knows the challenges for getting broadband service. There are several programs that are on-going in West Virginia. First is the Connect America Fund Phase II. This provides $1.8 million annually to underserved areas on a state-by-state basis. In West Virginia, Frontier was offered and accepted to build the service to the underserved areas over the next six years. The program has obligations and benchmarks that must be met by the carriers. This requires broadband service to the underserved areas of 40% by 2016, 60% by 2018 and 100% by 2020. Frontier has reached 48,000 locations and must get 90%. They will reach their 40% goal by the end of this year. There is a list of the designated areas on the FCC website. There is $1.8 billion available for the entire country and $3.8 million will be spent in West Virginia.

	The FCC is having an impact on West Virginia. West Virginia and the Federal Government must work together. The FCC looks at the rate of return. Carriers get support from the FCC every month to get service to rural areas. This support is for ten years. There were two carriers who accepted the rate of return obligations in West Virginia to get service to 5,000 people. Chairman Pai is committed to solving the issues that West Virginia is dealing with today. The FCC verifies that the companies do what is required. One fund that needs reformed is the Mobility Fund. This will help West Virginia and both Senators feel this issue is important. This is an older fund that needs updated. Reverse auction is being looked at by the FCC as a way to get to the high cost areas that were not part of the recovery program. The American Fund auction would try to get the untraditional companies involved.
Presentation by Chris Peterson with Connected Nation	Connected Nation is a national non-profit whose goal is to expand technology. They facilitate private/public partnerships, research and analyze data, develop policies, provide mapping in ten states and help communities overcome barriers. They have developed relationships with providers to collect data for communities, libraries and educational facilities. They see the barriers as lack of relevance as people just don't need it or want it; costs; no computer; lack of skills; and no broadband available. They have a Connected Community Engagement Program that encourages people to get together and identify what assets are available to plan and collaborate and promote. There are 54 certified programs and 170 active communities. They also have a program call Digital Works. This gives people the opportunity to work from home. They utilize grants to provide training for people to give them the skills they need to do the jobs. They have 144 hours that is required and at the end of the training they have a job. They also have a Small Business Technology Taskforce to help small business get broadband in order to grow. The taskforce brings people together to give them the leverage for on-line resources. They use infrastructure intelligence to create a heat map to find areas with the highest needs. They can see what area has the fastest speeds.
Remarks by Cabinet Secretary Woody Thrasher	Mr. Thrasher thanked the Council for having the workshop and the individuals for attending. He advised that the Governor and himself are aware of the need for broadband service in West Virginia and how vital it is to the residents. Mr. Thrasher is committed to growing broadband in West Virginia, especially to the rural areas where no service is available. West Virginia must have the tools to compete and broadband is one of those tools.

Presentation by Aaron Spork with Senator Shelley Moore Capito's office	Mr. Spork discussed Capito Connect. This is a plan for improving broadband access in West Virginia. A guide has been developed which provides federal resources for broadband expansion and improvement. Mr. Spork discussed some success stories in West Virginia including a Wood Company in Richwood, a CAMC Ophthalmology eye screen program done through connectivity and a Huntington Software Development firm. He also described some challenges such as a resident in Tucker County who makes movies for IMEX. She can't perform her work from home due to no service and must drive to Virginia. He also described a resident who moved here because he liked rock climbing but was required to move as he couldn't do his work due to the lack of broadband service.
Federal Funding Resource Roundtable	The US Department of Agriculture has Community Connect Grants available statewide. This is where the big dollars are. The timeline is still open until March to apply for those grants. A fiber project was done in Philippi using these grant funds. There were three applications from West Virginia. There is also a Rural Broadband Loan Program that is open until March if communities need funding for broadband projects. All of the grants are competitive and if you don't get a grant it doesn't mean the project isn't viable, it just means you need to look at what the deficiencies are and apply again. They are looking at fiber bills in order to get tax credits. The West Virginia Economic Development Administration administers financing programs around the state. They do not have a specific program named for broadband or a specific amount of interest rate. They have loaned over $4 million for projects in West Virginia. They are willing to listen to broadband projects and ideas. The project must make sense and have to be able to be paid back. They look at partnering with banks and other lenders. The Community Reinvestment Act has added broadband as an accepted funded project. The United States Economic Development Administration funded one broadband project in West Virginia last year. They are willing to fund broadband projects and can work with private/public partnerships but this is complicated. They have an Economic Adjustment Assistance program and if your project is eligible, you must provide an in-depth proposal. The Appalachian Regional Commission funds a broad variety of projects. The Area Development Program is worked through the Department of Commerce and approved by Washington DC. Broadband is an acceptable project. They have a special broadband allocation program for distressed counties needing broadband in coal areas. They fund $10 million per year. They have given $2.9 million to West Virginia for those areas tied to coal which include Clay, Lincoln, McDowell, Mingo and Webster counties. There is also a Power Plus Program to help areas with a downturn in coal. This is not just for coal mining but for all types of job loss due to the loss of coal. This would include jobs on railroads that haul coal, factories that burn coal, etc.

	They are looking to select key communities to see if broadband could be used to revitalize the community. Three workshops are being done in West Virginia in Williamson, Bluefield and Weirton. There are two rural utilities programs that can give funding for broadband. The grant program and the loan program. The loan program requires a 15% match and that is hard for people to come up with. The Farm Bill Loan Program is going through changes in regulations now that limit how they can work with an applicant. The Infrastructure Loan Program finances rural phone companies. The two in West Virginia now that receive funding is Hardy Communications and Spruce Knob. The Business Loan & Telecommunications Program provides hardware for distance learning such as TV cameras, computers, workstations, etc.
Community Connect Public Private Project	Jim Martin described in detail the Bridgeport project. He highlighted the challenges they had securing funding for the project and explained the take rate necessary to break even, 25%. Currently they are determining what area to serve next. They are surveying residents on their willingness to connect. Once they reach 45% of residents they will proceed with the expansion. Robert Hinton presented the project he and his team are pursuing, Wireless Network. He highlighted the challenge of securing sites for transmission antennas. They secured twenty-six different sites. They had challenges with convincing the property owners to allow the installation of antennas on their property free of charge. The property owner was provided free internet service. The was also a discussion on the grant application process.