

**The Beaver Island Association
Supporting Environmental and
Economic Sustainability**

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March 20, 2017

Ms. Jean M. Pauk
Manager, State Government Affairs
TDS
525 Junction Rd
Madison, WI 53717

Subject: Beaver Island Internet & Phone Service

Dear Ms. Pauk:

This letter is in response to your letter of August 18, 2016, copy attached, regarding Beaver Island residents' concerns about the poor quality of service TDS currently provides to our community. In our original letter (copy attached), we described repeated and prolonged telephone outages, including 911 service outages, repeated and prolonged Internet service outages and persistent poor Internet performance. These problems are not limited to individuals, but also to organizations such as the Beaver Island Community School (BICS). The problem is not on-island tech support, but TDS system capacity and reliability. Your response, like the TDS service we have been receiving, is inadequate. We identify four problems in your response and highlight relevant information regarding telephone service, Internet service, new fees with no regard to fixing current inadequate service, and naïve assumptions about what is required over the next decade to maintain appropriate levels of service.

First, regarding the telephone outages, blaming telephone service outages on AT&T is an unpersuasive "dog ate my homework" argument. It ignores your responsibility as telephone provider to insure access to 911 at critical moments and to provide the service for which you are charging this community for day-to-day commercial and personal use. It is disconcerting to see TDS glibly cast aside the business impact of successive days with no telephone service, particular in our community that relies on tourism.

Second, regarding Internet service issues, you assert no records of trouble within BICS and no indications of "chronic or systemic" troubles. This is counter to informal and formal evidence leading to our original letter of concern. In collecting anecdotal evidence (i.e., multiple conversions in informal settings among neighbors and more formal settings such as Township meetings), we have been consistently told that (a) our residents HAVE expressed concern but (b) when residents call to complain about no or poor service, they are advised to reboot their routers, replace their routers or schedule a service call. These are short-term solutions at best, as the same problems quickly recur. Despite TDS not actually solving the fundamental problems, community members report receiving an email or message stating that TDS considers the issue resolved. Perhaps this explains your records, but it does not reflect reality.

To further understand the scope of the problem revealed through anecdotal evidence, BIA conducted a survey of year-round and seasonal residents. Our questions elicited types of services, current and anticipated needs, and overall satisfaction with existing voice and Internet services on

Beaver Island. The results were unequivocal in identifying the extent of problems. Two hundred sixty-nine individuals responded to the survey. This represents a balanced cross-section of Island residents and visitors:

- 40.9% Full-time Beaver Island residents (108)
- 29.2% Seasonal residents of six months or less (77)
- 15.5% Visitors vacationing between one week and one month (41)
- 11.7% Seasonal six months or more (31)
- 2.7% Other (7)

The vast majority of respondents use Internet at their own home:

- 86.4% Reside in their own home
- 7.5% Reside in a rental
- 3.0% Reside in a motel / lodge
- 2.1% Other

To underscore TDS's responsibility and importance to the island, 71.8 % of respondents reported TDS to be their Internet Provider and 87% reported a TDS landline.

The BIA Internet Survey's primary finding refutes your claim that there are no issues of note on the island, and that what minor issues may occur are handled successfully. ***When TDS Internet users compared the Island Internet Service to their OFF-Island Internet Service, 48% rated it less than adequate. Less than 20% of TDS users rated it as good or excellent.*** The responses underscored the inadequacy of current levels, even when functional. Island community members require significant bandwidth with more than 85% indicating they use the internet either "pretty much constantly" or "multiple times each day." Further, 72.7% of respondents indicated it is important for the island to have Internet access speeds comparable to those available in larger communities. When asked to describe the speed of their off-island internet service, more than 62% indicated it was greater than 15 Mbps, with 24.3% reporting service of 50 Mbps or more.

These findings from the BIA Internet Survey indicate your records do not reflect the experience of your Beaver Island customers, much less their expectations for service. Underscoring the dissatisfaction is the fact that two large users have dropped TDS as their service provider. Both BICS and Central Michigan University terminated service from TDS in favor of self-provisioned service. That is, the problems with TDS are so significant that two major customers have built their own Internet service. This argues against the belief that problems are due to heavier use during high occupancy periods in summer. In fact, during the low population months of the winter, Beaver Island continues to experience periods of congestion, high latency and complete failures of service.

Third, we take issue with your decision to start rate-limiting service during evenings hours, given the poor quality of existing service and lack of plans for immediate attention. TDS is requiring customers to pay additional fees for service at the time of heaviest use and, as documented, when it is most likely to perform poorly. With no guarantees that additional costs will be associated with improved and reliable service during times of heaviest use, it is irresponsible of the company to make this demand on its customers.

Fourth, we noted your recent announcement that TDS has been granted government funding to improve service to 25x3 over 95% of your service area. We hope that the 25x3 service now available on a small part of the north end of the island becomes available island-wide, but point out that:

- 25x3 service is hardly competitive with the speed of service widely available in the larger communities with which we compete for residents and visitors (and plainly does not meet the service expectations of our survey respondents); and
- A slight uptick in speed will be of very limited utility if it continues to be subject to the frequent service outages and slowdowns now being experienced on the island.

Plans for these improvements to be made over the course of the next ten (10) years are naïve, as ten years from now (if not well before) 25x3 service will be the equivalent of the telegraph.

In summary, we have grave concerns about the level of service TDS provides to Beaver Island and the impact it has on our local economy. Our concerns are made more serious by your questioning the validity of the issues raised and your lack of clarity about how you intend to improve service rather than raise prices for inadequate levels currently provided. We reiterate our request for a meeting on Beaver Island with your senior executives responsible for the service. At this meeting, we want to learn more about technical reasons for service difficulties and discuss ways that our community might work with TDS to address these issues. Our community has determined that state of the art Internet service is a key lever for improving our economic future. We hope TDS desires to be part of that future. We look forward to hearing from you and arranging a meeting in the near future.

Sincerely,

Bob Anderson, President
for the Beaver Island Association Board of Directors

Ken McDonald, Vice President	Keith Brothers	Beth Leuck
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Attachments

cc: David A. Wittwer, CEO & President	Honorable Wayne Schmidt
Honorable Deborah Stabenow	Honorable Triston Cole
Honorable Gary Peters	Honorable Sally A. Talberg, Chairman
Honorable Jack Bergman	Robin Ancona
Honorable Ajit Pai, Chairman	Kitty McNamara, Supervisor
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