



Commonwealth of Kentucky
Finance and Administration Cabinet
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Steve Rucker
Deputy Secretary

January 12, 2015

To Whom It May Concern:

On December 23, 2014, Governor Steve Beshear and U. S. Representative Hal Rogers announced a new public-private partnership to develop a robust, reliable, open access fiber backbone infrastructure to bring high-speed Internet connectivity to the entire Commonwealth, with the critical first components scheduled to be operational in less than two years.

We are pleased to provide this letter of announcement for Macquarie Capital, chosen as the private sector partner to design and develop the statewide broadband system. Macquarie's consortium partners include First Solutions, Fujitsu Network Communications Inc., Black & Veatch, and Bowlin Group. The Macquarie team's technical capabilities and history of innovative solutions are an excellent fit for this high priority project. In their contractual role, Macquarie will be acting as an agent of the Commonwealth for the project.

For Kentucky's municipalities, telephone companies, utility companies, and other parties interested in the recently announced project, there will be opportunities to work with Macquarie Capital in the coming months to build an open access middle-mile communication network consisting of more than 3,000 miles of fiber throughout the Commonwealth. The advantage of this public-private partnership is that the project will be paid for up front with private capital at no additional cost to Kentucky taxpayers. The project can be completed with an accelerated timetable and cost savings by leveraging the expertise and innovation of Kentucky's businesses, organizations and individuals who want to participate with the Commonwealth. Where affordable infrastructure is already in place, or future infrastructure plans can be leveraged together Macquarie will seek to partner with local telecommunications companies, municipalities, utilities, and major carriers to deliver the open access network more quickly and reduce construction costs. The group will also market the availability of high speed broadband to existing and new last mile providers.

We ask that you facilitate Macquarie and their partners' efforts to the fullest extent you are able in order to ensure this project achieves its goals. In particular, please provide access to appropriate information, relevant infrastructure and other requests in a timely and coordinated fashion. For example, Macquarie and their partners will be seeking pole attachment and rights of way agreements, co-build opportunities, fiber and

conduit leases, and assorted permits for the project. Given the fact the project is ultimately owned by and for the benefit of the Commonwealth, please consider such requests as though they come directly from the Commonwealth. We believe this project can benefit all participants in Kentucky's telecommunications sector, and as such it is in all participants' interests to facilitate the process.

We are excited to be able to focus on meeting current needs while positioning our state to be a national leader in high-speed, high-capacity Internet service connections and increasing the Commonwealth's potential for growth in economic development, education, healthcare, public safety, and quality of life.

Sincerely,

A handwritten signature in black ink that reads "Steve Rucker". The signature is written in a cursive, slightly slanted style.

Steve Rucker
Deputy Secretary