Highlights
Next Generation – Kentucky Information Highway (NG KIH)

NG KIH, a high capacity, high speed network, positions Kentucky to provide 21st Century Internet services to homes and businesses, which will increase Kentucky's capacity for growth in several areas. Once completed, NG KIH will be among the fastest, highest-capacity internet networks in the U.S.

Commonwealth's Role:
- The Commonwealth (state offices, schools, universities, etc.) will be the network's biggest customer for 30 years.
- The state commits to investing $30 million in the project.
- Kentucky has existing presence in all 120 counties, covering more than 3,000 miles, which will be leveraged in constructing the fiber network.
- The Commonwealth will retain ownership of the network.
- Eastern Kentucky will be the first priority region for the project.
- The Center for Rural Development will seek federal grant funds to invest in the eastern Kentucky segment of the network, and will partner with the Commonwealth for 30 years to serve the eastern Kentucky region.

Macquarie Capital Group's Role:
- Macquarie Capital group will invest private capital to design, build and operate the network.
- The group will aggressively market the availability of high speed broadband to existing and new last mile providers.

Advantages of Public-Private Partnerships (P3s)
- Public-Private Partnerships, or P3s, are a well-established procurement model that requires the private partners to bear substantially all the development and operational risks of the project.
- Delivers high priority projects without deferring other projects. The P3 enables completion of the project with an accelerated timetable and cost savings.
- Leverages private sector expertise and innovation.
- Ability to secure additional financing.
- Locks in costs for design, construction, operations, and maintenance.
- Built-in incentives to deliver on-time and on-budget. Once complete, the Macquarie team will operate the network to high performance standards, incurring financial penalties should those standards not be met.
- Payments structured/scheduled out over life of agreement.
- Opportunity to generate and share revenues which will flow back to the Commonwealth.

Benefits for Kentuckians through lowered costs, more competition
- The partnership harnesses the power of the public sector's buying power in order to make access to broadband more affordable for government, businesses, communities, and citizens.
- This system will be **Open Access**, which allows the private sector to lease or buy portions of the broadband fiber. That access will promote competition and new Internet service providers.
- Because cell phone providers need reliable middle mile fiber infrastructure, those companies may lease directly from the state network instead of building their own fiber lines. Since this fiber will be available in all 120 counties, cell phone providers will be able to improve coverage much more quickly throughout the state.

Benefits of broadband
- Increased speed and capacity for Internet service; businesses can locate or grow knowing there is a reliable and affordable infrastructure.
- Allows for more opportunities for collaboration across and within research, education, healthcare, public safety and other sectors.
- Lowers costs by eliminating the need for Internet service providers to duplicate investments in network infrastructure; providers can in turn invest in cell phone service or last mile service.

Benefits to Various Sectors

Economic Development
- Peak workforce during construction will be approximately 600, with a heavy influence on local labor.
- The estimated long term direct, indirect and induced employment generated by this project is 3,200 skilled jobs in this project alone.
- Unlimited potential for future job growth through entrepreneurship and attracting new businesses thanks to reliable, reasonably priced broadband.
- Positions Kentucky to compete not only nationally, but in the global economy.

Education
- Facilitate K-12 schools goals to meet or exceed national policy recommendations.
- Expands research and distance learning capabilities.
- Supports electronic testing

Healthcare
- Advances Telemedicine.
- Supports Health Care initiatives, such as Health Benefits Exchange & Health Information Exchange.

Public Safety
- Provides a foundation for FirstNet (federal public safety network) and Next Generation 911.