

CONNECTING THE COMMONWEALTH

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch,

The Massachusetts Broadband Institute (“MBI”) is a division of the Massachusetts Technology Collaborative (“MassTech”) and the state authority responsible for leading the efforts of the Commonwealth of Massachusetts to close the broadband access divide in its rural communities. **We are writing to provide perspective on how the FCC should administer the Connect America Fund II (“CAF II”) and how that administration could substantially benefit current Massachusetts broadband expansion efforts.**

Building off the impact of *MassBroadband 123*, a successful middle-mile network funded by both the Commonwealth and U.S. Department of Commerce’s BTOP program, the state legislature and then-Governor Deval Patrick allocated \$50 million to help close the “last mile” broadband access gap in Western Massachusetts in 2014. Shortly after taking office in 2015, Governor Charlie Baker affirmed his commitment to this funding, recognizing the essential role that broadband access plays in improving economic development, educational opportunities, and overall quality of life.

Out of 351 cities and towns in Massachusetts, 54 are being supported by MBI programs and investments. These communities are located in the rural, north-central and western part of the Commonwealth where 44 of these towns currently lack any residential broadband access, and nine have substantial coverage gaps as high as 40%.

MBI has a successful track record of helping to address the broadband digital divide. In 2014, MBI completed construction of its *MassBroadband 123* middle-mile network that received both state and federal funding. *MassBroadband123* is a publicly owned fiber-optic network that spans more than 1,000 miles across western and central Massachusetts and connects over 120 communities and over 1100 community anchor institutions. Through this network, wholesale connectivity to *MassBroadband 123* on a carrier-neutral, open-access basis creates a platform that can lower some of the barriers for service providers seeking to provide high-speed Broadband access across the region. This network

forms the backbone of broadband expansion in the region and allows a last mile effort to leverage the significant, and already successful, investment of state and federal resources.

While MBI has had success in building MassBroadband 123 middle-mile network, there remains 44 unserved towns in Massachusetts. The 44 unserved communities have only limited access to DSL, and their residents otherwise must rely on dial-up or satellite services for internet access. Those 44 communities have a population of over 50,000 citizens, encompass nearly 25,000 households, and more than 400 businesses. MBI estimates a significant portion of unserved populations in Massachusetts are in census tracts eligible for high cost funding – census tracts that are in close proximity to *MassBroadband 123*, the MBI's middle mile network. MBI estimates the total construction cost of a FTTH network to cover the remaining 44 unserved towns to be approximately \$110 million, and has designated the overwhelming majority of the \$50 million state allocation to this end. For a regional FTTH network, this would require 2/3 of the cost of a network build to fall on these small, rural towns and their taxpayers. For many of these towns, a financial investment of this size would be extremely burdensome if not untenable. As a result, the MBI is exploring a range of borrowing, financing, construction, and operation scenarios. **The Commonwealth and MBI see CAF II reverse auction as an opportunity to pursue a public-private partnership that could leverage the significant investment of state resources with additional federal and private support, thereby alleviating or eliminating the need for local borrowing to bring access to these unserved locations.**

The significant cost associated with creating broadband access, coupled with the limited resources of many of the unserved towns in Massachusetts, presents a challenge that CAF II can potentially help solve. Given the demonstrated success of its previous federal partnerships, and the important commitment of state funds from the Baker-Polito Administration and state legislature, MBI respectfully requests that the FCC weigh bids more favorably in the reverse auction from entities that will leverage state funding as part of their project. The commitment that Massachusetts has demonstrated over the past eight years to broadband opportunities for unserved residents has been backed by nearly \$100 million in state resources. This commitment to shared responsibility increases the likelihood that support will lead to a successful project, and should be a positive factor in the FCC's consideration of CAF II bids.

Additionally, given the significant investment of BTOP resources into this region, the MBI also respectfully requests that the FCC weigh bids more favorably from entities that have already successfully utilized BTOP funding. The *MassBroadband123* network is a state of the art network that since its launch has increased its customer base, expanded its reach, and demonstrated aggressive subscription rates in unserved areas at competitive price points. It makes fiscal sense to take advantage of an already existing federal investment and build upon this demonstrated record of success. This middle mile solution is uniquely situated to help solve the last mile solution, and it would be prudent and wise to leverage this existing resource to maximize the impact of further federal investment.

The FCC's continued commitment to connect those across the Commonwealth of Massachusetts and the nation who remain without affordable high-speed internet access through modern infrastructure is commendable. Access to broadband is an increasingly essential service in our communities. MBI is uniquely positioned to work with ETC partners to help leverage the already successful federal investment in our Commonwealth with the significant financial state commitment

currently on the table. MBI believes that CAF II funding is a critical ingredient to ensure that MBI can successfully build last mile facilities in our unserved MA communities. We look forward to working with the FCC to collaboratively close the digital divide in our rural, underserved communities.

Sincerely,

/s/

Edmund Donnelly
Deputy Director
Massachusetts Broadband Institute