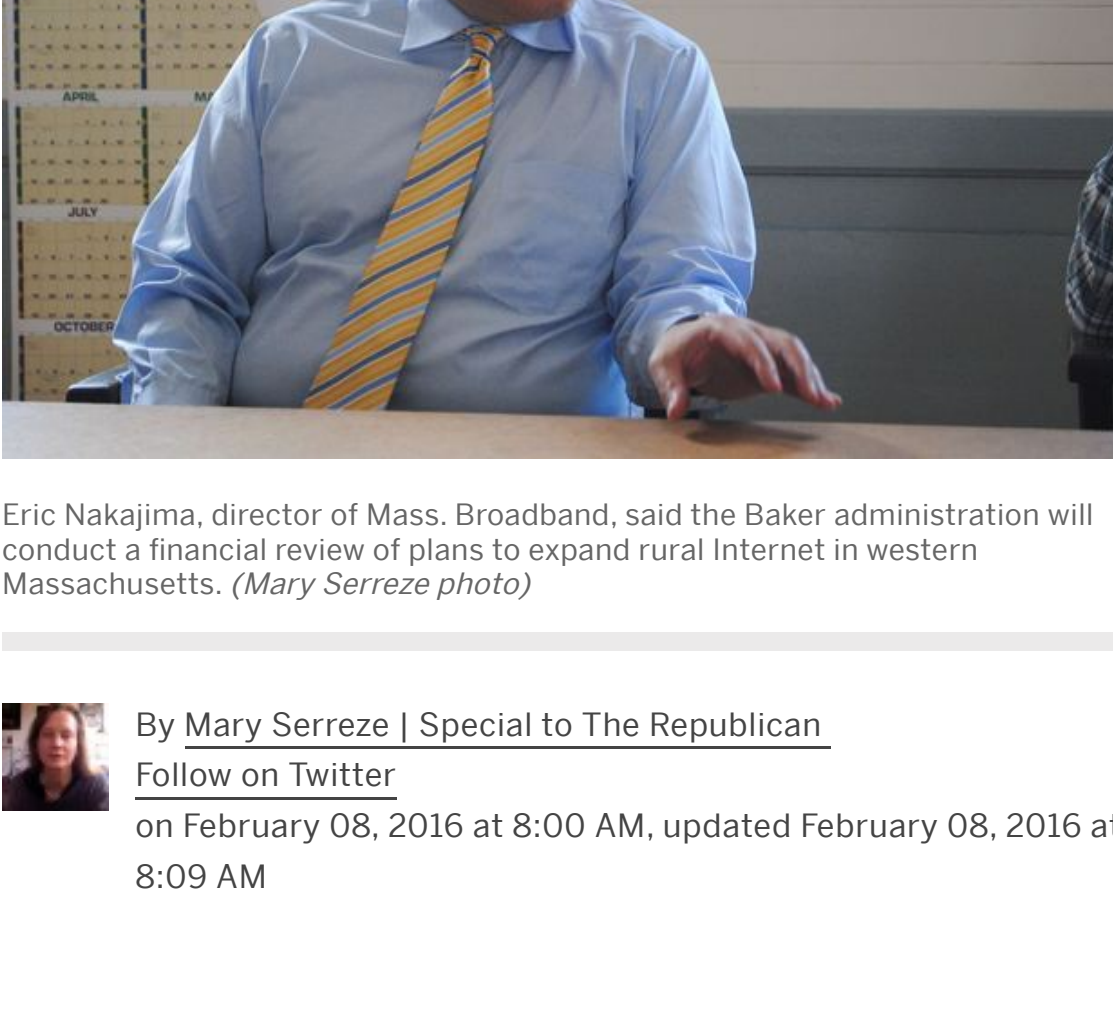


Baker administration hits 'pause' to review rural broadband financials as WiredWest and MBI continue talks



Eric Nakajima, director of Mass. Broadband, said the Baker administration will conduct a financial review of plans to expand rural Internet in western Massachusetts. *(Mary Serreze photo)*

By Mary Serreze | Special to The Republican  
Follow on Twitter  
on February 08, 2016 at 8:00 AM, updated February 08, 2016 at 8:09 AM

31 shares

A state agency has been advised by the Baker administration to hold off on funding any major rural broadband buildout until the governor's Executive Office of Administration and Finance can conduct due diligence on the financials.

Around 32 communities in western Massachusetts do not have high-speed Internet service for their homes and businesses, and \$40 million in state money, to be channeled through [Massachusetts Broadband Institute](#), has been earmarked to find a solution, with the multi-town cooperative known as WiredWest lined up and eager to play a major role as operator of a proposed regional fiber optic network.

Eric Nakajima, director of the institute, told local officials in Greenfield, many associated with WiredWest, that while the administration remains committed to funding "last mile" broadband in western Massachusetts, "they've asked us to pause while they're digging into the budget."

The news comes as WiredWest and MBI continue quiet negotiations more than two months after a high-profile conflict threatened to derail their working relationship.

On Dec. 1, the broadband institute [announced](#) it would pull support from WiredWest unless it saw fundamental changes to its business plan and operating agreement with member towns. The WiredWest plan to own and operate a regional fiber-to-the-home network creates "unnecessary financial and operating risks" for member towns, wrote Nakajima at the time.

WiredWest held an emergency meeting and strong words [were exchanged](#), prompting a flurry of press reports. An [impromptu protest](#) boiled over when around 100 WiredWest members were denied entry to a Mass. Broadband meeting in Greenfield that had been scheduled in a too-small conference room.



WiredWest board members Steve Nelson, Monica Webb (chair), Jim Drawe, and Becky Torres at a Dec. 5 emergency meeting at the old Hampshire County courthouse in Northampton. *Mary Serreze photo*

Since then cooler heads have prevailed. MBI has been meeting in closed-door meetings with leaders from WiredWest, but "both sides agreed to refrain from negotiating in the local media," said Maeghan Silverberg Welford, spokesperson for Massachusetts Technology Collaborative, MBI's parent agency.

WiredWest on Friday said it welcomed the cabinet-level financial review, said it has had "productive meetings" with MBI, and asserted that it has developed a good, workable "last mile" plan that is supported by member towns, which are expected [to pay for two-thirds of the cost](#) of any fiber-optic network build through local taxation.

"This solution will create a multi-generational asset for our region that will sustain growth for decades to come. We would enthusiastically welcome the Baker administration's support for this solution," said the statement, sent by Monica Webb, chair of WiredWest's board of directors.

Paul McMorrow, spokesman for the Executive Office of Housing and Economic Development, said that Governor Charlie Baker has in no way withdrawn support for funding rural broadband expansion, but wants to make sure state money is spent wisely:

"The administration is committed to the mission of the MBI and to addressing the Last Mile challenge for unserved residents," McMorrow said. "As with any significant project, we have a duty to ensure that the project budget supports the goal of successfully delivering high-speed Internet access to Western Massachusetts residents in a sustainable manner."

The Massachusetts Technology Collaborative also said funding for rural broadband expansion is still on track:

"We continue to collaborate with the administration on identifying a pathway forward for the state to execute on broadband solutions which bring the most broadband access to unserved Western Massachusetts residents in a sustainable and affordable manner," said MTC spokesperson Maeghan Silverberg Welford.

The last mile network would connect thousands of homes and businesses to [MassBroadband123](#), the state-owned "middle mile" fiber backbone that connects institutions such as schools, libraries, and public safety complexes in central and western Massachusetts.

Most of the network will consist of fiber optic cables attached to existing utility poles. Mass Tech Collaborative plans approximately 2,040 miles of cabling in western Massachusetts with around 29,000 homes being passed, according to a design and engineering [request for proposals](#) issued Dec. 24.

In the state's Hampshire, Franklin, and Berkshire County hilltowns, it's common to see residents sitting in their cars outside tiny libraries to make use of the wireless Internet signal made possible by the middle mile.

A last mile network in western Massachusetts has been estimated to cost at least \$120 million, meaning that local taxpayers would be asked to pick up about two-thirds of the cost. An additional group of towns are "partially served" by Comcast cable, and full broadband deployment there will follow a separate track.

Under the original WiredWest financial plan, profits from the network operation — derived from subscriber fees for high-speed Internet — would eventually pay for member communities' debt service, meaning zero impact upon property taxes. An analyst for Mass. Broadband [said in December](#) that the promise was unrealistic, and that the plan overstated revenues and underestimated costs.

MBI also objected to WiredWest's presumption that the cooperative, to be incorporated as a limited liability company, would "own" the broadband infrastructure. The institute insisted that towns must retain ownership of their infrastructure so that they could withdraw from the cooperative at any point and choose another network operator. One sticking point was whether every town would require its own "hut" to connect to the middle mile or whether such resources could be shared.

It's still not clear if WiredWest will make or has made major changes to its business plan and operating agreement as a result of its recent meetings with MBI.

MBI is not required to work with WiredWest as a regional network operator, and may optionally choose to fund projects proposed by individual towns, or regional projects involving commercial entities. For instance, the town of [Leverett built its own fiber network](#), with Crocker Communication as Internet Service Provider and Holyoke Gas and Electric as network operator.

WiredWest said Baker's "pause" is unrelated to its negotiations with MBI, and that the administration is examining the entire last mile project, which includes towns that wish to build their own networks.

[WiredWest](#), formed about five years ago as a cooperative of municipal utilities, has held numerous informational meetings around the region, has advocated for state funding, helped organize [local committees](#), and campaigned hard to persuade local voters to approve tax overrides to bring high-speed Internet to the hilltowns.

"WiredWest will continue to push hard on behalf of and in concert with our towns and citizens for this desperately needed project to move forward," said the cooperative. "Every household, business, organization and town without access to high-speed Internet access is suffering today, and robust, affordable and universally available broadband for our communities must remain a priority."

*Mary Serreze can be reached at [mserreze@gmail.com](mailto:mserreze@gmail.com)*

MASS LIVE

Real Estate

FOR SALE

BELCHERTOWN, MA

Dominic Colacicco

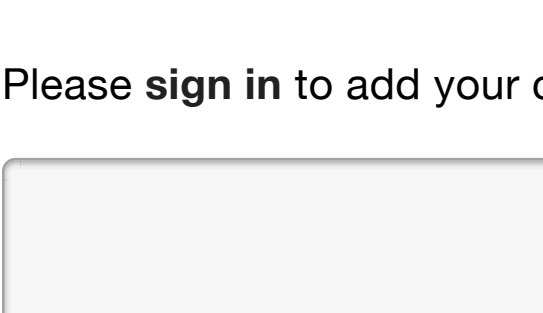
FOR RENT

SPRINGFIELD, MA

SILVERBRICK RENTALS

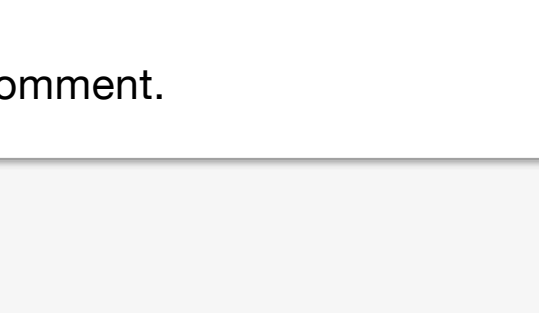
Recommended for you

Related Links by Taboola



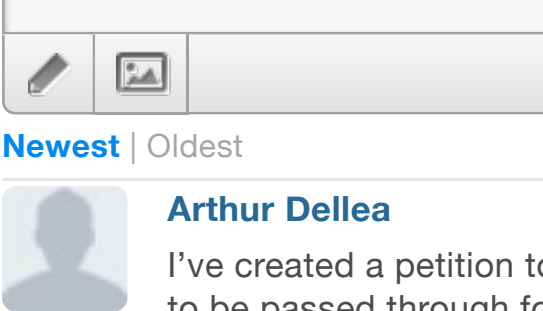
Why This Razor Is Taking Over An Industry

Harry's



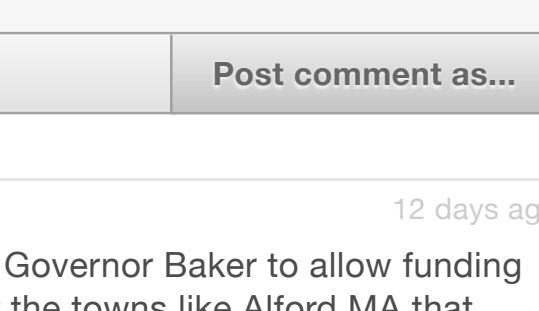
25 things you should be eating in Springfield

MassLive.com



Higher Returns than REITs: Investing in Real Estate is Changing...

TechCrunch | Realtyshares



Restaurants of yesteryear: Gone but not forgotten

MassLive.com

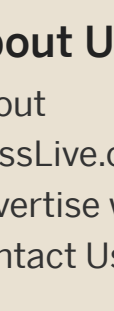
1 comment

Please [sign in](#) to add your comment.

Post comment as...

Newest

Oldest



Arthur Dellea

12 days ago

I've created a petition to Governor Baker to allow funding to be passed through for the towns like Alford MA that have sound independent projects and are ready to move forward with their build-outs. If you're concerned about getting fiber-optic broadband in western Massachusetts then I urge you to sign the petition at <http://tinyurl.com/hyescsp> as soon as possible. Thank you for your support!

Flag

Share

Like

Reply