

Leyden Broadband Committee Meeting
Informational Meeting with Crocker Communications
September 23, 2015

Minutes

Present: David Curtis, Bob Ryan, Tom Luck, Jeff Neipp, Al Woodhull, Sheila Hourihan, Glen Cardinal (WiredWest), Bill Stathis (Crocker) and Joshua Levin (Crocker)

New Business: Meeting with Bill Stathis of Crocker Communications

Crocker's Role

Per Crocker, in order for Leyden to have an Internet and phone program similar to the one Leverett has would simply require the Leyden Municipal Lighting Plant (MLP) to issue and watch over 2 contracts annually: the first, to hire a service provider (someone similar to Crocker) and the second, to hire a maintenance provider to handle equipment and line related issues. If we were to use Crocker as our service provider, all monthly subscriber Internet and phone billings would be handled by them. Those monthly billings would also include a fee to cover one twelfth of the annual operating cost associated with Leyden's MLP. Crocker would then remit the billings for that fee to the town each month, so that the MLP can pay its bills. Even without providing TV (which Crocker won't do because they feel TV is going away in place of streaming) they have an 85% take rate in Leverett. A typical monthly billing in Leverett is \$101. That is broken down to \$25 for Internet, \$20 for phone, \$50 for MLP fee and \$6 for state and federal taxes,

Capital Investment

All of the approximately \$1 million of capital investment would be paid for either via an across-the-board tax increase, or via a subscriber surcharge, or some combination of each.

Crocker's Concerns with WiredWest

Ownership of Assets

According to Crocker, MBI believes strongly that all of the towns currently without Internet service should ultimately end up with direct ownership of their broadband investment and this philosophy is totally opposite to the cooperative pooling of assets that the WiredWest (WW) Business Plan is based on. They implied that this difference in ownership philosophy between

MBI and WW was becoming a serious issue of disagreement that WW was on the wrong side of.

Viability of WiredWest

Beyond the ownership of Assets, Crocker expressed concerns that WW pricing structure was unrealistic and that its Business Plan isn't viable. They suggested that the committee should wait for the results of a consultant's report on the viability of the WW Business Plan that was ordered by MBI before making any decisions. The consulting firm involved is WIPRO Consulting Services and their report should be available within the next few weeks.

Respectfully submitted,

Bob Ryan, Chair