Kentucky Cable & Telecommunications Conference
Lexington

Presenter
Mike Hayden, Chief Operating Officer
Kentucky Communications Network Authority
8.30.16
Getting Started

Kentucky Partners

Project Consultant*

Finance and Administration Cabinet

Center for Rural Development

Council of Postsecondary Education

Kentucky Universities

Kentucky Department of Education (K-12)

*The Commonwealth leveraged a nationally known third party, Columbia Telecommunications Corporation Technology & Energy (CTC), as technical advisors.
Other State Networks

- ARE·ON
- Iowa Communications Network
  - Enhanced Services to Benefit Iowans
  - Internet • Voice • Data • Video

- OARnet
  - An OH·TECH Consortium Member

- MCNC
  - Connecting North Carolina’s Future Today

- I-Light
  - Indiana’s Optical Network

- iFiber
  - Illinois Fiber Resources Group
Kentucky Wired IS...

• A state-owned physical fiber optic network; conduit for transmitting data.

• Open access; providers can connect equipment to KYW then build fiber to homes and businesses in a community.

Kentucky Wired IS NOT...

• An Internet service provider to individuals.

• Wholesale provider of network capacity to providers; frees providers to invest in extending local fiber networks & growing their customer base.

• Presence in all 120 counties.

• Combining public and private funding resources.

• Building fiber to individual homes or private businesses.
KentuckyWired (KYW), also referred to as Kentucky I-Way in eastern Kentucky, will provide Middle Mile infrastructure and support. Middle Mile, a physical system of fiber optic cable that will allow broadband service to be brought closer to communities. Think of KentuckyWired as an interstate highway system, connecting the worldwide Internet to “exit ramps” closer to a community.
Potential Benefits

- Improve Government Service Delivery
- Enhance Public Safety
- Improve Health Care
- Enhance Education, Research Capabilities
- Enhance Connectivity for Libraries, Communities
- Create Scalable Network for Future Growth in Higher Education
- Promote Economic Development
User Groups

**HIGHER EDUCATION**
- 8 State Universities
- KCTCS
- Association of Independent Kentucky Colleges & Universities

**COMMONWEALTH & COMMUNITY**
- Commonwealth Office of Technology
- Executive Branch
- Community Networks

**USF ELIGIBLE GROUPS**
- TBD

**COMMUNITY - SAFETY**
- Kentucky Educational Television
- Law Enforcement
- Public Safety
- KEWS
Service Area
- Approximately 1100 locations covering ~3,400 miles of fiber

Fiber Plan
- 85% Aerial & 15% Underground

*Preliminary map, subject to change.*
Vendor Commitment

100+ Crews statewide
60% Local labor
8-12% Minority hire
~$175M Kentucky contracts

Jobs

Construction phase through 2018
• ~690 FTEs (at Peak)
  ✓ Engineering
  ✓ Construction Management
  ✓ Field Crews

Jobs through life of the contract
• ~20 FTEs
  ✓ Executive
  ✓ Engineering
  ✓ Management
  ✓ Administration
  ✓ Skilled Technicians
## Partnerships

### KentuckyWired Consortium

<table>
<thead>
<tr>
<th>KentuckyWired Operations Company, LLC</th>
<th>Ultimate Responsibility for Project Obligations, Project Management, Project Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>NG-KIH Design-Build Co, LLC</td>
<td>Network Design, Construction, Service Migration</td>
</tr>
<tr>
<td>LTS Kentucky Managed Technical Services LLC</td>
<td>Network Operation, Network Refresh, Performance Deductions, Reporting</td>
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</tbody>
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## Funding

**Total Construction Financing $324,400,000**

<table>
<thead>
<tr>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>State (9%)</td>
<td>• General Fund Bonds</td>
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<tr>
<td></td>
<td>• $30,000,000</td>
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<tr>
<td>Federal (7%)</td>
<td>• Center for Rural Development Partnership</td>
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<tr>
<td></td>
<td>• Appalachian Regional Commission Grants</td>
</tr>
<tr>
<td></td>
<td>• $23,500,000</td>
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<tr>
<td>Private/Public Partnership (84%)</td>
<td>• Road Shows</td>
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<tr>
<td></td>
<td>• Investor Calls</td>
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<tr>
<td></td>
<td>• Bond Sales &amp; Private Equity Investors</td>
</tr>
<tr>
<td></td>
<td>• $270,900,000</td>
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</tbody>
</table>
Contact Information

Website: www.kentuckywired.ky.gov
Email: KentuckyWired@ky.gov
Telephone: (502) 782-9549

Announcements

Commonwealth Enters into a Strategic Agreement with Cincinnati Bell

Part of the KentuckyWired Initiative, project construction costs will be reduced by approximately $3,000,000.

FRANKFORT, KY (June 3, 2016) – Kentucky Communications Network Authority (KCNA) today announced the Commonwealth will enter into a strategic agreement with Cincinnati Bell to partner on broadband network construction in northern Kentucky.

Cincinnati Bell provides integrated telecommunications solutions – including voice, data, high-speed Internet and video – to consumers and business customers across Greater Cincinnati and Northern Kentucky.

"Kentuckians will benefit from this agreement in two ways," said executive director Chris Moore. "Firstly, by partnering with Cincinnati Bell and leveraging existing infrastructure, project construction costs will be reduced by approximately $3,000,000. The agreement highlights our ongoing commitment to work with existing infrastructure companies to efficiently and economically improve broadband services in the Commonwealth."

When is KentuckyWired coming to my county?

Get schedule information here. Keep in mind this list is subject to change, as the design and build stages are still in their early stages. This schedule will change based on relocation of offices, building renovations and other changes made during the site verification process. Download the network map here.

Recent Events

Executive Director, Chris Moore, testified at the August 1st meeting of the Interim Joint Committee on Appropriations and Revenue – Budget Review Subcommittee on General Government, Finance, and Public Protection.