



D R A F T

**MINUTES OF THE ECONOMIC AFFAIRS
COMMITTEE MEETING HELD ON
May 17, 2012**

The Economic Affairs Committee convened at 2:00 p.m.

Economic Affairs Committee Members Present: Leilani Ulrich (Agency Chairwoman) Arthur Lussi (Economic Affairs Committee Chair), Jen McCormick (DED), Frank Mezzano, Robert Stegemann, William Thomas.

Other Members or Designees Present: Cecil Wray, Richard Booth, William Valentino, Dierdre Scozzafava (DOS). Sherman Craig was not present.

Agency Staff Present: Terry Martino (Executive Director), Paul Van Cott (acting Council), Dan Kelleher (Special Assistant-Economic Affairs)

Others Present: Frederick Monroe (Executive Director, Local Government Review Board)

Economic Affairs Program Report for April 2012:

Special Assistant for Economic Affairs Report (D. Kelleher)

Dan Kelleher presented the following report to the committee and board:

Mr. Kelleher provided the board with an update on the three Regional Economic Development Councils noting the Councils' plans run for five years and that during that time Economic Services staff, as well as programs implemented by other Agency divisions, will continue to work on plan implementation. Mr. Kelleher also highlighted that the second round of the Consolidated Funding Application process was now open through mid-July. Designee Stegemann added that the Councils are offering workshops in Lake Placid, Plattsburgh, and Watertown to help potential applicants develop winning applications. Mr. Kelleher highlighted a recent Paul Smith's College study that articulated that about 45% of Keene Valley Video Inc. (a

presentation to the board from Jim Herman and Dave Mason was offered in January 2011) users utilize their broadband to either earn or augment their income. Of those people, nearly 10% earned 100% of their income through KVVI's broadband and 48% earned over 20% of their income through broadband supported methods.

Mr. Kelleher introduced Jim Wright, Executive Director of the Development Authority of the North Country.

Presentation on Regional Broadband Initiative

The Board welcomed Mr. Wright.

Mr. Wright introduced Dave Wolf, telecommunications division manager, who was present to address technical issues.

Mr. Wright gave a brief history of the Development Authority which was created in 1985. See attached DANC report.

Mr. Wright said the Development Authority recognized a high need for redundancy and security in broadband services. To achieve this, DANC partners with regional networks to reduce capital expenditures, expand access, and provide competition to lower costs. The Authority typically brings broadband to areas using existing utilities and then last mile providers, including companies such as SLIC or Frontier, connect homes with the regional supply.

Ms. Ulrich asked if there is any chance that the Authority could work with northern Herkimer County. Mr. Wright said the Authority would be happy to be invited.

Mr. Wright presented three main initiatives:

1). Broadband access - Segment 6: Watertown to Utica, Segment 10: Gouverneur to Westport, Segment 8: Potsdam to Plattsburgh. He said underground work was completed with assistance from the APA and DEC.

2). Two large telemedicine networks connecting various anchor users to one another.

3). Economic Development projects - BOCES, papermills, Frontier and SLIC partnerships.

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Mr. Booth asked if the Authority was using existing utilities and Mr. Wright replied yes. Mr. Booth asked if access was running along Rt. 3. Mr. Wright said it was and then will head north toward Lake Clear and over.

Mr. Thomas asked if small business could tap in. Mr. Wolf answered yes to both business and homeowners, but it may require employing a "last mile" contractor since the Authority provides access but does not sell service. Mr. Booth noted this access could create substantial new customers.

Frank Mezzano asked what the difference is between broadband and DSL. Mr. Wolf replied broadband is much faster and provides redundancy.

Ms. Martino and Ms. Scozzafava commended Mr. Wright and the Authority for their tremendous efforts.

Ms. Ulrich, Ms. Martino, Mr. Kelleher and Mr. Lussi presented Mr. Wright and Mr. Wolf with a certificate of appreciation.