

Lisa M. Hanscom

Personal Experience

Congressman Golden, Congressman Stauber, and Committee Members:

My name is Lisa M. Hanscom. I would like to extend my thanks to all of you for this opportunity to speak to you and to share both my and my community's challenges to "raise the tide" not only for our businesses but for all who interact with those businesses. I come to you wearing 3 separate hats; I'm a farmer, a businesswoman, and a Selectman.

I am a owner and manager of a family-run blueberry farm. We are in the midst of our harvest – the most frantic time of the year -- nevertheless I felt the need to take this time to come and speak to you on this very important topic. I also run a pair of Air B & B rentals located at the farm. I use the inadequate internet to advertise our blueberry products, interact with buyers and with rental customers.

Our home internet is limited in both up & download speeds, generally less than 7/1 Mbps. I am unable to increase the quality and quantity of my businesses specifically because of the poor internet speeds.

I am also First Selectman in Roque Bluffs. I am well acquainted with the struggles of my residents to access good, reliable internet service. Our community has recently come together to bring broadband to our entire town in locations where our overall internet quality at present is poor or even inaccessible.

Roque Bluffs is a small community of 300 people. We are 10 miles distant from where we sit today – literally at the end of the road. You must choose to drive to Roque Bluffs to get there; we are not on anyone's route. Consequently, most broadband companies are not interested in serving us. Indeed, I have had companies, when I have contacted them in hopes of better service, terminate my call because they did not want to offer me service once they knew of my location. When my internet service has slowed, as it inevitably does at night, I have lost connections with my Air B&B customers. This happens on a regular basis. Have I lost those customers? I don't know. But clearly this quality of communication is not conducive to positive business interactions.

There are many more of me – farmers, fisherman, lobster sellers -- who either are paying exorbitant prices for better connectivity or are struggling to make this inadequate technology work for them.

In Roque Bluffs, we had residents who planned to run their businesses out of their homes but who sold those homes because their internet service was so slow.

In Roque Bluffs, we have home-bound, elderly patients who cannot connect over the internet in order to interact with their doctor or nurse.

In Roque Bluffs, we have elementary, high school, and college students who (or their parents) must drive into Machias to accomplish their online homework. We have older continuing education students who cannot complete their online exams because of the inconsistency of their internet connectivity.

Feedback on Existing Programs

Small rural communities are typically small in population but large in geographical area. For them, the last mile problem is that a lot of infrastructure needs to be built to adequately serve a small number of customers. This generally means a poor expected return on infrastructure investment. Once the infrastructure exists, the economics of managing that infrastructure and providing service to customers becomes more attractive.

The town of Roque Bluffs, like many small towns in Washington County, is currently served, where it is served at all, by a patchwork of inadequate infrastructure. Service is typically slow (much less than 10 Mbps) and unreliable; it relies on modest upgrades to outdated technologies. No commercial provider has been willing to make the capital investment necessary to provide modern broadband service throughout the town.

Recognizing this, the town of Roque Bluffs recently took matters into its own hands, working in partnership with Axiom Technologies of Machias and the Island Institute of Rockland. In May, the town passed warrant articles authorizing the installation of a fiber optic network reaching every residence in town. The town will thus make the infrastructure investment the private sector has been unwilling to make. It will own the infrastructure and will hire Axiom Technologies to light up the fiber and manage the system under contract.

The town voted to fund this investment in its future with tax revenues if necessary, but it also submitted a proposal to the USDA ReConnect pilot program to fund a portion of its construction. The ReConnect program is specifically intended to address the problem of capital investment in rural communities, and provides for a number of funding models using a combination of guaranteed low-interest loans and outright grants.

While Roque Bluffs greatly appreciates the opportunity the ReConnect program provides, the grant application process itself was clearly not designed with a small, rural community in mind. Installing a broadband system is a complex endeavor. A business model must be developed, and engineering cost and feasibility studies must be performed. Various state and federal agencies must be consulted for approvals. All of this takes considerable time, money, and expertise. The fundamental problem with the ReConnect program is that a project must be taken to a "shovel-ready" state before making an application. For a small, rural town run by a part-time board of selectmen, that kind of time, money, and expertise required to complete such a complex proposal process is in short supply.

Roque Bluffs was fortunate in receiving financial and advisory support from the Island Institute to develop our plan. It was fortunate in finding an ISP in nearby Machias which specializes in working with underserved communities. It was fortunate in having residents with expertise in writing large, complex grant proposals. A effective federal grant program should not require such good fortune in its applicants simply to make it to the proposal stage.

While the ReConnect announcement of opportunity stressed its support for the kind of public-private partnership we assembled, the program clearly did not anticipate such an applicant. Much of the financial and business plan information requested was not applicable to a public entity supported by tax revenues. A detailed construction plan was required. A costly review by an independent consulting professional engineering firm was also required. The proposal then required detail at the individual utility pole level of that plan. While the system to be installed must provide at least 25 Mbps service, the grant will not fund construction where 10 Mbps service currently exists. Part of the problem with all internet service is that customers rarely receive the advertised speeds. As soon as the town voted to proceed, commercial providers began to install what they claimed was service upgraded to 10 Mbps, though in practice this seems not to be the case. The town, however, is now burdened by having to document this failure to provide advertised speeds, a difficult and technical double jeopardy.

There are, at the very least, many hundreds of rural communities lacking meaningful broadband availability in the US. Only 38 organizations managed to submit applications to the \$200M ReConnect program this year. The unnecessary complexity of that application process is clearly a major impediment to the effective implementation of the program.

Feedback on the Proposed Legislation

I am thrilled that Representative Golden and others have taken the time and made the effort to explore this issue more deeply. We thank you all for your attention and encouragement. And we do need that!

I believe that Representatives Golden and Stauber are making a good first step. However, in my opinion and because of my experiences, I would urge you to seriously consider the problem at the broader scale. During the Great Depression in the 1930s, Franklin Roosevelt proposed legislation to bring electricity to all rural communities across the country. In my community of Roque Bluffs, that connection was not completed until thirty years later in the 1960s.

Few businesses exist in isolation; they are integral parts of communities. Creating a business-friendly community means keeping young people from moving away, attracting new working-age residents, and creating an educated workforce. This requires broadband not only at work but at home for students and for employees and their families.

The "last mile" problem is not literally one mile, but many. Most small, rural communities lack a broadband network altogether. The problem is not the single mile down the driveway to the road, it is extending the network over many miles to provide service on the road itself. Once the network has been extended, providing service to all customers, not just small businesses, becomes economical.

It will cost \$1.3 million to build a fiber optic network throughout our town, about \$30,000 per existing small business. The same \$30,000 by itself would be very unlikely to enable a broadband connection to any one business in our town, while the network will make Roque Bluffs a far better place to do business.

The essence of the internet is that it is a network, and networks depend upon economies of scale. The paucity of commercial investment in rural broadband is caused by a lack of scale which cannot be effectively addressed by providing a handful of point-to-point connections. It must be addressed by providing the community as a whole with access to what has become a modern utility.

I hope that we will not have to wait 30 years to lift all of our boats, all of our communities, or to bring this real opportunity to all of those who dream to better themselves and their families. Thank you, again, for giving me the chance to speak on this critical issue and thank you for all the work that you have and will accomplish. God speed!