



Regional Last-Mile Fiber Network: Project Fact Sheet

WiredWest and the Massachusetts Broadband Institute (MBI) are actively working together to bring high-speed broadband internet service to people with poor internet connections in as many as 44 towns in western Massachusetts. This project has the full support of the area's legislative delegation.

MBI recently completed a "middle mile" fiber-optic network serving town halls and other public facilities. With support from the towns it will build a regional "last mile" fiber network to connect homes, businesses and other organizations, taking advantage of economies of scale and other benefits of acting on a regional basis. The network will be owned and operated on behalf of the towns by WiredWest, a municipal cooperative formed specifically for this purpose.

Based on extensive engineering, financial and legal analysis, MBI and WiredWest are finalizing a project plan. The total capital required is currently estimated to be up to \$100-119 million, depending on the number of towns which choose to participate. Bonds to be issued by the Commonwealth of Massachusetts will give MBI \$40 million for the project, with the balance of funds to come from general obligation bonds issued by participating towns.

The capital costs allocated to a town will be based on detailed engineering of the actual cost to build out that town. The share of MBI funds it receives will be determined by an equitable formula. The remainder of its capital costs will be financed by the town with its bonds.

While towns will be responsible for principal and interest payments on their bonds, WiredWest will reimburse them in whole or in part, depending on the financial performance of the network. Signing up customers is critical to the success of the network. If it generates earnings above the debt service, WiredWest's member towns will decide what to do with the surplus funds.

It is currently estimated that the cost to a customer for service will be:

- \$ 45-49 for 25 mbps internet, with higher speeds available up to a gigabit (1000 mbps);
- \$ 59 for 25 mbps internet plus basic phone service; full-featured digital phone for \$20 more
- \$124-149 for internet/phone/TV "triple-play", depending on levels of component services

To participate as a "Fiber Town" on the network, a town must take these steps:

1. By December 31, its Select Board must pass a nonbinding resolution expressing its intention to participate in the project and to seek approval of the bond issuance.
2. As early as this spring, a town meeting must by a 2/3 vote authorize issuance of the bonds. The town may be required as well to pass a Proposition 2½ override.
3. At the same time, 40% of its households must sign a conditional contract to take service – internet, phone and/or TV – when it becomes available, plus make a small deposit.

WiredWest and MBI, supported by its contractor the Franklin Regional Council of Governments, will work closely with the towns to help them to complete these steps.

Project timetable (may be shortened if fewer than all 44 towns participate):

- "Make-ready" to prepare utility poles for cabling begins Spring 2015
- Construction of the network begins Spring 2016 on a rolling basis as poles are ready
- Service to customers begins Spring 2017 as network segments are completed
- Project completed by the end of 2019

Questions? Contact Monica Webb, WiredWest Board Chair: monica@wiredwest.net