



## Quick Facts

### Current Status

- Construction began in mid-2015 and includes make ready engineering, survey and design work, and fiber huts. This includes more than 646 government agency locations, more than 84 KCTCS campuses, all state universities, and additional miscellaneous sites such as the Center for Rural Development.
- KCNA is using existing infrastructure wherever possible, which minimizes costs and engages local providers. The Commonwealth has already entered into agreements with Cincinnati Bell, East Kentucky Network (EKN), Bluegrass Network (BGN), and Brandenburg Telephone to lease their fiber rather than build new. Additional discussions are ongoing.
- Approximately 70 telecommunications, electric and municipal utilities across the state are important partners for access to poles. To date, KCNA has pole attachment agreements for approximately 50,481 poles out of approximately 56,758 poles needed statewide.
- KCNA is in discussions with other entities including other local telecom providers, RECCs, CATV, and cities to expand partnerships and leverage existing infrastructure.
- The complexity of the project and number of entities involved has impacted the aggressive construction schedule established under the initial agreement. Because of delays in obtaining some pole attachment agreements, it is projected that there may be a 26 month delay in construction.
- As of January of 2018, 619 miles of fiber optic cable have been installed.
- The \$30 million appropriation by the general assembly has been used to purchase equipment, such as fiber optic cable. To date, approximately \$13.8 million has been spent on fiber optic cable and approximately \$5.2 million on other equipment (huts, conduit, strand, vaults, covers, generators, racks, and transfer switches).
- To date, approximately \$173 million has been spent which includes closing costs and approximately \$29 million on debt service.

### Project Overview

- KentuckyWired (KYW) network will consist of more than 3,000 miles of fiber optic cable serving over 1,000 network sites statewide.
  - ~ KYW is the “interstate highway infrastructure system” connecting the worldwide Internet to “exit ramps” closer to a community.
  - ~ The KYW network will provide broadband services to state government agencies and public postsecondary schools, including KCTCS.

- ~ KYW will be built based on government/post-secondary education current needs with excess capacity, which allows for future growth; provides service to other public institutions, such as libraries; and potential wholesale use.
  - ~ KYW is “open access” meaning that cities, partners and businesses may acquire access to the network to provide last mile services directly to customers.
  - ~ KYW is not an Internet service provider and will not provide Internet service to end users such as consumers or businesses.
  - ~ Approximately 85% of the fiber will be installed primarily on poles; the remaining 15% will be underground.
- Construction of the network begins in the SOAR region followed by the rest of the state.
    - ~ Concurrent construction for Louisville-Lexington-Northern Kentucky allows for connection to worldwide web points of presence in Cincinnati and Louisville. It also provides network redundancy. This portion of KYW is crucial to broadband expansion in the SOAR region and the I-75 corridor.

### **Project financing**

- \$324.4 million in funding for construction
  - ~ \$30M general fund appropriation
  - ~ \$23.5 federal grant from the Appalachian Regional Commission for use in the SOAR region
  - ~ \$270.9M in private bond funds
- The Commonwealth already pays for Internet services. Those payments, currently \$28.5M annually, will be repurposed to pay for KYW. The Commonwealth gets more capacity, higher speeds and better reliability for the same cost. The excess capacity is what local providers will be able to access.

### **Public Private Partnership (P3)**

- Private sector partners are Macquarie Capital, Black & Veatch, Fujitsu, First Solutions and Ledcor.
- Partners will design, build, operate and maintain the network for a term of 30 years. The Commonwealth will own the network.
- When possible, local Kentucky companies will be used to provide construction and maintenance services.