



## WIREDWEST PROJECT DESCRIPTION

**Organization Name:** WiredWest Communications Cooperative Corporation

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### Overview

WiredWest is a municipal cooperative of 42 Western Massachusetts towns working to build and operate a fiber-optic network offering robust, reliable and affordable internet, phone and video services to member town residents, businesses and institutions. WiredWest's member towns are comprised of the un-served and under-served communities located in the four westernmost counties (Berkshire, Hampshire, Hampden and Franklin) of the Commonwealth of Massachusetts.

### Values

Universal Access: The network will be designed and the finances structured to provide widespread access to member town homes and businesses.

Community-Operated: Member towns govern the organization to ensure policies represent the best interests of our communities.

Financially Sustainable: The business model will be realistic in its assumptions, and built on the premise that revenues will cover operational costs, debt service and repayment of capital investment within a reasonable timeframe.

Focus on Service and Affordability: The organization will strive to provide comprehensive services at affordable rates.

Future-proof: To justify the upfront costs, the network must have a long projected life and be capable of highly scalable, economic upgrades as needs increase.

### Rationale

*The WiredWest fiber optic network will secure our economic future.*

This long-lived local infrastructure will generate: new private sector business opportunities; improved productivity; local job creation; reduced government and healthcare costs; and better property values. It will create a level playing field for existing businesses and foster new home-based opportunities.

*Our existing telecommunications infrastructure is obsolete.*

With bandwidth consumption doubling every two years, the utility of limited-bandwidth technologies like satellite, DSL and wireless has begun to frustrate residents, and especially businesses.

*Fiber-optic is the broadband infrastructure of the future.*

Despite usage by homes and businesses that increasingly demands the capacity and reliability of fiber, private companies have been unwilling to invest in upgrading infrastructure in rural areas with this technology, leaving us to struggle with inadequate service. The only way to ensure our region will have the future-proof telecommunications infrastructure we need is to take the initiative to build a community owned fiber-to-the-home network ourselves.

*A Municipal Network keeps service revenues within the region.*

The average Western Massachusetts household currently pays between \$1,000 and \$3,000 annually for internet, landline phone and television. We pay higher rates for inferior service compared to urban and suburban areas. That means close to \$50 million is leaving our region in payments from WiredWest town residents and businesses each year. The WiredWest network will serve as economic stimulus to the region by employing local people and by creating a regionally-owned asset that will keep a larger proportion of telecommunications revenues in this area.

## **Governance**

Discussions around building a municipal fiber-optic network started in 2010 between the unserved and underserved communities in Western Massachusetts. In August of 2011 WiredWest incorporated as a Municipal Lighting Plant Cooperative. Municipal Light Plant (MLP) legislation is listed under Massachusetts General Laws Chapter 164, and was created over 100 years ago to enable towns to provide electricity. The law was later expanded to include telecommunications services.

WiredWest chose the MLP Cooperative option because it uses existing legislation, permits the Coop to issue municipal bonds, and enables multiple municipalities to participate equally and set policies for the Cooperative. Our organizational structure allows WiredWest to expand the initial target area to include other towns and to build out and offer services in towns which are not members of the cooperative. It also allows the Coop to form and own a for-profit corporation.

WiredWest is governed by a Board of Directors composed of one representative from each member town. The Board sets policy and elects an Executive Committee to handle the day to day operations. Executive Committee members serve as volunteers and have experience in business, financial services, community economic development, engineering, public policy, fundraising, marketing, local government, technology, and social entrepreneurship. Individually and collectively the Executive Committee has demonstrated capacity to plan and implement complex projects in the for-profit, not-for-profit, and government sectors.

## **Interim Project Funding and Support**

WiredWest has benefited from considerable community support. Since its inception, the organization has received \$140,000 in grants and other donations and over \$200,000 in donated services such as engineering, mapping, marketing and consulting from volunteers. WiredWest has leveraged grant money to take advantage of the services of a number of consultants and other professionals on both a paid and a pro bono basis to assist the initiative with the complex undertaking of building a regional municipal telecommunications network.

Hilltown Community Development Corporation and WiredWest have entered into a sponsoring agreement whereby Hilltown CDC will receive contributions for support of WiredWest startup activities, including business planning, legal, public education, and community organizing. Hilltown CDC's mission is in direct alignment with WiredWest mission and its other program and project activities are offered in all four counties of the WiredWest service area. This sponsoring agreement allows WiredWest to receive 501(c)(3) donations through Hilltown CDC.

WiredWest is currently finalizing business plan information required to seek financing for our network buildout. We expect the information to be complete in the first quarter of 2013. The following tasks have been undertaken toward so far:

- A comprehensive market survey of WiredWest towns by a nationally recognized market research firm.
- Development of pro forma financials based on input from Design Nine, a leading municipal fiber network consulting firm; Matrix Design, a New England telecommunications engineering firm; and numerous financial professionals and municipal network operators.
- Mapping of all utility poles, structures and roads in WiredWest member towns, and survey of possible switching location sites within each town.
- A high level network design and cost estimates by Matrix Design, a telecommunications engineering firm
- A pledge card campaign to homes and businesses to aggregate demand for services on the network.

For more information on the WiredWest network, please refer to the website or contact WiredWest at [info@wiredwest.net](mailto:info@wiredwest.net).