

Broadband Status Report for September 2023
By Jon Bondy, for the Select Board

I apologize that we have not provided the community with frequent and timely broadband status reports since Town Meeting.

In January Of 2023, we discovered problems with the broadband Project:

1. MCF had submitted invoices for infrastructure outside of the Town (in such a way that the Town was unaware that some of the infrastructure was outside of Town), some of which was deemed by NBRC to be out of scope. The Project was to provide fiber broadband service on 34 miles of Fletcher town roads. However, due to the utility pole routes (which often do not run along the roads), in order bring service to parts of Town that are not internally connected (think Buck Hollow Road), some of the infrastructure that MCF planned to install had to go beyond town borders and in some cases went too far beyond what was strictly necessary. It took time to get NBRC to understand the difference between spending on work outside of town borders that was essential for bringing service to town residents, vs work that was not essential and therefore truly “out of scope”.
2. Because of the above, after detailed engineering was done, it appeared that 54 miles of fiber were needed for the project, far above the 34 miles of town roads for the original budgetary estimate. This made implementing the entire project financially infeasible, given the original budget and the money available from VEDA and NBRC. The “out of scope” miles had to be removed from the Project.
3. In addition, inflation in certain required fiber-optic materials resulted in price increases of 30-40% above what was anticipated in the original budget.
4. In March, the Town instructed MCF to stop all work in order to provide time to get the project reconfigured with NBRC.

NBRC wanted to fully understand what was going on (out of scope expenses, proposed reduction in project scope, proposed new budget) and said that they would not reimburse further invoices until the situation was clear. We set about creating a spreadsheet to explain the situation. The resulting spreadsheet contains 8 tabs, many of which refer to each other: it is extremely complex. We started work on this in February but were only able to complete it accurately by 1 May, when we delivered it to NBRC.

After that, a series of back-and-forth emails ensued, with NBRC asking questions and we responding. Neither the Town nor Regional Planning nor NBRC were set up to handle this kind of complex dialog. Aimee (NBRC grant administrator for Fletcher) only works 3 days a week and Kathy (our contact from NRPC) only works 2.5 days a week, so we lost a lot of time when people were unavailable to answer questions or review documents. NBRC had a series of internal deadlines that made them busy enough that responses from them took weeks or as much as a month. The initial 3 month delay was entirely due to the Town’s inability to generate a correct spreadsheet; the remainder of the delays were primarily due to NBRC.

In May, we offered to go over everything that we delivered to NBRC, but they repeatedly refused our offer. This resulted in their asking a lot of questions that we had already answered. For example, they

asked 8 questions, 7 of which had already been answered in the spreadsheet. Or they quibbled that two dollar figures were off by 7 hundredths of a percent (a total of \$110 out of the \$163,993). NBRC also introduced new service criteria (time between service ordered and service provided) in August, which had never been discussed in the past 3 years, and which are unworkable in rural settings by non-phone company providers. They also misunderstood our statement that 100% of fiber was installed on some poles to mean that those segments were fully installed, connected to the Network Operations Center, and available for customers to hook up. This misunderstanding was not resolved, so NBRC initiated a "field inspection", which will likely be charged to the grant, reducing funds available to actually install broadband in Fletcher. Each question/answer cycle took a month or so. They continue to draw incorrect conclusions about the project and ignore our arguments.

The net of it is that we lost the entire summer swapping emails, each time hoping that things would be resolved and construction could continue. Each time we considered sending out a status update, it seemed wise to wait just one week, because then things might be clearer. Things never became clearer or resolved. This continues to be the case.

As stated above, we submitted a proposed reconfiguration of the project to NBRC in early May, as part of which MCF agreed to reimburse the Project for expenses incurred outside of the Town's border that are not essential for serving Fletcher residents, roughly \$164K. The reduction in scope (54 miles going down to 38) and the extra/returned \$164K made continuing the Project more feasible. Still, it became clear that only about 2/3 of the residences in the Project area in Fletcher could be served with the existing funding (the west side, the so called Fletcher 1 area).

Note that much of the eastern part of town (called Fletcher 2), which is unlikely to be serviced by MCF in the near future, is almost certain to be serviced by Consolidated Communications as part of their FCC grant. Contractors for CC are already installing fiber in town.

With no response forthcoming from NBRC, MCF resumed some construction at the beginning of September, hoping to get some customers connected along parts of Fairfield Road (between the Sweet farm and just past Ellsworth) as well as Slattery and Mayotte. MCF is using the \$164K mentioned above to resume construction.

Note that MCF has said "It's in everyone's interest to have folks subscribe early, even if they have to wait, because we immediately do their drop survey and get them onto a work order list so that as soon as service is available, they have a head start/priority based on the date of their survey." Note that being on the list does not commit you to taking or keeping the service. Because MCF does not require you to sign a contract, you can try MCF and then cancel at any time.

There are rumors that Consolidated Communications intends to wire up much of (but not all of) Fletcher with fiber by the end of the calendar year. This could result in some people who would have signed up with MCF signing up with CC. And this could jeopardize our ability to repay the loan, with income going to CC rather than MCF. The delays over the summer have only made this possibility more likely.

MCF has the legal obligation repay the loan, as they volunteered to do in the Memorandum of Understanding (MoU) that was signed in February of 2021, but their financial ability to do so is unclear.

There has been some confusion about whether being an MCF customer implies that you are supporting the repayment of the VEDA loan (due to start repaying interest in the spring of 2024 and principle plus interest in the spring of 2025). At some points in time, it appeared that only new MCF customers in the new build area would be contributing to loan payments; this understanding has changed. **If you are an MCF customer in Fletcher (whether in the new build area or not), some of the money you give MCF goes towards servicing the VEDA loan, this per MCF.**

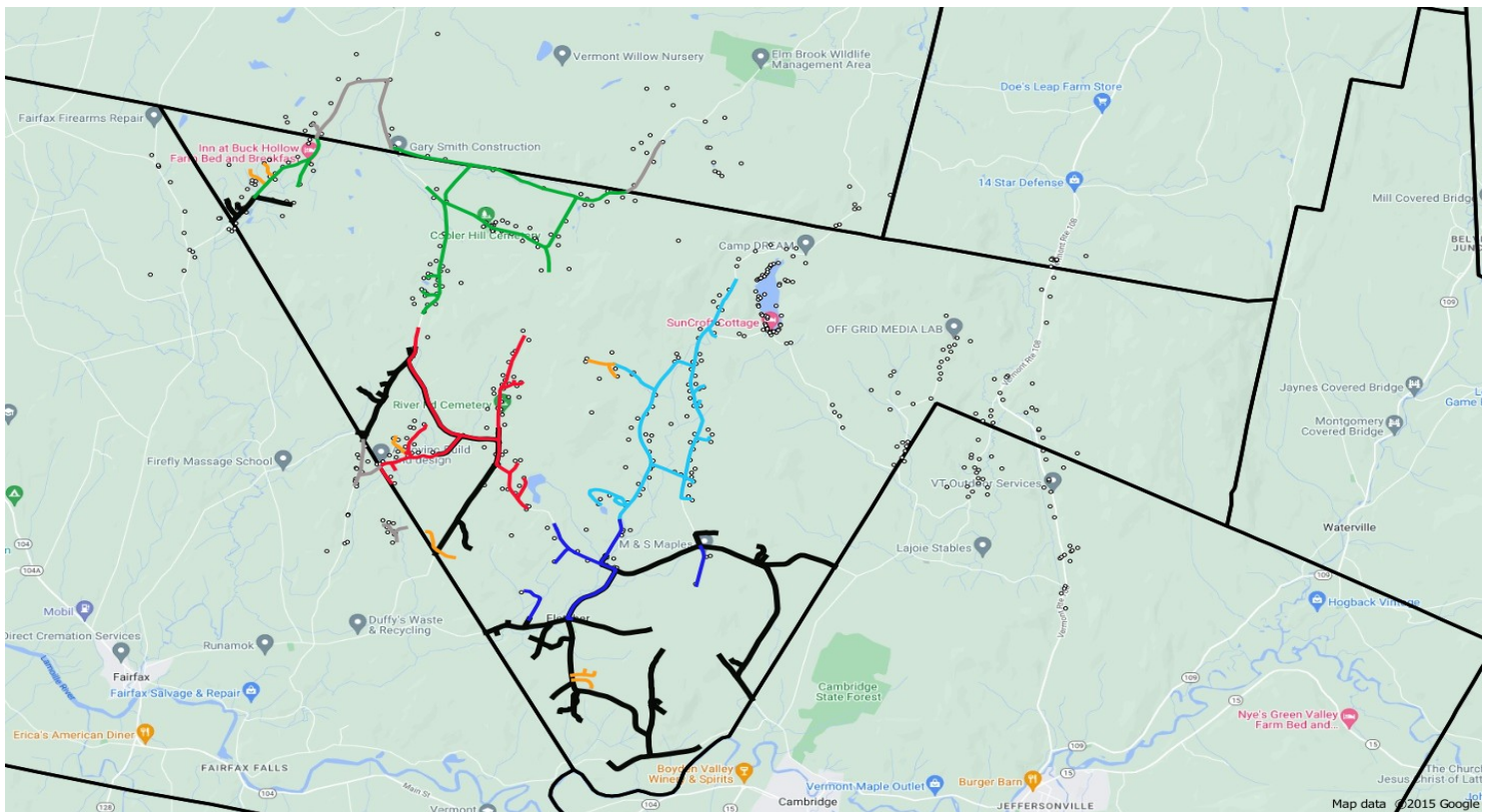
We have maintained a cordial and professional relationship with MCF. Some feel that we need to take a more aggressive stance, which could jeopardize that relationship. It is not clear whether being more aggressive would result in faster or better broadband. It is clear that it could alter our relationship.

In late September, the Select Board voted to hire attorneys to explore options and negotiate with NBRC. We also intend to submit FOIA requests to better understand why NBRC has been so obstructive. This will cost the Town at least \$10,000, but this expense will help protect our investment in the Project.

So, what is the status as of September 2023? We are still waiting resolution from NBRC. MCF has restarted construction and hopes to start connecting some customers by the end of October.

Note that in the 2+ weeks I have been working on this document and revising it per comments from our partners, at least two important issues have changed. This is a frustratingly dynamic situation.

The next page shows the current state of the Project as of mid September. The maps on the page after that show how the Project has been divided into two parts (Fletcher 1 on the west and Fletcher 2 on the east) and the areas where out-of-scope work was proposed and started.



LEGEND: MILES ARE ROAD MILES

BLACK = Current Network

GRAY: Outside of Scope

RED – 7.9 miles: Strand and Fiber in Place. Splicing Sep 1 - Oct 30, 2023. Estimated splicing cost = \$23,700

GREEN – 11 miles: Strand and Fiber in Place. Splicing Nov 1, 2023 - Feb 2, 2024. Estimated splicing cost = \$33,000

BLUE – 1.7 miles: Strand/Fiber in Place. Splicing Mar 1 - Apr 30, 2024. Estimated splicing cost = \$5,100

AQUA - 7.4 miles: Fiber/Strand to be hung beginning Sep 8. Estimated Labor Cost. = \$90,864. Required Strand and Cable are in inventory. Miscellaneous materials required for hanging fiber and strand are provided and billed by contractor. Estimated miscellaneous materials cost = \$11,800. Splicing Mar 1- Apr 30, 2024. Estimated cost = \$22,200

ORANGE: Underground Developments on private roads with private infrastructure: require consultation with residents to determine level of interest and distribution of cost

Drops (the fiber-optic cable from the road to a building) to customers begin once a build segment has been spliced and tested for connectivity. Drop construction time can vary depending on distance between the customer and a lit pole, type of attachment (above ground vs underground), availability of conduit, and time of year (new underground service is impossible while the ground is frozen solid).

