

Oregon Telecommunications Coordinating Council
Minutes
November 17, 2005

Attendees:

Council Members: John Irwin, Link Shadley, Pam Berrian, Agnes Box, Cathy Britain, Rob Myers, Ed Parker, Sal Sahme, Brant Wolf, Art Hill, Dan Erickson, Onno Husing, Doug Cooley, and Kim Hoffman.

Staff: Chris Tamarin of the Oregon Economic and Community Development Department

Others: Ginny Lang and Karen Stewart of Qwest, Nate Arbogast of Windwave Communications, and Rod Aust of the Willamette Education Service District.

Remote videoconference locations included Eugene, Klamath Falls, and Pendleton.

Reports, Discussions and Decisions:

Recognition

John Irwin indicated that, tonight, he and Cathy Britain will be presenting a certificate of appreciation to Bill Penhollow at the Association of Oregon Counties Annual Conference recognizing Bill's significant contributions to the Oregon Telecommunications Coordinating Council.

Council Seats

In this last meeting of the Council in 2005, John Irwin thanked all the Council members for their public service and encouraged them to submit their interest forms to the Governor's office for re-appointment to the Council in 2006 and to request that others interested in open seats submit their interest forms as soon as possible.

Internet Forest Project Report

Chris Tamarin noted that the content of the paper was discussed in detail in the October meeting and that additional input from Council members will be included in the next version. The most current version will be posted and available on the Council website at www.ortcc.org. Chris indicated that the Power Point presentation from the last ORTCC meeting is also posted on the Reports page. With the permission of the Council, the concept paper will be distributed to a wider audience as an ORTCC "draft for discussion" for legislative concept development. A progress report and feedback will be presented at the next Council meeting in 2006.

Federal Telecom Legislation and Net Neutrality

Ed Parker noted, again for the record, that the large incumbent service providers are good people acting in their own interests and in the interests of their share holders as they should to maintain and strengthen their market position, but that he doesn't agree with

their position on the issue of “network neutrality.” Ed reported that the US Congress held a hearing on November 8, 2005 on the new telecommunications bill. Vinton Cerf, one of the widely acknowledged “fathers of the Internet” was unable to testify in person and submitted the following written statement regarding the issue of network neutrality.

November 8, 2005

The Honorable Joe Barton
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John D. Dingell
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Barton and Ranking Member Dingell,

I appreciate the inquiries by your staff about my availability to appear before the Committee and to share Google’s views about draft telecommunications legislation and the issues related to “network neutrality.” These are matters of great importance to the Internet and Google welcomes the Committee’s hard work and attention. The hearing unfortunately conflicts with another obligation, and I am sorry I will not be able to attend. (Along with my colleague Robert Kahn, I am honored to be receiving the Presidential Medal of Freedom on Wednesday at the White House for our work in creating the Internet protocol TCP/IP.)

Despite my inability to participate in the planned hearing in person, I hope that you will accept some brief observations about this legislation.

The remarkable social impact and economic success of the Internet is in many ways directly attributable to the architectural characteristics that were part of its design. The Internet was designed with no gatekeepers over new content or services. The Internet is based on a layered, end-to-end model that allows people at each level of the network to innovate free of any central control.

By placing intelligence at the edges rather than control in the middle of the network, the Internet has created a platform for innovation. This has led to an explosion of offerings – from VOIP to 802.11x wi-fi to blogging – that might never have evolved had central control of the network been required by design.

My fear is that, as written, this bill would do great damage to the Internet as we know it. Enshrining a rule that broadly permits network operators to discriminate in favor of certain kinds of services and to potentially interfere with others would place broadband operators in control of online activity. Allowing broadband providers to segment their IP offerings and reserve huge amounts of bandwidth for their own services will not give consumers the broadband Internet our country and economy need. Many people will have little or no choice among broadband operators for the foreseeable future, implying that such operators will have the power to exercise a great deal of control over any applications placed on the network.

As we move to a broadband environment and eliminate century-old non-discrimination requirements, a lightweight but enforceable neutrality rule is needed to ensure that the Internet continues to thrive. Telephone companies cannot tell consumers who they can call; network operators should not dictate what people can do online.

I am confident that we can build a broadband system that allows users to decide what websites they want to see and what applications they want to use – and that also guarantees high quality service and network security. That network model has and can continue to provide economic benefits to innovators and consumers - - and to the broadband operators who will reap the rewards for providing access to such a valued network.

We appreciate the efforts in your current draft to create at least a starting point for net neutrality principles. Google looks forward to working with you and your staff to draft a bill that will maintain the revolutionary potential of the broadband Internet.

Thank you for your attention and for your efforts on these important issues.

Sincerely,

Vinton Cerf
Chief Internet Evangelist
Google Inc.

Link Shadley noted that the revisions to federal telecommunications law appear to be on a fast track.

Onno Husing asked about the arguments against network neutrality. He said that the US Chamber of Commerce's position is that network neutrality is the reason why the United States is not having a wider and more rapid deployment of new broadband technologies, because service providers must open their networks to their competitors. Ed responded that his understanding of the telephone companies' and the cable companies' position is that they will not invest in new infrastructure unless they will be able to obtain a return on that investment, and the only way that a return can be assured is if they can control content and the use of their networks. This is effectively what the cable companies have already accomplished and the telephone companies want parity.

Link Shadley shared comments recently made by Ed Whitacre, Chairman of SBC Communications Inc., that "it is nuts" that companies like Yahoo, Google, or Vonage are able to use his network for free. Link questioned that reasoning in that he as a subscriber is paying \$60 a month to his serving telco for broadband services, and so Link's view is that they are not being used for free. However, if the telcos want to charge Google, Yahoo, Vonage, and others for carriage and provide him with broadband access for free, he would be willing to listen to the proposition. But as a user he does not want any limitations placed on what services or content he can access over the Internet. He feels that if the telephone companies pursue this route and succeed in eliminating network neutrality, their wireline networks will ultimately be bypassed in the future by wireless and satellite networks.

John Irwin suggested that this also might very well be a First Amendment free speech issue. Onno asked if the loss of network neutrality might also push control of the Internet out of the United States. Ed Parker observed that though political content is restricted in China, commercial content and access are not. He feels that this unrestricted commercial content and access contributes to China's 8% annual rate of economic growth and that the US must maintain open access and network neutrality to be competitive.

Cathy asked if there are any information sources that present the industry perspective on this issue. Multiple viewpoints may be found by conducting an Internet search on "Net Neutrality." Brant Wolf noted that Canby Tel is now offering voice, data, and video services and that their biggest issue was obtaining access to entertainment programming to provide on their network. John Irwin also observed that concurrent with this issue is the apparent worldwide consolidation of media companies that is changing the control of content in news and entertainment.

John Irwin noted that this is a good example of an issue for which the Council needs provide a voice to all views. Cathy Britain asked for a source of alternate views. Doug Cooley offered to see if there is an official Century Tel position on the issue that he could share. Onno Husing recommended the US Chamber of Commerce as a source. The Chamber's position and analysis may be found at the following URL:
<http://www.uschamber.com/issues/index/technology/telecommreform.htm>

Ed emphasized that this is an important issue for the US economy and should be followed closely.

Oregon PUC Broadband Report

Ed Parker reported that he has received a request for assistance from staff at the Oregon Public Utility Commission regarding the new reporting requirements passed in SB13 on the availability of broadband services, the rates charged for broadband services, the demand for broadband services and the usage of broadband services in Oregon. The PUC may not impose reporting requirements on telecommunications utilities for the purpose of implementing this subsection and is asking for the Council's participation in collecting the data. Agnes Box noted that she receives and completes an annual survey from the Governor's office that includes broadband elements. Nate Arbogast noted that Department of Administrative Services has issued a Request for Proposal for alternative services that is also requesting elements of this information. Link Shadley indicated that the Oregon State University Extension Service may be of help. Chris Tamarin offered his assistance. Ed Parker agreed to be the point person on the project.

Presentation

Enhanced Lifeline Service on American Indian and Alaska Native Lands

Karen Stewart of Qwest delivered a presentation on initiatives for providing telephone services to Tribal Lands served by Qwest. Qwest is working to increase its service provision to low income users on Tribal Lands and is actively promoting its Tribal Lifeline and Tribal Link-up services.

Qwest's Tribal Lifeline Services are in response to the Federal Communications Commission (FCC) Order Number 00-208 in which the FCC adopted measures to: (1) promote telecommunications subscribership and infrastructure deployment within American Indian and Alaska Native tribal communities; (2) establish a framework for the resolution of eligible telecommunications carrier designation requests; and (3) apply the framework to pending petitions for designation as eligible telecommunications carriers. FCC Order Number 00-208 may be viewed at the following URL:

http://www.fcc.gov/Bureaus/Common_Carrier/Orders/2000/fcc00208.pdf

The order resulted in the development of enhanced lifeline services offered by telephone companies serving Tribal Lands to make basic telephone services available to low income residents. Qualified telecommunications carriers are reimbursed by the FCC for the difference between enhanced lifeline rates and standard service rates. Enhanced lifeline rates can be as low as \$1.00 per month for basic service including Customer Access Line Charges and Extended Area Service. The program also reduces the standard installation costs to users by 50% for low-income subscribers living on Tribal Lands. There is an ongoing issue of providing lifeline services on "near reservation" Bureau of Indian Affairs recognized lands which remains unresolved.

The FCC order did not, however, modify franchised telephone carrier service requirements or provide for the construction of new telecommunications infrastructure. Special construction charges may apply depending on the individual subscriber situation though the FCC may reimburse subscribers up to \$70. Karen added that in her experience, \$70 typically does not cover the special construction costs or make the build viable for low-income subscribers. In some cases, tribal governments have been successful in obtaining federal grants to cover special construction costs. The order also did not allow for funding of inside wiring costs. This has proven to be another challenge, as many un-served homes on Tribal Lands have never been wired for telecommunications. Karen noted yet another challenge for construction projects is the concern for damage to archeological sites on Tribal Lands.

Despite the challenges, Qwest is actively promoting the program and seeking to provide Tribal Lifeline and Tribal Link-up services. Karen shared examples of informational brochures and a “leave-behind” training manual for use on the Reservations. Qwest has also provided information at Tribal events and Powows. Karen noted that it is common for there to be suspicion of the telephone company and of federal programs on Reservations. People are also reluctant to submit personal information on forms. Consequently, Qwest has found the most effective promotion to be word of mouth and third party referral. Qwest’s current Tele-Friend promotion encourages current Lifeline customers to tell friends and family about the services and how to request them. Qwest has also found it effective to work with the local Temporary Assistance for Needy Family (TANF) Directors.

John Irwin asked if there was a sense of the penetration of the program. Karen replied that it has been difficult to establish what the population of qualified prospective subscribers is in each of the states. Some reservations have indicated that there are no qualified tribal members. She suspects that the penetration rate is very low, perhaps around ten percent and perhaps less. Karen estimated that there are several hundred Lifeline subscribers in Oregon. Link Shadley reported that there are 45,211 enrolled tribal members living in Oregon and he estimates that about 22,000 to 23,000 reside on Tribal Lands. He added that the Reservations are extremely rural.

Sal Sahme noted that he sits on the FCC Intergovernmental Advisory Committee (IAC) and is in a position to make recommendations to the FCC for needed policy changes. Tribal governments and this committee could be of assistance in overcoming some of the challenges the telecommunications carriers are facing.

Karen responded that three needed changes in policy come to mind:

1. Establish that being in the Women, Infants, and Children’s (WIC) Assistance Program qualifies one for Tribal Lifeline Service. Today it does not.
2. Establish that qualifying for commodities assistance programs qualifies one for Tribal Lifeline Service. Today it does not.
3. Change the current rule that having a previous disconnect for non-payment disqualifies applicants

Sal indicated that he is willing to carry those recommendations forward to the IAC.

Ed Parker asked if members do not qualify for Tribal Lifeline, could they still be eligible for other lifeline programs? Karen responded that Qwest's focus on Tribal Lands has been the specific Tribal Lifeline program, but she will take that back as a suggestion to incorporate other assistance programs.

Chris Tamarin asked if there were any Oregon state regulatory barriers to the program. Karen responded that she didn't perceive any barriers presented by Oregon statute or Oregon Public Utility Commission regulations.

Link Shadley recommended the program would be more effective if it could be further simplified as special conditions and cost exemptions like special construction and inside wire quickly result in it being dismissed by the targeted beneficiaries. Chris Tamarin added that perhaps a partnership with Tribal Governments for the purpose of direct relationships with users and certification of eligibility for the program would be a good approach. Karen agreed that cooperation with Tribal Governments is valuable, but those relationships are different for each of the nations and can also be challenging. The same distrust that is found at the individual subscriber level is often also found at the Tribal Government level.

Ed Parker recommended that instead of just marketing to individual subscribers, that Qwest and other telcos might find it more effective to market the program to the Tribal Governments with the aim of building partnerships. Karen responded that Qwest has been trying to do both. Sal Sahme suggested that the National Congress of American Indians would be a good organization to approach for assistance in the effort.

Karen indicated that information on the Tribal Lifeline program is available on the Qwest website at www.qwest.com.

Committee Reports:

Legislative Committee Report

Cathy Britain reported that she is asking people to take the lead on individual issues. She has asked Ed Parker to take the lead on the issue of Network Neutrality. She will be asking other committee members to take the lead on Universal Service, community provided broadband, and Bills. Sal asked if "executive summaries" could be developed to describe key topics and issues? Cathy agreed that that would be useful. John Irwin noted that he is receiving more questions on these issues and their importance from people in government. John noted that he has made reference to the Council's role in this area in the 2004-05 Exit Report.

Exit Report

John Irwin distributed a draft of the 2004-05 Exit Report to summarize the activities and achievements of the ORTCC over the past two years and legislative session. He noted

that the Report doesn't tell the next Council what to do but it does suggest activities to target for the next two years. John asked for the Council's approval of the report.

Action Item

Ed Parker moved that the Exit Report be approved. Cathy Britain seconded the motion. The Council approved the Exit Report.

Klamath Falls Telecommunications Task Force

Agnes Box indicated that there is no Task Force news to report since the last ORTCC meeting, however, she is pleased to report that fiber placements from multiple carriers into the new communications hut on the Oregon Institute of Technology campus have been completed. After eleven years of effort, OIT is currently stress testing its new 45 Mbps transport service to the campus.

Eastern Oregon Telecommunications Consortium

Cathy Britain reported that Terry Edvalson will be the new EOTC representative to ORTCC pending appointment by the Governor.

Gorge Teleconsortium

Link Shadley reported that planning is underway for the 2006 Gorge Technology Fair scheduled for March 3rd and 4th in The Dalles.

Telehealth Alliance of Oregon

Cathy Britain reported that TAO has received a request to present the concept of "Allied Health through Distance Education" to the ORTCC early in 2006.

Southern Oregon Telecommunications and Technology Council (SOTTC)

John Irwin reported that SOTTC will have a new President at the end of the year. Gayland Durrett of Asante. The new Vice President of SOTTC will be Gerald Haines, a technology attorney in Medford. Mike Prinslow of Southern Oregon Education Service District will be the new Secretary-Treasurer. John also reported that the Jackson County telecommunications strategic planning project is continuing.

Oregon Coastal Zone Management Association (OCZMA)

Onno Husing reported that an open public meeting on advanced telecommunications was held Wednesday, November 2, 2005 in Gold Beach, hosted by Curry County Commissioner and ORTCC member Marlyn Schafer. The meeting was attended by 60 to 70 people, including representatives from Del Norte County, Charter Communications, Edge Wireless and by local press. Telecommunications issues on the South Coast were discussed including the issue of network backbone route diversity. A second meeting was held that evening hosted by Tolowa Tribe – Smith River Rancheria to discuss the common needs and opportunities for Curry and Del Norte Counties. Onno continues to refine OCZMA's report, an "Oregon Coast Telecommunications Economic Development Strategy." He is working on next steps and he reported a very high level of interest from many communities on the coast.

Action Item:

It was moved by Ed Parker that the October 27, 2005 minutes be approved as distributed. Sal Sahme seconded the motion. The Council approved the minutes as distributed.

New Business

Brant Wolf offered to invite Canby Tel to speak next year to the Council on its voice, data and video service strategy.

John Irwin suggested that a new page on the website be established for draft discussion papers separating them from the Reports page.

Link Shadley and John Irwin suggested that the Council should consider establishing by vote a seat on the Council to represent Internet Service Providers.

Link Shadley reported that Oregon State University is looking for on-line courses to develop to meet the needs of Oregonians and invited recommendations.

Ed Parker reported that he has had discussions with Curt Pederson and meetings with members of the Open Source community in Portland to encourage the development of technologies to deliver voice and data digitally to 911 Centers for emergency management.

Meeting Schedule:

The next meeting of ORTCC is tentatively scheduled on Thursday, January 26, 2006 in the Teleconference Room (Basement), Public Service Building, 255 Capitol Street NE, in Salem. The 2006 meeting schedule will be posted on the meetings page of the Council website www.ortcc.org. John Irwin thanked the Council members for their contributions and participation, and adjourned the Oregon Telecommunications Coordinating Council meeting at 11:30 AM.

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