

- 1. Can the MBI please clarify the requirements of the Operator concerning splice points in the network?**

If the Operator and MBI allow an ISP to extend the network from Splice Points, will that ISP be required to share revenues with MBI?

Splicing directly into the *MassBroadband 123* network, whether by the Network Operator or a third party (such as an ISP) will be done according to a detailed fiber management plan developed by the Network Operator and approved by the MBI. This fiber management plan will contain parameters for splicing into the network to ensure that the structural and operational integrity of the network is maintained and must be consistent with the network openness policy that is also subject to the MBI's approval. Within the parameters of the approved fiber management plan, the Network Operator will have the authority to set interconnection policies for any non-CAI and non-POI location (including splice points) on the network. These policies will be based on the Network Operator's network management practices, the technical feasibility of interconnection requests, the potential for stranded segments of fiber, the existing and anticipated capacity limitation of the network, and the Operator's fiber management plan, as approved by the MBI.

All splices into the MBI's network, by the Network Operator or any third party, will carry two (2) extra strands for potential use by MBI. All revenue served from splice points will be subject to the revenue share requirements outlined in Section 5 of the RFP. Ownership of these extensions will be negotiated on a case by case basis depending on how the extension is paid for and by whom.

This response represents a material modification to the RFP that will be incorporated into a separate addendum to the RFP to be subsequently issued by the MBI.

- 2. Clarification. For extensions from splice points, MBI will own two of the fiber strands. For extensions from POI's and CAI's MBI will not own two fiber strands. Can you confirm?**

Yes, this is correct.

- 3. Can MBI provide projected cost for pole attachment, ongoing IRU and other lease / license expenses, collocation costs, and other recurring costs? Does MBI intend to cover these costs for any period of time (e.g. pole attachment**

costs for the first year of operation, long term capitalization of IRU costs, etc.)

**Can you provide the budget model submitted to the NTIA?
Have an indication or IRU annual fees (roughly?)**

The network will be constructed in phases shown in the construction schedule in Attachment I of the RFP. On-going costs associated with the network will become the responsibility of the Operator as incurred.

To date, the actual costs that the Operator will be contractually obligated to assume have not been finalized and, in part, will be determined based on the outcome of negotiations between the MBI and third parties that have yet to commence. In order to apply for and receive a BTOP grant, the MBI created a budget model to demonstrate how the ongoing operations of the network could be sustained. All inherent costs in the budget model are based on industry benchmarks and statistics of fiber operations of a similar size. We have provided those model costs below.

The federal grant award budgets for the prepayment of the costs of the IRUs. We anticipate there will be a nominal annual operations and maintenance fee estimated in the \$5,000 - \$10,000 per year range that we expect the Network Operator to cover.

Network OpEx (year 4)	Unit Cost (per annum)	Quantity	Annual Cost
Carrier Hotel co-location	\$29,400	1	\$29,400
Telecom Closet Power Costs/Month	\$1,989	22	\$43,756
Pole attachment	\$10.31	32,298 poles	\$332,922
Conduit access charge	0.36 / foot	3,486 feet	\$1,255

- 4. Are strand counts fixed and unalterable, or upon detailed design can they be changed? Similarly, are equipment quantities and locations exactly fixed by the grant application, or can they be adjusted during deployment using grant funds?**

Changes to the approved budget and project plan as well as other programmatic changes must be approved in advance and in writing by the awarding agency.

- 5. If all of the grant finds are not expended due to lower than expected equipment or construction costs, can those funds be made available to expand the network or its capabilities?**

Changes to the approved budget and project plan as well as other programmatic changes must be approved in advance and in writing by the awarding agency.

- 6. Will a network operator, at its own expense, be allowed to increase the strand count deployed or simultaneously deploy an additional fiber sheath?**

No

- 7. Is the service area available to the Network Operator under this contract specific and limited solely to the area defined by this grant application, or will the service area cover all of MBI's network assets throughout the Commonwealth?**

The service area for this RFP is that of the *MassBroadband 123* network and which is described in detail in the RFP and its attachments. The Operator can extend the network into other service areas at the sole cost of the Operator.

- 8. Will the network operator be expected to enter into a direct contract with the state CAI's? How will state procurement laws and practices be managed for individual CAI's?**

The Agreement for network services will be between the MBI and the ITD and EOPSS.

- 9. The 5% CAPEX Upgrade Fund and 2% Decommissioning Fund seem excessive. Will alternative proposals on specific items be considered?**

The MBI believes the structure and amounts of both the Capex Upgrade and the Decommissioning Funds are appropriate. However, if a respondent has an alternative proposal for how the Capex Upgrade Fund should be structured and managed that would accomplish the intended result, MBI will consider such a proposal (note: MBI will not consider an alternative to the amount of revenue share for the Capex Upgrade Fund; just to the management structure). The purpose of the Capex Upgrade Fund is to make sure there is adequate money set aside to pay for upgrading and refreshing the equipment for the benefit of the network, MBI and the operator. The Capex Fund will not be used for any purpose other than upgrading the network as needed, and the Operator will have a substantial involvement in how such funds are used.

10. Can the proposed fiber route for the project be provided in Google earth format?

Many of the maps that were included in the application to the NTIA have been incorporated into the RFP. The MBI will make the GIS files available to the finalists that make it to the next stage of the procurement process.

11. For the CAPEX Upgrade and Update fund, it is stated “Starting in the third year of the contract”. What is the third year of the contract in relation to the construction schedule?

For the purposes of planning, the Operator should use October 1, 2010 as the start date of the Operator Contract. The project date starts July 1, 2010.

12. The contract between the Operator and MBI will be for 10 years. When does the 10 years start – in relation to the construction schedule?

The Operator’s contract period will start as soon as it is executed, which we expect to October 1, 2010. By the end of the second year, we expect that the network will be 67% complete and able to generate revenue on those completed portion.

13. Can you provide a list of the 123 communities this project addresses? Any additional attributes about the 123 communities would be useful.

[Follow this link >>](#)

14. It is customary and mandatory in most cases in the Networking Equipment Market to purchase a Maintenance Agreement along with the purchase of Network Equipment. These Maintenance Agreements are required to have the Manufacturer’s support with Customer Service, Software updates and patches, break Fix etc. and they have different terms and Hours of Operation (i.e. 1yr, 2yr, 3yr, 8X5 X Next Business Day Response, or 7X24 with 4 Hour Onsite Response) What are the Maintenance Agreements that are going to be purchased with the networking equipment and what are the Operator’s obligations in terms of funding/updating ongoing backbone equipment maintenance agreements on the Backbone Equipment, i.e. regular maintenance contracts rather than equipment upgrades?

In assessing this opportunity, the operator should make its own assumptions regarding the degree of vendor support that it would require to operate and

maintain the network (e.g. software license fees, remote troubleshooting, parts repair / replacement, on-site support). For the purposes of the sustainability model we have assumed the annual cost of these support contracts to be 12% of the purchase value of the electronics in the network. We recommend operators make their own estimates for these costs. The MBI will coordinate with the Network Operator in selecting the maintenance plan with a view towards maximizing value given the capital refresh planning process.

15. Does the potential revenue on page 27 include Internet service or just transport service between nodes on the network?

The revenue projections only include the wholesale transport to an internet POP at 1 Federal St. in Springfield, MA.

16. Please provide as much additional detail as possible (i.e. CAI Name, Address, Phone Number, and Contact Info) as to specifically which entities fall into which CAI bucket (connected vs. not connected) on page 27.

CAI Category	<i>Directly Connected CAIs</i>				<i>Not Directly Connected</i>			
	Served	Underserved	Unserved	Total	Served	Underserved	Unserved	Total
Schools (K-12)	189	42	1	232	228	13	0	241
Libraries	81	44	1	126	47	7	0	54
Medical and Healthcare Providers	127	12	0	139	180	4	0	184
Public Safety	233	138	7	378	98	18	1	117
Community Colleges	9	1	0	10	0	0	0	0
Public Housing	124	4	0	128	0	0	0	0
Other Higher Educations	8	1	0	9	20	0	0	20
Other Community Support Organization	11	4	0	15	21	0	0	21
Other Government Facilities	225	123	7	355	69	20	3	92
Grand Total	1007	369	16	1392	663	62	4	729