

Co-operative approach to broadband initiative

WiredWest working on next phase of community buy-in

BY JOHN TOWNES

As the season of town meetings approaches, the quest to wire the western counties of Massachusetts for high-speed Internet and other advanced telecommunications services is moving into a new phase.

Last year, the Massachusetts Broadband Institute (MBI) received a combination of state and federal stimulus funding that has allowed the agency to proceed with its plan to build a backbone network of fiber-optic cable throughout western Massachusetts over the next two to three years.

This is seen as vital for the region's economy and quality of life because many rural sections of western Massachusetts do not currently have access to broadband Internet or the other modern telecommunications services that have become increasingly necessary in today's high-tech society.

The system that is being planned and constructed by MBI will include a basic fiber-optic network throughout the Berkshires and other sections of western Massachusetts that will be capable of handling high-speed, high-capacity telecommunications services for the foreseeable future.

This network, known as the “middle mile,” will provide basic lines between and into communities.

However, it will also be necessary to subsequently connect this to individual homes and businesses through other lines of fiber-optic cable, similar to the way local streets connect to major roads in a region. That aspect is known as the “last mile.”

WiredWest is a regional community-based collaborative that was formed to handle this last-mile phase in small towns and rural areas in Berkshire County and other sections of western Massachusetts. Its long-term goal is to eventually ensure that all locations in the region have access to fiber-optic lines.

Its strategy is to establish a public regional

co-operative to build and operate a network of last-mile fiber-optic cables to augment the MBI backbone. This is intended to address a basic issue that has held back services – the lack of a large population to provide a market that would attract private companies.

“That is crucial, because so much depends on having these services today,” said Monica Webb, one of the organizers of WiredWest. “After studying the alternatives, we believe that in order to bring this into communities with smaller populations, and to provide affordable service, it is necessary to do this on a public basis by an entity whose goal is the social good rather than the need to make a profit.”

Last year, WiredWest (website: wired-west.

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net) received voter approval at 47 town meetings for ballot items to support further study of this basic concept.

Organizers of WiredWest subsequently researched specific possible business models and forms of governance this would take, to establish a structural and legal framework.

Last September, delegates from those towns decided to pursue the project as a public membership co-operative. Its member-owners will be the municipalities where voters authorize it, and it will be overseen by a board of representatives from those towns.

Now, WiredWest is submitting a follow-up proposal asking voters to authorize their towns to join this co-operative.

Existing law as conduit

The legal authorization is under the century-old Municipal Light Plant (MLP) law (Massachusetts General Laws 164) which was originally used to enable rural communities to bring in electric power. This law was broadened in the 1990s to encompass modern telecommunications services.

“We looked for existing laws we could use to authorize this, rather than try to seek new special legislation,” said Webb. “New legislation can take years, and there's no guarantee that it would ultimately pass. Instead, by using the Municipal Light Plant process, we can move much more quickly.”

Passing the MLP legislation in a municipality creates a new town department to manage it. The select board can choose to oversee its MLP department themselves or appoint a three-to-five-member board. Creating the MLP incurs almost no cost to the town. If a town decides to join the WiredWest co-operative, there will be a membership fee of not more than \$1,000 per town.

Authorizing an MLP requires approval by a two-thirds majority of those voters attending a town meeting. As a precaution, it also requires passage in two votes at separate town meetings held from two to 13 months apart.

Webb said WiredWest's goal is to establish the base co-operative sometime around June 30, after the town meeting season is over. Individual communities can join this co-operative at their own pace.

“As long as an MLP is approved by at least two towns, we can form the co-operative and begin to move forward,” she said. “It is too early to predict what will happen at the town meetings, but we believe that of the 47 charter towns that approved the basic concept last year, it is likely that somewhere around 15 or 20 will complete the approval process by then.”

In order to be able to hold the second MLP vote during the upcoming town meeting season this spring, at least 10 towns (Ashfield, Charlemont, Egremont, Heath, Leyden, New Salem, Otis, Shutesbury, Wendell and West Stockbridge) have already held and passed their first votes at earlier special town meetings. Other towns are also planning preliminary votes in the coming weeks.

Webb noted that other communities are likely to take longer, perhaps having one vote this year and another next year, or some other schedule at their own discretion.

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“Some towns have a greater sense of urgency and have been moving quickly on this as early adopters,” she said. “Other towns are taking somewhat longer. That depends partly on the situation in an individual town. It also depends on whether there are people who are actively advocating for it within the community.”

Build-out pace

Webb said that once the co-operative is established, they will begin to develop specific strategies for raising capital and handling the engineering and other facets of the actual build-out of the network. To finance the project they will seek a combination of private notes, low-interest loans and grants.

Overall, she said, their goal is to proceed with the overall build-out over the next several years to parallel construction of MBI’s primary network.

However, she emphasized that the exact pace and extent of the actual construction and availability of services cannot be predicted at this point. These will depend on various factors such as financing as well as the circumstances within individual towns, such as the local demand for the service and its geography and population distribution.

Although the co-operative will not be a profit-driven entity, Webb said it will have to be self-sustaining and be able to attract investment and loans.

“Each community is different, so it will have to be taken on a case-by-case basis,” said Webb. “This can also be done in phases. For example, it could be possible to initially provide lines in the sections of a town with the highest population density and demand, and extend it to other sections later.”

Webb noted that they also expect to start with pilot projects.

“With the current condition of the municipal bond markets, we determined that we will have to create some local equity first and develop pilot projects so that we have a proof of the viability of the business model before we seek further capital,” she said.

Webb said that they will likely select two or three towns that have authorized it for these pilot programs. Communities will also have to meet some threshold based on a percentage of the population who commit to subscribing to the telecommunications service to qualify.

Overall, said Webb, the speed and extent at which this last-mile network will be built will be determined by individual communities involved.

“This will be driven by the local communities,” she said. “So the results in each particular town will depend on the level of desire and enthusiasm that exists within that community.”◆