

Broadband Education & Training Subcommittee Minutes
Thursday, September 27, 2007, 8:30 – 9:30 AM
ESCC Conference Room

Agenda

What	How	Who	Time
Introductions	Self	Team	5 min.
Present research for 7 of 9 strategies	Report Discuss	Team	20 min.
Decide on next steps	Discuss/Agree	Team	10 min.
Create timeline for tasks	Discuss/Agree	Team	10 min.
Assignments	Volunteer	Team	10 min.

NEXT MEETINGS:

Thursday, October 11, 2007, 4:00 – 5:00 pm ESCC Conference Room

FINAL, Thursday, October 25, 2007, 8:30 – 9:30 am ESCC Conference Room

Attending:

Harry Brough, Town of Onancock
Barbara Schwenk, A-NPDC
Carol Vincent, ES Public Library

Absent:

Ian McLaughlan
Dimitri Plionis
Todd Thornes
Eddie Swain

The meeting commenced at 8:35 a.m. Those members who were not able to attend today are asked to complete their assignments and send them to Barbara Schwenk before our next meeting on October 11. At that meeting, we would like to be able to organize the information we've collected and discuss how to put it into a strategy document. The document would be prepared and sent out for review before the October 25 meeting, at which we would finalize the strategy. Comments on this plan of action from folks who were not able to attend today are welcome.

Strategy #1 – Computer Refurbishing and Distribution - not assigned.

Strategy #2 – Computer Purchase Program. Dimitri had sent a report (attached) on results of his research on the Quincy, Florida computer purchase program. We agreed with Dimitri's conclusion that it posed some lessons for us. One question remained unanswered though, and that was who actually owned the fiber network that was installed. Was it the property of the municipality or did it belong to someone else?

Strategy #3 – Community Intranet. Barbara reported that she has not yet been able to speak with Bill Shockley. She will continue to try to speak to him and will report back as soon as she does.

Strategy #4 – e-Government. Todd was unable to attend.

Strategy #5 – e-Commerce. Eddie was unable to attend.

Strategy #6 – Training on the Internet. Carol reported on what the library has done in the past and posed new ideas for further training.

The library has conducted training in basic computer operations and using a mouse. They have 12 computers off to the side that could constitute a class if they had instructors and equipment with which to teach. They have held classes on topics such as MS Word, e-Bay, and setting up an e-mail account. However, although they have computers, they have a slow connection (DSL) and also do not really have enough staff to make training commitments. Her experience is that beginners in computer usage need one-on-one training because they don't know how to do basic things. Once they can operate the computer, classes could work.

She researched the Gates Foundation Web Junction and found scripts and many other tools for use in computer training. These are in .pdf format and are easily modified for specific use. Her idea is to contact the high schools and get kids who would like to add community service to their portfolios (making them more attractive to colleges) by training people on computer use. Carol figured she would need only about 6 instructors.

The library is seeing increased visits for computer usage. She attributes this to requirements for online job applications, online driver improvement tests (the final test must be taken by computer), and even people who came in to get their W-2 forms online (from either Tyson or Perdue).

Strategy #7 – Lead by Example. Ian called during the meeting and will send his report before October 11.

Strategy #8 – The Broadband Experience. Harry reported on his plans to purchase additional equipment to set up a wireless open public domain that will reach from his house over to the Onancock School. If he can get it set up right, it will be 300 Mbps full-duplex (same speed up and down) connection. This is faster than DSL and can show streaming video and high-definition TV applications. With this in place, it can be used to graphically show the difference between DSL-speed and true broadband. We think that the HD TV function will be the one that will hook people on higher-speed access.

Strategy #9 – Encourage Local Provider Service Marketing – not assigned.

Dimitri's report on the Quincy, Florida computer purchase program follows.

NEXT MEETING: Thursday, October 11, 2007, 4:00 – 5:00 p.m. ESCC Conference Room.

Quincy Computer Purchase Program as Part of a Comprehensive Broadband Project

Quincy is a small (6500 inhabitants) town in the Florida Panhandle and seat of the rural Gadsden County. About 5 years ago the City decided to provide dial-up internet service to its citizens because the area was not being adequately served by private sector providers. This was initially successful with over 1000 subscribers and the City decided to explore upgrading the service to offer Broadband. While studying the upgrade, and to increase the customer base, the City introduced a computer purchase program to its citizens. As stated in the SSM report, the City (in cooperation with the Gadsden County) partnered with Dell and with a local credit union to effectuate the program. The funding level was about \$600,000 and included a “homework helpline”, staffed by teachers from the Gadsden County School District for a few hours each weekday evening, and a help desk, operated by volunteers.

The City recouped its investment by charging \$39.95 month for computer and Internet access for 3 years. At the end of 3 years, the resident owned the computer. The program was successful and was one of the factors behind deciding to offer Fiber to the Home Broadband. They figured people were already used to paying \$40 a month, so when they owned the computer they would be ready to migrate to high-speed at about the same price per month. The City’s objective was revenue generation and economic development.

It is worth reporting on what happened in the intervening years as a cautionary tale for us.

The City embarked on an ambitious Broadband project financed by floating municipal bonds. The system, dubbed NetQuincy, was connected to the Internet through an exclusive agreement with a fiber backbone operator that crossed the area. Large telecoms companies in Florida (like Verizon) opposed the proposal and attempted to block it by urging the legislature to pass a law restricting local governments from offering Broadband services. That legislative initiative failed initially, though it was passed later. But by that time Quincy’s project was far enough along that it was grandfathered, but only for Broadband through fiber; other services (satellite Internet, voice, cable, etc.) were to be competitive.

The City contracted out the build out of the system to Alcatel following competitive bidding. Initially, only Broadband service was offered (and this became operational in November 2004), but the plan included a comprehensive package of phone, cable and video services to be added later.

NetQuincy Broadband ran into financial problems from the start. User base projections turned out to be overly optimistic and costs were underestimated. More damaging was a rough start in setting up an organization to run the operation. Personnel turnover and administrative mismanagement undermined the financial underpinnings of the project. Bills were not issued for many months to a significant number of customers and, as a result, these customers did not pay. When they were later billed retroactively, the customers were faced with large amounts due; many switched off or went back to dial up. By 2006, the user base had dwindled to about 400.

The system never achieved break even. It produced large amounts of red ink (as much as \$150,000 in 2005) and, as of this writing, it is still operating at a deficit despite adding cable services to its service offerings. Many local political leaders are calling for the City to either sell the system or at least contract out its operation to a private provider. The system's manager is arguing that with the recent addition of voice and video services, and with streamlined marketing and operations, the project is about to break even, but skeptics remain. If the financial situation cannot be turned around soon, it is likely that the ownership or operating structure will be changed.

I think the lesson for us is that, while the Government has a key role in getting Broadband built in rural areas, it would be wise to leave the operation to the private sector.