

ATIC Partnerships & Business Model Groups
February 1, 2017, Teleconference Report

Attendees: Oris Friesen, Henry Goldberg, Mark Goldstein, Jay Schlum, Mike Whipple, Mike Keeling, Bill Bolin, Jerry Crow, Mala Muralidharan, Michael Cohen, Ron Schott.

This is a report on the conference call held Wednesday, February 1, 2017, at 10 a.m. to follow up on the Partnerships/Business Model Groups (Strategy Committee) topics.

1. Regarding the possible merger opportunities with the Arizona Wireless Association (AZWA), Ron reported that Matt Dostal contacted them and that AZWA is not interested in pursuing a merger with ATIC.
2. With respect to partnership possibilities with the Arizona Commerce Authority (ACA), Bill reported that he met with Keith Watkins of ACA. Keith would be happy to talk with ATIC but he wants to know what specifically ATIC could offer ACA. Bill said that ATIC needs to have a value proposition to present to ACA before meeting with them. Mark suggested that we go ahead and engage ACA and others sooner rather than later, even without a detailed value proposition. Mark said ATIC can offer the role of the Arizona Broadband Map curator including public outreach and training as well as can help fill the vacuum created by the disbanding of the Digital Arizona Council

Steve brought up the following questions that ATIC has wrestled with in the past:

- Is broadband for rural communities still the priority and focus for ATIC?
- What is the current status of broadband in rural communities?
- What barriers still exist?
- What needs to be done to address the barriers?
- What is the Arizona Corporation Commission (ACC), the federal government, the Governor's Office of Education Broadband & Internet Connectivity Initiative and the Sun Corridor Network doing to address these issues - what can ATIC bring to the table?

Bill responded as follows:

- The ACC with its Arizona Universal Service Funds (AUSF) proposal for a potential \$8 million in state matching E-rate funds for broadband infrastructure for rural schools and libraries is an option for ATIC involvement.
- The Governor has included \$5 million of state matching funds for this E-rate program in his budget, but it is not clear whether this will make it into the final legislature's approved budget.
- Regarding barriers, an important educational barrier is inadequate broadband in rural homes. Kids do their homework at home with slow, mostly DSL or satellite Internet access. The E-rate program only applies to schools and libraries not homes.
- Another issue for ATIC is that we have minimal rural representation on our Board. Andy Phelan of the Western Arizona Council of Governments (WACOG) in Yuma is our only rural representative.
- Also, rural communities are limited in what they can develop because they have no budget for broadband. ATIC could advise rural communities on how to plan for broadband and its necessity for economic development.

Steve said ATIC could play a role as an advocate at the ACC and at the

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legislature, as well as with the EducationSuperHighway work with the Arizona Department of Education (ADE). ATIC could also assist with ongoing initiatives, such as the new T-Mobile initiative to provide Chromebooks to Title 1 schools.

3. Mark reported on partnership possibilities with the Governor's Office of Education Broadband & Internet Connectivity Initiative.

Mark had a conversation with John Kelly at a Smart Cities event with ACA at which Sandra Watson spoke about rural broadband needs. John is helping Mark Masterson recover \$6 million from the Governor's budget that unexpectedly became unavailable to ADE. John agreed to set up a meeting for ATIC with the Education Broadband & Internet Connectivity Initiative.

On a related note, Ron has sent an invitation to Mark Masterson to speak at the ATIC Public Information meeting on February 16th.

Henry said the ACC is moving quite rapidly with the initiative to use the AUSF for E-rate state matching funds. ATIC should stay abreast of what is happening. Henry commented at the ACC January 30th hearing on the AUSF that it is critical that proposed broadband networks for rural schools/libraries under the E-rate program be efficiently designed to be extended for all of the rural communities' needs. Since the ACC asked for public input Ron suggested we provide some, and Henry agreed.

Mark said that ATIC could play a role here, such as in discovering and illuminating the constraints and opportunities for providers to leverage the extended K-12 and library infrastructure for community and business use through existing POPs and excess capacity. Mark asked if we have enough information and/or access to resource individuals to put together a brain trust or tiger team to suggest leverage opportunities, and Mike Keeling said that we do and could rely on our core Board members as well as governmental and provider stakeholders as needed.

Henry stated that the ACC is viewing the federal government expanded E-rate funding as a one-year opportunity which may not be extended. Mike Keeling noted that E-rate money has always been a one year allocation although it has been continued for multiple years. So it is politically likely to be extended. Steve expressed his belief that the repurposing of the existing AUSF surcharge for rural broadband would be an ongoing policy.

Mark said there is a window for us to reply if we decide to do so before the RFPs are written and responses submitted. Mark suggested ATIC could develop a position paper. Mark likes this general idea but observed that it is a substantial task.

➔ Henry agreed to make a motion for the Board meeting for ATIC to put together a thoughtful proposal and present it to the ACC, the Governor's Office of Education Broadband & Internet Connectivity Initiative, the ACA and others. Mark agreed to contact Brenda to put this topic on the agenda for the Feb. 8th Board meeting.

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4. Mark reported on the state of the ATIC website, which remains in limbo.

Craig has been unable to find the proper entry point for WordPress editing of the site's content and has changed the passwords. As he has not yet sent the changed passwords to Mark, there has been no recent progress.

Mark said that we need to press Craig to get access to WordPress. Ron and Steve suggested that we utilize some services (e.g., Wix, GoDaddy Website Builder) to edit up a new web site and/or bring in a third party to build the website. Mark demurred and would like a little more time to remediate some glaring shortcomings and get our content from the archived files refreshed on the existing site.

5. We discussed the wording for the "ATIC Strategic Direction Sentiment of the Board Vote 2/8/17" vote on the future direction for ATIC. Ron requested that Mark remove the AZWA name from the list of options in the "Sense of the Board Vote" draft and Mark agreed. Ron asked if we should allow for multiple ranked choices, such as 1 and 2, but Jerry and Mike Whipple commented this is unnecessarily complex for a sentiment of the Board vote. Mark will discuss this suggestion offline with the Executive Committee.

The "ATIC Strategic Direction Sentiment of the Board Vote 2/8/17" draft voting form is being distributed with this report with some changes discussed above expected by the Board meeting.

The meeting ended with a discussion of what to do next.

Mark said the tiger team proposal to prepare input for the ACC is a good idea but will take some effort.

Mike Whipple said it seems like groups are saying come talk to us but tell us what is your value proposition. Bill and Steve agreed that we should have a value proposition before we approach potential partners. Mark feels that these activities can be done concurrently.

Mark suggested and Steve favors doing a roundtable type meeting with half a dozen of the key players as soon as possible to be clearer on directions and the role ATIC could play. Mark noted that we had a similar gathering about ten years ago with multiple stakeholders but he is not sure that we need all of the stakeholders at the table this time.

Mark asked who can help us identify what the E-rate leverage opportunities might be. Mike Keeling said Mala and Milan Eaton, the State E-rate Controller, are good resources to start with. As we follow up on those discussions we could drill down further with relevant service providers.

We need to find out how the rural businesses and communities could leverage this. Our main thrust should be how all of this can be leveraged by communities and what are the constraints.

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→ Mala agreed to provide us with the FCC rules for applying the E-rate money and the constraints on how it can be used. Mala will also provide a list of the schools/libraries applying for E-rate funds.