

Fiber Optic in Northwest Corner Summary Status

Formation of Northwest Connect (NWCONNect)

About a year ago Roberta Willis, our representative to the Connecticut Assembly, organized a regional group to promote fiber optic alternatives in the northwest corner. She importuned Jessica Fowler, a selectman from Sharon, to lead the group. While it operated informally for about a year, it is now an official Connecticut non-profit corporation, NWCONNect.inc.

Board of NWCONNect

Jessica Fowler, Chair (selectman for Sharon)
John Brett, Treasurer
Don Cuneo, Secretary
Katherine Kieffer (selectman for Salisbury)
Roberta Willis (representative to Connecticut Assembly)
Brent Collie (first selectman for Sharon)
Steve Bowan
Ward Belcher
Kim Maxwell

Objectives of NWCONNect

1. Orchestrate a universal fiber to the home (FTTH) network in the northwest corner.
2. Provide significant enhancement to mobile network in the region using lines established for FTTH for backhaul.
3. Promote economic developments that naturally follow a universal FTTH network in the region.

Region of NWCONNect

The NWCONNect region is not set in stone. It comprises at least the Northwest Hills Council of Government region (20 contiguous towns in northern part of Litchfield County plus Barkhamsted) but could be extended to include any of the communities immediately adjacent to this region.

Frontier

NWCONNect has been working with Frontier since last November to forge a regional FTTH network which would be owned and operated by Frontier but partially paid for by each connected community. Frontier has been making similar proposals around the state. In essence, any subscribing town would pay \$20 per month per household for five years and \$10 per month for the next ten years in return for which Frontier would connect anyone in that town who subscribed and

offer them an 18 mbps line for no additional charge. This \$2400 total cost is considerably less than the \$4000 per home cost we estimate for a community owned network (Frontier already has a lot in place). Anyone who already has a broadband service who switched to Frontier's 18 mbps line would almost certainly be saving money. Frontier would provide telephone, television, and high-speed data access up to 1 gigabit at extra charges, which charges would be competitive or better than Comcast.

We submitted a long list of questions to Frontier in December of last year, they responded favorably in February, we then submitted a draft proposal to Frontier to which they responded in a general meeting in April, at which they left with a responsibility to supply us with a draft contract. Instead they have submitted a Term Sheet to us about which we will have a conference with them in two weeks.

Any deal of course would not be with NWCONNECT but with any subscribing town. We are strongly recommending that a regional agency be constructed by the towns to manage any such contract with Frontier. Frontier of course could negotiate with any town individually, but no town we know of in the northwest corner has expertise within its own government on such matters, and would most likely reach out to the same legal and technical resources we either have or would consult.

Alternatives

We are actively exploring other alternatives. Two general options seem practicable. One is the formation of a regional utility through Interlocal Agreements through which the region would build, own, and maintain a FTTH network. The second is a Public Private Partnership with a third party who would construct and operate a network owned by the communities. There are several varieties of the second option.

Most Critical Requirement is Community Willingness to Pay

We believe that any of the three options under consideration will work as long as communities are willing to pay for it. This is the largest hurdle. There is no option for our region which would make money for a private operation without substantial community subsidy. However, as mentioned above, any home with a higher property tax bill which also converted their data service to the municipal service would save money over all. Furthermore, a real competitor to Comcast would force better pricing out of them (it has been their standard move when FTTH moves in).

Economic Development

While it is early days, we have an economic development plan around FTTH deployment and some early conversations with various entities about locating information technology companies or individuals here if we have universal fiber optic connectivity. If we did one in the next two to three years, we will probably be

the first rural area of the country with a regional FTTH network (this assumes the turmoil in Massachusetts around Wire West persists).

Submitted by

Kim Maxell