

JOINT INTERIM COMMITTEE ON ADVANCED COMMUNICATIONS AND INFORMATION TECHNOLOGY

**JANUARY 25, 2016
MINUTES**

The Joint Interim Committee on Advanced Communications and Information Technology met on Monday, January 25, 2016, at 1:00 p.m., at the University of Arkansas Hope-Texarkana, Texarkana, Arkansas.

Members in attendance: Senators Bill Sample, Chair, Ronald Caldwell, Jimmy Hickey, and Greg Standridge. Representatives Stephen Meeks, Chair; Representatives Charles Blake, Jim Dotson, Justin Gonzales, Mathew Pitsch, Nelda Speaks (Alternate), and Brent Talley.

Other legislators present: Senator Linda Chesterfield. Representatives David Branscum, Lane Jean, and Mary “Prissy” Hickerson.

Call to Order

Senator Sample called the meeting to order.

Recognize Local Legislators

Senator Sample recognized Representatives Mary “Prissy” Hickerson, Lane Jean, and Brent Talley.

Comments from the Chairs – Senator Bill Sample and Representative Stephen Meeks.

Senator Sample thanked the legislators for attending the meeting and asked them to introduce themselves. He then recognized Chancellor Chris Thomason who welcomed the committee to the new campus. He gave a brief history and said the University of Arkansas Community College-Texarkana (UACCH-Texarkana) is part of two campuses with the other campus being the University of Arkansas Community College at Hope (UACCH-Hope). The campus in Hope originated as the Red River Vocational and Technical School in 1965. Work on the UACCH-Texarkana campus began in 2012 culminating with a ribbon cutting on Wednesday, January 20, 2016. Chancellor Thomason said the University of Arkansas for Medical Sciences (UAMS) located next door opened its new facility on Friday, January 22, 2016. With the two new facilities, Chancellor Thomason believes this is an example of the University of Arkansas's commitment to serve all of Arkansas.

Senator Sample recognized Stacy Eads, Area Manager, Hope Community TV–Prescott Video-Internet Provider. Ms. Eads told the legislators the company serves Hope, Camden, and Prescott. She said the majority of their business is its broadband service which includes service to UACCH-Hope, the Springhill School District, and a number of medical facilities. Ms. Eads was asked to describe challenges the company has had as a rural cable provider. She said the cost to provide fiber in rural communities is expensive

to install and maintain. The company maintains the service 24/7 and has personnel located within a thirty minute drive of each of the locations in the event of an interruption of service. Ms. Eads was asked if all of the company's internet customers receive service through fiber. Ms. Eads introduced Bob Young, Vice President of Engineering, WEHCO Cable, internet service provider for Hope Community Television, to respond. Mr. Young said the company's metro E customers and small businesses are on cable modems using both fiber and coax. He was asked how many internet customers the company serves. He said there are approximately 50,000 internet customers. He was also asked what type of service deployment is used, above ground on poles, underground with fiber, or a combination of both. Mr. Young said the majority of underground service is located in Hot Springs with a combination used in other service areas. He was asked what type of experience the company has encountered from the state regarding authorization to install underground service along state right-of-ways. Mr. Young said the company's construction division has worked successfully with the state for many years without difficulty.

Mr. Young was asked if he could estimate the cost to provide broadband access to surrounding rural communities and what the state can do to help the company provide broadband access. Mr. Young said one issue is the increase in pole attachment fees charged by smaller electric cooperative companies. He said that Ms. Eads is currently working with one of the power companies who increased their pole attachment fees from \$5.00 to \$27.00 per pole attachment. It was noted the issue of increased fees is currently under review by the Arkansas Public Service Commission (PSC). Ms. Eads was asked what the committee and state can do to assist the company regarding their providing greater access to customers in underserved areas. She told the legislators that funding is always an issue. She also said an area located between Stephens and Camden lost their cable company in the past few years and no internet or broadband service is available to those residents. There are so few homes in the area; construction would be cost prohibitive for their company to reach the customers who lost service.

Senator Sample recognized Johnny Ross, General Manager, Walnut Hill Telephone Company. Mr. Ross said that Walnut Hill Telephone Company has a total of eight rural telephone companies across the south. Mr. Ross was asked what towns in Arkansas are served by his company. He listed the following towns; Lewisville, Foreman, Winthrop, Bradley, and Saratoga. He was asked to describe some of the challenges the company has experienced providing broadband in their service areas. He said that one problem concerns the lack of homes located on rural roads and highways. When there are only five homes with the potential for five customers, the reality is only two of the five want the service. A younger population, 30 years old or less, increasingly relies on wireless connection. Mr. Ross was asked how many customers are receiving broadband services. He said there are 10,000 households in their service area with approximately 58% receiving service. Mr. Ross was asked if data shows that fewer people in the rural areas are interested in the technology versus those in urban areas, or is cost the issue. Mr. Ross said that large numbers of customers are eliminating wired telephones. Many customers choose access to internet on cell phones. Another issue is the free cell phone service

provided by the federal government. For people who obtain the free cell phone service, a requirement mandates disconnection of landline service. He was asked for an estimate of customers in his service area. He believes 10,000 home are served with landline service approximately 60% of the population.

Senator Sample recognized David Wall with Cable ONE, Home Cable Service. Mr. Wall told legislators he is new to Texarkana following 23 years in the industry working for a company in Oklahoma where he served as Chairman for the Oklahoma Cable and Telecommunications Association (OKCTA). He said that in the past five years Cable ONE has invested over \$500 million in broadband technology. The company recently announced the addition of home cable service for residents and businesses in the Texarkana area. Mr. Wall was asked if Texarkana is the only area where his company provides service. He said it is currently the only area but, future plans include a \$2 million expenditure in system upgrades and infrastructure. He was also asked if any rural areas receive service. He said one small community; Fouke with a population of 1,000 receives service.

Legislators discussed the committee's goal of identifying areas throughout the state without service and what the state can do to help those areas.

Representative Meeks announced the next committee meeting scheduled for Wednesday, February 17, 2016 in Little Rock and the next meeting on broadband issues scheduled for Friday, February 19, 2016 in Monticello.

There being no further business, the meeting adjourned at 2:05 p.m.