

Broadband Status Report for Town Meeting 2023

Mansfield Community Fiber (MCF) started installing broadband fiber in Fletcher in 2018, initially installing about 17 miles around Binghamville on their own dime. When the Fletcher Select Board asked if MCF would wire up the rest of the town, they agreed and we came up with an estimate of an additional 34 miles of road to be served. Using standard average costs per mile, we came up with a project cost estimate and then obtained a \$480K loan from VEDA and a \$440K grant from NBRC. After a few hiccoughs getting the paperwork (budget, scope of work, etc) perfected to Federal government standards, we received the Notice to Proceed on 1 July 2021.

As most of you know, some parts of Fletcher cannot be accessed without leaving Fletcher first. You can't get to Buck Hollow Road or Kinsley Road or Route 108 from the center of town without first entering Cambridge or Fairfield or Fairfax.

Since work started on the project, MCF has installed about 16.4 miles of optical fiber in Fletcher (out of an expected total of 38.8, or 42%). Approximately 9.8 miles of fiber are needed outside of Fletcher in order to serve the far west and far east portions (Fletcher 1 and Fletcher 2, respectively: see the map) because of Fletcher's geography, as outlined in the previous paragraph.

In trying to come up with a plan for our ARPA money, in mid January we asked MCF whether they might need ARPA money to finish the broadband project. It was only during this costing exercise that we learned about those additional 9.8 miles of fiber; the increase is about 40% over the original 34 miles. Prior to mid January, MCF failed to mention the 9.8 additional miles of fiber; MCF failed to indicate in invoices that some work was being done outside of Fletcher; and MCF failed to mention the 9 different segments of fiber that they planned to build outside of Town.

When all of this came to light in late January, it was clear that there was not enough funding to finish the project with the 9.8 miles included. Parts of the 9.8 miles are already partly implemented, at a rough cost of \$80K. MCF then offered to "buy back" the infrastructure outside of Fletcher, reimbursing the Town for those expenses, allowing that money to be applied to the main project.

The VEDA loan and NBRC grant are legal contracts, and one aspect of this is that once the original project scope and budget are agreed upon, the scope and budget cannot change without re-negotiating the agreement. This even means that Fletcher cannot contribute ARPA money to "fix" the project without first creating a new budget and getting it approved by NBRC and VEDA. It also means that MCF cannot "buy back" the \$80K of outside-of-Fletcher expenses without re-negotiating the budget.

At this point, we estimate that we need about \$407K to complete the entire project. We have about \$130K still available from VEDA and NBRC, leaving \$277K remaining to fund. If we re-negotiate the budget with NBRC, we might be able to recover about \$131K, leaving \$146K still needed. We might have enough ARPA money to cover that if necessary, but that cannot be used before we re-negotiate the budget.

In December of 2021, Consolidated Communications (CC) received an FCC Rural Development Opportunities Fund (RDOF) grant to build out under-served areas of Vermont, including parts of Fletcher. The State will not provide funding for areas where CC intends to use the RDOF grant in the immediate future. Attempts to contact CC regarding their intentions (a requirement before we can apply for a State grant) have resulted in silence. CC is behaving as if they do not need to communicate

with us, which will make it impossible for us to get State grants. Whether this is a predatory business practice is hard to know.

As of 2 March 2023, the Broadband project has been put on hold so that we can get a better handle on the money required and so that NBRC can better understand whether and how to restructure the project budget. We can expect this process to take months, with no particular end date in sight.

	Total Required	Complete Strand/ Fiber	<u>T O B E D O N E</u>		
			Strand	Fiber	Splice/CAPs
Original					
MCF	17	17	0	0	0
Fletcher 1	25.4	16.4	7.8	9.6	26
Fletcher 2	14	0	14	15	15
Total	56.4	33.4	21.8	24.6	41

Est. Needed To Complete	\$407K
Minus VEDA/NBRC Available	<u>-\$130K</u>
	\$277K
Minus NBRC Budget Changes	<u>-\$131K</u>
Needed (ARPA?)	\$146K