

## Public Notice Submission

**Provider Name:** Molalla Communications Company

**Summary:** Please accept our letter as official request from Molalla Telephone Company dba Molalla Communications Company (MCC) imploring the Governor's Office to withhold support from the application project titled, Clackamas Broadband Innovation Initiative (CBII). We believe it would be a grave error for the Governor's Office to support this application and hope after reading our opposition hope you find the same. DUPLICATION OF SERVICES ON ALL 180 MILE ROUTE CBII APPLICATION

As Governor Kulongoski's round 1 project summary mentions, specific cons of the CBII include "significant overlay of existing ILEC network, proposal [...] lacks market analysis and supporting documentation on the need for this middle mile infrastructure." It does not appear Clackamas County took these disadvantages as applicable critique in their round 2 application. As underserved and unserved areas continue to be a focus and priority of round 2 applications; allow me to please remind the recommendation committee that the map covering the 180 miles of proposed CBII does not in any way meet these definitions. In fact, to the contrary 100% of the area has facilities. The CBII continues to lack documentation supporting their claims as well as detail of proposed plans. The executive summary states their project will "enable providers from within the county and beyond to access a previously unreachable customer base." This is not correct. In fact multiple middle-mile structures have been and continue to be in place offering redundancy. Just some of those private industry providers include 360 Networks, LSN, Integra, Comcast, Qwest and WIN. While they did not file comments, Western Independent Networks, Inc. (WIN) provides middle-mile broadband transport through the majority of the Southern part of Clackamas County. Additionally, it should be noted that WIN has also submitted a BTOP round 2 application and its proposal is for an 80 Gigabit backbone compared to the County's proposed 10 Gigabit network. Let's point out the obvious, in essence if Clackamas County and WIN are both approved, the committee will have taken away BTOP dollars from areas that are truly underserved/unserved and provide quadruple (let alone quintuple coverage) including the current ILEC's in our area. This is wasteful spending and not a good business model, political plan or use of tax dollars/stimulus funding. IT IS NOT CLACKAMAS COUNTY'S DUTY TO BECOME A COMPETITOR TO PRIVATE INDUSTRY

It is claimed in the executive summary the CBII will gain conservatively 20,000 subscribers. If 20,000 indirect subscribers are in fact gained, they will have been cannibalized from current private providers, which in turn will have the effect of losing private sector jobs. Not to mention the CBII will continue to "piecemeal" (as they allege of the current providers) attempted middle mile services in conjunction with current providers to arrive at the last-mile. This attempted solution is not a solution at all. This will not go away. This will pit the County against competitive service providers. This will hurt private industry in an industry where the service is already being provided. In essence, this project does not expand subscriber count. We challenge the sustainability of the CBII. The summary states "over 120 direct and

indirect jobs will be created". This will not be as impactful as stated. The Council for Economic Advisors developed a formula to help estimate the impact of government spending to create jobs . In short for every \$92,000 of stimulus spent this translates to one year job at prevailing wage. Based upon the application for \$7,804,181 this does not translate to 120 working Oregonians. Regardless of the methodology used, of those roughly 80 people potentially working on this project, many if not all will be displaced following completion. These temporary lower wage workers will not be sustainably employed, as opportunities within private industry will allow. PROJECT SUSTAINABILITY

Further issues include the lack of experience by the county's Technology Services unit, whom the CBII indicates will implement its plan. The Clackamas County job description\* for the Technology Services Manager makes no mention of telecommunications knowledge or other key technical, facilities or engineering skills or abilities relevant to the magnitude or scope of such project. In fact, the job description describes a call center and network administrator level supervisor who manages statistics, policies, people and training needs. As an example, MCC's job description for its key personnel implementing a fiber optic project of this size includes a minimum of combined experience and education including a degree in information systems, communication systems or information technology. Other ksa's required include "In depth knowledge of FTTP, DSL, telephony, switching, fiber optic and copper cable plant construction and engineering required. Comprehensive understanding of the organization and external connections, end user requirements of subscribers outside the organization. Extensive knowledge and experience in the telecom industry." Long story short, The County of Clackamas does not hold the rigorous standards employing the right personnel for the size of project they are requesting taxpayer money to fund. We also understand that CBII will utilize aerial, rather than buried, fiber construction. In addition to being contrary to best practices in fiber deployment, this significantly increases on-going operating and maintenance expenses. The CBII map includes hanging fiber in some heavily forested areas. Damage from trees falling on the fiber will be difficult to repair. Fiber cannot be "spliced" with a contact connection like copper. The fiber must be fused utilizing special equipment and techniques, a contact splice will not work. Splicing in fiber creates light loss. For instance, if trees fall on the line (which is a regular occurrence in this area), then multiple splices will have to be made. This will produce loss on fiber, which over long distances, degrade the signal and in turn interfere with the service provided to the end customer. In summary, this is the area of expertise of service providers. The county's inexperience in communication infrastructure will be detrimental to the proposed network and any institutions they come to serve. We have decades working in the telecommunications industry studying the trends and communication needs of our customers. We know precisely what to charge our customers and how our services compare to other competitive providers. Clackamas County does not. THE ANCHOR INSTITUTION

The CBII summary states the project has "received full support from all of the anchor institutions [...] in the county." The word "all" is a dangerous adjective to use. It implies (or states) every-single-one. More concerning, the statement is simply untrue. I know they do not have the proclaimed support from either the anchor institutions or government facilities in our area. Later in the CBII it states "other anchor institutions [...] contributed their own cost to fund the network gear required." A list of

institution supporters of CBII has failed to be included in their executive summary. In fact, no one single anchor institution is named.

The CBII will not be able to serve all anchor institutions as claimed. The project does not pass by “all” anchor institutions, thus requiring anchor institutions that are left out to provide their own connectivity to reach CBII’s (duplicative) fiber network. As a middle-mile project, the CBII is applying to build a route around and not to these facilities. Thus creating additional expense for all, but specifically budget limited small rural anchors, such as fire stations or libraries. In order to obtain funding these city, county, and municipal organizations will have to pay to connect to the CBII network. I would challenge the CBII to present a list of the anchor institutions claimed to have professed full support; as well as a list of what equipment will be needed and who will pay for it. Many references are made to the Clackamas Educational Services District (ESD) in the CBII. Clackamas County, a taxpayer funded entity, if approved will receive stimulus money, and then tax dollars will further fund the electronics to the ESD. This does not make sense. In short, once again tax dollars will be needed to provide the anchor institution access to the middle mile route provided by stimulus funding, let alone necessary funding in order to connect to whatever last-mile connectivity may be available. Molalla, Colton, Canby, Beavercreek... these are communities. The definition of community is a social group whose members share government, and often have a common cultural and historical heritage. We charge this application is not about the County and the communities within it. Rather, it is simply about the ESD and SandyNet providing service to themselves. In closing we’d like to remind you of the letter dated September 30, 2009 signed by the six rural incumbent local exchange carriers in Clackamas County averaging more than 100 years of service to the County and its residents, and the subsequent round 2 opposition letter signed by the four incumbent service providers in Clackamas County dated April 23, 2010 all stating much of the same. Once again, please allow me to repeat the message: 100% of the CBII proposed funded area would overlap those companies’ service areas already containing middle-mile broadband facilities.