



Crocker Communications
Flexible Grant Program
Proposal For
Any Town, MA

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**Select Board
C/O – Town Administrator
Any Town, MA**

Dear Town Administrator,

Crocker Communications is pleased to submit a preliminary proposal under the Massachusetts Broadband Institutes “Flexible Grant Program.” We look forward to meeting together with you, your Selectboard and MBI to fine-tune the Crocker proposal so that it meets the Town’s Broadband goals.

Executive Summary

Crocker Communications embraces the recently released MBI Flexible Grant Program (FGP) for Towns that until now had no clear path forward for Broadband service for its residents and small businesses. The FGP allows towns to utilize the MBI grant allocation to get started on Broadband, even if the initial phase does not reach 96% or greater coverage.

Crocker proposes an approach that stretches the MBI grant funding as far as possible. The three pillars of the Crocker approach are:

- 1) The grant money pays for a detailed design and engineering, make ready work, and as much fiber in the streets as the remaining funds allow. Its estimated that 50-60% of road miles will be built in the first phase of the project.**
- 2) Crocker provides all electronics at the core and at subscriber homes out of its own resources. Subscribers will be offered the option of leasing or purchasing outright electronics for terminating the fiber at the home.**
- 3) Subscribers will be responsible for the cost of connecting fiber from the street to the home. Flexible finance terms will be offered for those subscribers that need it.**

The Crocker Flexible Grant Program requires no Town borrowing, bonding, MLP board, annual audits, operational expense or insurance.

Crocker can stretch the FGP grant dollars further with help from the Town, including such things as space to house a Head End, either within a Town building or on Town property in close proximity to an MBI Middle Mile CAI, police details, generator backed power, blanket permitting, and Town rights of way.

The Crocker Communications approach seeks to fast start your Town's broadband project by maximizing what can be accomplished with the initial MBI grant funding. It is hoped that subsequent phases of the project, utilizing additional State and/or Federal funds, will ultimately exceed 96% coverage.

Crocker Value Proposition

Crocker Communications is the only Service Provider currently engaged in the Western Massachusetts Fiber-To-The-Home (FTTH) market that has successfully brought a municipal FTTH network from zero subscribers to a sustainable take rate (Leverett, 85% take rate). This October, Crocker shepherded the Town of Mt. Washington through its own FTTH network start-up. In Mt Washington, Crocker serves as both Network Operator and Service Provider.

Crocker is the only Service Provider currently engaged in the Western Mass. FTTH market that has successfully navigated the at times complex transition from DSL or satellite for subscribers in a new municipal fiber network. A key element of this transition is management of the inside wiring requirements of subscriber homes, particularly for those subscribing to Crocker telephone service. Equally important is the support Crocker provides to subscribers setting up wireless routers for the first time.

Crocker Communications has by far the most robust and geographically diverse backbone network of any Service Providers currently engaged in the Western Mass. FTTH market. We have multiple 10 Gigabit redundant connections to Boston, which affords us low cost Tier 1 Internet and many valuable peering arrangement options, including Netflix, Google, Amazon, Apple, Microsoft and several others. Peering in Boston provides two key benefits: it contributes to cost control by limiting use of the Internet and it assures optimum performance for key residential applications such as Netflix and Apple (approximately 45% of all Leverett traffic accesses Netflix). Our multiple Tier 1 connections to separate providers allows us to continue to serve our subscribers.

Start-up Experience:

Inside wiring – Crocker does an excellent job of managing the process of assuring that inside wiring and appropriate wireless router for Internet and phone was ready for service start-up. As we did in Leverett and Mt Washington, Crocker offers subscribers all available options for accomplishing this important part of the process, including local electricians and handymen as well as written instructions and schematics for the DIY among them.

Number porting – Crocker has extensive experience in porting numbers from Verizon and other carriers in a thorough, professional and well-documented process. Number porting for Leverett’s 400-plus phone service subscribers was virtually trouble-free. Crocker does not charge a fee for number porting.

Initial router/firewall and phone service set up. Crocker does an excellent job of guiding new Leverett subscribers through the process of setting up their equipment and their e-mail and voice mail accounts. Crocker does not charge a fee for subscriber support via phone.

Crocker’s Flexible Grant Program Proposal Components

- **Design, Engineering, and Construction – Performed by Fujitsu Network Communications (FCN) – a national firm that specializes in the design and construction of Municipal networks. FCN will use local subcontractors with experience working on the MBI Middle mile and recent municipal broadband networks. The initial MBI FGP grant will pay for Design & Engineering, Utility Make Ready work, and as much of the fiber distribution network as possible (passing approximately 50-60% of all homes).**
- **Crocker Communications will provide all Core network electronics as well as offering lease and purchase options for subscriber electronics. No Grant money will be used for electronics. As the network owner, Crocker will be responsible for the timely upgrade of all core network electronics.**
- **Subscribers will be responsible for the fiber connection from the distribution network on street utility poles down the driveway and into the home. Crocker will perform the work while offering subscribers upfront and term payment options.**

Benefits – Town/Subscribers

- **The Crocker Flexible Grant Program requires no Town borrowing, bonding, MLP board, annual audits, operational expense or insurance.**
- **The Town’s subscribers enjoy an outstanding Internet experience through unlimited access at a connection speed of 1 Gigabit/second. Crocker’s target rate for unlimited Internet Access at 1 Gigabit/second connection speed is \$99.95/month.**
- **The Town’s subscribers have the option to enjoy high-quality, full-featured telephone service with unlimited local and long distance calling (48 states, Canada and Puerto Rico). Crocker’s current rate for telephone service is an additional \$15/month.**
- **As the start-up ISP/Network Operator for the region’s only two operational municipal fiber-based broadband networks (Leverett and Mt Washington), Crocker Communications brings its unique experience with subscriber provisioning, inside wiring, router set-up help desk, number porting, and start-up trouble resolution to the project. Crocker has a track record and it’s a great one!**



Anytown– Crocker-Fujitsu Plan to achieve a minimum of 96% coverage.

Baseline:

- A. Estimated cost to build, road fiber only*, at \$30K/mile: Road miles x \$30k
- B. Estimated coverage with original MBI grant: On average, 60%
- C. Estimated add'l cost to build past minimum 96% of homes: Aprox 40% of "A"

* In this model Crocker pays for Core electronics and hut build-out; the subscriber pays for the connection from the street to the home and for ONT electronics. The subscriber will be offered up-front and term payment options for their portion.

Options for funding the shortfall in "C" above:

- 1) Potential funding from MBI via the new \$45M grant allocation, availability and amount TBD.
- 2) Town funding. This will involve a procurement process. Crocker believes that what the town funds, it should own. See below for additional details.
- 3) CAF II funding. This is promising but not certain. If successful, the CAF II amount can fund much of the shortfall, or, assuming additional state funding, help to keep operational costs (and subscriber fees) low, as well as possibly funding low-income discounts.

Ownership

As mentioned above, Crocker believes the town should own whatever assets it pays for. In addition, Crocker believes the town should have a clear path to ownership of anything that the state funds. For its part, Crocker will need assurance of a long- term tenure as the network operator and ISP.

The Town may desire ownership of the entire network. After a pre-determined interval*, the town takes ownership of all network assets paid for by the state grant allocation and its own contribution. The only "buy-out" due to Crocker will be to allow recovery of certain sunk capital and operational costs incurred during its tenure as owner/operator. Crocker would also like the option to buy out any Town contribution.

* This interval could be impacted by any CAF II funding, which requires ISP ownership and is paid out over 10 years.