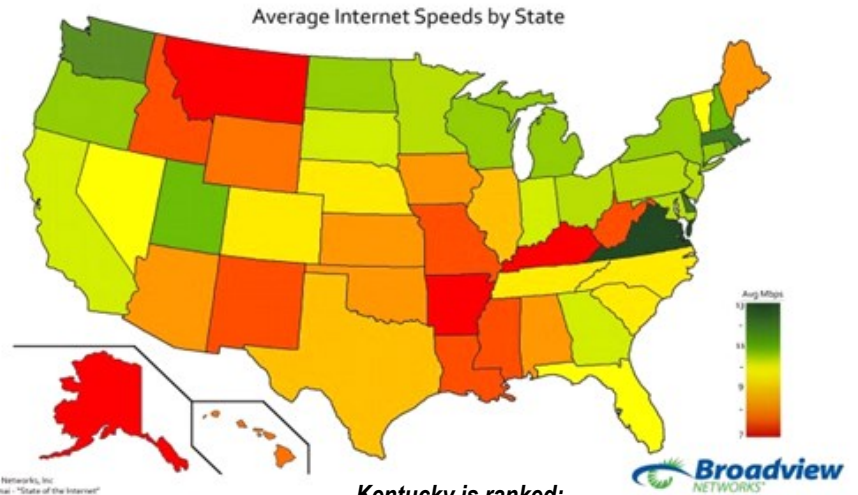


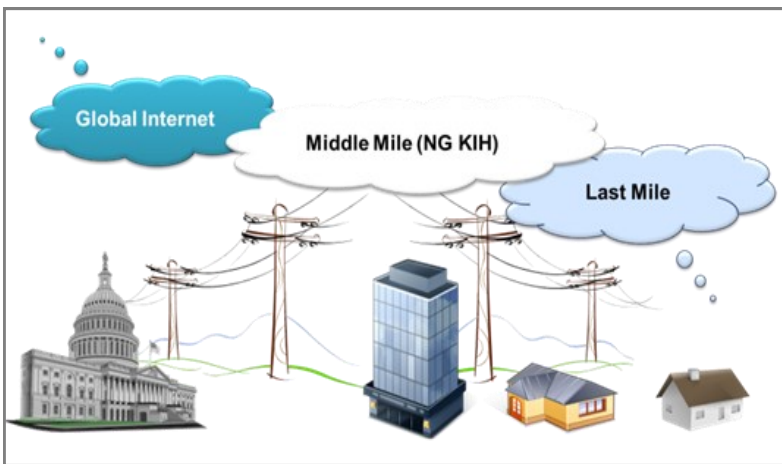
Next Generation Kentucky Information Highway FACT SHEET

The NG KIH infrastructure project is unlike any other seen in Kentucky in the last 50 years. Broadband, now considered an essential utility service, will improve Kentucky's dismal connectivity and slow speeds to some of the fastest and highest capacity service in the U.S. – all with the potential to lower consumer costs and improve coverage as well. A modern, high-capacity fiber infrastructure allows businesses to compete globally, educators to expand their use of rich teaching resources, students to access the knowledge of the world, health care entities to collaborate and first responders to communicate easily in emergency situations.



Kentucky is ranked:
 46th in broadband availability
 23% rural areas with no access
 58% adoption rate
 Limited high capacity fiber

- 3,000+ miles of high-speed Internet connectivity throughout Kentucky's 120 counties.
- These major fiber lines are called the "middle mile."



- Design and cost estimates are due by the end of February 2015.
- Public-private partnership (PPP) with Macquarie Capital to develop this robust, reliable, fiber "backbone" infrastructure; critical first components scheduled to be operational in less than two years.
- NG KIH is unique in that it will be an "open access" network. This means cities, partnerships, private companies or other groups may tap into those "middle mile" lines to complete the "last mile" – the lines that run to individual homes or businesses.

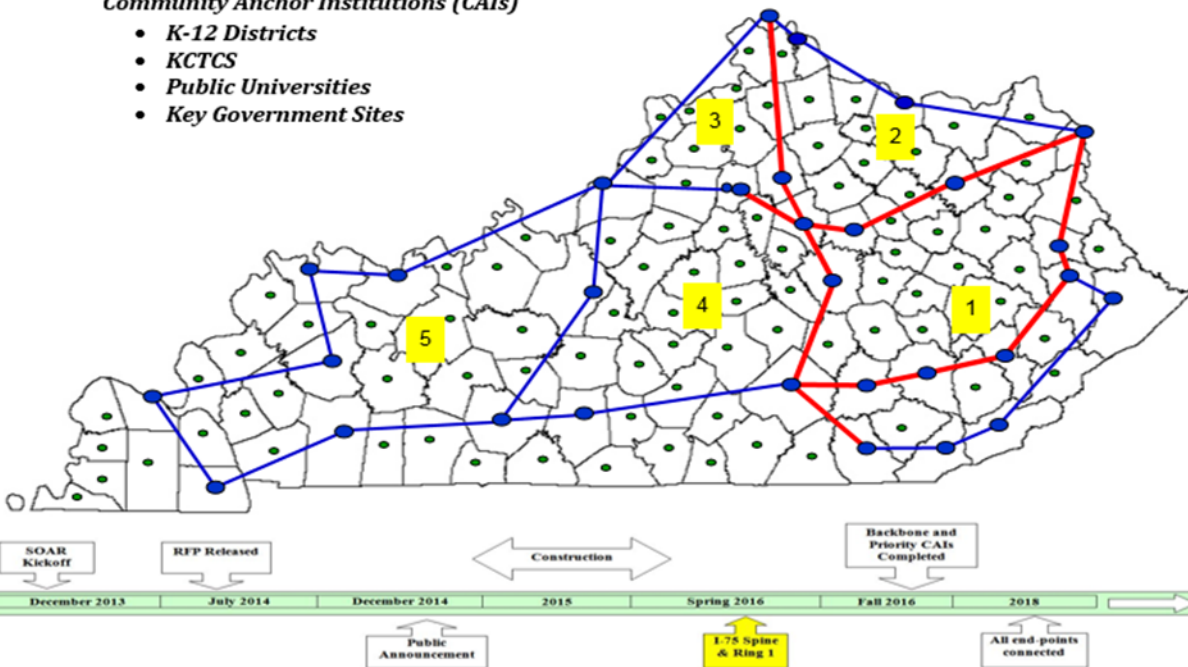
- Macquarie Capital's team of market-leading specialists will design, develop and operate the network over the next 30 years.
- Project will be paid for up front by leveraging private capital at no additional cost to Kentucky taxpayers. Private sector partners bear developmental and operational risks of the project; the Commonwealth retains ownership of the network.
- Underserved eastern Kentucky region will be the first priority area for the project, beginning summer 2015 and completed by April 2016. The Center for Rural Development in Somerset will partner with the Commonwealth, focusing on communities east of Interstate 75.

Next Generation Kentucky Information Highway/I-Way

Presence in Every County

- **Backbone Nodes**
- **Core Network - To Be Determined in Design Phase**
- Community Anchor Institutions (CAIs)**
 - *K-12 Districts*
 - *KCTCS*
 - *Public Universities*
 - *Key Government Sites*

- **Phase 1 (Completed Spring 2016)**
 - ✓ *I-75 Spine & Ring 1*
- **Phase 2 (Completed Fall 2016)**
 - ✓ *All CAIs and Core Backbone*



- Where already in place, existing infrastructure will be used; thus partnering with local telecommunications companies, municipalities and major carriers to deliver the network more quickly, reducing construction costs.
- Total cost of the project depends upon the ability to leverage existing infrastructure versus deploying new routes, which will be determined during the design phase.
- Overall, the project is estimated to cost between \$250 million to \$350 million, and will be supported by approximately \$30 million in state bonds and \$15 to \$20 million in federal grants. The remainder will come from private investment.