

MINUTES
MIFFLIN COUNTY INTERNET ADVISORY COMMITTEE
AUGUST 16, 2017
MIFFLIN COUNTY COURTHOUSE, MEETING ROOM B – 3:30 P.M.

ATTENDANCE:

MEMBERS:

Craig Bubb, MABL
John Rhone, Wayne Township
Kristen Ritchey, Comcast
Nathan Smith, FAME/FoxPro
Mark VanOuse, Nittany Media

OTHERS:

Doug Cunningham, Mifflin County School District
Chastity Fultz, Mifflin County Planning and Development
Bill Gomes, Mifflin County Planning and Development
Shelly Williamson, Mifflin County Planning and Development
Brad Kerstetter, Juniata County Planning
Bill Wise, Century Link via teleconference
Joe Witmer, Public Utility Commission

Call to Order: Bill Gomes called the meeting to order at 3:37 p.m. and reminded everyone to sign the attendance sheet.

Approval of Minutes: Due to the lack of a quorum, the approval of June and July's meeting minutes was postponed until the next meeting.

Presentation by Joseph Witmer of the Public Utility Commission: Mr. Witmer is Counsel to Chairman Gladys Brown at the Public Utility Commission. He has 25 years of experience with telecommunication and broadband regulation. He was excited to hear Mifflin County did a survey. In reality, the PUC obtains their information from the FCC website, which relies upon statements from industry on forms submitted by internet providers as to what is and what is not available based on census block information. There is not a lot of cross verification or independent verification of this information. The fact that Mifflin County has conducted a survey was surprising because it shows actual facts on the ground. He is hoping to market this survey to other counties since it provides more information than what the PUC has.

Mr. Witmer defined broadband as physical facilities running to any home, office or business and the technology they use to provide voice and broadband services ("bricks") and services you can get over this network such as internet, video, voice, etc. ("clicks").

Pennsylvania has a last mile problem, not a middle mile problem. The last mile is the connection from the cable or telephone office to the consumer and the middle mile is the connection point between the starting network where the consumer is and the ending network where they want to go. Companies like Verizon, Century Link, Comcast and Nittany Media have the middle mile networks. Cable and telephone

companies have 90% of the last mile connections. Three phone companies have 80% of the locations without broadband. In Pennsylvania, Chapter 30 defines broadband speed as 128 kbps up and 1.5 Mpbs down. The federal law has three standards and in February of 2016, the FCC said that you don't have broadband service unless you have 3 Mpbs up and 25 Mpbs down and you have to have both mobile and fixed service. Mr. Witmer's personal view is to focus on fiber line connectivity. Chapter 30 funds broadband availability at DSL speeds defined in 2003 of 128 kbps up and 1.5 Mpbs down. This is now dated and consumers want more. The capital cost to build infrastructure and operating costs rise with speed and consumption. In the long run, the FCC is supporting fiber to the premises and a wireless mobility solution. The FCC and PUC support is small compared to the cost. FCC has also stated that wireless is not a substitute for a wireline; both are needed.

The telephone and internet service that is provided now to your home is basic internet access service (BIAS) and is federal Title II telephone service and is considered telecommunication service. There have been three appeals over 15 years by multiple carriers fighting the FCC's decision. The FCC ultimately decided the third time that this is telephone service, but they are re-examining this decision currently.

The broadband challenge is a function of technology, economics and law. Current technology is a copper-analog network where distance matters. However, distance is irrelevant with a new fiber network that uses digital technology. The economic challenge is the tension between market pricing and policy pricing. Policy pricing requires services at a regulated price that is reasonable anywhere, anytime.

There are two classifications under law, telecommunications and information services. Telecommunication service is subject to state and federal laws while information service is subject to only FCC regulation, if at all. Most recently, broadband is considered telecommunications, but this is being reviewed again.

The conflict over broadband arises from a conflict of private fiduciary duty and public fiduciary duty. Private fiduciary duty is to maximize company margin while public fiduciary duty is to maximize public interest and welfare. A rural answer is universal service where service should be available mostly everywhere, anytime, and at a reasonable price regardless of the location. Federal law of section 254 requires comparable rates for comparable services in urban and rural America. Section 3010 of Chapter 30 also addresses universal service and allows local telephone services to increase local rates if they agree to build a broadband network at speeds set out, provide it within 10 days notice when the plan is done and continue to provide voice service at just and reasonable rates.

According to the FCC report, there are 803,000 people in Pennsylvania without broadband speed of which 3% are urban and 20% are rural. In the United States, there are 33.9 million people without broadband of which 10% are urban and 39% are rural. This means that we have a rural-urban divide in Pennsylvania, but it is not as pronounced as what it is in the United States as a whole. Part of this is due to the fact that the Chapter 30 broadband speed program was funded, which made it easier to ramp up to other speeds. However, this was based on the FCC maps and data. About 98.8% of Pennsylvanians have voice service while 96.4% of all Americans have voice service. This varies by income and income is usually lower in rural areas. Voice is composed of wireline and wireless.

Mark VanOuse of Nittany Media voiced a concern over a statement involving fiber to the home because it is too expensive to rebuild the plan. He feels this is a dream most Americans won't see for 10-15 years and demand will continue to grow. He also stated that the self-reporting forms submitted to the FCC

detailing internet service are certified truthful. He also feels that net neutrality opens up further taxation of the internet. Mr. Whitmer responded that cable companies do not have to serve all consumers regardless of price, the incumbents do. Cable company deployment is largely residential and largely reflects the legacy of video franchising. They are moving into the business market, but it is difficult because they have to build a new network, as well as finance it. There is no problem laying fiber in cities, but there is a problem in townships. What we then have is a cable overlay with a carrier of last resort overlay with other network overlays. USAC (Universal Service Administrative Company) is a fee that consumers pay on their telephone bill to support federal universal service and is based only on the reviews on the sale of voice services to consumers. The FCC is now supporting broadband lifeline programs so that lower income consumers can also buy broadband, but broadband (cable internet products) services have not been assessed the USAC fee. The issue of broadband assessments is being reviewed.

Doug Cunningham from the Mifflin County School District added that the universal service fees support school districts and libraries for voice service. After a year, this money will be directed to broadband instead. The loss of this support must then be made up locally.

The Universal Service Fund (FUSCF or USF Fee) assessed on phone bills is the money the companies put back into the federal system to support universal service. There are four programs: high cost, which goes to rural carriers and has been capped; E-rate funding for schools and libraries that is also capped, demands exceed supply and competition is fierce; rural health where supply exceeds demand, but criteria is so strict that it is difficult to get funds; and life line that supports voice, wireless and broadband internet service for low income consumers that is not capped and is growing. There is also a federal policy commitment to keep the universal fund at a minimum.

Mr. Whitmer went on to discuss broadband platforms. For the wireline industry, USF recipients must provide broadband at 1/10 Mbps over five years. The FCC says fiber gives nearly unlimited scalability and performance. The CTIA (a trade association representing the wireless industry) states that wireless is not equal to wireline and in January 2016, the FCC said it is no substitute for wireline and wireline is needed for back haul (back haul is the service whereby voice, data, and video content are transmitted over wireline or wireless networks from their origin to their destination). Cable is mostly present in residential areas due to cable video legacy, but that industry is moving into business enterprise markets. For satellite service, the FCC has said broadband means fixed and wireless service, but it cannot meet the 3/25 Mbps standard, yet they can bid in CAF II. Broadcast is local content provided over the air, but there is problem with retransmission. The phone and cable companies have to pay for rights to broadcast local television over telephone networks. There is now a new concern with ownership concentration. Internet protocol (IP) networks are packets that have headers, footers and load. The headers have software to say who is sending the packet, where it is going, what the content is and the priority.

Distributed-Antenna System (DAS) is a new network. It uses femtocell or small cells that are widely dispersed over a geographic area. This subdivides the spectrum to send over fiber. Companies own spectrum that is available to consumers. As demand spikes, the spectrum has to be subdivided to unload a lot of content quickly. It takes a smaller tower to do this. This is the answer to incredible spikes in demand for content in broadband. It is essential to 5G wireless service. This can either be sole-source where no one else can use it or condo-source where a tower is installed and will serve anyone who comes. In Pennsylvania, the PUC certified DAS providers as wholesale telecommunications (subject to state and federal law) until 2017. There are two voice services; the retail version is where

the end user pays for voice while the wholesale version carries supply services for each other. In January of 2017, the PUC no longer considered DAS wholesale telecommunications, but wireless telecommunications. This decision is under court appeal. New networks matter because they are critical for wireless broadband. In particular, you cannot have wireless without a wireline back haul.

Chapter 30 states that the telephone company must provide 100 % broadband availability within 10 days of request, which is at speeds of 128 kbps up and 1.5 Mpbs down. Towns and municipalities who want to do broadband can get technical support from the phone companies, which most people do not know. If you want to do broadband at the local level to build the last mile or another middle mile network, there is no ban, but you must approach the incumbent carrier first and ask them. They do have the right of first refusal and have a timeline to provide this.

If a consumer makes a request for broadband and for some reason cannot get it, there is an informal complaint process through the Bureau of Consumer Services. They will then do an informal investigation and let the consumer know the answer. If the consumer does not like the answer, a formal complaint can be filed and a telephonic hearing is held. The Administrative Law Judge will reach a recommended decision, but exceptions can be filed by either side to say why the decision is wrong or right. They can then file reply exceptions. The Office of Special Assistance at the Commission then writes up recommendations to consider at a public meeting and the Commissioners make a decision. The informal complaint does not always need to be made. This gives the company and consumer the opportunity to fix the problem. The consumer can file the formal complaint first if they choose. Mr. Witmer then made himself available for follow-up questions at the end of the meeting.

Further discussion of residential survey: Bill had Shelly display the answers for the survey questions directly into the survey. Shelly also included specific comments based on townships. For the consumers who contacted their service provider, most did not see improvement.

School District Survey: Bill provided the full survey to Doug Cunningham and wants to find out what the school district is willing to do in regards to the survey. Doug Cunningham was under the impression that the committee would provide the questions for the survey. Brad Kerstetter spoke to the Juniata County School District and they are working on their survey. For Mifflin County, the committee needs to know how many questions they can ask and if they should be multiple choice. The survey will not be sent before the end of September. Doug will let the committee know what the school district is willing to do at the September meeting.

Appalachian Regional Commission (ARC) Application Update: No update was available on the ARC application, but it is still moving forward. Mifflin, Juniata and Lycoming Counties will participate and Snyder and Union Counties are unsure at this time. SEDA-COG has asked to use our survey to share with all 11 counties and get feedback from them. The survey was important because the maps based on the FCC data were not reliable.

Verizon, Comcast, Century Link, Nittany Media and Atlantic Broadband Follow-up: Nittany Media hopes to begin testing upgrades and have the Belleville system up and running around September 1st. Testing will begin in McVeytown shortly afterward with service available sometime in September with the more outlying areas coming up later.

Bill Wise wants to continue to be informed if customers come to us with issues. One of the things we have done with this process was to make a connection with customers and providers. Previous

discussions about using the County web page as a forum were put on hold because we do not have anyone to review the comments.

Kristen Ritchey shared that Comcast has built 10 miles (half in upgrade and half new build) in the past two years.

Other Business: Joe Witmer and the PUC were very happy with the recent surveys since the PUC does not have factual, on the ground information aside from the FCC reports. He will urge other counties to do this as well. Bill commended Shelly Williamson, the committee and Walt Whitmer for their help with the survey. Senator Casey was recently in Mifflin County and asked the Commissioners about broadband service. They shared the survey with him.

Next Meeting: The next meeting is scheduled for September 20, 2017 at 3:30 p.m.

Adjournment: The meeting adjourned at 4:58 p.m.