Becket Broadband Update - July 2016

In early May, the Baker-Polito Administration announced a major reorganization of its approach to overseeing the Last Mile Project aimed at jump-starting progress on delivery of broadband to unserved residents in Western Massachusetts. MBI has moved to a more flexible approach that will help all unserved towns to achieve broadband access by allowing for a range of project models, including multi-town collaborations, locally-owned networks, and industry partnerships. MBI will support a range of technology and operational choices as long as they meet baseline speed, affordability, and sustainability standards.

Our Town Administrator, Ed Gibson, is Becket's contact for this project. An ad hoc group consisting of Jeanne Pryor (Board of Selectmen), Dan Parnell (Finance Committee), Jeremy Dunn and Robert Gross (WiredWest Delegates) have been assisting with this effort. Jeremy is our alternate contact and also our primary technical contact.

On June 3, 2016, we met with Bill Ennen, Last Mile Implementation Liaison, to assess Becket's readiness with regards to overall approach, project technology preference, local votes taken, etc. As part of the assessment, Becket's review of the information within the town profile generated by MBI has been completed. Becket's preferred project model is for a regional network but we have chosen to begin with an independent network with design and engineering specifications and construction managed through MBI so our progress is not slowed down.

On June 17, 2016, we met with Todd Corcoran, the Program Manager assigned to Becket during the Assessment phase, to assist the town with the completion of our Town Readiness Submission Form and Sustainability Workbook. On July 1, 2016, Becket's updated “Draft” Readiness Assessment Document was sent to Mr. Corcoran and we are working with Mr. Corcoran to update our Town Network Design Template. MBI has issued a Mini-bid to qualified pole collection firms so that they are under contract and ready to hit the streets once towns have been fully approved in the readiness process.

Towns planning to move forward with last mile projects need approval from the Commonwealth’s Division of Local Services (DLS) on certain aspects of their project including Project Budget and Funding Sources, Debt Authorization/Debt Exclusion Certified Vote Documentation, Financial Advisor and Bond Counsel Information, and examples of how our town will account for the on-going revenues and expenses after the network is built.

Becket is working to build a FTTP (Fiber to the Premise) network covering 100% of existing roads with premises in town. We intend to pull sufficient extra strands of fiber during the initial build to cover new growth in coming years. We intend to provide “drops” to people who express interest during a pre-subscription campaign. The town will absorb a generous per residence cost, the excess to be absorbed by the homeowner where drops are unusually expensive (e.g. underground or very long driveways). There are sections of town with non-conduit underground utilities so we intend to negotiate with the homeowner association or district in those areas to split the costs so all premises will be covered. Residents who choose not to pre-subscribe and want service after implementation will absorb all costs to bring service to their residence.

Our vision of a successful project is that everyone who owns property in Becket has access to affordable, high-speed internet service that will satisfy their needs today, and their needs and their children’s needs in 30 years. Our success criteria includes

- fiber is offered to every existing premise in town that is serviced by current utilities, including those with underground utilities and those on outlying roads
- everyone who indicates they want service during the initial build, has a drop to their house
- additional fiber strands are available for new growth
- sufficient number of people sign up for service to make the project at least break-even at an operational level (including the mandatory depreciation reserve); and ideally to pay back some or all of the debt service

- property values rise within two years of the completed build; local realtors report that it is now much easier to sell homes in town due to the availability of high-speed internet.

We are strongly interested in joining a cooperative of towns that will reduce the operating costs of our network, but not if it's going to slow down the current process. If necessary we will start by building a separate network, and join a collaborative later. Our goals in regional collaboration include:

- Reducing / sharing the administrative overhead for each town
- Hiring common staff to handle administrative overhead of running the network, so the burden of such tasks does not fall on existing town employees, or volunteers
- Reducing costs thru shared procurement of services, negotiated contracts, economies of scale, and similar shared-buying processes

Becket has been participating in WiredWest, and is ready to consider a proposal for offering shared services by WiredWest as/when such a proposal becomes available. Currently such a proposal is available only in draft form, and has no specifics as to cost.

Becket has not yet begun the selection process for service providers. We are interested to see a list of providers that have been pre-qualified by MBI and also to see whether WiredWest will offer any options. We anticipate waiting until network-construction has begun before soliciting and evaluating service providers.

We agree that a 60% take rate is necessary for financial sustainability, and we are confident in our ability to hit this target within the first two years of operation.

We are currently working on revenue projections, and decisions that affect revenue including how many tiers of service, and which products to offer at which price levels. But the bottom-line calculation depends quite a lot on costs. Obtaining valid cost estimates from at least three sources will be a key milestone in creating an accurate sustainability analysis.