Kentucky Wireless Interoperability Executive Committee
Frankfort

Presenter
Mike Hayden, Chief Operating Officer
Kentucky Communications Network Authority
8.31.16
In conjunction with the Board of the Kentucky Communications Network Authority, will manage and oversee the KentuckyWired (KYW) network. The authority is providing Community Fiber Readiness (CFR) services to ensure that local governments, businesses and citizens can capitalize on the new infrastructure.
Promote Economic Development

Enhance Education, Research Capabilities

Improve Government Service Delivery

Enhance Public Safety

Improve Health Care

Enhance Connectivity for Libraries, Communities

Create Scalable Network for Future Growth
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
KentuckyWired, 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.
What is KYW?

**Kentuckywired 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.
- 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.

**Kentuckywired IS NOT...**

- An Internet service provider to individuals.
- Building fiber to individual homes or private businesses.
Service Area
- Approximately 1100 locations covering ~3,400 miles of fiber

Fiber Plan
- 85% Aerial & 15% Underground

- Continues with Eastern Kentucky as the current priority
- Provides transport for nearly all state government applications

*Preliminary map, subject to change
Map* with Rings

- **Service Level 3 Sites** (government end user sites)
- **Service Level 1 Sites** (academic end user sites)
- **Core Nodes** (fully redundant aggregator and connector site)
- **Backbone Segments** (core redundant fiber ring connected to nodes)
- **SL 1 Segments** (non-redundant lower capacity fiber)
- **SL 3 Segments** (capacity fiber to connected to CAI sites)

*Preliminary map, subject to change*
### Vendor Commitment

<table>
<thead>
<tr>
<th>100+</th>
<th>Crews statewide</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>Local labor</td>
</tr>
<tr>
<td>8-12 %</td>
<td>Minority hire</td>
</tr>
<tr>
<td>~$175M</td>
<td>Kentucky contracts</td>
</tr>
</tbody>
</table>

### 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>Company</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KentuckyWired Operations Company, LLC</strong></td>
<td>Ultimate Responsibility for Project Obligations, Project Management, Project Financing</td>
</tr>
<tr>
<td><strong>NG-KIH Design-Build Co, LLC</strong></td>
<td>Network Design, Construction, Service Migration</td>
</tr>
<tr>
<td><strong>LTS Kentucky Managed Technical Services LLC</strong></td>
<td>Network Operation, Network Refresh, Performance Deductions, Reporting</td>
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*Note: Representations of logos are included for visual distinction.*
## Funding

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

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