



1    **APPEARANCES:**

2    The Honorable Clarke N. Hogan, Chairman

3    The Honorable Kathy J. Byron, Vice Chairman - Southside

4    Mr. Thomas W. Arthur

5    The Honorable Edward Owens

6    The Honorable William Wampler, (by phone)

7    The Honorable Thomas C. Wright, Jr.

8

9    COMMISSION STAFF:

10   Mr. Neal Noyes - Executive Director

11   Mr. Ned Stephenson - Director of Investments

12   Mr. Timothy Pfohl - Grants Program Administration Manager

13   Ms. Britt Nelson - Grants Coordinator, Southside Virginia

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15   OFFICE OF THE ATTORNEY GENERAL

16   Mr. Francis N. Ferguson, Senior Assistant Attorney General,

17                           Counsel for the Commission

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1 DELEGATE HOGAN: All right, let's get started.  
2 Would you call the roll, Neal?  
3 MR. NOYES: Mr. Arthur?  
4 MR. ARTHUR: Here.  
5 MR. NOYES: Delegate Byron?  
6 DELEGATE BYRON: Here.  
7 MR. NOYES: Mr. Hite?  
8 MR. HITE: (No response.)  
9 MR. NOYES: Delegate Hogan?  
10 DELEGATE HOGAN: Here.  
11 MR. NOYES: Mr. Montgomery?  
12 MR. MONTGOMERY: (No response.)  
13 MR. NOYES: Mr. Owens?  
14 MR. OWENS: Here  
15 MR. NOYES: Mr. Thompson?  
16 MR. THOMPSON: (No response.)  
17 MR. NOYES: Mr. Secretary Kundra?  
18 SECRETARY KUNDRA: (No response.)  
19 MR. NOYES: Senator Wampler?  
20 SENATOR WAMPLER: Here. (by phone)  
21 MR. NOYES: Delegate Wright?  
22 DELEGATE WRIGHT: Here.  
23 DELEGATE HOGAN: Nice to have you with us,  
24 Senator Wampler.  
25 SENATOR WAMPLER: Thank you.

1 DELEGATE HOGAN: Do we have a motion to  
2 approve the Minutes?

3 MR. ARTHUR: So move.

4 MR. OWENS: Second.

5 DELEGATE HOGAN: All in favor? (Ayes.)  
6 Opposed? (No response.)

7 Is Tad the right person to do this? Would you come forward  
8 and give us an update on the projects.

9 MR. DERISO: I'll be glad to. Thank you, Mr.  
10 Chairman.

11 We're going to talk about the last mile pilot project today. The  
12 Staff asked us to take a look into the entire Southside region, including  
13 mapping existing towers and updating towers on a database and looking at  
14 business and residential applications. I thought I'd give you a brief status  
15 update on where we are today and talk about the pilot project, and we have a  
16 gentleman that's worked on this from Dewberry, and I'll be introducing him.  
17 He's been working on the engineering side and has done a tremendous job on  
18 this tower study. We'll get to hear all that.

19 Just to bring everybody up to speed very quickly, our initial  
20 phase of construction has been completed and dedicated several weeks ago,  
21 and I'll highlight that.

22 First quarter results ending September 30th calls for below  
23 budget revenue, contracts are ahead of time, so far the right project. We've  
24 got 28 new members of MBC, and that's about 14 ahead of where our  
25 business plan said we should be at this time this year, and we did that about

1 a year and a half ago. I have really good and exciting news to report on the  
2 long haul network. It's been complete and turned up, and that's the network  
3 that goes from Atlanta to Washington, D. C. and Ashburn, Virginia. We lit  
4 our first circuit Monday afternoon at 12:25 p.m. More importantly, that's a  
5 customer that's paying us for a ten-gigabit connection from Atlanta to D. C.,  
6 and that's a very substantial revenue piece for the project.

7 We also have 30-plus tributaries in progress in our region. This  
8 is a combination of extending our backbone to towers where our members  
9 have said we need to get access and extending our fiber into places that need  
10 connectivity. We have members who have a revenue stream attached to that.  
11 All those projects are currently ongoing.

12 As we get into this tower study, Dewberry used this GIS  
13 technology that Craig will talk a little bit about to do the comprehensive  
14 study. That study gives an amazing profile of each of the counties in the  
15 entire region as far as where the backbone fiber is located, where the existing  
16 towers are, the existing business and residential coverage as well. We feel  
17 this is going to be a very valuable tool, not just for MBC and the Southside  
18 region for budgetary purposes, but probably a lot of other stuff coming out  
19 from the Southwest and other areas of the Commonwealth, using the same  
20 models and platforms to do all that.

21 What I'd like to do is introduce Craig Lees. He is a GIS expert,  
22 whatever you want to call it, with Dewberry, and he is out of Fairfax,  
23 Virginia.

24 MR. LEES: GIS stands for Geographic  
25 Information System, for those of you that are not familiar. It is essentially a

1 CAD-based technology where you have polygon lines, points behind those  
2 graphical elements is a database, and the connection between the database  
3 and the graphical information that allows you to do some pretty powerful  
4 mapping analysis type techniques.

5           As Tad discussed, we performed a tower analysis to look at  
6 where the fiber optic backbone is, relative to towers within the coverage  
7 area, and perform some sort of analysis to determine how could we get to  
8 some towers, and what is the potential influence in terms of the number of  
9 potential customers that are nearby these towers. I'm going to talk about the  
10 approach we took in this analysis, how we created our database, the actual  
11 details of the analysis that we were performing, show you some of the  
12 results from our analysis, give you a quick demonstration of the GIS.

13           The first thing we did was compile what we considered to be  
14 our base map. We started with counties and cities. We wanted to know the  
15 geographic location of political boundaries. We brought in some road center  
16 lines so we're able to have a street network and get a better idea of exactly  
17 where we are. We got some photography, which are basically aerial  
18 photographs that were provided by the Virginia Geographic Information  
19 Network, and that was flown in 2002. So some of the imagery, you'll note,  
20 is dated at that time.

21           The next information we compiled was related to MBC's  
22 infrastructure. We wanted to locate where the fiber optic network is and  
23 where some of the hubs and end points are that are the key points along the  
24 route. With the base map and the fiber compiled, we began to bring in  
25 analysis data. We wanted to look at where we had potential customers and

1 population. The information we were interested in were towers, and the  
2 database that we purchased from a tower vendor, I should say a data  
3 provider, includes communication towers, utility structures, such as water  
4 tanks, as well as buildings that have existing communication towers on top  
5 of them or communication antennas for cellular connectivity and that sort of  
6 technology. This is a good idea of the towers and the features that are  
7 physically up in the air that may be a good way to deliver wireless  
8 connectivity to a large area, rather than running an individual cable to each  
9 location of interest.

10           We then brought in business data, and we found a data provider  
11 that had street addresses of businesses within the geographic area that we  
12 were interested in. We'll take a close look at the specifics of what we know  
13 about the businesses. We were also interested in demographics and where  
14 the people are. We were measuring in this instance, we measured  
15 households, and we used the 2000 census data to map the location of  
16 households. With all this information compiled, we were ready to form our  
17 analysis.

18           Some of the things we looked at was first to calculate the  
19 distance from each tower to fiber so we could get some sort of ball park  
20 relative to the existing fiber and how far away are the individual towers, and  
21 that may give us some idea of the costs if we were to look to build out and  
22 connect to the towers. We were also interested in counting the number of  
23 households within a certain radius of each tower. In this instance we used a  
24 six-mile radius around each tower, assuming that that was the general zone  
25 of influence that we might be able to deliver wireless service to. Once we

1 had our buffers built, represented by this six-mile radius, we were then able  
2 to count the number of households and count the number of businesses  
3 relative to each tower and generate some statistics that we could then make  
4 good decisions based on which tower might be preferred over the other.

5 Finally, we built an elevation model so that we could  
6 understand what the terrain was like in these areas. This is going to help us  
7 understand what area of influence we might be able to cover. Wireless  
8 technology can be influenced by terrain; in other words, you'd have some  
9 difficulty sending a signal through a mountain side, so we wanted to  
10 understand where the topographically high locations were located relative to  
11 the low locations, and that would give us some idea if we were going to add  
12 a new tower that might help us in a siting analysis to determine where is that  
13 tower ideally positioned, then we could look at view shed issues in terms of  
14 if you were to build a tower at this location, who could see that tower, and  
15 that would help, during a public meeting or some sort of permitting process,  
16 to understand the visual impact of placing that tower.

17 I know you can't read the tables on the last slide, so I can show  
18 you here a bit of what the tower analysis results are. We understand what  
19 the tower is, and I don't have it shown here, but we have a large amount of  
20 information about who the owner is and where the site is, the point of  
21 contact, phone number, e-mail, and so forth. We also know the elevation of  
22 the tower, several different pieces of information about each tower. Then we  
23 were able to add onto it the two data points that I mentioned earlier. Also,  
24 the number of households within six miles and the distance to the nearest  
25 fiber. Not shown on this particular slide is the number of businesses. The

1 business data that we purchased shows us a wealth of information about the  
2 businesses. We have the name of the business, we have their street address,  
3 which is a mailable location, and zip codes and street addresses, and we  
4 know something about the businesses themselves. We have their FIC codes,  
5 we're able to understand what business they're in, we know the number of  
6 employees, and we know the sales revenue as well. In addition, although not  
7 shown on this slide, whether they are a home-based business as well. And  
8 that information becomes relevant to our analysis, and we're able to identify  
9 whether it's a business or a home-based business. That's an overview of  
10 what we did.

11 Let's take a look at the GIS, and we'll take a quick look at some  
12 of the data. Let's start with the base map information, we talked about the  
13 counties, and in red is shown the location of the fiber optic network. We  
14 added to that our census data. The census data is broken down, and each dot  
15 you see here on the map represents 20 households. As you zoom in closer to  
16 a particular area, businesses come on as well, and we're able to identify  
17 individual business locations. We can look here, and in this case we can see  
18 a farm in Scottsburg, and you can see from the information here the number  
19 of employees, how many sales they had, and whether it's a home-based  
20 business or not, and some of the information specific about that business.

21 Then we'll take a look at another business here, which I'll pick  
22 at random. This is a good example of the power of the database, because  
23 you can see here I put in a question which is delivered to the database, and  
24 it's looking to find that, and has found some results. Then we can actually  
25 zoom directly to that location. Then we can throw on the photography and

1 take a look at the quality of that location and understand a little bit about the  
2 actual terrain in the area that we're interested in. For instance, if we wanted  
3 to connect directly to this, we could do some preliminary engineering  
4 analysis, and we could see where the fiber is right now, relative to the target  
5 location. If we wanted to actually map out, if you were going to run fiber to  
6 the business, we'd be able to see you come up the road here and come down  
7 this way and hook up some of these folks right here.

8 I now want to talk about some of the tower locations, as well. I  
9 indicated earlier we mapped the locations of all the towers within the subject  
10 area. We were able then to compare that information with the other data that  
11 we created. And this is Lawrenceville. We selected a tower that was central  
12 to Lawrenceville. This green dotted circle represents that six-mile buffer  
13 around the tower that we selected, and we can take a closer look at it here.  
14 This is quite helpful in convincing you of the actual location, you can see the  
15 shadow cast by the tower in this photograph and convince yourself of that  
16 actual location. This is one we actually picked up off of the photography,  
17 and we don't have quite as much information about that particular tower as  
18 we do some of the others. This is a building with a rooftop communication  
19 tower, and you can see a sample from the database about what we know  
20 about that location, that's the contact information about it, the address of it,  
21 and here is some of our analysis data in terms of feet to the fiber, number of  
22 businesses within six miles of it. This is the actual business data, and we can  
23 figure out who these people are and what they're doing and where they're  
24 located if you want to reach out and touch them. This is the address  
25 information, as well as the position and where they are located.

1           Back to the analysis for Lawrenceville. With this information  
2 we're able to determine that with this particular six-mile buffer assumption  
3 we're able to, if we were to connect to this particular tower we selected, we'd  
4 be able to encompass the entire town and deliver wireless service within six  
5 miles.

6           The last thing I wanted to show is kind of the big picture. One  
7 of the questions that was asked initially was what kind of coverage do we  
8 have if we were just going to hook up to the existing towers, and where we  
9 have gaps. So we're able to perform that analysis very easily to identify the  
10 hatched areas that are outside of our six-mile radius. We're able to quantify  
11 that in terms of how many businesses do we have, where are we not able to  
12 with the six mile assumption using the existing towers, where are we not  
13 currently able to deliver service to people, and actually how we get coverage  
14 in those areas. That's pretty much it. I was going to take a quick look.

15                         DELEGATE HOGAN: Go back to that picture  
16 you just came from. Can you figure out where you are in terms of the  
17 wireless products we use? In terms of the topography, how is that created,  
18 or how does that affect it?

19                         MR. LEES: The topography is not a factor in  
20 creating this map. This is a straight-line 2D model assuming a uniform six-  
21 mile radius around the tower. If we're looking to hook up these individual  
22 towers, we want to know more about the elevation, we need to know about  
23 the physical features, what height do we set the antenna, what the technology  
24 is that we're going to use to deliver wireless connectivity, because each  
25 technology has its own effective radius and that sort of thing. This is a

1 global overview, and with the assumption that six miles is the effective  
2 distance. There are some technologies out there that set it at eight, so we're a  
3 little conservative on that.

4 DELEGATE HOGAN: Some of them are less?

5 MR. LEES: Yes.

6 DELEGATE HOGAN: Did you make a pass as to  
7 how many households are in these hatched areas, versus how many are not?  
8 If we were going to, how close are they, or how close are we?

9 MR. LEES: That's a good question. Within six  
10 miles we have a total of 559 towers in our database. Within six miles of  
11 those 559 towers there are 244,000 households out of 260,000, which is  
12 about 94 percent of the households in the area we're able to cover. In terms  
13 of businesses, we have nearly 97 percent coverage of the businesses within  
14 our area. When you compare that with just the geographic coverage, we're  
15 down to 84. So you can see we're really getting the towers, as you might  
16 assume, our position relative to the population.

17 MR. NOYES: Craig, On Friday when we did this,  
18 you were able to, in Patrick County and in the Town of Stuart the tower  
19 locations indicate from that tower location the percentage of households and  
20 the percentage of businesses in the county?

21 MR. LEES: Yes.

22 MR. NOYES: Did you do that for each of the five  
23 sites at present?

24 MR. LEES: Yes, that already had been  
25 accomplished. I've got a handout for you, and I've got this spreadsheet here,

1 where we did pick an individual tower for each of the five pilot study areas  
2 and we performed that analysis. Looking at your example of Patrick, and  
3 the one we picked is right off of fiber. We did a little analysis here to  
4 determine how many towers are there within the six-mile radius. That gives  
5 you an idea of the competitive nature. Are you in an area where there are a  
6 lot of other towers? You can understand a little bit about where there is  
7 more tower coverage, other than the one we selected. In this instance there  
8 are eleven towers that we identified in the county, and four of them are  
9 within six miles of the tower we selected. In terms of households, we were  
10 able to look at the percentage of coverage. We've got 35 percent with a  
11 single tower, 35 percent of the households in Patrick Henry covered, 36  
12 percent of the businesses covered, but we're only covering 23 percent of the  
13 actual total geography. I've got an individual map that tells us just that, and  
14 allows you to compare each one of these towers with another.

15 DELEGATE HOGAN: William, we're looking at  
16 some cool pictures, and I know you can't see them. Do you have any use for  
17 this information in Southwest Virginia that you're aware that you want to ask  
18 him?

19 SENATOR WAMPLER: I was getting ready to  
20 say this sounds exactly like the Long Range Plan that the sub-committee was  
21 going to focus on as it relates to, to make sure we have 85 percent of the  
22 population covered at DSL speed or higher. I was about ready to interrupt  
23 and say that sounds like it would be very helpful to the people and also for  
24 the business people, very much so.

25 DELEGATE HOGAN: It's easy enough to get that

1 done; I think Neal has authority to do that himself. We can certainly ask him  
2 to do that.

3 MR. LEES: The point here is that you can look at  
4 the overall statistics, and we're still in Patrick County, the tower we've been  
5 discussing and selected highlighted in green. If you compare the number of  
6 households and the number of businesses within six miles of the tower and  
7 compare that with the other towers within Patrick County, these are statistics  
8 that help you make that business decision. You can look here and say this is  
9 the one that has the best bang for your buck in terms of the number of  
10 businesses that we can touch, the number of households we can reach, help  
11 make that decision in terms of do we select this tower or that tower.

12 DELEGATE HOGAN: The last time I was in  
13 Patrick County I remember it was pretty hilly, and I want to be clear on this.  
14 To the extent you have not considered the topography as part of this  
15 mapping, I wouldn't want anybody to walk out of here and say within six  
16 miles of the tower radius everybody is going to have DSL or better, because  
17 unless there is some technology out there that I'm not aware of, that's not  
18 exactly true.

19 Can you speak to that quickly and say where you think we are  
20 with this technology, where are we in the technology curve and what's going  
21 to be the differential or the difference between sort of a flat plain and blue  
22 sky, what we're talking about here?

23 MR. SHAW: My name is Kelly Shaw. Right  
24 now, for example, we offer wireless service in a lot of this area, and more  
25 specifically in the Brookneal market. The Tobacco Commission already had

1 grant money extended, and we already have wireless services in Brookneal,  
2 and we're on one of probably the tallest locations you could pick, and that is  
3 a water tower. We're looking at a two to three-mile radius, at the most, and  
4 there are people within a mile and a half and can't get it. They can't get it  
5 because they're at the bottom of a hill. It has a big impact on the coverage  
6 area. On the other hand, we have a customer out in Clover, and they're nine  
7 miles away, and they can get our service from the Clover water tower. It's  
8 line of sight, but they can actually have a tower at their facility. You need to  
9 keep that in mind when you're looking at these two-dimensional data  
10 representations. As soon as you have tree cover get in your way or a hill,  
11 you're looking at problems.

12 I'll be glad to answer any other questions.

13 MR. LEES: That's a valuable point to make. This  
14 is a preliminary blue sky view of how to go about doing that. As I explained  
15 earlier, we do have this elevation information, so we're in a good position to  
16 understand what the topography is in the area. We can bring that  
17 information into the analysis. I'm not standing up here pretending to be the  
18 expert on wireless connectivity, and I don't fully understand all the  
19 alternatives and the pros and cons. The point here is that we've made some  
20 basic assumptions, and we can certainly re-perform the analysis, now that  
21 you have the database compiled. If you want to do what-if scenarios, three  
22 miles, two miles, one mile or ten miles, that's not a problem to do, because  
23 you have the computer, the computer can aid you in this analysis with  
24 relative ease. You're looking here at all these different communication  
25 towers. We can take this into a 3-D view, and this shows Halifax.

1 DELEGATE HOGAN: Does anyone have any  
2 questions about this real quick? We do appreciate you coming today, and  
3 we look forward to being able to use this information; maybe it will help  
4 solve some of our problems.

5 MR. LEES: Thank you for the opportunity to  
6 speak to you today.

7 DELEGATE HOGAN: All right, let's go on with  
8 our Agenda.

9 MR. NOYES: The Committee this afternoon is  
10 going to be asked to consider three applications. Those applications are  
11 from Bristol Virginia Utilities, \$202,300, from Lenowisco \$114,000.

12 SENATOR WAMPLER: I'm having a hard time  
13 hearing you.

14 DELEGATE HOGAN: We're talking about these  
15 three applications, William. Why don't you start over?

16 MR. NOYES: We have three applications to be  
17 considered by the Committee this afternoon. Two of them are from  
18 Southwest Virginia; those are Bristol Virginia Utilities asking for \$202,300,  
19 and Lenowisco requesting \$114,000. All the Committee members have  
20 Staff recommendations. The Southwest applications are consistent with  
21 previous activities supported by this Committee and by the full Commission.  
22 They involve fiber to specific locations.

23 Are there any questions about these two?

24 DELEGATE HOGAN: I want to be clear, and this  
25 question is for Neal or William. From looking at these, it looks to me like

1 these are housekeeping matters from a previous grant; is that a fair  
2 representation with what we're dealing with here?

3 SENATOR WAMPLER: On this particular issue,  
4 this is consistent with the strategy we have developed.

5 DELEGATE WRIGHT: The only question I have  
6 would be for Frank. On the Lenowisco project, are you satisfied with the  
7 Staff comment concerning the thing with the private partner? The final  
8 sentence here indicates, with that condition, Staff recommends full award. If  
9 you're satisfied, I'm all right.

10 MR. FERGUSON: Likewise, I agreed with the  
11 condition, and I understand that's a condition that everyone is comfortable  
12 with, I am, too.

13 DELEGATE WRIGHT: Thank you, that's the  
14 only question I had.

15 MR. NOYES: Continuing on, the Mid-Atlantic  
16 Broadband Cooperative application is requesting \$1,000,000 to go forward  
17 with the five pilot sites. The way that application is set up, Mid-Atlantic has  
18 tentatively allocated about \$200,000 for each site. We don't know precisely  
19 what the cost is going to be, but they will approach this using RFP's. If it's  
20 less than the full amount of \$1,000,000 that is used through that RFP  
21 process, Mid-Atlantic proposes to establish an incentive pool. That  
22 incentive pool would be available for the private sector, for private sector  
23 providers to purchase electronics to hang on these towers. MBC would not  
24 own the electronics. There are provisions, which have not been fully  
25 detailed to Staff yet, that there can be some forgiveness of some portion of

1 MBC's incentive, based on the performance of that provider. We can't give  
2 you specific figures, because we simply don't know at this point what the  
3 numbers are going to be in each of the five locations, but Staff will work  
4 with Mid-Atlantic Broadband and report back to the Committee on the  
5 structure of the incentive program after MBC's Board has an opportunity to  
6 develop it.

7 DELEGATE HOGAN: Tad, have you been over  
8 this program with your members who would be potentially involved with it,  
9 and can you share with us their comments or thoughts?

10 MR. DERISO: All right.

11 DELEGATE HOGAN: I want to make sure this is,  
12 from their perspective and the people that are going to use this resource to  
13 reach customers, this is going to help in accomplishing, in their view, what  
14 we're trying to accomplish. Have you had any conversations about this with  
15 your members?

16 MR. DERISO: That's correct, we've talked to  
17 Kelly, as well as a lot of other members involved in wireless. I think the  
18 consensus we got from our members is that they do need some type of  
19 assistance incentive to go into areas that they are not doing today. A lot of  
20 the conversations came back with, if we could just get better towers, cheaper  
21 tower space, or if we could get capital to help us buy these electronics,  
22 afford these types of technologies, we'd be willing to invest our money into  
23 these areas and serve new customers and businesses. I think it's really  
24 important to have an incentive part of that where the private sector does  
25 provide some of the funds. My concern was that if we gave a company

1 200,000 to deploy the wireless network in a town, that would then, what's  
2 the incentive for the private sector to make sure it works good.

3 We're trying to find where vendors from all areas come in, and  
4 some vendors could come in and get a big check and do a project and then  
5 leave, and the owner is left dealing with the issues after that. By having the  
6 private sector put in their own money, I think this helps the MBC members  
7 who are involved in our local communities and are here to stay and want to  
8 do the right thing to accomplish this. The answer to the question is, yes, we  
9 have talked to them, and they do agree that some type of an incentive  
10 program, capital that would assist them, would be of benefit.

11 DELEGATE WRIGHT: I have one question. On  
12 an earlier slide it showed a percentage of businesses and households that  
13 would be covered under a system that currently identifies the towers. Have  
14 you done any business study to see what current coverage those businesses  
15 and homes have and what the market would be for your product when it's  
16 available? What they're currently using is DSL, or how does that compare  
17 with the offer.

18 MR. DERISO: Sure, we haven't done any in-depth  
19 market studies, but I can give you a couple of analogies. In the Town of  
20 Appomattox it is served by Verizon. There is no DSL there today. We tried  
21 to find a cable company, and there's no cable modem coverage today. In the  
22 Town of Appomattox there is no Broadband, you can get a T1 and get those  
23 types of technology, but it would cost a lot, and it doesn't make sense for a  
24 small business, or people like that. In that situation there is probably going  
25 to be a huge demand in Appomattox for those types of services. In the

1 Town of Lawrenceville, Verizon currently offers a product called DSL  
2 Light, and I believe it's \$17.95 per month. It's not quite as fast as the T1  
3 speeds, but it's smaller than that.

4 Our members in the area, wireless companies, they serve the  
5 Route 58 corridor where DSL does not exist. The Town of Lawrenceville  
6 elected not to serve it because of the price of that particular technology. If  
7 they could find a tower and be able to offer that wireless service at speeds  
8 much faster than what is there today, there's guaranteed to be updated  
9 interest from the businesses in that area to get that service. It's all over the  
10 map, as far as what's available and who is willing to pay for what.

11 At the end of the day, this technology or this last mile pilot  
12 project will enable you as a Committee to see what will work and what does  
13 not and how the different providers, and what their business model is to sell  
14 more services to the business community.

15 DELEGATE HOGAN: Thank you. Are there any  
16 more questions about these proposals at this point?

17 Briefly, do we have any public comments from anyone that  
18 wants to say something before we take a motion on this?

19 Then I'll ask for a motion, if I can get one to approve these  
20 motions in a block for recommendations to the full Commission?

21 MR. ARTHUR: So moved, Mr. Chairman, with  
22 the stipulation as stipulated in Number 2.

23 DELEGATE HOGAN: Any discussion? All in  
24 favor, aye? (Ayes.) All opposed, like sign? (No response.) All right.  
25 That's taken care of.

1 I want to thank Mr. Ferguson for joining us from the Attorney  
2 General's Office; always a pleasure to see you, Frank.

3 MR. FERGUSON: Thank you.

4 DELEGATE HOGAN: Tim has something he  
5 wants to share with us.

6 MR. PFOHL: Neal asked me to give you a quick  
7 update on something that came to our attention in the last couple of days.  
8 Our colleagues at the Virginia Department of Housing and Community  
9 Development have a program that they designed that they published, and  
10 they're taking comments through October 25th, what they're calling the  
11 Virginia Rural Broadband Planning Initiative. This is money provided by  
12 the General Assembly. They're going to carve out \$375,000 and make it  
13 available from November through the end of the fiscal year, June 30, 2007.  
14 That would be to assist in accepting the last-mile feasibility in rural areas.  
15 Specifically, they're looking for areas that don't have at least two providers  
16 and provide at least three-meg service and will upload and download for less  
17 than \$100 a month. They're looking for a specific service need. The eligible  
18 applicants would have to be localities or cooperatives or non-profits that  
19 have the endorsement and support of their local government. They're going  
20 to provide up to \$75,000 of planning grant money. This will be done in two  
21 phases. The first phase will be \$25,000 to assess the need and opportunities  
22 for Broadband, and then if the need case is made, then you would come back  
23 and ask DHCD for another 50,000 to do a business plan and look at funding  
24 strategies to complete the application, and so forth.

25 This is built on DHCD's experience doing these kinds of studies

1 over the last two or three years through the Appalachian Regional  
2 Commission funding they administer in Southwest Virginia and Southside  
3 through the Community Development Block Grant Program. They worked  
4 with Blackstone, Halifax, Lawrenceville, South Hill, and some other  
5 communities, as Ms. French knows well.

6           The Staff will notify communities in the tobacco region when  
7 this funding is available through next June 30th. This will be a great  
8 resource for folks that are not involved with the last mile demonstrations,  
9 and they can start to get their planning studies under way. This gives them  
10 an opportunity to have a good game plan when it's time for them to take the  
11 last-mile approach. This is something that is a stakeholder-driven process  
12 through existing providers and citizens. Specifically looking for business  
13 and professional users of these types of services, and they're going to work  
14 closely with VECTEC, which we understand is getting closer to setting up  
15 operations in South Boston at the Higher Ed Center. As soon as that  
16 expansion is completed there, and also work very closely with CIT and Mid-  
17 Atlantic Broadband to take advantage of the backbone. We wanted to let  
18 folks know about the availability of that. The Staff will get some e-mail  
19 notification out to the communities in our service area. Hopefully, that will  
20 be a good resource for some of the other communities that are not among  
21 these five to continue to move down that road.

22                           DELEGATE HOGAN: Thank you, Tim.

23                           SENATOR WAMPLER: I would encourage the  
24 Staff to work very closely with the planning district commissions. This  
25 information and what this program can mean can really help the small

1 communities. Our planning district commissions can benefit greatly from  
2 any assistance from the Staff, so I'd encourage that.

3 DELEGATE HOGAN: I would add, in terms of  
4 answering the question that Delegate Wright asked Tad about, who's not  
5 getting help and this is supposed to help, it sounds to me like these people  
6 are trying to figure this out. I would suggest that we try to work with them  
7 on these five pilot projects and develop answers to the question that Tommy  
8 asked. I would certainly like to know that answer. It sounds to me that's  
9 what they're trying to figure out here.

10 MR. PFOHL: I assume this information is posted  
11 on DHCD's website. If anyone wants to contact our Staff, we can provide  
12 that program design, as well.

13 DELEGATE HOGAN: Is there any other public  
14 comment? I guess there is not.

15 Any new business to come before this Committee?

16 DELEGATE WRIGHT: I move we adjourn.

17 DELEGATE HOGAN: All in favor, aye? (Ayes.)

18

19

20 PROCEEDINGS CONCLUDED.

21

22 CERTIFICATE OF THE COURT REPORTER

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25 I, Medford W. Howard, Registered Professional

1 Reporter and Notary Public for the State of Virginia at large, do hereby  
2 certify that I was the court reporter who took down and transcribed the  
3 proceedings of the **Virginia Tobacco Indemnification and Community**  
4 **Revitalization Commission Technology Committee Meeting when held**  
5 **on Thursday, October 12, 2006 at 1:00 p.m. in the Riverstone**  
6 **Technology Building, South Boston, Virginia.**

7 I further certify this is a true and accurate transcript  
8 to the best of my ability to hear and understand the proceedings.

9 Given under my hand this \_\_\_\_ day of October,  
10 2006.

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Medford W. Howard  
Registered Professional Reporter  
Notary Public for the State of Virginia at Large

My Commission Expires: October 31, 2010.