

**Unapproved Special Meeting Minutes
Ultra High Speed Broadband Task Force Meeting
Friday, February 6, 2009
11:00 a.m. to 3:00 p.m.**



Location: Main Meeting at Metro State University, St. Paul with videoconferencing sites at St. Cloud State University and the University of Minnesota at Crookston

Facilitator: Anne Losby

Task force members in attendance: Steve Cawley, Brent Christensen, Tom Garrison, Jack Geller, John Gibbs, Scott Bohler for JoAnne Johnson, Jack Ries for Gopal Khanna, Rick King, Tim Lovaasen, Dan McElroy, Mike O'Connor (joined via phone), Kim Ross, Vijay Sethi, John Stanoch, Craig Taylor, Dick Sjoberg, Chris Swanson, Mary Ellen Wells, Robyn West, Peg Werner

Public attendees: Randy Young, Ann Treacy, Tom Berkelman, Michelle Schlie, Mike Reardon, Tim Finnerty, Robert K. Eddy, Mark Weber, Cathy Clucas, Steve Alexander, Jeff O'Neill, Frans Versluis, Bill Hoffman, Tony Mendoza, Zach Rodvold

Staff in attendance: Shirley Walz and Carlos Seoane from Thomson Reuters; Diane Wells from the MN Department of Commerce.

Attendance at Remote Sites:

Crookston: Jack Geller

St. Cloud: Nate Ehalt and John Rode

Opening comments; review meeting agenda – Rick King

Rick King indicated that Scott Bohler was substituting for JoAnne Johnson and that Mike O'Connor was joining by telephone. Also, Jack Geller was expected at the Crookston site and that two members of the public were at the St. Cloud site.

Rick King indicated that we have a special meeting today with two topics laid out. First, a presentation by Brent Legg on the Connected Nation broadband mapping project. Then we will have lunch. Our second item is brainstorming on shovel ready projects. We will want to make sure that the lists people brought today are included. Some will be projects ready to go and some will be concepts. We will categorize or decide how to handle, then type up for a vote at the Feb. 20 meeting and submit to legislators.

Tom Garrison asked if there were people in the audience regarding a project, can they submit or speak.

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Rick King said he would check when we get to public comments or at the beginning of when we get to that part

Rick King asked for a motion to approve the agenda. Motion made and seconded. Agenda approved.

Rick King indicated that we will approve January 16th meeting minutes at the February 20 meeting. He had a couple of notes on upcoming meetings. We will have the municipal/county panel at the February 20 meeting. We have also discussed whether to add more panels at future meetings, so think about that.

Rick King indicated that DEED (Department of Employment and Economic Development) is going to work with Connected Nation to take the maps you see today and overlay some economic factors. That presentation is scheduled for March. We're still talking with CWA about whether they can be here in March. Then we'll get to more writing of the report.

Rick King also noted that the February, March and April meetings will be at Inver Hills Community College.

Rick King asked if there were people here from the public that would like to talk about shovel ready projects. There are two. Rick asked them if they could be here later or if they had time constraints. Cathy Clucas (Embarq) and Jeff O'Neill (City of Monticello) indicated they could stay til 3:00 and 4:00, respectively.

Rick King then asked if there were any members of the public that wanted to talk about anything not a shovel ready project. None including from the remote sites.

Seeing no other public comments other than on shovel ready projects, Rick indicated that we would move on.

There were some audio issues with the videoconferencing. Rick King asked that the sites mute if not speaking. Rick King noted that Jack Geller is now in the room at Crookston. Are all incomings muted?

Review State Broadband Mapping Report – Brent Legg, Connected Nation

The three representatives from Connected Nation were called up by Rick King. He noted the task force's appreciation for the team coming in. Within 24 hours, this is their fifth presentation. Rick suggested we seek to all understand what they are saying and then ask questions. Rick noted that the legislators had questions at the two hearings but that we may have a different set of questions.

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Brent Legg, VP of State & Local Initiatives for Connected Nation introduced his co-workers:

Wes Kerr, Senior GIS manager

Chip Span, Senior Network Engineer

Connected Nation Presentation - <http://www.ultra-high-speed-mn.org/CM/Custom/20090206%20Minnesota%20Mapping%20Initiative%20Presentation.pdf>

Questions and Answers

Rick King stated that the fiber availability shows up in some surprising places. Can you provide us with some background?

Brent Legg deferred to Wes Kerr. He did not that Connected Nation (CN) was surprised by the amount of fiber.

Wes Kerr stated that the number of providers in the state, the response overwhelming. He noted that they just haven't seen this level of deployment by providers in other states, whether larger companies or small companies. What you have on the map is to CN's best understanding what providers have in the field. This question was raised in the House committee. Wes said he can tell you we have fiber on the map. CN is continuing to work with the providers to ensure that we have that correctly displayed on the map. He understands the question because it surprised CN as well.

Rick King said that he supposed what that would mean, is that those places have that service.

Wes Kerr indicated that CN will follow up with those we haven't heard from and will work with those that have reported to ensure accuracy or that we have their updates.

Rick King asked a question about the average speeds. CN has much more current data that Rick could quote from but he asked CN to comment on the SpeedMatters.org average speeds quoted by the CWA study which is theoretically 2008 data but differs significantly from what he has seen for Minnesota.

Brent Legg noted that SpeedMatters used Ookla as well.

Rick King responded that the median download was 1.5MB and the upload was .5M but we have data from broadbandboundaries.org, where he doesn't know date, but thinks its 2007 that shows lower results. CN has 6.5Mbps which is quite a bit higher than what these two other sources are reporting. The 6.5Mbps

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download and the 1.5Mbps upload isn't as high relatively speaking. Rick asked what CN found in the other states that you've worked in, though he was not sure you want to use those states as comparison. Rick noted that no one can really be too upset if the average is 6.5Mbps.

Brent Legg indicated that what we would like to do is extract the Twin Cities data out and see what we get as an average for the rest of the state. Good control mechanism. Obviously Qwest and Comcast have offered some pretty high speeds in the metro area. The 6.5Mbps download is higher than we've seen in Tennessee and used a similar speed test. We used a speed test that went to 10Mbps but the average in Tennessee was 3Mbps download.

Chip Span noted that the only other anomaly to help address that question is when the samples were taken. We know our sample was taken since November 2008 and we know that last year Comcast and Qwest went out and deployed much higher speeds and that raised the bar. If we take out the Twin Cities, then the numbers may fall back down closer to what other reports are showing.

Rick King asked how the speed tests are impacted if the test is taken at work. And, is there a way, for example, if I did a speed test from my 50Mbps service at home and someone did a test from there 1Mbps served home, is there any way to equate the population density to the number of tests so that you don't have a disproportionate number of people distorting the results of the test.

Brent Legg indicated that is one of the purposes of the test to show the county maps.

Rick King said but if the people with higher speeds test more often it distorts the results.

Brent Legg said that CN tracks testing information by zip code. In terms of population density, no we don't directly do what you are saying. If there are a disproportionate number of higher speeds they are by county. With regard to the speed testing at work question, CN has tried to delineate between home connections and work connections with big pipes. We try to go through the tests and remove IP addresses where we know the results are coming from a large company. For example, if we get results of 200Mbps or 400Mbps than we can see those and pull out.

Steve Cawley said that most of his questions have been answered. But as a speedtest.net addict for the last few years, within the last few months we have seen a drastic increase in the speeds in the metro area. It appears that Comcast has done a dramatic uptick in their service. It is important to pull out the metro so we can see the challenge for the rest of the state.

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Brent Legg said that he thinks Comcast went with the investment on DOCSIS 3.0 because they saw they could get a return on their investment because they saw a demand for speed. He is sure Qwest is seeing the same thing. Part of what CN also does is to understand what people are willing to pay for broadband through survey research and understand if there is a price point where adoption falls off. He is sure that there are a lot of providers in the state offering packages of services and it would be interesting to find out what packages people are leaning to.

Jack Geller (in Crookston) said that CN provided great data and congratulations on it. There is very little here that is surprising. He thinks the 92% number is pretty close. When we did some crude mapping a few years ago, we found 84% having access. His question is like everyone else: around speed. When you say average are you talking about the mean or the median? Second, is the speed test the only measure of speed or are you triangulating with data from providers and comparing to speed tests. If the latter, do you have a minimum number of tests that you require for a particular geography.

Brent Legg responded that when we say average, we are talking mean. In terms of samples and other things, will turn over to Wes Kerr.

Wes Kerr said that the question we still need to address is what our intentions are with the current data and sample size and how we will be moving forward. First of all, this is representative of 200,000 tests from November 2008 thru last week. We also seek data on speeds from the providers. We will be working in the near future to take on the new data from the connectmn.org website speed tests and work with the providers to see how they match up. In other states we have seen that providers do offer services that are not reflected in the speed tests. So in other components of what CN does, we look at barriers to what causes people not to take the higher speeds.

Jack Geller agreed. Even if Comcast offers 100M, not many people are going to subscribe so the speed tests are going to come in lower than what is available. In some counties, might you only have 15 speed tests that you used to calculate the average?

Wes Kerr said that obviously lots of test in the metro. Lake of the Woods County had very few samples so we are trying to look back for data prior to November 2008.

Rick King indicated he was going to ask three questions for Mike O'Connor whose telephone connection isn't so good. Number 1: Collecting and integrating pricing information and helping that be a context for understanding speed. That was spoken to a little bit but wasn't part of the contract. So we might want to

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make a suggestion that Commerce or one of the other state agencies pursue.
Number 2: Mike thinks that a histogram of the speed tests might be more useful than dealing with the average speeds.

Brent Legg agreed. Something worth trying and it did come up at an earlier meeting.

Rick King asked Question #3 from Mike O'Connor. Mike is advocating for release of all speed test information. While we are talking about that, DEED has confirmed that they are going to work with CN to marry the economic data with the broadband data. Mike would also like comments on nature of the nondisclosure agreements (NDAs).

Brent Legg indicated that the NDAs with the providers would prevent us from disclosing GIS info to DEED. But economic data can be transferred to CN and CN can produce the maps.

Rick King said, so if the taskforce had a desire to see the data, we could discuss.

Brent Legg indicated that CN is limited by their contract but we are willing to do some goodwill work. We would like to remain engaged here if possible. If such work is outside the scope of the contract we could do some additional work pro bono if not too time consuming.

Chris Swanson had a question on speed tests. Are they based on IP address? What we see in rural Minnesota is that the IP address could be hundreds of miles away.

Brent Legg said that if he brought up the speed test tool itself, it might be helpful. If you want to test your speed, on the www.connectmn.org website, click on red button and enter address.

Chris Swanson noted that it was a little more detailed than other speed tests he has seen.

Wes Kerr said to speak to that, with the data set and the recent launch of the CN speed test, we would like as many people as possible to go into the website. CN's speed test tool does require zip code and county to be input. So the more data we can get from the CN website, the more information we can use.

Tom Garrison asked a related question to street level data and zip code. Just working on the assumption here, if one person in the county has that speed are you concluding that everyone does have that speed?

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Brent Legg indicated that there are differences between speed and broadband availability. The data for the availability maps came directly from the providers. On the speed test question, all we are doing is taking a sample of tests that were made in a geographic area and averaging those to create the map showed earlier. It's an aggregation. So, for example, if there is only one test for a county, that is a statistically insufficient (check Shirley's—I had "sufficient" but that doesn't seem right) to make assumptions.

Tom Garrison asked if CN was familiar with the Akamai speed testing. Akamai study did not show Minnesota to be in the top 10. But they also indicated they would be doing monthly updates, so it would be interesting to know, if we've seen an uptick, if Minnesota moves up.

Rick King said he has Akamai rankings around the world but not state by state. He asked St. Cloud to mute.

Mary Ellen Wells wanted to preface that she is here not for her technical expertise. She is curious about reliability; Just because technology is deployed doesn't mean it is reliable. Is that being asked about? Is there going to be a study about that?

Brent Legg said that the information on serviceable territory comes from providers themselves. So we are relying on them to give us accurate information. The great thing about these being preliminary maps is that people can go to them and help correct the maps through a public validation process. So the answer to your question is let's wait and see.

Chip Spann said that as a former ISP, if we start asking about reliability we are going to have to agree on what the parameters are because issues of reliability are often the fault of the consumer (example: didn't install something correctly). So if you talk about reliability you have to have the industry agree.

Mary Ellen Wells said she speaks from experience of telemedicine where tests are interrupted midstream.

Wes Kerr said that can frequently be at the handoff from your network to the next provider.

Robyn West asked whether they have discovered very many new municipalities that are becoming providers themselves and how successful, especially in Minnesota.

Brent Legg said he is more familiar elsewhere. He would say that for every provider CN has seen some have been successful and many have not been

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successful. Oftentimes municipal providers haven't been successful when they have to compete against private providers. Williamstown, KY has had trouble maintaining the service when it has faced other budget issues. He has talked to Chip about this and they cannot think of a municipality that has not struggled either with an initial investment or to keep up with the service. Williamstown provides electricity and cable. They got requests from unserved areas but have had difficulty maintaining and keeping the operation going. They are still in business but it has been difficult. Within the city, their cable operation has been competing with Cincinnati Bell providing DSL. There have been difficulties and he would say that has been a common theme.

Robyn West asked what happens after the municipal provider has failed.

Chip Span said that he doesn't want to specifically mention anyone. A lot of municipalities thought they had a great business plan and then had to interact with the consumers. There have been some that have installed fiber that is now dark. There have been cities that went into business and then couldn't operate it as they had hoped. A challenging balancing act. It certainly may make sense when you have no other providers but if you have two other providers, what is the benefit—you have to have something to differentiate yourself.

Robyn West said how about towns that just build and lease?

Chip Span said that Owensboro did build to lease but have had trouble finding anyone to use it.

Kim Ross asked whether CN has done anything more granular with the speed—like speed by time of day.

Wes Kerr said that he thinks they can with the data. Will be looking at the data more closely in the weeks to come. Could take a sample for a county or region.

Brent Christensen asked whether CN was going to be breaking down below county level.

Brent Legg said that the contract called for county level. The county level provides pretty good data and they can generate pretty good data to verify at the county level. Hope to have enough data from www.connectmn.org speed test to verify maps.

Dick Sjogren was complimentary of the work done by CN. They were very easy to work with. He did have one comment about reliability. What is considered reliable for a home may not be considered reliable for a business. And what is reliable for a standard business may not be considered reliable for a special

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business. You have to expect to get what you pay for. As a small provider we have had outages. We had one customer that said it costs them \$1000 an hour if the Internet goes out. His response is that if you are doing \$40,000 a week in business over a \$29/month service something is wrong with the numbers. He has another customer that does \$400 million in business a year and they have built in a lot of redundancy at a big cost to that business. We can build a 5 9's but does the average home owner want to pay a \$1,000 a month when what they want and need is a \$29.00 connection.

Steve Cawley, on the same line of reliability or quality, have you looked at going forward there is a speed test that also measures performance—how the network might be filtering. Any comment?

Brent Legg indicated they haven't had any experience with them. Website was mentioned to be www.measurementlab.net

Dan McElroy asked if CN could explain the definitional difference between mobile wireless broadband and wireless broadband.

Chip Span said the difference between fixed and mobile wireless broadband are that devices like your Blackberry or iPhone are using a unique set of frequencies for mobility purposes. So when we say mobile we are talking about something offered by AT&T or Verizon. Fixed wireless is generally offered to a licensed provider. They have an assigned spectrum and a fixed area that they can offer service over. Even those rules are changing with WiMAX offered by a company like Clearwire which is introducing some mobility. Even though Clearwire has launched in Duluth they are about to change that so that people can use that device while they travel.

Dan McElroy said that he was surprised to see colors showing entire counties being covered by DSL service rather than just in the city limits.

Wes Kerr repeated that the question was whether high levels of DSL coverage really are countywide. CN has found that the cooperatives and small companies have been rather unique in that they have built out tremendously so have 100% beyond city limits. Many are also building out with fiber. So that question is something we will follow up to verify. The final map is due June 30th

Rick King commented that he'd love to see Connected Nation in the June/July timeframe. One of the things that might be good in the greater MN locations and talk about the updates – the July 17th meeting might be a good option.

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Rick King said that one of the things we've done—we have the report, we have the links, we have your PowerPoint. We'll have a direct conduit to your speed test and will encourage people to take the speed test. He does worry about wanting the data to reflect the population rather than just having a lot of data points. Mike O'Connor's point is how can people here work with you to work and refine the process over the next few months. Do you have other suggestions about how we can encourage people?

Brent Legg said CN would encourage people to use the website. If you go to the maps and see inaccuracies, then report them. There are links along the right-hand side that allow you to provide feedback. That is one way. Those of you on the task force can submit feedback directly to Wes Kerr.

Peg Werner said if we go on the maps, can we find maps that are just wireless or just DSL?

Brent Legg said no, but the interactive map allows you to zoom in to a specific location and then see who the identified providers are there.

Tim Lovaasen asked if you are going to be able to take this map and show that there are 3 or 4 providers in key areas.

Wes Kerr said that showing that on a static map is nearly impossible because you have to layer. So on the interactive map, you can see that there is a transparency layer so that you can see. CN will continue to refine the tools to make them more user friendly. The unfortunate part of layering is that there is a lot of work involved to do it and the maps themselves are constantly changing.

Peg Werner commented about the layering concept, like World Book does with the body.

Rick King asked if there were any further questions. There were none. On behalf of the task force, Rick thanked Connected Nation and indicated the task force looks forward to helping refine the maps.

LUNCH 12:15 to 12:45

Federal Economic Stimulus "Shovel Ready" Projects Discussion

Rick King indicated that what we are going to do first is hear from members of the public. Then we will turn it over to our facilitator Anne Losby to lead the discussion. You should also have a packet titled shovel ready projects in front of you. There is also a packet from Peg Werner with Hiawatha Broadband projects. Hopefully we have all the projects submitted

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Tom Garrison indicated that he did not see the list of city projects that was presented at the Senate hearing.

Rick King asked if we had that list.

Tom Garrison indicated that he did not have it with him today.

Jeff O'Neill was introduced to talk about the city of Monticello project. He said that what he would like to talk about why Monticello should be considered. If there was ever a project shovel ready, this is it. They are ready to ground break this spring. He gave a quick history. This goes back to May 2005. There was a citizen groundswell of support from business and citizens. To create jobs, they wanted fiber optic speeds to citizens. A lot of skepticism in the community at first. When looked at what is happening around the world and how to give their town a competitive advantage, they looked at fiber. They took to the city council. The city council authorized the hiring of consultants and moved forward with a feasibility study. Similar projects have been successful in places like Windom. They got a feel over time whether this was financially viable. The city moved forward on this based on the feasibility study. Next was to conduct a referendum in order to install a telephone switch. To do that, Monticello needed a 65% vote in favor. In September of 2007 the referendum was conducted and 74% voted for. Money would be through revenue bonds not general obligation bonds. So the money is from the private sector. Seven months went by, engineering plans and governance plans completed, they brought in Hiawatha Broadband (HBC) for expertise to operate. They did design work. Bond sale in May 2008 in amount of \$26m to get project up and running. There was a question as to whether revenue bonds were appropriate. The incumbent telephone provider sued saying they were not. In appeal process now and will find out in a few months if the city was in the right. The catch is that the \$26m is sitting in a fund waiting to be used. Have to wait for court decision. The reason we are here is we have a project that is shovel ready.

Questions

Tom Garrison asked if he could speak to job creation.

Jeff O'Neill indicated that in your packet if you look at page we will be hiring 7 so that many new permanent jobs created. Actual construction would be 104 man years according to the consultant. Big project. It will bring jobs.

John Gibbs indicated that he had three questions. John Gibbs said that Mr. O'Neill said that the Monticello project was based on the success of Windom. How is that successful and how does the project compare to Windom?

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Jeff O'Neill said that he has talked to the program manager in Windom and the project is going well. They are meeting projections. We need a certain take rate. We feel based on 74% people voting, our system is destined to be successful. We feel that we will have to hire the best and we have Hiawatha Broadband. With every business there is risk. We've done our homework

John Gibbs asked if Monticello were working like Windom you would be successful?

John O'Neil indicated that with every business there is risk, but we are confident that we are on the right track.

Rick King reminded the task force that we want to talk about the shovel ready projects today. The topic of municipalities getting into the business is a topic we will have at the February 20 meeting when we have our municipal/county panels.

John Gibbs then asked about jobs and take rate. John said he assumes there are providers there already that will have to shrink if the city is driving out the competitors. Is that in your equation of how that will stimulate jobs?

Jeff O'Neill said that is not in our equation nor is the job stimulation that will occur because people can log on at lower cost and higher speed.

John Gibbs asked if the state is facilitating so many dollars to you guys, given what you are authorized by voters to do, would you go back and be able to spend the \$26m? What would you envision the litigation being?

Jeff O'Neill said that the city council voted 5 to 1. They predict they could take the money and build out the whole community at once using those funds. There are legal challenges that could occur under any set of circumstances. The cities that have been successful have stuck to it. There's been a failure in the market place.

Tom Garrison said that it was not his understanding that we were identifying projects that were winners and losers but that we were aggregating requests. The way this discussion is evolving concerns him and he asked the chair to clarify.

Rick King reemphasized what he said. Our focus is on the shovel ready projects. He believes John Gibbs asked some clarifying some questions. We need to be careful we aren't putting this municipal model to the test today. Rick would also like to make sure we have time to get to all the projects. He thinks we agreed if there is a project we would put it on the list. We can seek to understand the

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projects and that is fine. Rick understands this one is more controversial than others. Rick asked the task force if they had comments for Mr. O'Neill, could you be brief.

John Stanoch stated that the community made the decision that this project will go ahead. You've issued revenue bonds.

Jeff O'Neill responded that if the lawsuit doesn't clear in time we won't have access to the funds.

John Stanoch said the he understands we are listening to proposals. But in light of the comments this morning, this would get built anyhow. Shouldn't we be leveraging this unique opportunity to get broadband to the areas of the state that don't have it right now rather than discuss projects that will get built anyway.

Scott Bohler asked of the \$26m, how much is actually related to broadband if this is a build out for cable TV, broadband and telephone?

Dan McElroy added that he doesn't think we know what the terms for loans are for municipalities. He thinks cities normally have to do general obligation bonds so is the city willing to do that?

Jeff O'Neill stated that no one has asked us to do general obligation bonds.

Dan McElroy said the federal government could do it differently in this process but otherwise it has worked that you have to use general obligation bonds.

Jeff O'Neill responded that means communities would have to vote to accept a grant.

Dan McElroy said it may be different here but he doubts it.

Peg Werner said she has had a lot of questions from people that don't have broadband at all. They have said they don't get what this is about. No one will build broadband out to them because there aren't enough people to justify the cost. So what she has been telling them is that you would use this money to make it financially viable to serve these low density areas.

Dan McElroy said provision is usually through very low interest rates and very long term loans.

Peg Werner said it looks more like free money so is that right for this economic stimulus package.

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Dan McElroy said it isn't entirely fair for people that have gotten loans already not to get grants.

Dick Sjoberg said that this discussion shows that we need to know the rules. He hears all the time from people six miles from town that can't get any service. Now we have this project in Monticello where the customer already has two landline providers to choose from who built with private capital.

Vijay Sethi said he had two questions. One question piggy backs on what Peg Werner said. He has received some communications. One from Cook County that has been putting together a feasibility study to do fiber. He doesn't see on the list. He spent some days in Washington DC on transportation funding in the economic stimulus package. The impression that he got was that the money is going to come down through existing state agencies that do funding. So what role does this task force play?

Jeff O'Neill said he can see the struggle. You have two issues of just getting service to some areas that are without and the other issue is getting higher speeds to areas already served.

Rick King introduced the second person that asked to speak to the task force on the shovel ready projects, Cathy Clucas from Embarq.

Cathy Clucas noted that a lot of the discussion, especially between Peg Werner and Dick Sjogren, is helpful. She wanted to talk about the important public policy considerations that Embarq and CenturyTel have. The two companies have been working extensively at the federal level. They believe the emphasis has to be to focus on those that are totally unserved and underserved where there is no business case that would make sense to serve them. So we are looking at shovel ready projects to get to people that do not have service today and get them at least 1.5Mbps service. Keep in mind those that really need a voice moving forward. This is versus subscribers that already have a service.

Peg Werner noted that within the maps there are gaps.

Cathy Clucas stated that Embarq has 45 major areas that it serves and has DSL in all of those but their ability to get to everyone in Crosby/Aitkin is much different from their ability to get to everyone in Chaska.

Chris Swanson asked if their plan was to run copper or fiber for the areas that are not served.

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Cathy Clucas said that they run copper today. She thinks they would have to go back to the business model and would put fiber into the network as far as feasible.

Dick Sjoberg stated that we also have the issue of people that don't have the computers or the knowledge to use the Internet. We need to look at the group of digitally disadvantaged. It's probably a larger group than the group that is unserved.

Tim Lovaasen said that from what he has read from Sen. Klobuchar, that is addressed through money for computers and people to be assigned to the state to help people understand how to use computers. He was very concerned when he saw numbers about how many kids have computers v. those who don't.

Rick King asked to recap. We were asked by both Minnesota House and Senate committee chairs to put together a list of shovel ready projects. We talked about time and ability to prioritize but decided we probably don't have that so we decided we would do a list. We don't have to do what we said before, but that is what we said. We were going to do a list and finalize in two weeks and forward that list to the Governor's office and House and Senate. The list could have one or it could have several projects. Rick's concern with putting everything on the list is that some of this group will not support the list. It didn't make sense to him at the time to do anything but to brainstorm the list. The shovel ready part of it, the details are all part of a bill that hasn't gotten through the Senate, hasn't gone through conference committee and hasn't been signed. It may be signed in two weeks and we'll know more. Shovel ready could mean it's passed all regulatory hurdles and ready to go. Government is concerned with putting money out there for projects that would have been done anyway. That is not necessarily the case with Monticello which might have its funding lost due to court proceedings. Rick's suggestion is getting consensus by brainstorming and getting a list. We don't have a lot of time to analyze.

Brent Christensen wanted to make three points. Nothing has been voted on or signed. But both house and senate versions are going to existing processes at RUC and NTIA. It's pretty clear that no money is coming directly to the state to be handed out. That being said, the state could decide to take some transportation money and use for broadband. Unlikely. Second, Brent thinks we could best serve by brainstorming to come up with procedures. If we put projects into buckets it looks like we vetted the projects. He thinks our time should be spend on measures, procedures, etc. that should be put in place and then let everyone take their own projects to the legislature. Third, he reiterated that there is no way we can give them a list that doesn't look like we've vetted it.

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Peg Werner said if there is no way money is getting into the state, what are they debating.

Brent Christensen said that his point is that the money for broadband is going to come through federal agencies not state agencies.

Dick Sjoberg said he agrees with Brent Christensen. This group doesn't have the time, resources or expertise to go through the projects. For example is one better or worse than another. With the time and broad expertise we have, we should set up some broad ground rules. For example, first priority goes to unserved, next priority is education, etc. So when someone looks at a specific project, they can compare to the list of criteria we set out. Unless we want to go to Monticello and spend days and weeks, it's impossible. So we have to just give them some yardsticks. So just say unserved top priority. Or job creation top priority. Or digitally disadvantaged top priority.

Vijay Sethi asked for clarification on federal funding. His understanding is that the money was going to flow. The House bill has \$6b and the Senate bill has \$10b. He is not sure what the direction is. His question is out of that \$10 billion, how much is Minnesota's share and how will it be handed out.

Brent Christensen heard Minnesota will get \$5b that will trickle down for infrastructure, etc. The broadband money you are talking about is going to RUS and NTIA.

Jack Ries just brought a summary that there is \$6b with half to the U.S. Department of Agriculture and half to the U.S. Department of Commerce and the focus is on rural for Agriculture and some for wireless and some for higher speed. On the Senate side, the U.S. Department of Agriculture's Rural Utilities Service and U.S. Dept. of Commerce with some for mapping and some millions to colleges, libraries. It appears that that money is going to those places.

Tom Garrison said we should try to put ourselves into the role of legislators who have to make the call. He would generally agree that if we can give them the screens or standards to use that would be most useful because we don't know the details of these projects. One caveat is that we are talking about phase one. The number one priority that Sen. Klobuchar has said is job creation but that broadband is important. It is important to send all projects over because they might be slotted at a different time.

Peg Werner said that the whole discussion has been really important for all of us. We could just package up all the projects submitted but agree giving them a yardstick is a good idea.

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Rick King said that when we talked about 2 or 3 weeks ago we were reacting to what we knew then. So it is important to get a sense if we agree that it doesn't make sense to give our legislative committees a list today. Rick called for a showing of hands. Majority raised their hands. To the point of the question of providing them some guidelines, do people on the taskforce believe that talking about that today is worthwhile and if agreement can be reached by this group by the February 20 meeting, that makes some sense. Showing of hands.

Vijay Sethi had a comment to follow-up. His comment would be if we are all agreeing to have some suggestions for criteria to use or whatever but we've gone through this process of seeking projects and putting the projects together, now we received those, we went through the process. What would be wrong with forwarding the list not in some sort of prioritized order but just as a list of what we did and projects we received.

Rick King said he had one comment and then everyone can speak. He would say that is what we said we were going to do before. What he thinks we just heard is that we don't want to do that.

Vijay Sethi said what he heard is that we didn't want to do that if we gave them just the list without any guidelines. We would not necessarily use those criteria to rank.

Brent Christensen said he is back to the same problem he had before, if we send them a list it will look like we vetted the projects. If we decide that, if we are going to put this matrix together and then if we want to vet this stuff and plug these projects in, then we are talking about some serious time.

Rick King said that we had some discussion about this last time and recognized we wouldn't have enough time to do this.

Peg Werner agreed with Vijay. There is a very simple way to send a list that you clearly haven't vetted and that is by putting it into alphabetical order. We were asked for that and we did that.

Dan McElroy's concern is that we were asked to do that when the legislators thought they were going to have to make a decision on funding. Now he has just read a memo that agrees with what we just heard, which is that half the funding will go to RUS and half to NTIA. When lists are given to legislators, they are generally prioritized. He finds fascinating the definition of shovel ready. Do we include engineering completed? Or construction documents done? Or right-of-way approved?

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Tom Garrison thinks one of the things we need to be cautious of is to be responsive to legislators. Maybe the chair should check back with legislative leaders if they still want a list. If a list is submitted, we could add a disclaimer as to what was and wasn't done. They did ask for a list and in the absence of any direction not to, he thinks we need to submit a list.

John Stanoch said that to the extent we asked for some input, we can communicate to everyone that responded to us how to get their project in front of the decision makers.

Rick King said he was not concerned about the legislative leadership because he does think things have changed. What he is hearing is that we are going to put on the shelf the list. We need to let people that submitted projects know how to get their projects moved forward. We need to close the loop with the legislators.

John Stanoch noted that he wanted to clarify on the Qwest wire center list that was provided that Qwest would provide service to those areas of wire centers that do not have service and then to areas of wire centers that may be partially served.

Rick King called for a vote. Majority approved.

Rick King said he will deal with leadership elements. It would be useful if we could have a couple of people to brainstorm how to get back to originators of material.

Brent Christensen suggested we put something on the website.

Rick King said that the ones that came on the website we'll post. If people contacted individual members, could you go back to them? For right now, you can explain that given the way the funds are flowing, the task force isn't going to vet them for you.

Vijay Sethi noted that it could be different tomorrow.

Rick King said that now we turn to questions of sorting criteria. Do we want to spend some time thinking about that as a way to provide criteria to people that will be making decisions?

Brent Christensen said it would be a good use of our time because even if not used for economic stimulus money we could use for our report.

BREAK

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Rick King said he needed to ask for the will of the group. By the agenda we said we would end at 4:00. He can be overruled but he is going to suggest we do our best to be done by 3:00. Majority approved. Rick said that what we are embarking on is almost going back to the values discussion. If we can conduct an exercise within the next 30 minutes and see where the group has consensus. Clearly the funding all goes to rural, unserved or underserved. Then there is a component about advanced which at one site he saw 45Mbps or higher and another it was 100MBS or higher. Don't know where that will end up. Rick suggested going around and everyone offering a suggestion.

Tom Garrison asked if we could do it shotgun where we throw it out and put on the list without discussion.

Craig Taylor: Advocate that we add Government and Community

Tom Garrison: Security, redundancy and then would echo advanced as our task is Ultra.

Brent: Nonduplicate first - unserved.

Rick King asked if that was the same as unserved. Do you want another one?

Kim Ross: He is in the category of education, rural unserved and I underserved within education.

Tim Lovaasen: under job creation put prevailing wage.

Peg Werner: Thinks she is required to say libraries.

Dick Sjoberg: Market enlargement and what he means there is programs for education for people underutilizing and for those that now have access and aren't hooked up. So teaching and usage which would create more market opportunities.

John Gibbs: Demand and applications. Maybe they are there. Focus on demand.

Rick King said he will give one of Mike O'Connor's: Increased availability, that would be underserved. He has increased adoption, that would be enlargement. Also increasing speed and quality.

Chris Swanson: on job creation he would like to split that out between private sector and public sector.

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Steve Cawley: Open networks. He would use net neutrality but that is a loaded term.

John Stanoch: under job creation he thought we were thinking of jobs created from broadband deployment. He would add economic development related to stimulus.

Mary Ellen Wells: Want to make sure we are talking applications and technology—the building of the broadband. There is a difference.

Scott Bohler: this may be a complement of demand but he is thinking customer awareness.

Vijay Sethi: All the ones he thinks should be there are on the board. We will discuss in two weeks but he would add the role of government which he thinks is to facilitate access to the unserved and underserved.

Robyn West: Hers would be economic development. But she thinks what we should do is identify what has already failed.

Rick King: so lessons learned.

Mary Ellen Wells: with market enlargement she would want affordability.

Rick King: Mike O'Connor wanted that one too.

Tom Garrison. would add local demonstrated need.

Tom Garrison: public/private partnerships.

Brent Christensen said he is not sure how to word this and again this is probably underserved. But we have low income programs for telephone service and we should have that for broadband. Availability for low income

Tim Lovaasen: long term under jobs.

Peg Werner: one of the things we haven't discussed is how we got electricity to all homes. So universal service.

Dick Sjogren: sustainability.

John Gibbs: private capital investment

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John Stanoch: He is not sure what John Gibbs meant but for public/private partnership we should have a discussion of financial risk and reward. Then also, not sure how to characterize but we shouldn't use limited government dollars where projects would have been done anyway.

Tom Garrison said on the last point it is important to include where the market isn't working.

John Stanoch said he doesn't know from the interest he represents that it doesn't make sense to use government dollars where the private sector will invest.

John Gibbs said that when Brent Christensen said nonduplication that is what he thought. If there is any public money at all, then nonduplication ought to be a cardinal value.

Brent Christensen said a higher standard should be in place anytime taxpayer dollars are in play and being used to compete against the private sector.

John Stanoch: if talking about federal dollars, is this a one time capital dollars to build.

Rick King said that would be sustainability.

Tom Garrison said a related term is accountability if you are going to take public dollars.

Rick King indicated that Chris Swanson is saying competition.

Chris Swanson: private competition is fine.

Craig Taylor said he keeps flip-flopping. Not sure we are just talking about the economic stimulus dollars or broader.

Rick King said he thinks we are trying to do the list for the stimulus money. Some of it will carry over but we should focus on the economic stimulus now.

Chris Swanson said backhaul might have only one provider. Competition is better.

Brent Christensen noted that competition for competitions sake isn't always best.

Anne Losby, who had been writing the suggestions down on paper, asked the task force members if they could mark just three, what would they be. She

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handed out the markers. Task force members went up to the board and put marks by three suggestions.

Anne Losby noted that the top vote getters 7 by economic development, 8 by sustainability and 14 by unserved. The next highest vote getter was 4 by affordability.

Rick King thinks there are still some that could go together. Maybe we keep the originals and try to do some clumping. If we follow through with the dates, we talk about the list some more at the February 20 meeting. We will put them all together with their ranks. Next time we'll also track the legislation and if passed, have it summarized. If that is available for the February 20 meeting, we'll mail that out. Any other comments about the list?

Tom Garrison suggested that maybe with our next meeting we could address some of the internal contradictions. For example, one could argue that what could have the most economic development impact would be different than unserved areas. He would like to have further discussion.

Rick King said that we will schedule time.

Steve Cawley would note that the one that no one voted for is a criterion by law: shovel ready.

Rick King said, just to make sure that everyone is on the same page. For the broadband mapping project, go to the website. They were demo'd for the Senate and House. The Senate had a few questions and the House had a lot.

Peg Werner asked what committees did they present at.

Rick King indicated it was Sen. Yvonne Prettner-Solon's committee in the Senate (Energy, Utilities, Technology and Communications) and Rep. Sheldon Johnson's in the House (Telecommunications and Infrastructure Division). Rep. Juhnke was at the House meeting and he carried the bill last year and had a lot of questions. We also had a separate request from Rep. Sailer who asked for a meeting. Rick indicated he met with her for a half hour. She was very interested in the task force doing the rural meetings this summer and had questions about locations. She was very supportive of it. She was pleased that we were taking the show on the road. Also, yesterday Rick said he spent some time with Brian Steinhoff who is in the Governor's office. He is the policy liaison on broadband for the Governor. He wanted an update on what the task force is doing. Rick indicated that they will probably have a follow up meeting. That is a good person to contact if you have interests. People are much more interested today than they were a year ago. Any other comments?

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Rick King thanked everyone for coming together for this special meeting. He hopes the mapping was interesting. We will schedule a follow up with Connected Nation in July. We'll see you in two weeks.

Motion to adjourn. Adjourned at 2:55.