

# Community Linkage and Growth Through Broadband



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David Arvig – Arvig Communications  
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# KEY POINTS

- Economic development is about wealth creation for all.
- Economic development is a process – it is occurring all the time.
- Economic diversity sustains communities and regions throughout economic cycles.
- Economic development is where public policy and free enterprise intersect.
- Positive economic development creates an environment in which communities and citizens prosper and improve their quality of life.

# THE DEVELOPMENT PYRAMID





# Leadership

- Team of collaborative leaders
  - Manufacturers, application developers, telecomm providers
  - Users who utilize the suite of broadband services and other smart energy efficient technologies
- Continuous development and evolution
- Incorporating practical applications and utilizing them across various platforms
- Economic development strategies use each individual community's best assets.
- What is important in your community?
  - Youth/Entrepreneur initiatives are a great place to start
  - Protect valuable farm land
  - Enhance the existing community
  - Build new neighborhoods

# Community Development

## •Development Needs Basic Infrastructure and

- Schools
- Parks
- Shopping
- Safety services (fire, police, emergency medical)
- Healthcare facilities
- Cultural facilities
- Recreation facilities
- Higher education facilities
- Land
- Buildings
- Streets
- Water
- Sewer
- Electricity
- Natural gas
- Telecommunications
- Housing

# ECONOMIC DEVELOPMENT STRATEGIES

- Business Retention and Expansion
  - (55-86% of new jobs\*)
- Entrepreneur Development
  - (9-44% of new jobs\*)
- Business Attraction
  - (<1-15% of new jobs\*)\* Research sources: U.S. Small Business Administration; Ohio State University; David Birch, M.I.T.; Blane-Canada, Ltd.
- Encouraging additional consumer spending in the community/area
- Seeking public grants and projects

## ECONOMIC DEVELOPMENT STRATEGIES (CONT.)

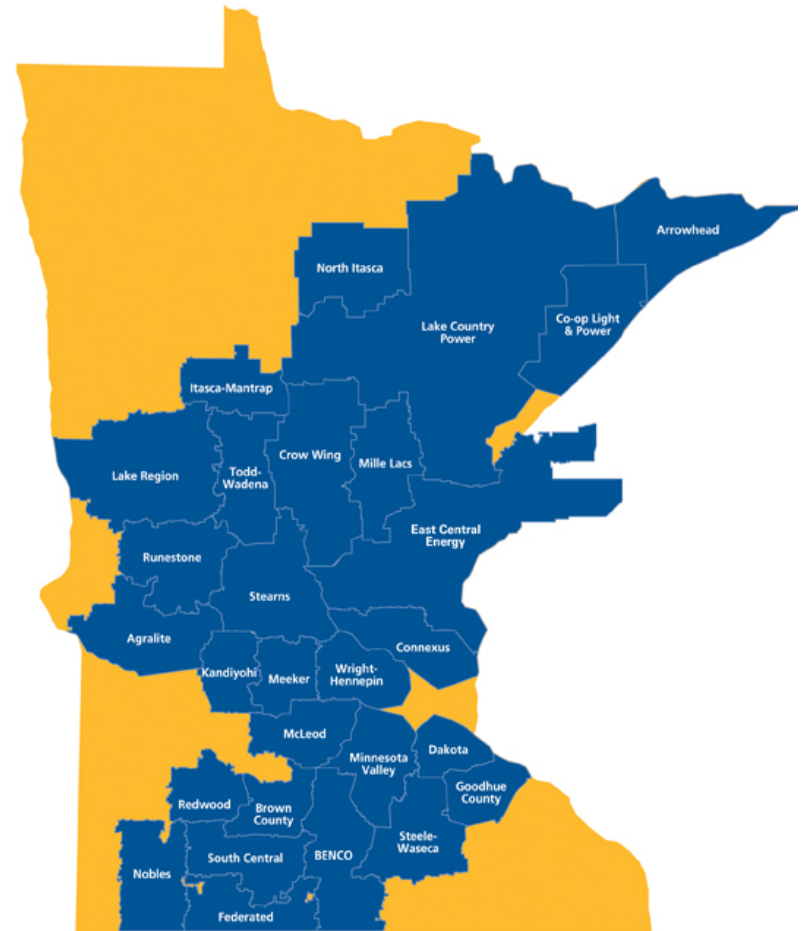
- Tourism/Visitor Attraction
- Retiree Development/Attraction
- Retail/Commercial Development
- Agri-business Development
- Bedroom Community Development

# Community/Economic Partnership

- What is a Smart Rural Community?
- A Smart Rural Community invokes broadband-enabled intelligent networks to support innovative applications for
  - Education
  - Health care
  - Utilities
  - Public safety
  - Agriculture
  - Economic development

# Great River Energy

- ◆ 28 member cooperatives – 1.7 million consumers
- ◆ 2<sup>nd</sup> largest utility in Minnesota
  - \$3.7 billion total assets
  - \$994 million revenue
- ◆ 880 employees (MN and ND)
- ◆ 3,619 MW generation
  - 701 MW renewables
- ◆ 4,660 miles transmission

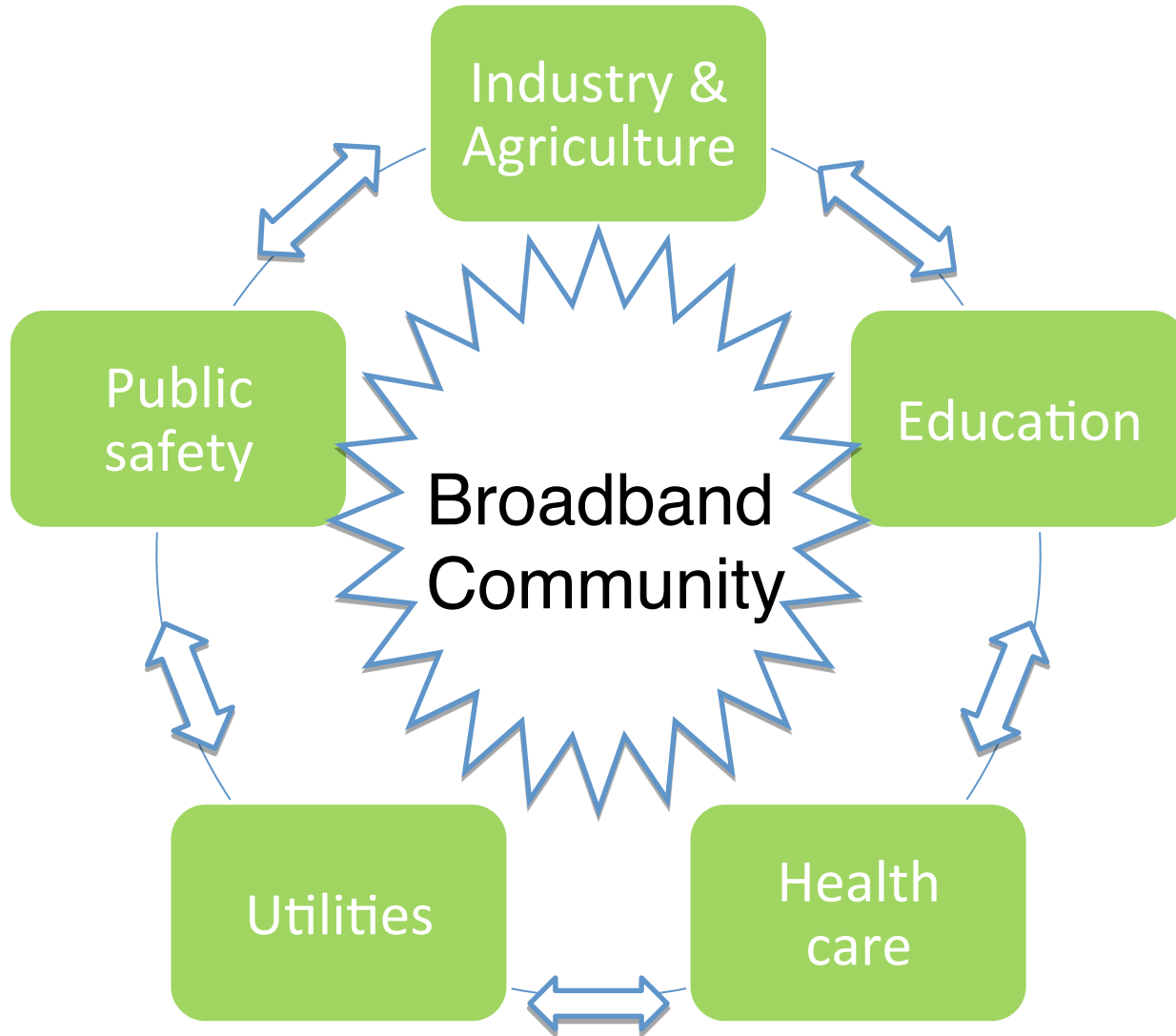


GREAT RIVER ENERGY®

A Touchstone Energy® Cooperative



# What is a Smart Rural Community??



# Common Barriers

- Boundaries
- Traditional thought
- Policies
- Parochialism
- Information stream
- Technology

*We can't solve problems by using the same kind of thinking we used when we created them.”*

– Albert Einstein





# Technology Partnerships

Infrastructure  
Efficiencies

Applied  
Research and  
Development

External  
Partners/  
Providers

Data  
Management



# Opportunities

- Community Digital Inclusion
- Energy Efficiency Standards – Technology
- MN Office of Broadband Development
- Fiber to the Home Projects
  - Arrowhead Electric Cooperative
  - County programs

# Community Preparedness

- **Site Inventory**

- Overlay Transmission and Fiber capabilities
- Communication and planning
- Reliability Standards

- **Community readiness**

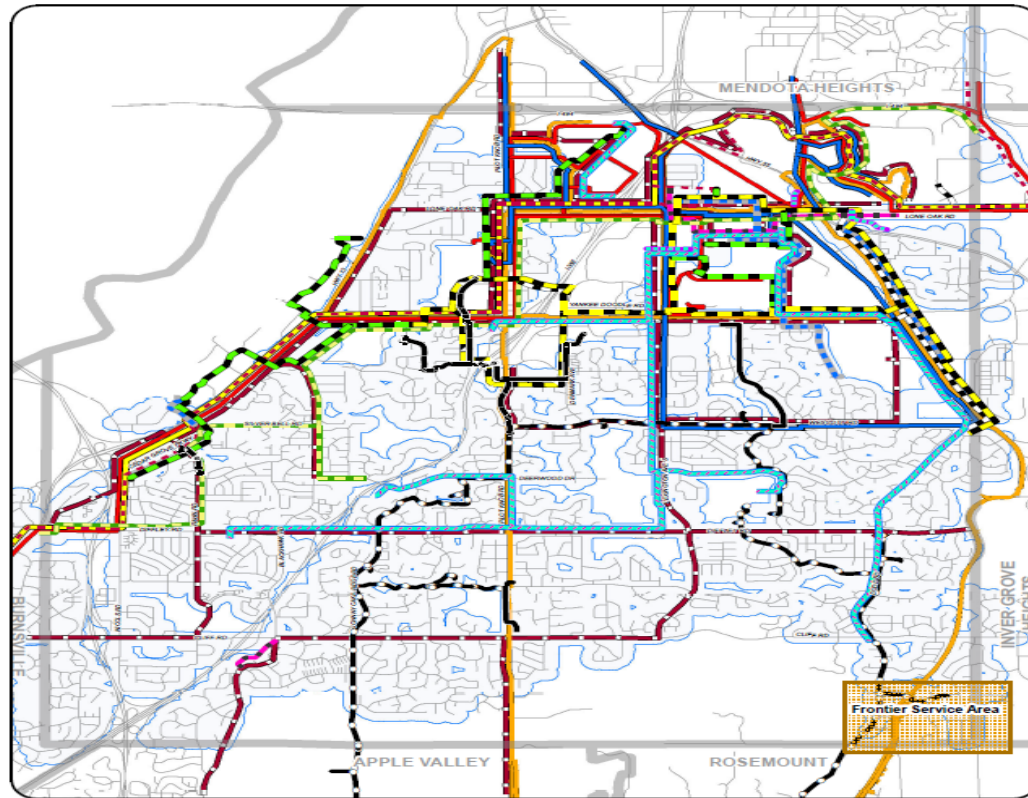
- Shovel ready
- Partnerships
- Marketing

- **Incentives**

- Rebates
- Rates
- Financial



# Access Eagan Fiber Infrastructure



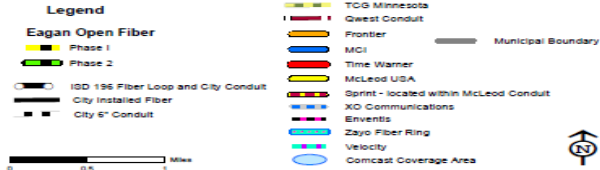
City of Eagan

## High Speed Telecommunication Fiber/Conduit Map

This map is provided for reference use only and is based on information provided to the City by a combination of City right-of-way parcel data and provider coverage information. The map is intended to show the general location and extent of fiber high speed telecommunication within the City of Eagan and does not represent an endorsement. The City of Eagan does not warrant the accuracy of this information and is not responsible for errors, omissions, inaccuracies or omissions of this information. The City of Eagan does not provide any coverage for the use of any services provided on this map.

Map Date: February 8, 2012

Map created by City of Eagan Community Development Department



RIVER ENERGY®  
A Touchstone Energy® Cooperative



# Recent success



- Multi-tenant ‘Carrier Hotel’ co-location data center facility in Eagan, MN
- “Robust and diverse power grid”
- “City owned advanced fiber optic network”

# What is Arvig?

Established in 1950, Arvig has grown from a small, family-owned telephone company to one of the largest independent telecommunications providers in the nation.



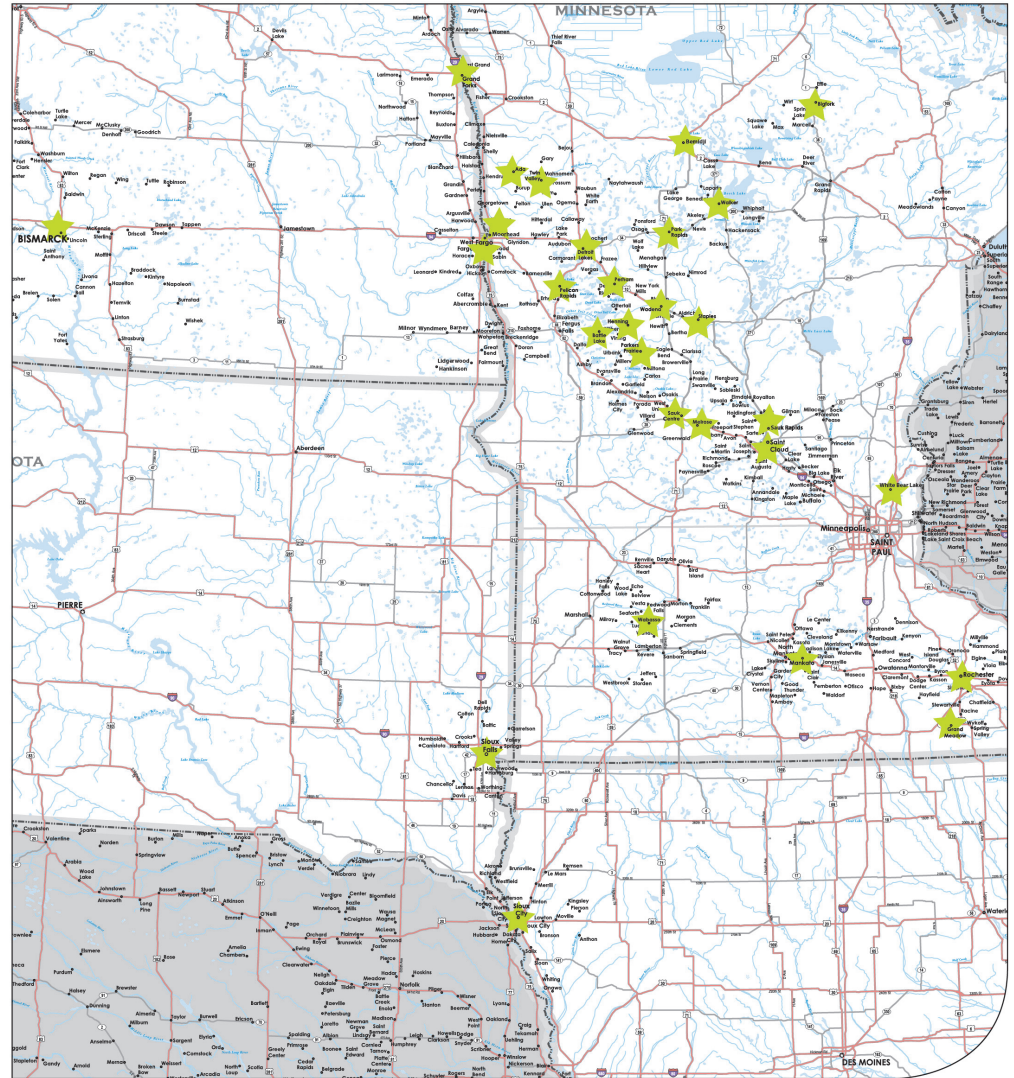
## By the Numbers

- 64 years in business
- 66,000 telephone customers
- 24,000 television customers
- 36,000 Internet customers
- Largest independent telephone provider in MN
- 3<sup>rd</sup> largest telephone carrier in Minnesota
- 17<sup>th</sup> largest telephone carrier in the nation
- Service area covers more than 9,000 square miles
- 700+ employee-owners

# Our Service Area

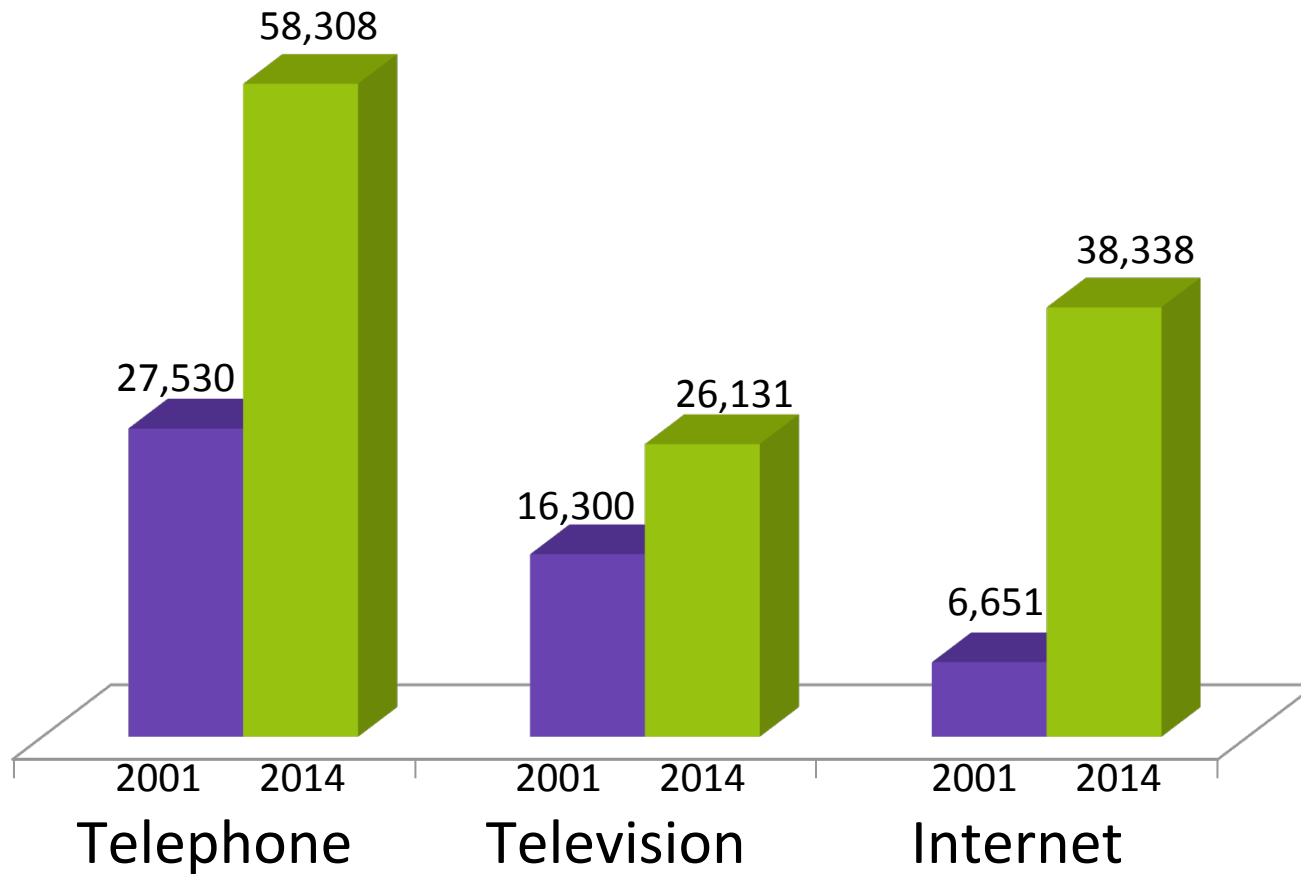
Offices in:

- Minnesota
- North Dakota
- South Dakota
- Iowa

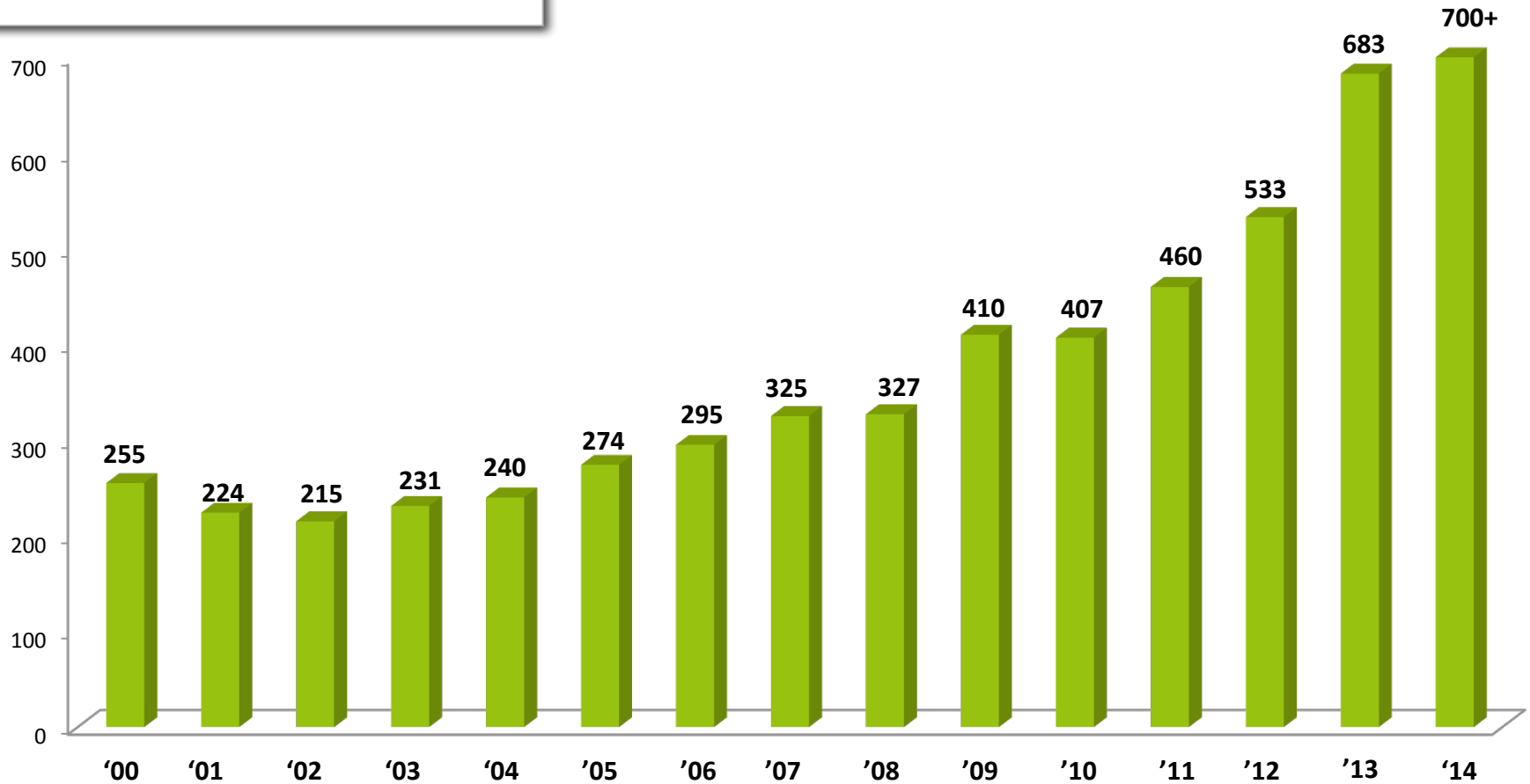




2001 to 2014



# Employment



# Definition

- Wikipedia
  - is the sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area.

# Grow Perham

- Local Investors (22)
- Concept in 2007, First openings in 2008
- Very long term investment
- 116 Total Units
  - 2008 One, 14-unit-apartment building
  - 2009 One, 14-unit apartment building
  - 2012 One, 14-unit apartment building
  - 2013 One, 14-unit apartment building
  - 2014 completing a 16-unit apartment building
  - 2014 Starting a 24 and 20 unit apartment building
- More than \$8.9 million invested in housing when current construction is completed with only TIF help

# Community Involvement

- Employee involvement
- Revolving loan funds
- RUS grant funds
- Housing Incentives
- Can be touchy with two neighboring towns
- Take advantage of State/Regional and local programs
  - MN has:
    - DEED
    - Initiative Funds
    - Tax credits
    - Border city programs
    - TIF (Tax increment financing)
    - Tax abatements
    - Business expansion tax credits

# Who is EATEL?

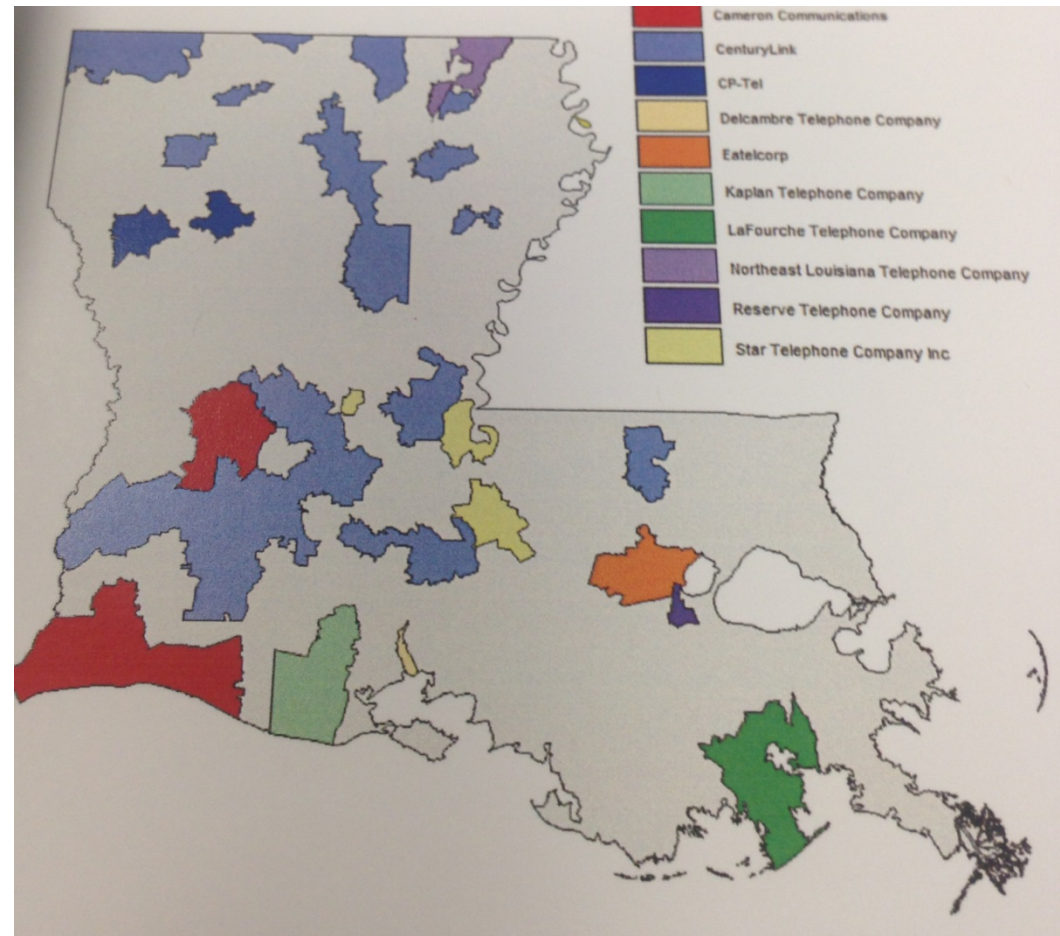
- 2 Incumbent ILEC's in Louisiana
  - East Ascension Telephone and Lafourche Telephone
  - 1 company with copper and Fiber To The Home (FTTH) Network
  - The other is a mixed network of fiber, copper, and incumbent cable facilities
- CLEC operations with Fiber build-out from each ILEC focusing on cell site backhaul and anchor institutions
- Affiliates provide retail ISP service
  - 1 ILEC providing wholesale service over fiber and DSL and the other through a combination of fiber, DSL, and cable modem

# Who is EATEL?- Continued

- In one market, cable TV is delivered via FTTH while competing with Cox and Charter, but not in 100% of the locations (or at least we believe not 100%)
- In the other market, cable TV is delivered via the incumbent HFC network
- Affiliate provides telephone directory and digital media advertising services
- Affiliate owns 3 data centers in Louisiana with extensive list of customers (large and small)

# Rural ILECs Return to Grassroots Advocacy

- Effort by all Rural ILECs in Louisiana to Return to Grassroots Advocacy translates into plan and action
  - Who Participated?





# What did we do as a State Association?

- Evaluated and determined our goals
- Developed an action plan for economic development and grassroots advocacy
- How did we plan?
  - Series of Board meetings and calls
- What did we plan?
  - How to show our Customers how much we value them and remind them of why they value us
  - Provide key community stakeholders with information on why we are important and how we provide an economic engine for the communities we serve

# What should you do as a member of a State Association?

- Develop your message and materials to use on your visits was the foundation of our efforts. Our materials were tweaked to be company specific and specific to the audience.
- Know your audience and develop a list of key business leaders and political officials
- Plan of action
- Divide and conquer
- Track
- Follow-up and continue developing relationships
- Repeat

# What did each company do?

- The Association was able to develop its message for all to use, and companies were able to develop their own specific messaging to appeal to each audience.

## **Telecommunications Investment: Louisiana's Link to a Strong Economic Future**

*All Louisianans need access to the latest,  
fastest communications technology.*



# Louisiana Telecommunications Association

*We're a vital catalyst for our state's economic growth*

We're more than just phone companies.

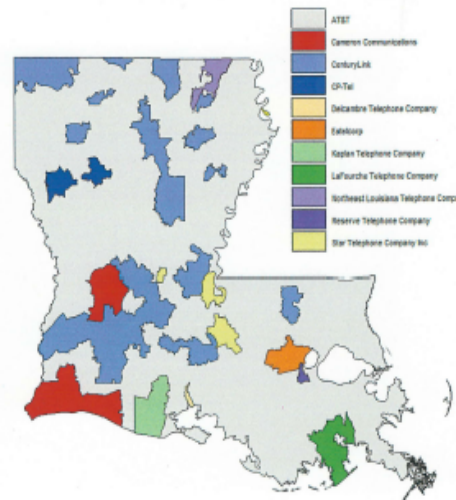
Members of the Louisiana Telecommunications Association are gateways to opportunity and prosperity.

Thanks to a \$776-million investment in infrastructure, almost 97% of Louisiana has broadband access. That includes 976 hospitals, schools, governments and other important anchor institutions.

As a result, we provide critical network services to businesses and wireless providers.

All Louisianans have big dreams. We're proud to help make them come true.

## INCUMBENT WIRELINE SERVICE PROVIDERS IN LOUISIANA



## INVESTING IN LOUISIANA

- **2,800 employees**
- **\$153 million for salaries**
- **\$13.7 million for state & local taxes**

# Rural Louisiana Needs Access To Voice And Broadband Service

Recent FCC reforms of the Universal Service system will mean many rural areas will no longer receive sufficient funding to maintain and upgrade critical landline voice services.

Without support, some rural areas could experience declines in their voice service while others would be marooned without the latest broadband technologies.

Reduced access could seriously damage rural Louisiana businesses, schools, and governments. Our \$11-billion-a-year in agribusiness income could take a hard hit.

To keep our economy rolling, we must keep rural Louisiana connected.

And that means our state leaders must remain committed to providing essential telecommunications and broadband support to rural areas.

## Key Facts About Louisiana

- 51% live in cities with populations of 10,000 or less (US Census)
- 68% live in cities with populations of 50,000 or less (US Census)
- 80% of the state's land is forested or farmed (LSU Ag Center)

## ***We're committed to all Louisianans***

Broadband and voice services are essential for the survival of rural Louisiana.

Teachers rely on these services to help our children learn and gain the tools they need to succeed.

Doctors rely on these services to provide their patients with the best possible care.

Our first responders — our police officers, firefighters and EMS — rely on these services to save lives.

If these vital services to rural areas are threatened the economic damage could be severe, and it wouldn't be confined to rural areas.

Louisiana can't let this happen. We must keep everyone connected so everyone can succeed.







# ECONOMIC & COMMUNITY IMPACT

## For 78 years, family-owned and operated EATEL

has been proud to serve two of the fastest-growing communities in the United States: Ascension and Livingston Parishes. We're the company that built the local phone system in the early 1900s, and today we're still one of the most innovative communications companies in the area. We offer an entire suite of services, including Internet, TV, telephone, Metro Ethernet, and cloud-based solutions – all on one of the only (and rarely found) 100% fiber-to-the-home networks in the country. EATEL's long dedication to the technological infrastructure of rural Louisiana has provided many opportunities for community and business expansion and economic development.

Ascension and Livingston Parishes are rich with family traditions and continue to attract new residents and businesses at a growing rate. As a fellow and responsible community member, EATEL and its employees believe in community involvement. Through sponsorships, grants, scholarships, and local events, EATEL donates hundreds of hours of volunteer time and tens of thousands of dollars each year to support education and many other community and charitable organizations. To continue in this giving spirit, EATEL recently introduced its EATELCares initiative that further encourages our employees to participate in volunteer opportunities throughout the communities in which we serve.

EATEL: We are the major telecommunications supplier to the schools, businesses, hospitals, city government, and industry that are the lifeblood of our community. We have invested – and reinvested – in our communities by building one of the most advanced all-fiber networks in the country. We're your neighbors, we're your friends, we're local – just like you.



**JOHN AUSTIN**  
Bengal Transportation Services President



**ANN F. STONE**  
St. Elizabeth Hospital  
Director of Facility Services

### Tax Revenues:

EATEL and its affiliate companies contribute over \$21 million in annual taxes to the local, state and national economy.

### Employment:

EATEL and its affiliate companies employ 436 residents in Louisiana.

### Personal Income::

Since 2005, EATEL and its affiliate companies have directly and indirectly supported a payroll of over \$162 million in the local economy.



## ECONOMIC & COMMUNITY IMPACT

### For 68 years, Vision Communications has been

proud to serve Grand Isle and Lafourche Parish communities. We're the company that built the local phone system, and today we're still one of the most innovative communications companies in the area. We provide an entire suite of services that includes Internet, TV, telephone, Metro Ethernet, alarm/security, and cloud-based solutions. Vision's long dedication to the technological infrastructure of rural Louisiana has provided many opportunities for community and business expansion and economic development.

Investment – and reinvestment – in our network is essential to continuously meet customer demand. Most recently, we upgraded our broadband infrastructure to provide faster Internet at no additional cost to our customers, and we are continuing our build of a fiber network at Port Fourchon, one of the largest economic engines in the nation. Additional network upgrades are planned to improve reliability and reduce susceptibility to natural disasters.

As a fellow and responsible community member, Vision supports the work of education and many other community and charitable organizations through technology and financial donations. To date, we have awarded over 150 scholarships to local high school seniors seeking a college degree – one of many examples of our commitment to building a strong community of giving and service that enriches our lives. To continue in this giving spirit, Vision recently introduced its VisionCares initiative that further encourages our employees to participate in volunteer opportunities throughout the communities in which we serve.

Vision: We are a major telecommunications supplier to the schools, businesses, government, and industry that are the lifeblood of our community. We're your neighbors, we're your friends, we're local – just like you.



**DAN ST. GERMAINE**  
Grand Isle Shipping, Inc.



**WILLIE CUROLE**  
South Lafourche Bank

### Tax Revenues:

Vision and its affiliate companies contribute over \$21 million in annual taxes to the local, state and national economy.

### Fiber Network:

To date, Vision has installed 112 miles of fiber in the area and is embarking on continued expansion to meet customer demand.

### Feeding and Fueling America:

Lafourche Parish contributes to almost 40% of the international seafood industry and 30% of the nation's oil and gas industry.

### Port Fourchon:

This high-traffic port domestically services 90% of all deep-water oil production in the Gulf of Mexico.



As a local Louisiana leader in directional marketing, we offer 19 print directories in South Louisiana and the Mississippi Gulf Coast covering more than 300 cities. Sunshine Media serves businesses and consumers with a combined circulation of 1.5 million directories driving an estimated \$100M+ in local commerce each year to thriving communities throughout our region.

Although our roots are in connecting local consumers and businesses, we understand that cutting-edge technology is equally as important.

We have introduced an innovative suite of online and mobile technology products and services that provide local businesses the ability to further connect with their targeted local customers.

In addition, our online search engine is a comprehensive resource providing information consumers are looking for including retail and service business information, community information, relevant videos and contact information. It also facilitates the ability to share what they discover via social media. These are just a few ways Sunshine Media is providing local businesses opportunities for growth and success.



*IN 1996, SALON NUO-VO OPENED ITS DOORS TO LOCAL CUSTOMERS. SUNSHINE MEDIA HELPS RHONDA REACH NEW CUSTOMERS DAILY.*

### **RHONDA TALLO BISHOP**

*SALON NUO-VO*

*Sunshine Media client for 7 years*





[mysunshinemediacom](http://mysunshinemediacom)  
[WeAreLocal.com](http://WeAreLocal.com)



### **JOEL RANDAZZO**

*NONNA RANDAZZO'S BAKERY  
Sunshine Media client for 4 years*

### **Commerce Driven**

Sunshine Media has facilitated an estimated \$100 million per year of local commerce over the past 10 years

### **Employees Served**

Sunshine Media employs over 110 local Louisiana professionals

### **Business and Consumers Served**

Sunshine Media distributes over 1.5 million directories to local businesses and consumers driving leads and sales

### **Community Outreach**

Sunshine Media reaches out to the community by participating in community events, joining local chambers and contributing to good faith projects in value and service to the communities we serve

*Sunshine Media is a division of EATEL, a privately owned and locally operated telecommunications provider since 1935.*



PROTECTING LOUISIANA'S DATA FOR 25 YEARS



# OUR STRENGTH IS OUR PEOPLE

With a long history of creating solutions to businesses' most complex IT needs, Venyu's award-winning experts have solidified our role as Louisiana's technology leader.

## High Tech Right Here in Your Backyard

Leveraging our multiple Louisiana-based commercial data centers, we serve hundreds of businesses throughout the region with colocation hosting, cloud hosting, and cloud backup and disaster recovery. Our team is nationally recognized having deployed two award-winning

cloud platforms: RestartIT cloud backup, and VenyuCloud cloud hosting platform.

## Battle-Tested and Proven

It's no secret our region faces volatile weather each summer with hurricane season and being in the "IT system uptime" business, we've combated some of the most challenging technology scenarios nature brought our way. Our teams and systems are battle-hardened against disasters both natural

and man-made which helps our clients sleep sound each night. We never skipped a beat even during Katrina and Gustav.

## Louisiana Proud

Our state's business climate is excellent and continues to top the charts on a national scale. We continue to make the investments necessary to keep our clients competitive, our state's IT infrastructure attractive, and most importantly, our people leading the industry.



**BART KENNEDY**

*Delivery Services Team Leader*  
VENYUITE SINCE 2008

brought our way. Our teams and systems are battle-hardened against disasters both natural

state's IT infrastructure attractive, and most importantly, our people leading the industry.

**Solution Driven:**

- With multiple commercial data centers in Louisiana and Venyu experts behind every solution, Venyu is the clear IT solution leader.

**Employee Centric:**

- Venyu employs 80 highly-skilled technology and business professionals in Louisiana

**Businesses Made Invincible:**

- Venyu's customer base reaches every state and is concentrated in Louisiana and the Gulf Coast ensuring they are always up and their data is available.

**Involved in the Community:**

- Venyu understands giving back. We support several projects that serve disadvantaged youth, the Leukemia Society, and Special Olympics as well as multiple technology-centric user groups.

Venyu is a wholly-owned subsidiary of **EATEL**, a privately owned and locally operated telecommunications provider since 1935.

# What is your action plan?

- Plan out and Schedule portions of the visit –
  - KNOW YOUR AUDIENCE
- Report back to the association with details of the meeting
  - Who
  - When
  - How it went
- Regroup on who needs to reinforce your message from another company or if other personnel from within the same company should make subsequent contact

# Going Beyond the Minimum

- Highlight customers in advertisement related to economic development
- Using community resources to develop economic impact numbers for the company and the community served to share during visits
- Networking one business with other businesses to act as a conduit for economic development

# Does the work ever end?

- No- the message just changes for the next set of visits based on the present circumstance
- What am I working on now? Developing new advocacy to replace QRA materials. These new materials will incorporate current positions on the rate floor, net neutrality, and USF/ICC reform
- **Questions?**



Questions?