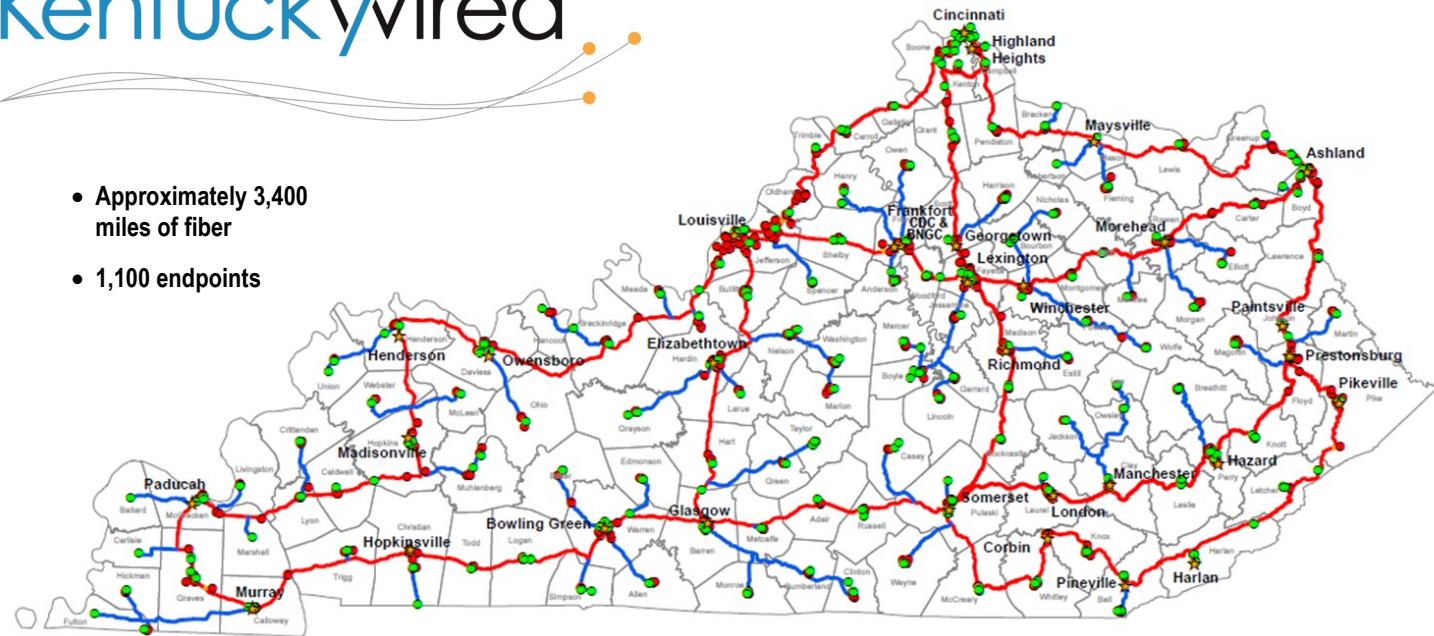# Kentuckywired

- Approximately 3,400 miles of fiber
- 1,100 endpoints

Point of Presence in Every County

Network Completion By Fall 2018

Project History

- Multiple agencies submitted budget requests to the governor for increased funding for high-speed, high-capacity fiber networks. The governor began thinking about how to fund these needs in a more coordinated way to leverage increased capacity across the enterprise.

- Concurrently, the push for reliable, accessible and affordable high-speed broadband was one recommendation from the Shaping Our Appalachian Region, or SOAR, initiative, created in 2013 by Gov. Beshear and Congressman Hal Rogers.

- As the Finance and Administration Cabinet (FAC) procures goods and services for the Commonwealth, Gov. Beshear tasked FAC to research and determine the best way to obtain improved Internet access, speed, capacity, affordability and reliability.

- The public-private-partnership (P3) model was determined to be the best approach and the Commonwealth entered into a contract with Macquarie after a competitive solicitation.

Why Kentucky Chose a P3 Structure

- Use existing resources – Availability Payments, since budget constraints make state funding unlikely
- Utilize private sector expertise
- Leverage outside funding
- Deliver high priority projects without deferring other projects
- Assign construction, schedule, and performance risks to private partner
- Pursue potential revenue generation/sharing

Core Leadership Team

Finance and Administration Cabinet

Center for Rural Development

Educational Institutions

Executive Branch Agencies

Figure at right shows the core leadership team that the Finance Cabinet put together. These stakeholders provided input and direction throughout the RFP and negotiation process.

KentuckyWired Highlights

- Work in eastern Kentucky begins first in fall 2015 with completion by summer 2016. The Center for Rural Development is partnering with the Commonwealth, focusing on communities east of I-75. The eastern portion is also referred to as the Kentucky I-Way.

The Center for Rural Development

- KentuckyWired is what's called the **middle mile,** a physical system of fiber optic cable that will allow broadband to be brought closer to communities. Think of KentuckyWired as an interstate highway system that connects the worldwide Internet to "exit ramps" in a community.

FUN FACT

Next Generation Kentucky Information Highway, or NG-KIH, is branded as **KentuckyWired** ...shorter and easier to remember!!!

Private Sector Partners

- KentuckyWired is unique—it is an **open access** network—meaning local public or private Internet service providers (ISPs), such as a cable or phone company, can tap into the system and run broadband to businesses and homes—referred to as **fiber-to-the-premise** (FTTP) or the **last mile**. This partnership will create a high speed link between the global Internet and local communities.

Getting Started

Solicitations

RFI – Statewide Middle Mile Fiber Optic Infrastructure, April 2014

RFP – NG-KIH Initiative Finance/Concessionaire Partner, July 2014

RFP – NG-KIH Initiative Investment Partner, July 2014

Kentucky Partners

Project Consultant

ctc technology & energy
engineering & business consulting

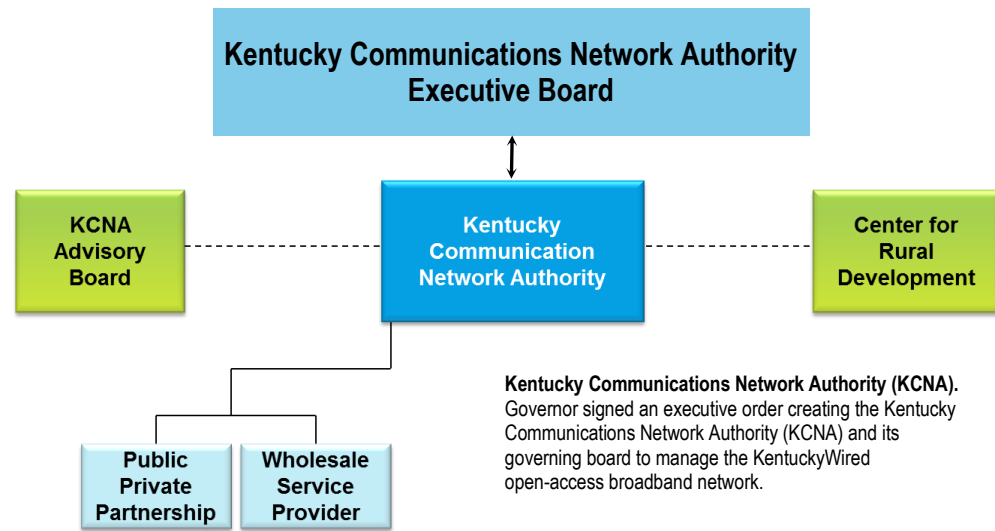Commonwealth leveraged a nationally known third party as technical advisors

Initial Funding

- Ky General Assembly created $30M Next Generation Kentucky Information Highway Fund
- Congressman Hal Rogers assisted with $23.5M in federal funds
- Private/public partnership $271M

Organization Structure

Kentucky Communications Network Authority Executive Board

KCNA Advisory Board

Kentucky Communication Network Authority

Center for Rural Development

Public Private Partnership

Wholesale Service Provider

Kentucky Communications Network Authority (KCNA). Governor signed an executive order creating the Kentucky Communications Network Authority (KCNA) and its governing board to manage the KentuckyWired open-access broadband network.
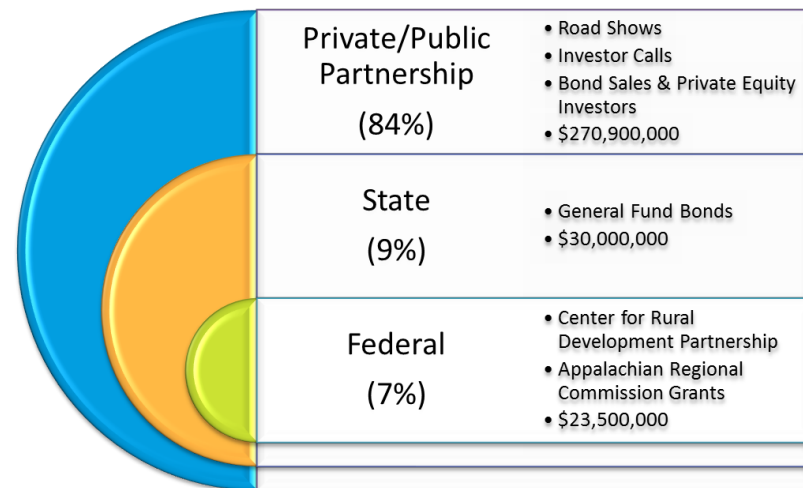
Aggressive Timeline

- This project is on a quick 3-year build out of high-count fiber into each of Kentucky's 120 counties and will deliver dedicated fiber connections to 1,100 endpoints. Construction is now underway in eastern and central Kentucky.

- The next big push for KentuckyWired is to help communities understand their critical role in preparing for building out the last mile network (FTTP). They can work with existing providers, recruit/work with new providers or create a municipal system.

Cost and Financing

Total Financing $324,400,000

Category	Details
Private/Public Partnership (84%)	• Road Shows • Investor Calls • Bond Sales & Private Equity Investors • $270,900,000
State (9%)	• General Fund Bonds • $30,000,000
Federal (7%)	• Center for Rural Development Partnership • Appalachian Regional Commission Grants • $23,500,000

Revised 10-12-15

Timeline

Dec 2014	June 2015	Sept 2015	2018
Contract Awarded		Financial Close	Communities Get Fiber Ready
	Early Works Approved & Started		All Statewide Endpoints Complete

---

KentuckyWired

QUICK FACTS

KentuckyWired.ky.gov

What is **KentuckyWired**? Why do we need it?

KentuckyWired, also referred to as Kentucky I-Way in eastern Kentucky, is a statewide open access fiber optic network which will deliver robust, reliable and affordable Internet to communities across the state through broadband technology.

Communities need reliable Internet to grow and thrive. Unfortunately, Kentucky ranks at or near the bottom of national and international rankings of broadband speed and capacity. This puts our state at a major disadvantage for attracting jobs, growing local business, and expanding education.

Broadband, like electricity, water and sewer, is now an essential service. However, it has been too expensive for private carriers to build out a high-speed, high-capacity network across the entire state. With **KentuckyWired**, the state will be responsible for building out the **middle** portion of a fiber network.

Global Internet — Kentuckywired — Middle Mile — Last Mile Local Providers
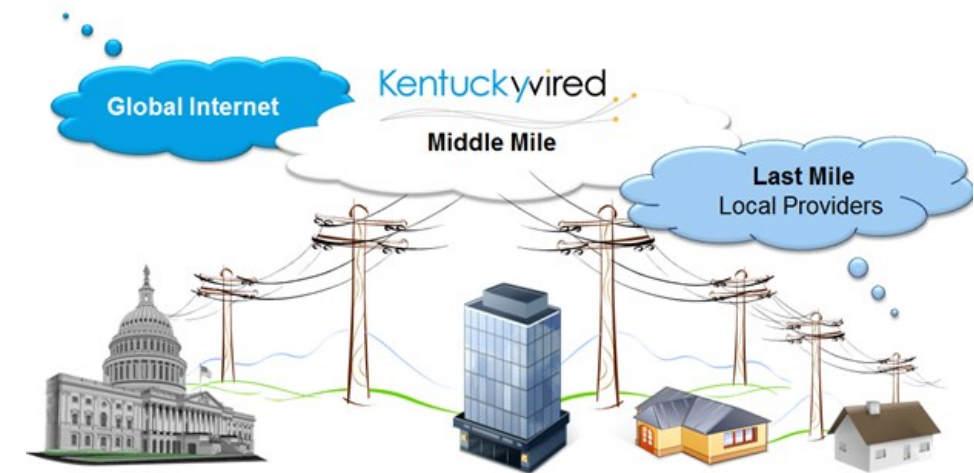
Benefits of KentuckyWired:

√ Businesses will be more equipped to compete globally
√ Educators and students will have more access to better learning tools
√ Health care entities will be able to collaborate and see patients/records in real time
√ First responders will be able to communicate better during emergencies
√ Lower consumer costs and improved broadband coverage statewide

---

Kentuckywired IS...

- A state-owned physical fiber optic network, which is a conduit for transmitting data.

- A wholesale provider of network capacity to local providers, which means they can invest in extending their local fiber networks to homes and businesses, growing their customer base. This arrangement is called open access.

Kentuckywired IS NOT...

- An Internet service provider to individuals.

- Building fiber to individual homes or private businesses.