



# Isle au Haut Broadband Committee

Report to Selectboard, February 2018



# Agenda

- Summary of survey results
- Planning grant overview
- Design report from Axiom Technologies
- Funding Challenges
- Discussion & Next Steps



# Survey Results

## Who Answered?

30% (n=20) people who live on the Island 7-12 months/year

41% (n=26) people who spend 1-6 months/year on the Island

29% people who spend <1 month/year on Island

## What are some reasons respondents need to use the Internet?

Communicating 96%

News 88%

Paying Bills 78%

Looking things up 95%

Shopping 75%

Healthcare Info 43%



## How Important is it to have fast & reliable internet service?

- How significant are the problems with speed/reliability?

	Speed	Reliability
Never	5%	14%
Sometimes	29%	46%
Often (several times/week)	31%	29%
Daily	34%	10%

- How important is fast & reliable service to the community?
  - 96% of respondents indicate that it is important to critically important

*“The future of Isle au Haut depends on fast reliable Internet service. It is a necessary utility, just as important as electricity, and perhaps even more important than telephone service.” Survey Response*



# IAH Broadband Committee Objectives

- Obtain broadband access for Isle Au Haut that
  - Meets or exceeds the federal minimum standard for broadband
  - Allows residents and visitors to have reliable high speed internet access
  - Creates opportunity to attract full time residents & extend summer season
  - Is financially feasible



## Planning Grant/RFI Process

- Planning grant from ConnectME Authority not practical in 2017 due to application schedule and lack of information
- Island Institute offered the town a \$10,000 planning grant
  - Normally requires matching funds; waived in our case due to our small size and special circumstances
- Request for Information (RFI) developed for broadband solution with Institute help
- Sent to five possible respondents
  - Only one responded, Axiom Technologies



# Design Report from Axiom High Points

- Technologically modern plan
  - Hybrid solution - fiber along Main Road with wireless to home
  - Customer upgrade option for fiber to the home
  - Meets or exceeds current definition of broadband service
- Fiber optic lifetime reported to be 20 years
- High speed access for all residential properties along power grid
- Increased capacity of backhaul (reducing bottlenecks)



# Design Report from Axiom, Moving forward

- Fiber-Wireless hybrid was only solution deemed to meet community broadband goals and needs while also being economically viable
- Working with selected partner:
  - Actual number & placement of wireless access points needs to be firmed up
  - Details of equipment and installation needed in Stonington to be investigated
- Broadband Committee & Island Community need to define the desired ownership/operational financial model
  - Help available from Island Institute (new position Infrastructure Financing Specialist)
- Design assumes negligible pole attachment costs for fiber optic cable and wireless access points
  - Need to facilitate communication between selected partner and pole owners (IAH POCO & TDS)





# Funding Challenges

- Ownership/Operational model Options include:
  - Private/Private (current IAH situation)
    - IAH market too small to attract substantial private investment
    - Potential for private investment by local stakeholders
  - Public/Private
    - Town owns infrastructure and contracts out operation
  - Public/Public
    - Town is owner and ISP
- Assets under ownership include fiber cabling, wireless access points, and backhaul equipment
- Model impacts resource strategy
  - Some grant opportunities municipal only, others private/non-profit
  - Could look at practical funding options and then choose model to go with them



# Funding Challenges

- See handout for potential funding sources
- Grants
  - Awards are very competitive
  - Requires matching funds – grant requestor must have commitment; generally 50%
- Loans
  - Options for municipalities or private entities
  - Traditional bank loan
- Bonds
  - Town could issue a bond by itself
  - Possibility for regional bonding with other towns
    - Timing an issue; we may be further along than others working with the Island Institute
- Philanthropy
- Others to be explored with Island Institute Infrastructure Financing Specialist



# Funding Challenges Cranberry Islands, an Example

- Public/Private Ownership/Operational model
  - Small ConnectME grant
  - USDA Grant applied for but not awarded
  - \$1.2M bank loan to cover bulk of build out
    - Axiom currently doing the build-out
  - Town contracting with Axiom to operate and maintain
    - 10 year contract reviewed every three years
  - Customer rate payments cover operation and minimal amount to maintenance fund
    - Further maintenance funding from town



# What's Next

- Seek Answers to key questions:
  - Spell Out process and cost for pole attachment options
  - Refine system cost estimate
  - Clarify deployment plan to ensure all residential properties can have access
  - Define potential service plans & rates
  - Estimate customer subscription rate for financial modeling
  - Determine best operational model to pursue
- Partner with Island Institute and an Internet Provider on Key Questions
  - Engage infrastructure analyst at Island Institute, (no cost to IAH)
  - Recommend either working with Axiom or Incumbent Provider, TDS
    - Axiom more responsive to date but it also makes sense to re-engage TDS before decision
  - Implement a Memorandum of Understanding with one of the providers



# Why a Memorandum of Understanding (MOU)?

- Importantly, it is NOT a commitment of funds by either party unless and until funds are approved by town vote
  - Goal would be to be ready by spring of 2019
- The Purpose of the MOU is to designate a provider as the intended partner for the project
  - Demonstrates awareness and support of the work by the community
  - Assures the provider that we are committed to solving this challenge
  - Allows organization to commit resources to the project
  - Commits community to partner with provider in refinement of plans
  - Commits community to research and identify model & funding sources



# Questions for the Selectboard

As a selectboard:

- Do you agree with the committee objectives for IAH?
- How should we proceed on a memorandum of understanding?
- What would we need to do at the town meeting to achieve this?



Thank You!