

WATOA Board meeting Teleconference minutes April 7, 2010

Call to order: 1:41 pm

In attendance: Jeff Lueders, Mike Charboneau, Marlene Feist, Dea Drake, Dal Neitzel, Bill Oltman, Victoria Lincoln from AWC, Ken Fellman and Dick Treich as consultants, Garth Ashpugh NATOA Board member

State Legislative Update – Victoria Lincoln – AWC

Bills -very little in telecommunications – two bills - tracked but didn't pass. The first bill would have required a telecommunication study from University of Washington School of law. There has been repeated conversations that current regulator and taxation structure is in-appropriate. Qwest and Verizon have pressed for changes in regulations with WA Utilities and Transportation Commission. The bill wanted a study to be conducted by UW rather than the UTC, because they didn't want UTC to study their own study. But the bill did not move forward probably due to funding issues in this economic time. Victoria doesn't expect issue to go away and thinks this will come back in the future. Report calls for a look at the regulatory structure and barriers to competition and looks at taxation of telecommunications. Victoria believes cities should be part of the conversation.

Bill two – Bill #2600 – Allowed PUDs, Ports and Indian Tribes to partner with non profits to provide retail telecommunication if approved by voters. It also provided broadband mapping information to third party users. Ports and PUDs weren't in favor. This was primarily being brought forth because Indian Tribes had an interest. This did not even get out of committee. Most telecommunication groups are opposed. PUDs currently can offer wholesale and is not necessary with other groups.

State of Washington Department of Information Services (DIS) is holding a Broadband Summit June 15th at Microsoft campus in Redmond. AWC is putting out information on website to let members know. Victoria provided information to Jeff for WATOA members.

Telecommunication taxation – WA Legislature passed bill to streamline sales tax a few years ago. The bill specified how taxes are collected via out of state transactions. Collections are charged by zip code at point of recipient. Some cities lost revenue, some gained revenue under this structure. The new issue with this is how telecommunication tax is done. Victoria will let us know more as this comes forward. Current utility taxes to cities average 20% of revenues, so this is a big deal and needs to be monitored.

Federal Update - Ken Fellman, NATOA

NATOA is looking at National Broadband Plan implementation and is focusing on Right- of-Way task force that is being put together. NATOA wants to play an active role and get the right people on the committee. Another issue deals with the FCC/Comcast bit torrent case – FCC does not have legal authority to impose regulations on Comcast and their ability to control high bandwidth content. Push to reclassify internet service under title 2. This would give FCC more authority, but it would limit local

government oversight and revenue generation. NATOA will continue to monitor this and keeps us informed.

HD Technology Fee

Comcast on April 1st will now charge HD technology fee. They have linked this fee to additional costs incurred in upgrading its network. This is a concern to residents of Washington, Oregon and Minnesota and this is an unregulated fee and violates the intent of the Cable Act that requires cable operators to justify equipment charges based on costs. In our state this is already being recovered – so this is potentially a double fee. The thought was to introduce concerns into NBC/Comcast merger document and have all communities say this service is invasive. WATOA is asking all interested cities to participate in hiring Fellman, Treich and Bradley to write up the filing for WA State. Proposal is to have WATOA represent all cities if cities want to sign on to write up for a cost of \$250.00. Marlene suggested small cities could contribute based on subscriber size. We need to come up with a fee structure for smaller populations. NATOA is just looking for commitment at this time. A one pager was sent to all members by Jeff. Jeff is in favor of moving forward on behalf of Tacoma. Dal is in favor of supporting this. The states of Oregon and Minnesota are joining in this effort. Dea would like the one- pager to say what the legal firm is doing on our behalf.

A motion by Dale Neitzel was proposed that membership based on 5K or fewer subscribers would pay \$100 and \$250 fee would be for above 5K subscribers. The one page paper would be re-written to reflect Dea Drake's request and also have the benefits of participation by cities explained. Dea Drake seconded – Motion passed.

NATOA Fee for non members – Garth Ashpaugh - NATOA

Proposed plan by NATOA board to implement \$30 fee to WATOA for chapter members who are not also NATOA members. Each chapter would have to pay the fee. Feedback from other chapters has been all over the place. WATOA will need to increase dues to cover this and this may impact our membership registration. Dal would like to make WATOA membership list available to NATOA to market non members. NATOA has already asked the chapter presidents to provide this list and they plan on marketing the positives of membership in NATOA. Jeff and Dea suggest that in member registration we just include the additional fee of \$30 if they don't have NATOA membership. Jeff proposes that we table item for further discussion to come to a viable solution. Motion tabled.

Dea – Treasurer Report - Currently have \$8745.90 in bank with an additional \$1350.00 in dues ready to go to bank. When the deposit is made then the April balance will be \$10095.90. Dal Neitzel motioned to accept treasurer report – Mike Charboneau seconded – Motioned passed.

Conference Planning – WATOA discussed potential for holding a joint conference with OATO and follow AWC conference in Vancouver. June 22 – 24 is AWC conference in Vancouver. This is too short of a notice and it was agreed to push our conference to September or October. Board will discuss at our next meeting when and where to hold the conference.

Committee Report Discussion - Nominating Committee is the only active committee at this time. Chris Jaramillo and Dea Drake would like to try and get a membership drive committee going immediately. We need to have further discussions on getting regular membership involved with other committees. Plus the board needs to decide which committees would be valuable to the membership.

Adornment - 3:27 pm