



## The Advantages of a Regional Network

### The WiredWest cooperative model versus single-town stand-alone network

Small towns in western Massachusetts increasingly are recognizing the need to regionalize the delivery of a variety of existing public services. This concept has compelling arguments in favor when it comes to providing modern telecommunications services. Rather than restricting the design, construction and operation of the network to a single township – a political construct created in the 18th century – better to design-in the many advantages larger scale brings to lowering the cost of construction and operational efficiencies of the network at the outset. With telecommunications, bigger is an advantage.

- Economies of scale through regionalized design and construction
- Greater ability to exercise oversight of network design, construction and spending
- Economies of scale for operation and maintenance
- Greater flexibility to provide redundancy in connecting the network to the internet
- Higher uptime and network resiliency (through interconnected equipment huts)
- Greater ability to upgrade network as technology evolves and user needs grow
- Greater ability to attract professional managers (versus town administrator or Select Board)
- Wider range of input and oversight from diverse members on WiredWest Board of Directors
- Economies of scale for service provision (acquiring bandwidth, TV programming, etc.)
- More flexibility in pricing and packaging of services over larger customer base
- Greater ability to introduce new services (e.g., telehealth) over larger customer base
- Reduction of demographic disparities between towns, such as high second-home ownership
- Greater negotiating leverage with contractors and suppliers
- Benefits of financial success returned to towns, not retained by ISP serving a single town
- Shared risk of financial underperformance and greater resources for responding
- Shared ability to respond to operating failures and emergencies
- More sale-able asset serving 10,000+ customers (single-town network may be unsellable)

The rationale towns cite for not participating in a cooperatively-owned regional network is that “if we pay for it, we should own it.” The advantages of going it alone are extremely questionable: higher per-premise costs to construct the network and provision services, greater exposure to operating and financial risk, and lesser ability to manage the network and meet future needs.

Contrary to misunderstanding held by some, Towns participating in the WiredWest cooperative *will* own the network. Their ownership will be in proportion to their investment. and will be better protected against risk, have a better-performing asset and a greater upside for a return on their investment.