

CITY OF CONDON
Fiber Committee Notes
Wednesday, July 13, 2016, 2:30 p.m.
City Hall Upstairs Mason Meeting Room

Present: Councilors Jan Stinchfield & Donald Jamieson, Mayor Jim Hassing, Chief Dale Scobert, Elizabeth Farrar & CA Kathryn Greiner; Guests: Steve Shaffer, Gilliam County/FT Board member; Leif Hansen, LSN; Ken Gross, Home Telephone; Peter Mitchell, Port of Arlington; Steve Wynne, Day Wireless Systems; Ryan LeBlanc, Day Wireless Systems; Pat Shaw, Condon resident; Mike Smith, Sherman County Commissioner; Jeanne Burch, FT Staff; Rob Myers, FT/FT Digital staff; Renee Heidy, Frontier Regional 911; Gary Thompson, Sherman County/FT board member; Patrick C, Perry, Wheeler County/FT board members; Mac Stinchfield, Times-Journal; Kim Farrar, Gilliam County resident; Rachel Weinstein, Gilliam County Community Development.

Mayor Jim Hassing opened the meeting at 2:35.

Councilor Jamieson if there was going to be a Gilliam County fiber build as City of Condon could possibly have funds to contribute. Judge Shaffer said that there is a discussion to have the fiber built from Shulter Station south to City of Condon. He said that the cost was proprietary but showed the group to be \$1,607,679 from Cedar Springs Road and an additional \$630,000 from Slatt site near Arlington to Shutler Station. Councilor Jamieson asked if Gilliam County has committed to the cost of this build with Judge Shaffer saying that there is money available in the county's 2016-17 budget but must be approved by the court.

Discussion was held regarding of the ownership of the fiber line in Sherman County and Commissioner Smith and Judge Thompson said that Frontier Telenet (FT) owns that line and everything in it. Commissioner Smith stated that they have a long term lease/ownership where Windwave was paid to install the line and have total use of it, and in exchange they will maintain it so there is no annual maintenance fees. Commissioner Smith added that Windwave will also pay taxes on the fiber line. Meyers said that FT makes the final decision of who can use or purchase rights of the fiber in the Sherman County fiber line.

CA Greiner asked if FT was going to allow other entities – public and private—invest in the fiber build. Hansen said that he is familiar with arrangements through his business and usually one entity owns the cable and if someone invests in the fiber within the line has an Indefeasible Right of Use (IRU) and has fixed terms with percentage of ownership per investment, then will have a maintenance agreement for one person to maintain the line. E Farrar asked for clarification with Hansen saying that if a person pays for 20% of the build they have 20% of the asset which is determined in the design phase.

E. Farrar asked if FT would be open to this structure and sign an IRU or a long term lease with rights based on contributions. Judge Perry stated that would be a FT board decision. Judge Shaffer noted his confusion on who was getting the fiber to the end users and that they are looking to provide fiber to

rural areas of Gilliam County. CA Greiner asked for clarification of where they plan was to deploy fiber in rural Gilliam County with a reply of Judge Shaffer that they have nothing in writing.

Councilor Jamieson asked if Frontier 911 is functional without fiber with Heidy saying yes. Judge Perry stated that the wireless system needs to be maintained to service areas in Wheeler County that do not have access to other forms of broadband.

Councilor Stinchfield asked if the FT wanted to work with City of Condon and money as contribution. Judge Shaffer said they were waiting to see what City of Condon wanted and Councilor Jamieson gave him the city's strategic plan showing the city's broadband goals. Councilor Jamieson stated that he is weary of monopolies. E. Farrar stated that monopoly concerns of government money competing against private companies or not allowing them to come to use their system. Judge Shaffer offered the Condon fiber Committee a written offer of "all transport fees used by an ISP serving the greater Condon area would have no cost for the use of Gilliam County's vested interest in the fiber build." The offer had the caveat that this proposal must be approved by Gilliam County. Councilor Stinchfield and Jamieson stated that it appeared to be a good offer but needed to go before the city's attorney for review.

Judge Perry asked Myers if FT has ever denied a startup business or anyone broadband with Myers responding "no."

Hansen said that it is important to achieve the city's objectives in the broadband plan is more than to the home but to improve cell service and attract businesses. His company supplies these needs but needs access to dark fiber and raw materials of the fiber line, not what is place through the FT system. He continued to address that his company has essentially been blocked from services in the Arlington area and has continued to be blocked by FT. Myers stated that they have not refused sale of broadband and Judge Shaffer said that they would give LSN anything they wanted on FT lines and that Gilliam County invested to give his constituents the best possible broadband at the best possible price. Hansen said that would like to assist to meet that goals, but his clients were in need of dark fiber and not run through FT system. E. Farrar stated that this portion of the conversation illustrated why we were here and allowing private companies to invest in Gilliam County.

Shaw stated that she was a previous Gilliam County judge and stated that FT was a three county project to provide 911 and broadband to these counties. She said that the e-rate is maintaining the wireless system and they need to keep those dollars for operation. Councilor Jamieson asked Gross if Ortelco/ Home Telephone could supply fiber to the Condon schools which they can do at this time. Gross added that ESD offers more than telecom services so that is why the school districts do not go to another company.

Judge Shaffer stated that they wanted to maintain revenues so the counties would not have to backfill to the 911 dispatch center with county funds. Currently, FT doesn't have the capacity with the wireless system to sell service to cell towers but hope to do so for revenue. He continued to say that was why FT was in protective mode. E. Farrar questioned public policy of competing with private companies that provide this service. Judge Perry asked if FT left if the wireless system could still be served and he suggested that it could not be possible. Heidy agreed. Councilor Jamieson stated that if the towers were

to remain, then he was certain they could be maintained by another company. All agreed that having FT fail was not the objective.

Gross stated that Home Telephone is already a part of the community and to subsidize another company that is not here is an issue. Mayor Hassing asked how long they have been here and the fiber in Condon. Gross stated that Home Telephone was purchased two years ago and the fiber was here when purchased. He added that getting fiber to the home was expensive.

Councilor Jamieson said that the information given by Judge Shaffer would be sent to the city's telecom attorney and discussed at the Fiber Committee's and city council meeting.

CA Greiner asked about the deadline on the agenda of RFP, funding and construction. Judge Shaffer said that the RFP will be discussed at FT July 28 meeting, and that Windwave would be available to start construction at the end of August or first of September. With that information Councilor Jamieson asked if FT was going to issue a RFP for the build, with Judge Shaffer saying that they will issue it. When asked when he said it would be discussed at the July 28 FT meeting. He also said that he anticipates receiving all the funding from Gilliam County. CA Greiner asked if FT was open to allowing private investment in the line and was told by Judge Perry that it was a FT board decision and would be discussed at FT July 28 meeting. CA Greiner asked if the FT July 28 meeting would be posted and distributed to the press and interested parties. Burch stated that the next meeting date was at the bottom of her current minutes that had been received by *The Times-Journal*.

Additional conversation included definition of dark fiber, FT upgrade to their wireless system that will be completed by September and request for raw fiber on the line to be made available to entities.

Meeting was adjourned at 4:05 p.m.