

MINUTES

FIFTY SIXTH MEETING

of the

BOARD OF DIRECTORS

of the

MASSACHUSETTS BROADBAND INSTITUTE

[OPEN SESSION]

July 25, 2017
Lee, Massachusetts

The Fifty Sixth Meeting of the Board of Directors of the Massachusetts Broadband Institute (“MBI”) was held on July 25, 2017, at the Lee Town Hall, Courtroom, 32 Main Street, Lee, Massachusetts, pursuant to notice duly given to the Directors and publicly posted on the MBI website with corresponding notice provided to the Office of the Secretary of State.

The following members of the MBI Board of Directors attended the meeting: Secretary of Housing and Economic Development Jay Ash (represented by Peter Larkin of the Executive Office of Housing and Economic Development), Tim Connelly (represented by Ed Donnelly of the Massachusetts Technology Collaborative), Don Dubendorf, Linda Dunlavy, Secretary for Administration and Finance Kristen Lepore (represented by Sean Cronin of the Division of Local Services), Paul Nicolai and Karen Charles Peterson.

The following Mass Tech Collaborative staff was present: Michael Baldino, Ed Donnelly, Phil Holahan and Katie Stoico.

The following individuals attended the meeting: Lindsey DeRoche, Department of Telecommunications and Cable; Bill Ennen, Executive Office of Housing and Economic Development; Larry Parnass, The Berkshire Eagle.

Mr. Larkin observed the presence of a quorum of the MBI Board of Directors and called the meeting to order at 10:30 a.m.

Mr. Larkin reviewed the legal requirements governing public participation at an open meeting of a public body. He stated that: (1) After notifying the Chair, any person may make a video or audio recording of an open session of a meeting of a public body, or may transmit the meeting through any medium, subject to reasonable requirements of the Chair as to the number, placement and operation of equipment used so as not to interfere

with the conduct of the meeting. At the beginning of the meeting the Chair shall inform other attendees of any recordings. (2) No person shall address a meeting of a public body without permission of the Chair, and all persons shall, at the request of the Chair, be silent. No person shall disrupt the proceedings of a meeting of a public body. If, after clear warning from the Chair, a person continues to disrupt the proceedings, the Chair may order the person to withdraw from the meeting and if the person does not withdraw, the Chair may authorize a constable or other officer to remove the person from the meeting. No recordings were made of the meeting.

Mr. Larkin asked each attendee to introduce himself or herself. He mentioned that the MBI Board of Directors was holding a meeting in western Massachusetts for the first time.

Agenda Item I Approval of Minutes

Following a period of brief discussion, and upon a motion duly made and seconded, it was VOTED with Linda Dunlavy and Sean Cronin abstaining:

The Board of Directors of the Massachusetts Broadband Institute hereby adopts the Draft Minutes of the open session portion of the Fifty Fifth Meeting of the Board of Directors held on May 31, 2017, in Boston, Massachusetts, as the formal Minutes thereof.

Agenda Item II Report of the MBI Board of Directors Chairperson

The report of the Chairperson was deferred.

Agenda Item III Discussion and Action Items

Mr. Larkin and Mr. Donnelly provided updates on the status of broadband last mile programs and initiatives. Mr. Larkin reviewed the status of the unserved towns in western Massachusetts and noted that MBI has been successful in identifying a path forward for most of these towns. He discussed the progress being made by Comcast to expand service in the nine partially served towns. Mr. Larkin mentioned that make ready work poses the biggest challenge, although he indicated that the overall buildout in the nine towns is on track to be completed ahead of schedule. It was noted that Chester will be the first partial cable town to be lit up and that MBI will provide the remaining partial cable towns with periodic schedule updates.

Mr. Larkin noted that Governor Baker recently went to West Stockbridge for a walking tour of small businesses that are benefitting from the project undertaken by Charter, with support from MBI, to upgrade and expand service in Hinsdale, Lanesborough and West Stockbridge. During the ensuing discussion of grants administered by MBI for municipally-owned networks, Ms. Dunlavy indicated that the Town of Warwick is very excited that their wireless project is almost complete. Mr. Donnelly clarified that the MBI grant to Royalston was for a wireless pilot project and he

noted that Royalston will apply to the Executive Office of Housing and Economic Development (“EOHED”) to access the remainder of its MBI grant allocation.

Mr. Larkin informed the MBI Board of Directors that the private provider grants to Comcast and Charter have been announced. He noted that Comcast has committed to serving one town and Charter has committed to serving five towns. Mr. Larkin mentioned that the Department of Telecommunications and Cable (“DTC”) will be holding workshops to assist towns with the cable franchise licensing process. Mr. Donnelly noted that DTC has been very helpful in identifying opportunities for towns to shorten the cable licensing process. Mr. Larkin mentioned that three towns are in discussions with Frontier Communications regarding Frontier’s response to a multi-town RFP for broadband service. He clarified that Frontier has revised its proposal and has increased the amount of public funds that it is requesting in response to the Town of Monterey dropping out of the multi-town RFP process.

Mr. Larkin and Mr. Ennen provided an update on the status of the Last Mile Infrastructure Grant Program that is being administered by EOHED. Mr. Larkin reviewed the structure of this grant program, which supports the development of municipally-owned broadband networks. Mr. Ennen informed the MBI Board of Directors that EOHED has awarded 18 grants and has disbursed the initial tranche of grant funds to 12 of the grantees. He noted that towns will start to receive cost estimates for make ready within the next few months. Mr. Ennen also mentioned that most of the towns have selected Westfield Gas & Electric to serve as their owner’s project manager. He indicated that the remaining towns that do not have a path forward are still evaluating their options or waiting for another option to materialize, such as a private provider solution. Mr. Ennen responded to a question from Mr. Cronin and clarified that towns will spend state grant funds exclusively at the outset, which is expected to cover project costs for design services and make ready work.

Mr. Larkin noted that MBI is working on a new solicitation for the second round of grants to private broadband providers to help address the needs of the remaining towns that do not yet have a path forward to broadband connectivity. Mr. Larkin responded to a question from Ms. Dunlavy and shared his perspective that there are a range of obstacles confronting the remaining unserved towns, which include, but are not limited to, the availability and/or willingness to invest municipal funds. Mr. Larkin indicated that he hopes that private providers will express a willingness to serve the remaining towns.

As the discussion continued, Mr. Larkin responded to a question from Mr. Dubendorf and indicated that MBI may need to consider creative approaches that provide towns with the option to consider coverage levels below 96% and options to expand coverage over time. Mr. Larkin also responded to a question from Mr. Nicolai and mentioned that MBI is still considering the proposal submitted by Crocker Communications under the private provider RFP. Mr. Larkin indicated that the approach proposed by Crocker may align better with new private provider solicitation. He also noted that a town that wishes to pursue the approach proposed by Crocker would need to

secure legislative authorization to make a long-term, binding commitment of municipal funding.

A discussion ensued regarding the merits of MBI issuing a Request for Information instead of a Request for Proposals for the next round of private provider grants. Mr. Donnelly noted that a RFI reflects the type of flexible, iterative process that MBI intends to implement that will involve engagement and negotiations with interested unserved towns and interested providers. It was agreed that a RFP was not needed for MBI to negotiate with interested private providers.

Mr. Dubendorf initiated a discussion about the availability of MBI funds to cover new awards. Mr. Donnelly provided a status update on MBI funding and noted that approximately \$41.7 million of state bond funds have been committed by MBI, leaving slightly more than \$8 million in uncommitted MBI funds. He also indicated that it is too soon to know whether the remaining funding will be sufficient to cover the cost of broadband projects for the remaining unserved towns that do not currently have a path forward. Mr. Donnelly indicated that the new private provider solicitation should provide some insights into the cost of covering the remaining towns. He also stated that the Baker-Polito Administration remains committed to bringing service to every town.

Mr. Donnelly noted that most of the remaining unserved towns have concerns about taking on debt obligations for a broadband network or have worries about having the capacity to oversee the operation of a broadband network. Mr. Donnelly clarified that the towns accepting grants through EOHED's Last Mile Infrastructure Grant Program are assuming the risk of construction cost overruns. He noted that a town that experiences project cost overruns may need to go to a Town Meeting to ask for more money. Mr. Donnelly indicated that MBI is closely monitoring the make ready cost estimates that come in for the towns that are building their own networks through the EOHED grant program.

A discussion ensued regarding alternative funding mechanisms and the potential for a regional collaboration among the remaining unserved towns. Mr. Donnelly mentioned that Westfield Gas & Electric does not appear to be amenable to considering borrowing funds to cover some of the projects costs associated with designing and constructing municipally-owned broadband networks. Mr. Donnelly indicated that the financing approach proposed by Frontier and Crocker would allow the towns to pay over time and avoid the need for upfront borrowing. Mr. Larkin noted that WiredWest may be engaging in discussions with some of the remaining unserved towns. Mr. Nicolai cautioned that a municipal light plant that was interested in running a broadband network in another town could face local opposition and would likely need to secure approval from the appropriate local governing body.

Mr. Holahan, in his role as General Counsel as the Massachusetts Technology Collaborative recommended that the MBI Board of Directors go into executive session to discussion strategy related to the ongoing litigation with G4S Technology and KCST USA/Asia NetMedia. Mr. Larkin, in his capacity as Chairperson, stated that he would

call for a roll call vote of the MBI Board of Directors to go into executive session to discuss strategy with respect to the matters referenced by Mr. Holahan. Mr. Larkin indicated that the purpose for meeting in executive session to discuss these matters is that discussion of the Mass Tech Collaborative's strategy with respect to these matters in an open meeting may have a detrimental effect on the litigating position of the Massachusetts Technology Collaborative.

A roll call vote was taken to go into executive session. Mr. Larkin, Mr. Cronin, Mr. Donnelly, Mr. Dubendorf, Ms. Dunlavy, Mr. Nicolai and Commissioner Peterson voted in the affirmative to enter into executive session. All staff and members of the public that were not needed for the litigation strategy discussion left the room. The meeting proceeded in executive session at 11:21 a.m. and continued in executive session until 12:29 p.m. After the conclusion of the executive session the meeting proceeded in open session. The proceedings that occurred in executive session are addressed in a separate set of meeting minutes.

There being no other business to discuss and upon a motion duly made and seconded, it was unanimously and without abstention voted to adjourn the meeting at 12:30 p.m.

A TRUE COPY
ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes – Open Session of the May 31, 2017 MBI Board of Directors meeting
2. Presentation – Update on MBI Broadband Extensions Program and Last Mile Initiatives