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## MASSACHUSETTS BROADBAND INSTITUTE ANNOUNCES AGREEMENT WITH NETWORK OPERATOR

### *AXIA CHOSEN TO RUN THE \$71.6 MILLION FIBER NETWORK UNDER DEVELOPMENT IN WESTERN, NORTH CENTRAL MASSACHUSETTS*

Westborough, MA (February 28, 2011) – The Massachusetts Broadband Institute (MBI) today announced a major milestone agreement with Axia NGNetworks USA, a wholly owned subsidiary of Axia NetMedia Corporation (Axia), an international broadband Next Generation Network (NGN) company, to serve as the network operator for the *MassBroadband 123* fiber-optic network. Under the agreement, Axia will manage and maintain the 1,338 mile, \$71.6 million Internet backbone network that the MBI is developing to expand broadband services in communities throughout western and north central Massachusetts.

“Bringing broadband connectivity to western Massachusetts is a top priority for the Patrick-Murray Administration and today’s announcement brings us another step closer to reaching our goal,” said Housing and Economic Development Secretary Greg Bialecki. “By working with our partners in industry and government, we are leveraging new private investment that will improve the region’s competitiveness, create jobs, strengthen our schools and enhance public safety.”

“This is a critical step toward extending broadband access and bridging the digital divide,” said MBI Director Judith Dumont. “Axia’s expertise in successfully developing broadband networks will help us deploy high-speed Internet services to residents and businesses that have been unconnected for too long.”

Murray Sigler, President of Axia North America added, “We are delighted to be supporting the Commonwealth of Massachusetts’ broadband initiative and welcome this opportunity to establish a business in the United States as part of a long-term partnership. Axia will be opening an office in Massachusetts. This is our first next generation network in the United States and we are excited about building our business with Massachusetts as our United States base of operations.”

Axia, which has broadband networks in Canada, France, Singapore and Spain, was selected through an open, rigorous and highly-competitive process. As operator of the **MassBroadband 123** network, Axia will offer wholesale services to broadband service providers using its proven, open access, “do not compete with your customer” approach. This fundamental digital economy infrastructure will spur investment by broadband service providers and generate economic growth in the region. Axia will invest in the ongoing operations of **MassBroadband 123** and provide fiber extensions to the network in response to market demand. The combination of these two activities over the life of the contract is expected to be in the range of \$35 to \$45 million.

Axia has extensive experience delivering broadband solutions to rural areas, including the Alberta SuperNet, a 9,320 mile next generation network which provides high-speed Internet services to 429 communities in Alberta, Canada. The high-capacity open access fiber network enables service providers to deliver high-speed web services, including Internet, voice and video to consumers, businesses and community anchor institutions. Before SuperNet, there were only a handful of last-mile broadband providers in the region and now, after five years, there are almost 80 providers servicing the area.

The MBI is a division of the Massachusetts Technology Collaborative (MTC), a public economic development agency chartered by the Commonwealth to spur innovation across the state. MTC will own the **MassBroadband 123** network and is responsible for its design and construction, which is expected to be completed by June 2013. MTC will soon issue a request for proposals for a design-build contractor to build the network and to work with pole owners to make room on the utility poles to attach **MassBroadband 123** fiber-optic cable. Axia will also advise MTC during the design and construction phase of the project.

The MBI is currently working with broadband service providers in western and north central Massachusetts to expand broadband connectivity. As network operator, Axia will provide wholesale services on the **MassBroadband 123** network to broadband service providers and maintain and refresh the fiber-optic network to ensure its operability and efficiency. The **MassBroadband 123** network will be open access to allow any broadband provider to connect and offer their services, which will increase competition and affordability of options available to end users.

**MassBroadband 123** will connect over 120 communities in western and north central Massachusetts. The MBI recently completed the project's route validation and plans to attach fiber-optic cable to over 30,000 existing utility poles to extend high-speed Internet access in the region. **MassBroadband 123** is a critical component of Governor Patrick's initiative to expand broadband access across the Commonwealth. In 2008, the Governor signed into law the Broadband Act, legislation he introduced shortly after becoming Governor, which created the MBI and provided state capital funding for broadband-related infrastructure projects. Since then, the MBI has successfully competed for and leveraged an additional \$83.5 million in federal stimulus funding for broadband infrastructure and improvement in Massachusetts.

The MBI is continuing to make significant progress to expand affordable broadband access in Massachusetts. The MBI was awarded \$45.4 million in federal stimulus funding to develop the *MassBroadband 123* network. The Commonwealth is providing \$26.2 million in matching funds, bringing the total investment in the project to \$71.6 million.

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#### **About the MBI**

The Massachusetts Broadband Institute (MBI) is working to extend affordable high-speed Internet access to all homes, businesses, schools, libraries, medical facilities, government offices and other public places across the Commonwealth. Governor Patrick created the Massachusetts Broadband Institute, a division of the Massachusetts Technology Collaborative, when he signed the Broadband Act into law in August 2008. The Act gives the MBI the authority to invest up to \$40 million of state bond funds in necessary and long-lived infrastructure assets, such as conduits, fiber-optic cable and wireless towers. [www.massbroadband.org](http://www.massbroadband.org)

#### **About Axia**

Axia sells Real Broadband™ and passive services on Next Generation Networks that have implemented the Axia NGN Solution. To date, the Axia NGN Solution has been successfully implemented in Alberta, France, Singapore and Spain. Axia trades on the Toronto Stock Exchange under the symbol “AXX”. For further information, please visit Axia’s website at [www.axia.com](http://www.axia.com).