

**APPROVED MINUTES**

***SIXTY NINTH MEETING***

of the

**BOARD OF DIRECTORS**

of the

**MASSACHUSETTS BROADBAND INSTITUTE**

June 21, 2021

Boston, Massachusetts

The Sixty Ninth Meeting of the Board of Directors of the Massachusetts Broadband Institute (“MBI”) was held on June 21, 2021, via video conference, 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 Mike Kennealy (represented by Peter Larkin of the Executive Office of Housing and Economic Development), David Clark, Linda Dunlavy, Frederick Keator, Paul Peter Nicolai, Donald Dubendorf, Secretary of the Executive Office for Administration and Finance Michael Heffernan (represented by Sean Cronin of the Division of Local Services), Carolyn Kirk, and Karen Charles Peterson.

The following Mass Tech Collaborative staff was present: Michael Baldino, Carolyn Kirk, Brianna Wehrs, Lisa Erlandson, Brian Noyes, Cynthia Gaines, Jennifer Saubermann, Kelly Kleanthous, Rosemary Scrivens, Colin McDonald, and Cornell Robinson.

Also in attendance was Ashley Stolba, Executive Office of Housing and Economic Development, and Lindsay DeRoche, Department of Telecommunications and Cable.

Mr. Larkin took a roll call vote of attendance, observed the presence of a quorum of the MBI Board of Directors and called the meeting to order at 12:05 p.m.

**Agenda Item I      Approval of Minutes**

Following a period of brief discussion and upon a motion duly made and seconded, it was VOTED unanimously by a roll call vote:

**The Board of Directors of the Massachusetts Broadband Institute hereby adopts the Draft Minutes of the Sixty Eighth Meeting of the MBI Board of Directors held on March 17, 2021 by Zoom video conference as a joint meeting with the Board of Directors of the Massachusetts Technology Park Corporation, as the formal Minutes**

**thereof as to the sections of said Minutes that relate to matters within the purview of the MBI Board of Directors.**

**Agenda Item II Report of the MBI Board of Directors Chairperson**

Mr. Larkin provided a brief report and informed the Board that all Last Mile unserved and underserved towns are currently on a path forward to broadband connectivity.

**Agenda Item III Massachusetts Broadband Institute Fiscal Year 2022 Operating Plan and Budget (motion item)**

Mr. Baldino presented the MBI Fiscal Year 2022 (“FY22”) Operating Plan and Budget. He explained that the Commonwealth’s primary last mile initiative is the Last Mile Program for Unserved Towns, which is designed to support and co-invest in broadband solutions for the remaining Massachusetts towns that lack residential broadband service; this program includes grants to private broadband service providers and directly to municipalities. Mr. Baldino said that the Broadband Extensions Program for partially served cable towns was completed and closed out in 2017, and through this program Comcast expanded coverage to over 1,300 premises in 9 towns.

Mr. Baldino reviewed the status of the Last Mile Towns. He indicated that at the end of Fiscal Year 2021 all 44 unserved Last Mile Towns will have a broadband solution. He discussed the issues that have impacted progress over the last year, including challenges faced by the fixed wireless projects. He mentioned that Article 97 legislation is needed to access land controlled by the Department of Conservation and Recreation for the WiValley project and the Fiber Connect project in Egremont. Mr. Baldino noted that Royalston decided to abandon their wireless project and has accepted a proposal from Charter that will be primarily funded through a federal grant from the FCC. He also highlighted the ongoing issues with residual make-ready work that is discovered after pole licenses have been issued, and that have led to construction roadblocks in some of the Last Mile Towns. When asked about take rates, Mr. Baldino indicated that many of the municipally-owned fiber-to-the-premise projects are achieving take rates of more than 70 percent.

Mr. Baldino reviewed the panoply of broadband solutions and project partners as of June 2021 and noted that MBI executed a grant agreement with Fiber Connect a few months ago to extend their networks in Egremont and Monterey. Mr. Baldino said there are now 33 fully lit Last Mile towns (including the underserved towns), plus 14 partially lit Last Mile Towns that have begun to serve residents while construction continues on their projects. Ms. Kirk stated that Governor Baker had been briefed on the status of the Last Mile Towns and was very pleased with the efforts of the MBI team, as was she.

With regard to MBI focus areas for FY22, Mr. Baldino explained that there will still be 11 provider grant agreements with Last Mile Towns that need to be managed. Additionally, MBI will continue “hands on” engagement to support completion of the WiValley and Warwick fixed wireless projects, support the Executive Office of Housing and Economic Development (“EOHED”) on active grants to towns pursuing a municipally-owned broadband network, and

continue to work with stakeholders on make-ready efforts to avoid scheduling problems. When asked if all Last Mile projects will be completed by the end of Fiscal Year 2023, Mr. Baldino indicated that his expectation is that all projects will be completed with the possible exception of Royalston, due to their recent pivot to a Charter solution. He noted that the MBI forecast is that 41 unserved Last Mile Towns will have networks that are serving all or a portion of their residents and businesses, and the anticipated financial assistance expenditures for MBI grants in FY22 is \$3.8 million. Mr. Baldino also indicated that MBI will continue to support the WiFi Hotspot Program, which will fund outdoor hotspots in 17 Last Mile Towns along with three indoor hotspots.

Mr. Baldino next moved to an overview of the MassBroadband 123 Middle Mile network (“MB123 Network”). After presenting key facts about the MB123 Network, Mr. Baldino was asked about efforts to address ongoing concerns about high costs to purchase wholesale services on the MB123 Network. Mr. Baldino indicated that two programs have been introduced to reduce pricing and increase the competitiveness of MB123 service offering: (1) the EDU plus program, which represents new pricing for the education vertical; and (2) the FTTP plus program, whereby Local Linx has reduced pricing for municipal networks. Mr. Baldino stated that MBI has expressed to Local Linx its strong desire to collaborate on a comprehensive pricing review to identify any other areas where pricing is not competitive. He noted that early results for year one of the EDU plus program are very positive and that customers have been retained that would have otherwise been lost without the reduced pricing. He also mentioned that the new pricing programs also incentivize customers to enter into termed agreements.

Mr. Baldino then explained that during FY22, Middle Mile activities funded by bond funds will include third party contract costs, MassTech’s costs associated with operation of the MB123 Network, capital improvement costs as proposed by Local Linx in capital plans that have been approved by MassTech, and professional fees for consulting and legal services to support the initial due diligence and planning phase of MBI’s plan to address the future disposition of the MB123 Network as the network operator agreement expires in August 2023. Mr. Baldino stated that MBI is currently prequalifying consultants and law firms to provide services to support this effort.

Regarding the network power outage a few months back, Mr. Baldino explained that MBI has been working with Local Linx and Westfield Gas & Electric (“WG&E”) to mitigate the impact of similar outages in the future, but the bottom line is that Last Mile Towns with municipally-owned fiber-to-the-premise networks have not invested in redundancy for their backhaul connections to the MB123 Network. Mr. Baldino reviewed the steps that are being undertaken by MBI in collaboration with WG&E and Local Linx that will result in these Last Mile Towns being offered discounted pricing to purchase a secondary circuit that will provide a high level of redundancy and resiliency against future middle mile outages. Local Linx and WG&E are working together on the technical specifications and testing necessary to provide these redundancy solutions. Mr. Baldino and Mr. Robinson addressed concerns that have publicly expressed by some municipal officials about the design of the MB123 Network. They explained that the MB123 Network is not “broken” and that the design reflects common industry

practice to have redundancy built into the core of the network but to rely on multiple backhaul connections to provide resiliency and redundancy for local network customers. This approach was already implemented by early adopter municipal networks, such as Leverett. Mr. Robinson presented a high-level overview of the MB123 Network, showing various components of the network. He also discussed the network documentation being developed and collected, which Mr. Baldino indicated would be critical in addressing the disposition of the MB123 Network.

Mr. Baldino then provided an overview of the FY22 MBI budget. He stated that MBI added one staff member, Rosemary Scrivens, as a project manager who will be helping with all of MBI's activities, including the MB123 Network disposition plan. Mr. Baldino explained that Network Operations costs include third party contract obligations for MB123 Network that were decreasing due to the termination of the Point of Interconnection ("POI") in Cambridge, reduction of space in the Springfield POI, and fee reductions on pole attachments. "Other" costs in the budget include middle mile capital upgrades of \$1,000,000, and costs such as software support, travel, and professional development - all in line with prior fiscal years. Mr. Baldino then discussed the organizational chart of MBI and discussed staff priorities for FY22, as well as financial assistance expenditures in the amount of \$3,789,627 tied to achievement of make-ready and construction milestones for private provider projects.

Ms. Erlandson then discussed MBI funding sources, stating that all expenses associated with the Last and Middle Mile Networks are paid with Commonwealth bond funds, which will be slightly under \$11,000,000 for FY22, including the grants to municipalities administered by EOHEd. Ms. Erlandson indicated that the funding amounts for MB123 Network capital expenditures in the Commonwealth's capital plan are higher than MBI's current projections due to refinements in the amounts initially proposed by Local Linx. She then explained that another source of revenue are fees owed to MassTech under the revised Network Operator Agreement. She clarified that the amount is capped at the net operating income of Local Linx. Based upon Local Linx's annual plan for 2021, there is expected to be an operating profit of \$400,000. Ms. Erlandson explained that although Local Linx is showing a profit, MassTech is responsible for third party contract costs as well as other costs associated with oversight of the MB123 Network, meaning the Network is still operating at a loss, which is covered through state bond funds. The Board members then proceeded to have additional discussion around network loss calculations and management of network expenses before moving to the motion item.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED by a roll call vote:

**The Board of Directors of the Massachusetts Broadband Institute (the "Institute") does hereby approve the Fiscal Year 2022 Budget and Operating Plan for the Institute (the "Plan"), as presented, and does hereby recommend that the Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation ("MassTech") take final action to approve the Plan as part of MassTech's Fiscal Year 2022 consolidated budget. The Plan is approved in full satisfaction of the requirements of subsection (g) of section 6B of Chapter 40J of the Massachusetts General Laws. The Board, subject to final review and approval of the Plan by the Executive Committee of the MassTech Board of Directors, hereby**

**authorizes the Chair to submit the Plan for final approval to the Secretary of Housing and Economic Development and the Secretary of Administration and Finance as required by said subsection (g).**

#### **Agenda Item IV      Updates- Massachusetts Broadband Institute**

Mr. Baldino then presented MBI updates outside the Last Mile and Middle Mile Networks. Mr. Baldino explained that the funding provided to MBI through the Governor's COVID-19 Economic Recovery Plan allows MBI to take a statewide view for the first time and engage on issues associated with the Digital Divide related to connectivity, technology adoption, lack of devices, and digital literacy. Mr. Baldino went on to discuss the importance of addressing the Digital Divide within the context of economic growth, workforce development, health care, civic engagement, and education. Mr. Baldino cited statistics that indicate that lower income households and communities of color are less likely to have broadband in their home. Mr. Baldino then presented the four-prong strategy currently employed by MBI to address these issues: 1) Partner to reach target populations; 2) Digital Literacy; 3) Device and Service Plan Support; and 4) Gap Networks. He reviewed the successful rollout of the Mass Internet Connect Program (a partnership with MassHire) that has provided support for almost 2,000 unemployed job seekers with a technology barrier. Mr. Baldino also discussed the expansion of the WiFi Hotspot Program to Gateway Cities and regional partnerships with Essex County Community Foundation and the Metropolitan Area Planning Council to implement digital equity projects in Gateway Cities.

Ms. Kirk then acknowledged EOHED Undersecretary Stolba for her leadership on these COVID-19 economic recovery efforts. Ms. Kirk explained that Ms. Stolba, as Undersecretary of Community Development at EOHED, has taken on broadband as a component of her portfolio and has been instrumental in developing a plan for the expenditure of a portion of the American Rescue Plan Act (“ARPA”) funds that will be coming to Massachusetts. Ms. Kirk explained that that an investment of federal ARPA dollars would allow MBI to scale up and replicate existing initiatives grounded in the four strategies discussed earlier by Mr. Baldino.

Mr. Baldino clarified that the COVID-19 economic recovery programs were established with \$9.2M in state funding and he noted that \$3.4M has been committed to date. He explained that MassTech will continue to work with partners to offer more robust offerings and seek new partnerships. He indicated that there is a great deal of money coming through from the federal government for broadband, both for infrastructure to close gaps in broadband access and support for households to address broadband use and adoption.

Ms. Stolba then stated that the Governor recently announced he will file a bill to expend ARPA Funds, which will contain \$100M designated for broadband to scale-up and replicate programs MBI has initiated. The meeting concluded with a discussion about broadband mapping and the need for more accurate and granular data.

There being no other business to discuss and upon a motion duly made and seconded, it was unanimously and without abstention voted by roll call to adjourn the meeting at 1:35 p.m.

A TRUE COPY  
ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes – March 17, 2021 MBI Board of Directors Joint Meeting with the MassTech Board of Directors
2. Approval Item/Presentation- Massachusetts Broadband Institute Fiscal Year 2022 Operating Plan and Budget
3. Presentation- Updates: Massachusetts Broadband Institute