

Cooperation among Cooperatives: The Best Approach for Broadband in Minnesota

Hosted by Blandin Foundation, Calix, Co-Bank & Great River Energy

July 19, 2016
10:00 am – 2:30 pm
Great River Energy, Maple Grove, Minnesota

Sound Bytes
Interconnect
Integration

Agenda

- 9:30** **Gather / Coffee**
- 10:00** **Welcome**
Tom Lambrecht, Great River Energy
- 10:10** **Setting the Stage**
Bernadine Joselyn, Blandin Foundation
- 10:30** **The Opportunity**
Jonathan Chambers, Conexon
· Introduced by Dave Russell, Calix
- 11:30** **Harvesting ROI from Broadband Investments**
· GRE Data Center and Economic Development Initiatives; Tom Lambrecht, GRE
· Community Strategies and Benefits; Bill Coleman, Community Technology Advisors
- 12:00** **Lunch**
- 12:45** **Partnership Examples**
· Rock County (via video); Kyle Odre, Rock County and Ross Petrick, Alliance Communications
· RS Fiber Cooperative; Jake Rieke, RS Fiber Cooperative and Phil Keithahn,
· Arrowhead Electric & CTC; Jenny Kartes, Arrowhead Electric and Joe Buttweiler, CTC
- 1:30** **Funding Tools**
· MN DEED Office of Broadband Development; Danna MacKenzie, DEED
· Local government funding options; Shannon Sweeney, David Drown and Associates
· Co-Bank; Cliff Bolstad, Co-Bank
- 2:15** **Closing Remarks**
Bernadine Joselyn, Blandin Foundation
- 2:30** **Adjourn**

ARROWHEAD & CTC BROADBAND PARTNERSHIP



Arrowhead/Cook County Statistics

- 4000 Arrowhead accounts + 1200 Municipal accounts in Cook County = approximately 8/mile of line
- 12 employees = 4 linemen, 1 ROW, 6 inside staff
- 45% residential, 45% seasonal, 10% small commercial
- Line = 70% overhead & 30% underground

Broadband Interest & Initiation

- Most underserved county in Minnesota at time of application.
- DSL available in municipal area, satellite, some mobile (cell) and dial up elsewhere
- County and local leaders instrumental in the project getting momentum
- Applied for round two ARRA RUS BIP financing.
- Funding: \$ 4.8 Million RUS Loan
\$ 11.3 Million RUS Grant
\$ 4.0 Million County Grant
\$ 20.1 Million Total Funding

24% LOAN

76% GRANT



CTC Partnership

- Significantly decreased capital expenses
- No phone switch
- Leveraged existing CTC electronics to provide internet
- Integration of existing CTC systems
- Experience – Arrowhead wanted a partner with scale and diverse resources - preferably a coop.
 - Don't reinvent the wheel. CTC has done this for over 60 years
 - Ongoing existing expertise from technical support to industry oversight
 - As needed on call assistance vs difficulty of hiring/retaining experienced employees
 - "Skin-in-the-game" sales/marketing
 - Education and mentoring on industry differences/nuances
 - Tailor the quantity of help/oversight to our preferences overtime
 - Existing vendor/partner relationships
- Keeping the appearance in-house
 - Ability to retain billing and tier 1 customer and support services
 - "Share" the customer
 - Local attentive customer service for the subscriber
- TRUST

Business as Usual

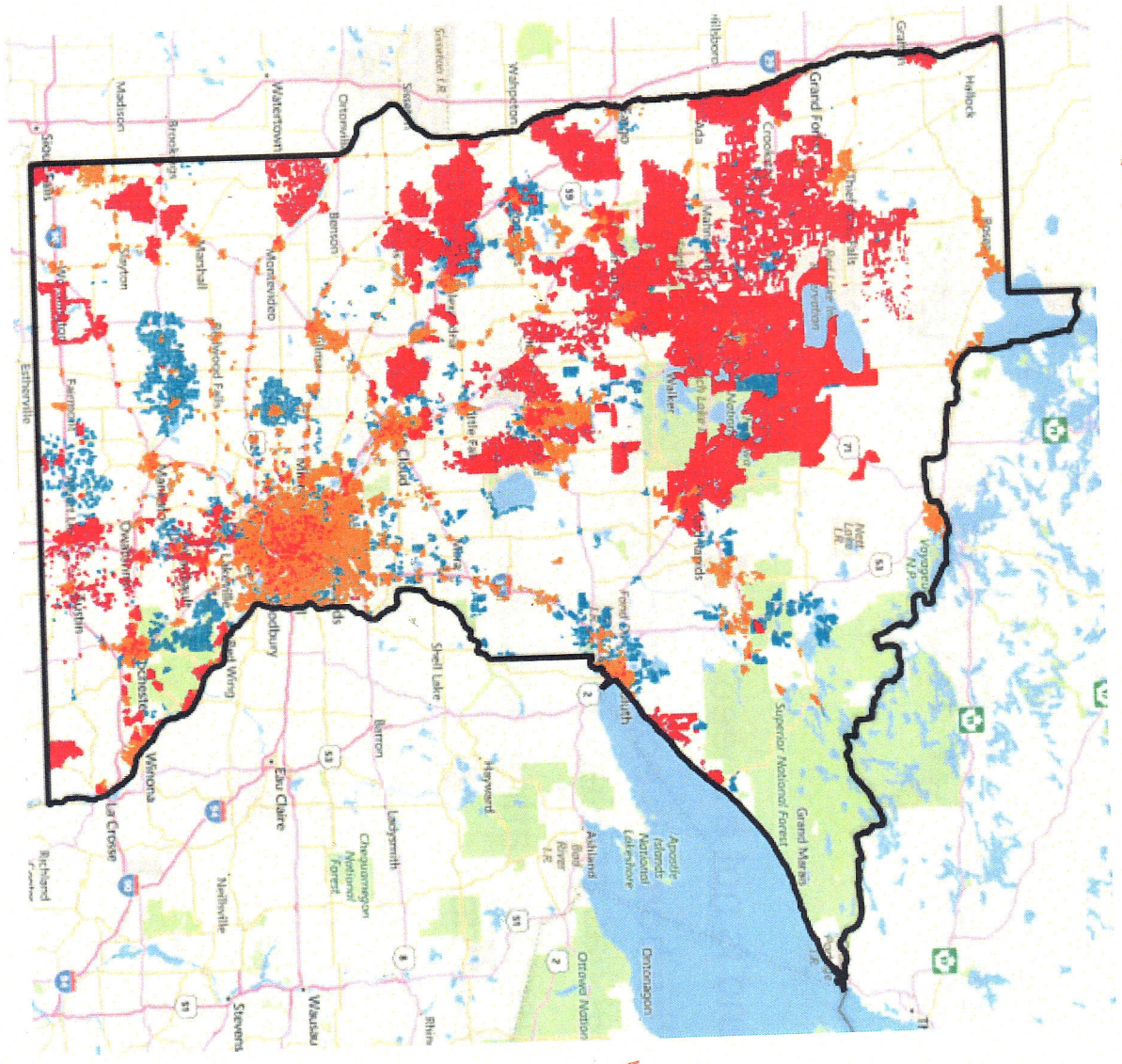
- Unexpected benefits
 - Cell and radio tower and point-to-point circuits
 - AMI communication backhaul
 - Growing service lines (HPBX, Managed Wifi)
 - Local Economic Benefits



Five Tenets of Rural Broadband

- Broadband is not a speed.
- Fiber-to-the-home is economically feasible to deploy to every rural home that has an electric line.
- Government operating subsidies in rural areas are unnecessary and should be ended.
- Statewide broadband cooperatives should form the basis of partnerships among like-minded entities.
- The time to start is now.

MN Broadband Map (FCC)



red is fiber