

MINUTES

JOINT INTERIM COMMITTEE ON ADVANCED COMMUNICATIONS AND INFORMATION TECHNOLOGY

Thursday, March, 17, 2016

1:00 P.M.

**ASU- Jonesboro, Cooper Alumni Center, 2600 Alumni Boulevard
Jonesboro, Arkansas**

The Joint Interim Committee on Advanced Communications and Information Technology met on Thursday, March 17, 2016, at the ASU- Jonesboro, Cooper Alumni Center located in Jonesboro, Arkansas.

Committee Members Present: Senators Ronald Caldwell, Greg Standridge, and Representatives Stephen Meeks, Chair; Brandt Smith, Nelda Speaks (Alternate).

Other Legislators Present: Senator Eddie Joe Williams; Representatives Jack Ladyman and James Sorvillo.

Call to Order

Representative Stephen Meeks called the meeting to order and thanked everyone in attendance for coming out to the meeting.

Consideration to Approve the Minutes

A motion was made to approve the minutes of the February 17, 2016 and February 19, 2016 meetings. Without objection, the minutes were approved.

Discussion of Broadband in Arkansas: Challenges and Opportunities

- Mr. Alan Morse, President, Ritter Communications, noted the following services provided by Ritter: residential voice services to about 15,300 customers, cable television service to about 12,300 and high speed broadband to about 16, 500 subscribers (about 3,800 receive broadband via DSL 11,800 are served using cable modems), 900 business are served using fiber to the premise. Internet speeds vary depending on customer location. Service area comprises about 550 square miles. Mr. Morse stated that it costs between \$35,000 and \$40,000 a mile in Northeast Arkansas while costing up to \$125, 000 in Northwest Arkansas due to the rugged terrain and greater distances involved in Northwest Arkansas. Morse also stated that the Arkansas High Cost fund has helped with the funding but the Northwest and Northeast rugged terrain is an obstacle. Mr. Morse encouraged the continuation of the Arkansas High Cost Fund (HCF), investment in school computers and consistency related to Federal Communication Commission's rules and regulations.

Mr. John Strode, VP External Affairs, Ritter Communications, stated that his estimate of the amount of recovery that they receive from the Federal Universal Service Fund is about 1 ½- 2 times more than what is received from the Arkansas High Cost Fund.

- Mr. Michael Zarrilli, Vice President, Government Relations, Suddenlink, stated that his company has spent nearly \$260 million providing updated systems to Arkansas. The company spends about \$25,000 to \$30,000 a mile to put in aerial lines. Mr. Zarrilli noted that his company spends approximately the same as Ritter Communications when burying lines. This company serves about 1.5 million residential and commercial customers in Arkansas, Louisiana, Missouri, North Carolina, Oklahoma, Texas, and West Virginia.
- Mr. Ed Kegley, Owner, Hillbilly Wireless Internet, serves about 1,200 customers over 12 Arkansas counties, with use of 101 towers. Mr. Kegley stated that the general cost for adding a tower to serve a community is approximately \$6,000- \$10,000. The greatest challenge is growing the network, money and reaching more homes.
- Mr. Bart Rowe, IT Manager, Paragould Light, Water and Cable, serves approximately 7,000 customers within the city of Paragould. Mr. Rowe stated that money is their greatest challenge related to expansion.

Adjournment

There being no further business the meeting adjourned at 1:36 P.M.