

CONNECTING THE COMMONWEALTH

### **MBI 2016 Review and Steps Forward for 2017**

Dear Municipal Leader:

As the New Year unfolds, I write to review the progress of MBI since the Baker- Polito Administration completed its strategic review in May of 2016 and preview the developments around the Last Mile program that MBI anticipates over the coming months. It is my intention that we at MBI can continue to improve our communication with towns and build upon this and future efforts to be as transparent as possible in 2017. To that end, I would like to provide updates on the following topics:

- Roundup of 2016 Activities
- Private Provider RFP
- Design and Engineering RFP
- Coordinating Town interests with relevant State Agencies
- Regionalization opportunities
- Schedule of MBI Board Meetings for 2017

Please know that the Baker-Polito Administration recognizes and will continue to support the longtime efforts of town leaders and volunteers to explore broadband options that can best meet their community needs. Also know that the MBI shares in the urgency and importance of bringing broadband access to our unserved towns in an expedited and affordable way. MBI remains committed to supporting those towns that have previously indicated their desire to move forward with a municipal owned network, while at the same time exploring additional broadband solutions which match up with what we have heard from towns who are reluctant to build and own a network.

### **MBI Activities in 2016**

Since the end of the strategic review in May and the relaunch of the Last Mile program, we have worked closely with municipalities and state leaders to help move more towns forward through the Last Mile process. Over that time, several announcements were made that signals encouraging progress in our goal of closing connectivity gaps in unserved and underserved towns. Below is a brief summary of the key milestones made since May:

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|-------------|---|
| <b>May</b>  | Peter Larkin named Chairman of the MBI Board and Special Advisor to the Secretary of Housing and Economic Development;<br>Bill Ennen named as Last Mile Liaison to Communities; |
| <b>June</b> | 35 Towns are engaged in the MBI Readiness process;  |
| <b>July</b> | MBI Board approval of grant for Middlefield Wireless pilot project;<br>MBI Board approval of grant for Mt. Washington's FTTH project;   |

- August** MBI and Comcast execute grant agreement to expand broadband access as part of 9 town Broadband Extension Program – Pelham, Shelburne, Northfield, Buckland, Chester, Conway, Huntington, Montague and Hardwick;  
 MBI and Charter Communications execute grant agreement to provide 100% broadband access in Hinsdale, Lanesborough and West Stockbridge;
- September** Revised Last Mile Policy approved by the MBI Board of Directors;  
 Design Engineering Request for Proposals (D/E RFP) issued for 40 towns;
- October** 10 towns have exited MBI Readiness process and entered Pole Survey;  
 Design & Engineering RFP (D/E RFP) responses received and under MBI review
- November** Private Provider Request for Proposals (PP RFP) issued Nov 18, 2016 with responses expected January 11, 2017 (barring request for extension);
- December** MBI Board approval of a Term Sheet and grant for the Warwick wireless broadband project;  
 MBI Board approval of Term Sheets and grants reserved for the Towns of Alford, Otis.

**Private Provider RFP**

On November 18, 2016, MBI published a Request for Proposals to solicit responses from the Private Providers (PP RFP) to provide broadband opportunities in our unserved communities. The responses to this PP RFP are due on January 11, 2017, barring a request from providers for an extension. Because the results of this RFP are of such importance, immediately after the proposals are received, MBI will begin to conduct its review process. MBI will publish the Private Providers responses to the RFP on its website by January 23<sup>rd</sup>.

Additionally, MBI will hold an open meeting to hear from MBI town designees and local Select board members about their thoughts regarding the results of the PP RFP on February 16<sup>th</sup> at a location TBD in Western Massachusetts. Select board members and designees wishing to speak should please rsvp to MBI Deputy Director Edmund Donnelly via email at [donnelly@masstech.org](mailto:donnelly@masstech.org), as we will limit each speaker to three minutes to accommodate as many speakers as possible, and we would request all interested speakers submit written testimony as well. Please know that members of the public are encouraged to submit written testimony to Edmund at that email address as well. Given the expected interest this meeting will likely generate, we are working to secure a large venue to accommodate public attendance. The final details of the date, time and location of this meeting are being finalized currently and will be provided to you as soon as they are confirmed.

Given that MBI will post on its website the PP RFP responses by January 23<sup>rd</sup>, MBI will begin to work with each town’s designee to mutually understand the implications of the responses for the town. Please understand this is a grant-making process, and as it unfolds we will be identifying those firms that are qualified to receive state funds. That a firm becomes qualified is only a step in the process. I want to emphasize in the strongest possible language that the simple act of submission of a proposal will not automatically qualify a vendor to receive a grant from MBI, so I would urge town leaders to study only proposals of firms which have been qualified. We will move as expeditiously as possible to help towns understand which firms that submitted proposals will in fact be eligible to receive state funds. Additionally, MBI will provide towns with a sample “opt-out” letter in the event that a town would like to remove itself from further consideration as part of this RFP process, and MBI will work with that town to pursue the other paths it may choose.

Our goal is to return to the MBI Board with final recommendations regarding proposals and vendors as soon as 60 days but no later than 75 days from the publication of the PP RFP proposals. However, this date may have to change depending on the number and complexity of the proposals that MBI receives. We anticipate communicating with town officials and designees regularly to foster efficient decision making during the review process, as the options for each town become better known.

*Each individual town will have the ultimate authority to decide whether it will accept the proposal of a qualified vendor, and in those instances where a town has multiple qualified vendors offering to provide service, it will be the town's choice which vendor receives the grant from MBI.*

### **Design and Engineering RFP – MBI-Assisted Projects**

Several things have occurred which necessitate a course correction with regard to design and engineering for towns that are utilizing MBI engineering support to achieve a municipally owned solution. First, the responses to the design and engineering RFP for forty towns came in well over projected budgets. Second we have received very thoughtful feedback from town designees and officials that towns must have much more direct control of this process. Third, I anticipate that the number of towns adopting this approach will be significantly smaller than had been projected. Accordingly MBI is taking a fresh look at how to allow for greater local control while at the same time affirming MBI's obligation to fund the design of the network on behalf of the towns. Consequently MBI is in the process of re-purposing the design and construction process to provide greater control to the towns from the design process through the construction of the network. It is our belief that this change will not cause any appreciable delay; however, for those towns that seek to pursue a municipally owned network, the revised approach will offer greater confidence that each town will participate in the design and better control the construction process. I know that this is painful news to those towns that have completed pole survey, but after careful consideration this will be the pragmatic and prudent path forward. We will continue to update towns as we finalize this pathway.

### **Coordinating Town Interests with Relevant State Agencies**

In instances where the town is not working towards a private provider solution, in the coming weeks, MBI will coordinate educational opportunities with relevant state agencies to assist towns with various issues that may arise during the construction and operation of a municipally owned broadband network. To assist towns in their compliance with state procurement laws related to construction and the provision of services, the Office of the Inspector General will conduct a procurement workshop during the week of January 23<sup>rd</sup> at a location in Western Massachusetts to offer insights and best practices in this area. MBI will ensure that teleconferencing is available as well as an opportunity for interested parties to attend in person. Additionally, the Division of Local Services will provide insight into how towns can properly account for the fees and financing required to successfully operate a broadband network and plan for contingencies, updates and repairs. As soon as the dates, times and locations of these events are finalized, we will provide them to each town designee, Selectboard, and post them to our website. If there are other areas of interest that MBI could help facilitate greater educational opportunities about, please do not hesitate to contact us.

### **Regionalization Opportunities**

Several towns have requested improved support – during the “readiness process” – for selecting the option in which the town wants (a) to own and oversee a municipally-owned FTTP network, and (b) to be part of “regionalization.” MBI continues to support regionalization, but it begins by making local decisions about affordability and sustainability. Town borrowing and operational sustainability analysis should not be predicated on theoretical numbers regarding the cost of building/owning a network blended with the projected and theoretical numbers on savings achieved through collaboration in operation. At the end of the day, each of these town networks needs to stand on its own because it is impossible to guarantee that a

regional arrangement that buttresses sustainability for a given town will always remain in place. Regionalization can be a key factor in supporting operating sustainability from a cost savings standpoint, but this should only happen once individual town networks have demonstrated viability as a standalone entity. I believe that we can factor “regionalization” into a revised path forward for design engineering, but it would be premature for me to elaborate more fully on this at this time.

### **MBI Board Meetings for 2017**

In addition to the MBI public meeting held on February 16, 2017, MBI anticipates holding eight board meetings in 2017. In the coming year, MBI will work to foster more opportunities for public comment during these meetings. Given the large number of towns that encompass MBI’s work and the diverse character of these towns, we look for input as to the best, most efficient ways to accomplish that goal. The proposed meeting dates and times of the MBI Board are published below. However, we ask for your understanding of our need for some flexibility as we work to schedule these meetings, given the sometimes difficult task of coordinating the schedules of our board members to ensure a quorum.

|  |               |  |
|--|---------------|--|
| <b>Thursday, February 16</b>               | 10:00 – 2:30  | PP RFP Public meeting<br>TBD in Western MA                       |
| <b>Tuesday, March 28</b>                   | 12:30 – 2:30  | MassTech<br>75 North Drive<br>Westborough, MA 01581              |
| <b>Tuesday, April 25</b>                   | 12:30 – 2:30  | MassTech<br>75 North Drive<br>Westborough, MA 01581              |
| <b>Wednesday, May 31</b>                   | 10:00 – 12:00 | MassTech Boston<br>2 Center Plaza, Suite 200<br>Boston, MA 02108 |
| <b>Tuesday, June 27</b>                    | 12:30 – 2:30  | TBD in Western MA  |
| <b>Tuesday, July 25</b>                    | 12:30 – 2:30  | MassTech<br>75 North Drive<br>Westborough, MA 01581              |
| <b><i>August: No Meeting Scheduled</i></b> |               |  |
| <b>Tuesday, September 26</b>               | 12:30 – 2:30  | MassTech<br>75 North Drive<br>Westborough, MA 01581              |
| <b>Tuesday, October 24</b>                 | 12:30 – 2:30  | MassTech<br>75 North Drive<br>Westborough, MA 01581              |

***November: No Meeting Scheduled***

**Tuesday, December 12**

12:30 – 2:30

MassTech  
75 North Drive  
Westborough, MA 01581

It is with anticipated excitement that we at MBI look forward to working with you in the weeks and months to come in 2017 to continue to expand broadband opportunities in our unserved communities of Massachusetts. Please do not hesitate to reach out to myself and the MBI team with your thoughts as to how better to accomplish our mutual interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Larkin". The signature is fluid and cursive, with a large initial "P" and "L".

Peter J. Larkin  
Special Advisor  
MA Executive Office of Housing & Economic Development  
Chair of the Massachusetts Broadband Institute  
[Peter.Larkin@state.ma.us](mailto:Peter.Larkin@state.ma.us)