

Modifications to and Acceptance of Agenda Draft

The agenda was accepted as shown below:

ATIC Board Agenda – November 14, 2007 Agenda

1. Modifications to and Acceptance of Agenda Draft
2. Self-Introductions
3. Acceptance of Minutes from Last Meeting
4. ATIC Board Membership Considerations
5. Review of Outstanding Action Items as Documented in September 2007 Minutes.
6. Upcoming Conferences
 - 6.1. Digital City EXPO Supporting Partner
7. Committee Reports
 - 7.1. Strategy Committee (Mike Keeling, Ron Schott and Steve Peters)
 - 7.1.1. ABC Initiative (Galen Updike)
 - 7.1.2. ATIC Associate – expanded participation (Galen Updike, Steve Peters)
 - 7.1.3. Transaction Privilege Tax – Navajo Nation (Ernest Franklin)
 - 7.2. ATD and the AZ Broadband Survey (Patt Patterson, Galen Updike)
 - 7.3. Cyber Security Committee Report (Jerry Crow)
 - 7.4. GCIT CIAC Progress Report (Galen Updike)
 - 7.5. FCC Activities (Al Sterman)
 - 7.6. ACC Activities (Tom Campbell)
 - 7.7. GAZEL Report (Steve Peters)
 - 7.8. eSATS Report (Ted Kraver)
 - 7.9. Vendor Advisory Committee (Jay “Flash” Miringoff)
8. ATIC "Public Information" Meetings (Mark Goldstein)
 - 8.1. Nov 15 – CyberSecurity Committee
9. Announcements
 - 9.1. Remote Monitoring and Networking 2007 event (Ralph Gierish)
10. Informational Presentation
 - 10.1. Open
11. Adjourn

Self-Introductions

The attendees introduced themselves (see attendance list above).

Acceptance of Minutes from Last Meeting

The minutes for the October 10th Board meeting were presented for approval and accepted.

MOTION: To accept the minutes from the October Meeting.

MOVE: Ted Kraver

SECOND: Ron Schott

Passed Unanimously

Membership Considerations

Ted Kraver noted that we need more representation from the education community in general and from K-12 in particular.

Review of Outstanding Action Items as Documented in the October 2007 Minutes.

- Oris reported that there are no outstanding items at this time.

Upcoming Conferences

- Mark gave a brief report on the ATIC role as Supporting Association Partner for the 2008 Digital City EXPO that is coming to the Phoenix area on January 22-24, 2008, at the Radisson Fort McDowell Resort & Casino. More information can be found at <http://www.digitalcityexpo.com/> ATIC will have a booth at the expo and will receive two exhibit passes and two full conference passes, so altogether four passes. Plus, again, all ATIC members will get \$100.00 off the full conference registration fee.
See Mark Goldstein for more details.
- Oris reported on behalf of Ralph Gierish who attended the conference. Ralph noted that when mesh networking came up at the plenary session he spoke up and reported briefly on the city of Tempe, W2i, the town of Superior, and WI-VOD. Several audience members approached him after the session ended for more information.

The conference keynote speaker also approached him on the first day, when during another session he mentioned that he was an ATIC council member. The keynote speaker wanted other states to know about ATIC and its efforts. Many issues that ATIC has been addressing are being faced by a majority of the attendees at this conference. See <http://www.remotemagazine.com/>

A magazine editor, Anne Fisher, the Assistant Managing Editor at CompactPCI and AdvancedTCA Systems also indicated she would like to contact ATIC representatives.

- Galen announced that on December 11, there will be a W2i conference in Washington, D.C. This is a great opportunity to get some visibility at the national level. And we are encouraging people to join the Arizona delegation who will be attending. We currently have 9 people signed up and are looking for more to join us. We hope to meet with our congressional delegation.
See Galen Urdike for more details.
- Steve Peters gave notice that there will be a GAZEL Summit on February 20 at the Mesa Convention Center to develop policies in eLearning for Arizona. We will also feature an “after 5” session sponsored by AZTC.

Committee Reports

- **Strategy Committee** (Mike Keeling and Steve Peters)

Steve opened this discussion saying that several meetings had been held on the following topics:

- **ABC – The Arizona Broadband Connection Initiative**

Ron Schott reviewed the Arizona Broadband Connection (ABC) Initiative (see the Appendix for details) giving due credit to Galen Updike, Rosalyn (Roz) Boxer and Gene Walker for its definition. As defined, an executive branch organization would be created to be managed by GITA along the lines of the Arizona Health-e Connection. The goal is to secure \$6 million in funding, probably in \$2 million installments over 3 years. The funds will be a budget line item, so no new legislation is required.

Steve noted that

- (1) we need to meet with Chris Cumiskey to get his approval. Ron reported that he has already done this, and Chris supports the effort; and
- (2) we need to run this by the private sector representatives to secure their approval. This would involve the Vendor Advisory Committee that Jay Flash Miringoff is re-constituting.

We should prepare a 1-page executive summary of the ABC Initiative, and use it to importune the 9th Floor to support this activity.

➔ Galen, Gene, Ron and Deborah Dupée will draft a 1-page executive summary of the ABC Initiative by mid-December for review. Jay Flash and the Vendor Advisory Committee should also be involved in this activity.

Steve observed that we have also suggested that a Telecom Legislative Committee should be formed.

○ **ATIC Associate Membership and expanded participation**

Steve reported that after several meetings and some lengthy discussions the recommendation is that ATIC should not become a dues paying membership organization. However, there is value in expanding the membership base to reflect the size and diversity of ATIC.

The recommendation is that in addition to the Board of Directors, we create an Associates category. The Associates will originally consist of the people on the Extended ATIC mailing list. They will be notified and asked if they wish to opt out of becoming an ATIC Associate. Future additions to the Associates list will be on an opt-in basis.

MOTION: To create an ATIC Associates category consisting initially of the names on the Extended ATIC mailing list.

MOVE: Mark Goldstein

SECOND: Galen Updike

Passed Unanimously

Oris will contact the people on the Extended ATIC mailing list to ask if they wish to be classified as ATIC Associates. Then Mark will notify the people on his larger list that they can choose to become ATIC Associates if they desire.

- **Rights of Way (RoW)**

This is on the agenda of the Strategy Committee.

- **Transaction Privilege Tax – Navajo Nation**

Ernest Franklin was unable to attend until the very end of the meeting. However, here is a brief synopsis of some of the concerns of the Navajo Nation. Although sales taxes are parceled out to cities, counties, etc., the tribes don't share in this distribution. The Navajo Nation would like to have \$3M - \$4M per year to apply to telecom activities. This requires a change in the formula that would negatively impact the League of Cities.

ATIC has not taken a position on this proposal, but will continue to monitor the activity and consider supporting any emerging proposal that is developed. I am distributing with these minutes a PDF copy of a presentation on Navajo Telecom Initiatives and a set of talking points that address the Transaction Privilege Tax (TPT) issue.

Separate from the Transaction Privilege Tax issue, Mark Goldstein reported that he testified at the Reservation Telecommunications Legislative Study Committee (Co-Chaired by Senator Albert Hale and Representative Tom Chabin). This may be an avenue for us to pursue if we wish to be part of a Legislative Study Committee on telecom.

➔ Deborah Dupée, Christopher and Vernon James are interested in participating in this effort.

Mark will take the lead to follow up on this.

- **Rights of Way (RoW)**

This is on the Strategy Committee agenda and need to be addressed.

- **Arizona Broadband Development Authority**

This activity is tabled as a legislation item for this next year, as are all GADA-related items.

- **Arizona Ten-Year Framework**

We need about eight pages to define our direction in telecomm, education, etc.

- **ATD and the AZ Broadband Survey (Patt Patterson, Galen Updike)**

The Arizona Telecom Directory (ATD) needs to be brought up to date if it is to be a source of input for the Arizona Broadband Survey. Ron Schott observed that the survey is needed, but the cost (estimated to be around \$400K) may be too high. It would definitely need private sector funding support.

➔ Patt Patterson and Genene Walker will co-chair this effort. Other interested parties are: Mark, Oris, Ralph, Galen, Steve Peters, Jay Flash, Deborah, Bob Denton and Ron Lee.

- **Cyber Security Committee Report**

The Cyber Security Public Information meeting on November 15, 2007, will be a joint session with InfraGard.

- **GCIT CIAC Progress Report (Galen Updike)**

Galen reported that the CIAC will be more independent of the GCIT than previously. The CIAC will reconvene on November 28 at GITA and will also be available on-line.

- **FCC Activities (Al Sterman)**

Nothing to report

- **ACC Activities**

Nothing to report at this time.
Al Sterman will continue to monitor the USF debate at the federal and local level.

- **GAZEL Report (Steve Peters)**

See the GAZEL Summit on February 20, 2008, mentioned above in the Upcoming Conferences Section.

- **eSATS Report (Ted Kraver)**

Ted reported that we are gearing up for the next legislative session. We need to introduce a funding mechanism that is based on something other than seat time. This is critical for online and eLearning systems. We have the ear of 25 – 30 legislators.

- **Vendor Advisory Committee (Jay “Flash” Miringoff)**

This committee is just getting off the ground. Jay hopes to have a plan of action within the next few months.

ATIC "Public Information" Meetings (Mark Goldstein)

- The November 15th public meeting will be hosted by the ATIC Cyber Security Committee
See the Cyber Security report above for more details.

Announcement

- The Arizona Business Journal has given ATIC a free half-page ad.
- Oris contributed the following meeting schedule for 2008:

ATIC Board & Public Meeting Dates for 2008

ATIC Board Meeting on Wednesdays from 12:00-2:00 PM

January 9, 2008
February 13, 2008
March 12, 2008
April 9, 2008
May 14, 2008
June 11, 2008
July 9, 2008
September 10, 2008
October 8, 2008
November 12, 2008

ATIC Public Meeting on Thursdays 2:00-4:00 PM

February 21, 2008
April 17, 2008
June 19, 2008
September 18, 2008
November 20, 2008

Informational Presentation

None

Adjourn

The next ATIC Board Meeting will be on January 9, 2008, 12:00-2:00 p.m. at Lewis and Roca in downtown Phoenix.

Adjourned at 2:10 p.m.

**APPENDIX
(see next page)**

Arizona Broadband Connection Initiative

The purpose of this initiative is to expand economic development opportunities in rural Arizona by substantially improving broadband connectivity between selected communities and the Internet superhighway.

Background

For two years, the Government Information Technology Agency (GITA) and the Department of Commerce have led successful efforts in statewide strategic telecommunications planning and specific tactical efforts in local settings. The Communications Infrastructure Advisory Committee (CIAC), established under the Governor's Council on Innovation and Technology, along with Arizona Telecommunication & Information Council (ATIC) have also developed a number of recommendations and strategies that will facilitate improvements to the State's broadband environment by encouraging faster and less costly deployments of broadband while developing a unified strategic plan. In addition, Commerce and GITA have fostered local collaborative efforts to develop WiFi networks. Recently the Town of Superior celebrated the inauguration of a WiFi network which will provide residents and businesses broadband connectivity for the first time.

At an August 1, 2007 report on recent broadband efforts and lessons learned, to representatives from Commerce, GITA and the Governor's Office, specific funding solutions were outlined and tentatively approved to be part of the *Arizona Broadband Connection (ABC)* initiative. The initiative expands economic development opportunities by improving local Broadband capacity used by business and residences. Studies indicate large GDP increases for regions with ubiquitous broadband availability. For Arizona, studies show increases of \$8.5 Billion in GDP and as many as 11,000 new jobs in rural Arizona¹

Definitions

There are three physical elements in the chain of Broadband connectivity to the Internet:

Internet Tier-one sites: Tier-one Internet facilities are in Phoenix and Tucson. Those sites provide the major connections to the world-wide Internet, including the large fiber trunk-lines that crisscross the nation, sometimes known as Internet Super-highway.

Middle-mile: Middle-mile refers to local trunk lines connecting the Tier-one sites to cities and towns. These high volume fiber lines fan out across Arizona, mostly along established rights-of-way, including roads, power lines, etc., and over high speed microwave transmissions (much lower volume than fiber) from towers and mountain peaks. These middle-mile data pipes terminate via electronic off-ramps at localized facilities called central offices (COs) or local points of presence (POPs).

Last-mile: Last-mile refers to the networks of wired (copper, coaxial cables) and wireless access points, which carry the data to and from middle-mile termination points to businesses and residences.

These major connectivity elements (Tier-one site, Middle-mile, Last-mile) are separate and distinct operations. They are managed by different types of businesses and require diverse types of decision making, different mission statements, dissimilar competitive stances and attitudes. The vast majority (over 95%) of these infrastructure assets and networks are owned by the private sector, an immensely important distinction, as government moves to influence Broadband connectivity outcomes. The FCC and Congress have deemed most parts of the Broadband industry to be unregulated.

Focus of the Initiative

The primary lesson learned from the Town of Superior effort is that competitive end-user rates can sustain a build-out of a last-mile broadband network, if a middle-mile broadband connection is available. Conversely, if a middle-mile connection or off-ramp is not available, spreading the cost of both the last-mile network and the middle-mile, including off-ramp connection, into sparse end-user populations create rates that are higher than

¹ A Gartner Group study, 2003; a CEBR Ltd. Study, 2003; and a Center for a Sound Economy Report "*Broadband Deployment Impact on Arizona*" by Wayne T. Brough, Dec 2003)

demand can bear. This becomes a dilemma for vendors and they turn their attention to more profitable or better ROI scenarios generally offered in urban areas. The only solution in such rural situations is outside intervention, including financial, technical, and administrative help.

Core Elements of the Arizona Broadband Connection (ABC) Initiative

The ABC initiative provides a comprehensive plan of financial, administrative and technical help. It addresses the middle-mile infrastructure issues by separately funding local off-ramps for existing middle-mile and/or extending the middle-mile to a local area. Arizona has many examples where middle-mile fiber goes through or passes close-by a rural community, but without off-ramp connecting the community. For each intervention, primarily one-time funding is required and the State is not obligated for additional future monies.

In addition, the ABC initiative supports the collaboration processes and activities that lead to successful local broadband deployments, based on the following principles:

- Strong local political leadership and extensive community involvement is required, including official actions by government to define/support commitments.
- Broadband deficit remediation should be defined by economic development opportunity and community needs, not just driven by infrastructure availability, or providers.
- Additional commitments (both financial and in-kind) should come from a wide variety of local business, residential, medical, educational, and government stakeholders
- Long term "use" commitments from both public and private "Anchor Tenants" of subsequent broadband deployments need to be identified.
- Awareness and broadband education activities must be part of the total program, impacting sustainability.

Funding

At the August 1st meeting, a \$6 Million budget was proposed to provide the necessary funding for 25 to 30 middle-mile "off-ramp" projects in Rural Arizona. Not included in the proposal but indicated as a separate and necessary adjunct to the ABC initiative is a \$400K statewide broadband mapping project, which will help identify the rural areas with the specific types of middle-mile deficits.

Oversight of the Initiative

The initiative calls for an oversight committee comprised of leaders from Commerce, GITA, CIAC and the Governor's office. This group will meet regularly to review current activity, and propose new projects as they are defined, with outreach to ATIC and other stakeholder representatives.

Administration of the Initiative

It is recommended that GITA house the necessary administrative staff, likely adding 2-3 additional FTE's, to complement current outreach activities. Responsibilities would include identification of susceptible projects, technical reviews, contract management (creation of RFP's and Statements of Work), oversight of local project management, statewide outreach to rural communities, and support of Commerce Department's current outreach efforts. Those economic development efforts are critical to the overall outcomes. Deployment of broadband infrastructure is not an end in itself, but must be part of the greater rural economic-development focus and efforts implemented by the Commerce Department.

Improving Arizona's Competitive Stance

In describing a similar initiative in his State, the Governor of Georgia said: *"I call broadband the new dial tone...We could not imagine any business - much less an entire community - operating without access to reliable telephone service. Today, broadband access is just as important for our 21st century communications infrastructure."*

With this initiative, Arizona will increase its ability to compete with a host of other states also focused on bringing their rural populations and economies into the 21st Century.