

# Select Board Opt's Out of Wired West

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## SELECT BOARD OPTS OUT OF WIRED WEST

The Board of Selectmen decided at its August 11 meeting to send a letter to Wired West indicating that Otis is withdrawing from the Wired West Cooperative. The Technology Committee and Finance Board concur with the Select Board's decision to forgo membership in Wired West and to move forward with MBI. The reasons for doing so include the following;

- 1) Otis' \$1.8 million share of MBI funds does not require that it be part of Wired West;
- 2) Under Wired West's proposal, Otis taxpayers would pay for the entire cost of the network (aside from the MBI funds) but Wired West would own and control the network; the Board believes the Town should own and control a \$5.5 million dollar asset funded solely by taxpayer dollars; this way Otis can choose its own network operators and internet service providers on a short term competitive basis;
- 3) Wired West proposes to only provide "drops" to residents and business owners who pre-subscribe instead of all premises; the Board prefers that all taxpayers receiving the same benefit to the greatest extent possible; MBI's total project costs assumes drops to all premises;
- 4) Wired West is not needed for the design and construction that will be performed by engineers and firms retained by MBI; The Town will enjoy any economy of scale cost benefits derived from MBI's regional design and construction project regardless of whether or not is part of Wired West;
- 5) Wired West would not operate the network or provide internet services; it will contract out for those services; The Town can contract out for these services itself with assistance from MBI;
- 6) Wired West's business plan includes a substantial sales and marketing staff as well as four officers earning six figure salaries; the Board believes a closed network that will constitute a monopoly on badly needed broadband services does not require a substantial sales and marketing staff; it also believes that a payroll in excess of \$1.5 million per year is excessive considering that Wired West will neither operate the network or provide internet services;
- 7) The Board does not expect that Wired West will be able to generate the revenues needed to repay towns' debt service as it proposes. Wired West has indicated that it is holding all subscription fees in a separate escrow account. Residents who have made a \$49.00 deposit may contact Wired West for reimbursement.