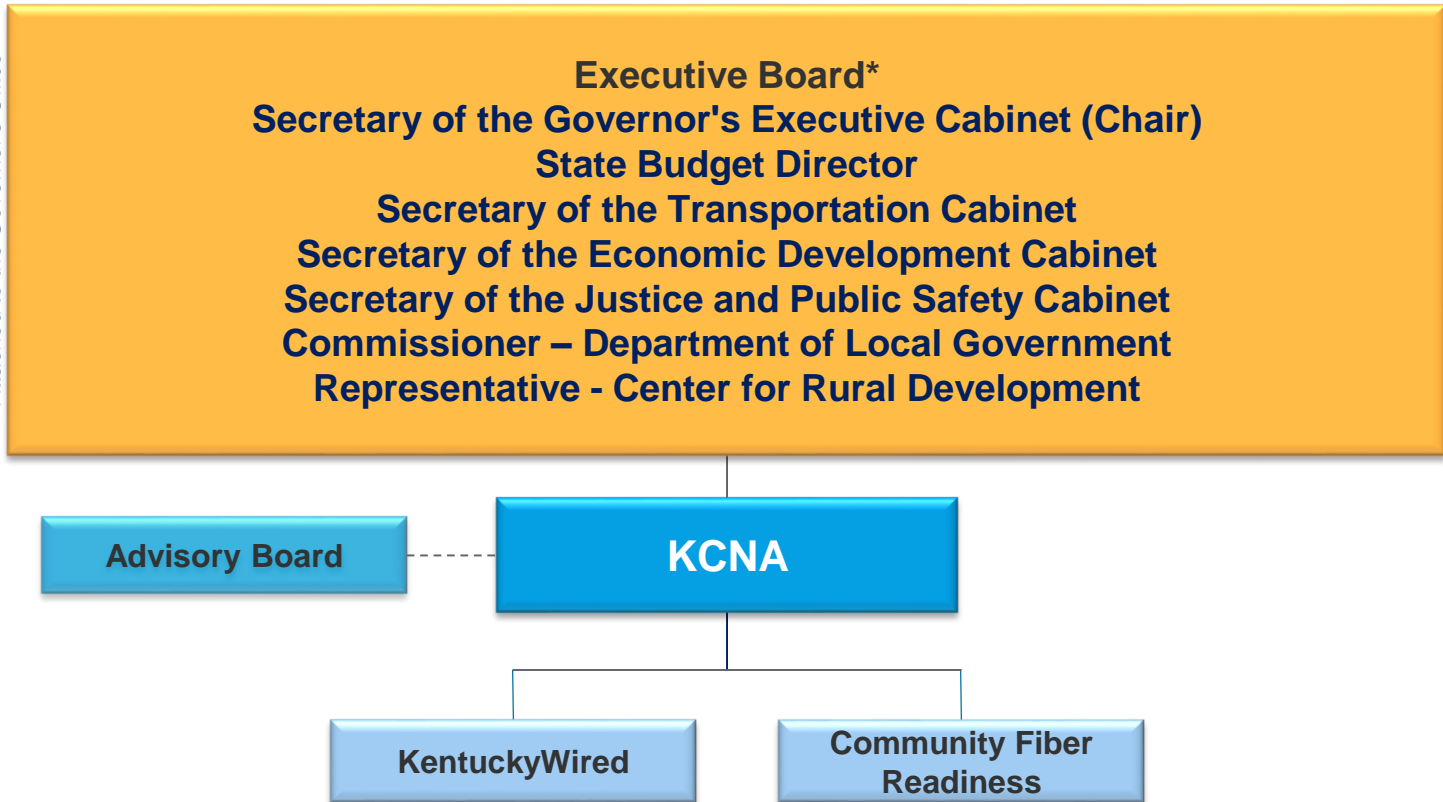# 2016 Governor's Local Issues Conference

## Louisville

Presenter
Chris Moore, Executive Director
Kentucky Communications Network Authority
8.25.16

*Attached to the Governor's Office

**Executive Board***
**Secretary of the Governor's Executive Cabinet (Chair)**
**State Budget Director**
**Secretary of the Transportation Cabinet**
**Secretary of the Economic Development Cabinet**
**Secretary of the Justice and Public Safety Cabinet**
**Commissioner – Department of Local Government**
**Representative - Center for Rural Development**

**Advisory Board**

**KCNA**

**KentuckyWired**

**Community Fiber Readiness**

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.
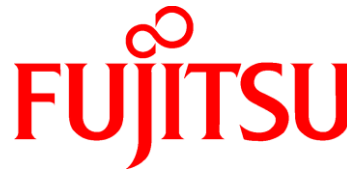
# Partners

## 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**
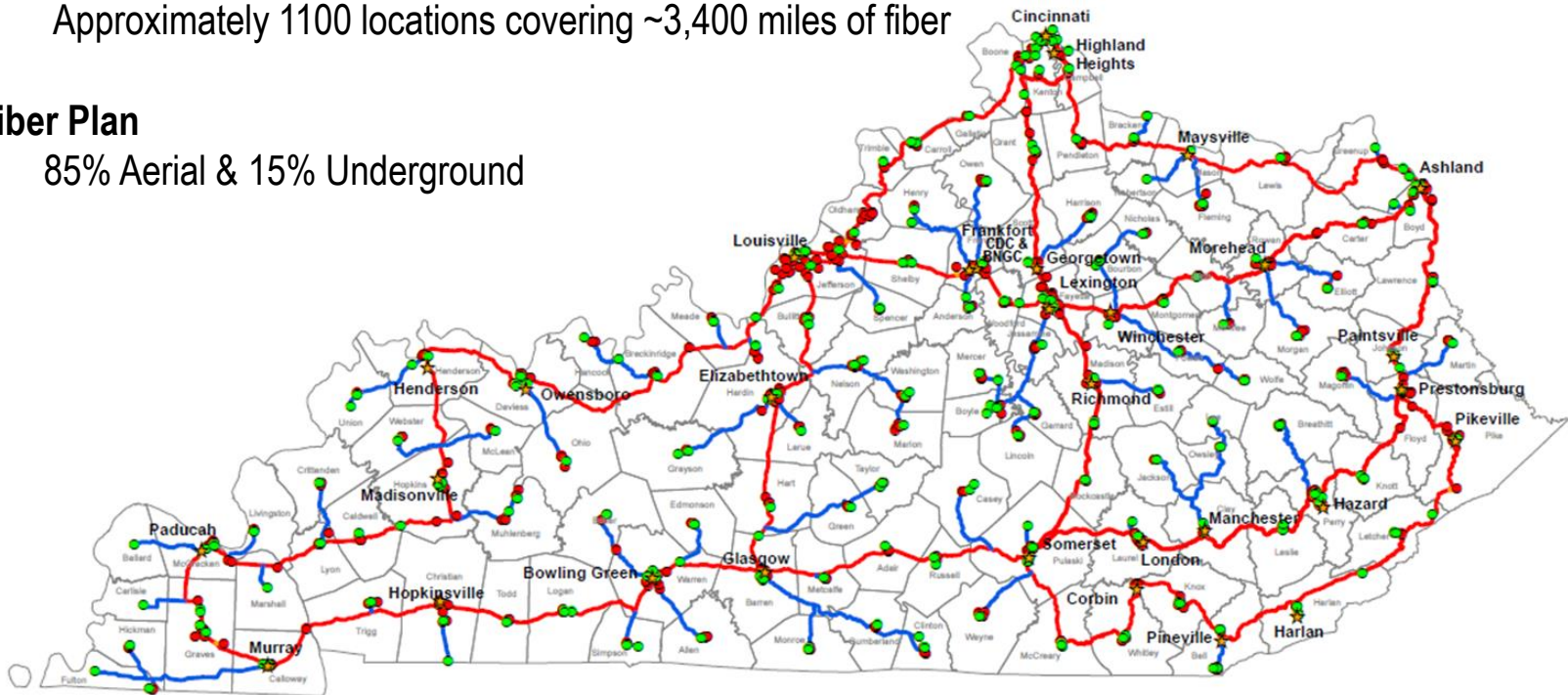  - ✓ **Field Crews**

**Jobs through life of the contract**

- **~20 FTEs**
  - ✓ **Executive**
  - ✓ **Engineering**
  - ✓ **Management**
  - ✓ **Administration**
  - ✓ **Skilled Technicians**

**Service Area**

- Approximately 1100 locations covering ~3,400 miles of fiber
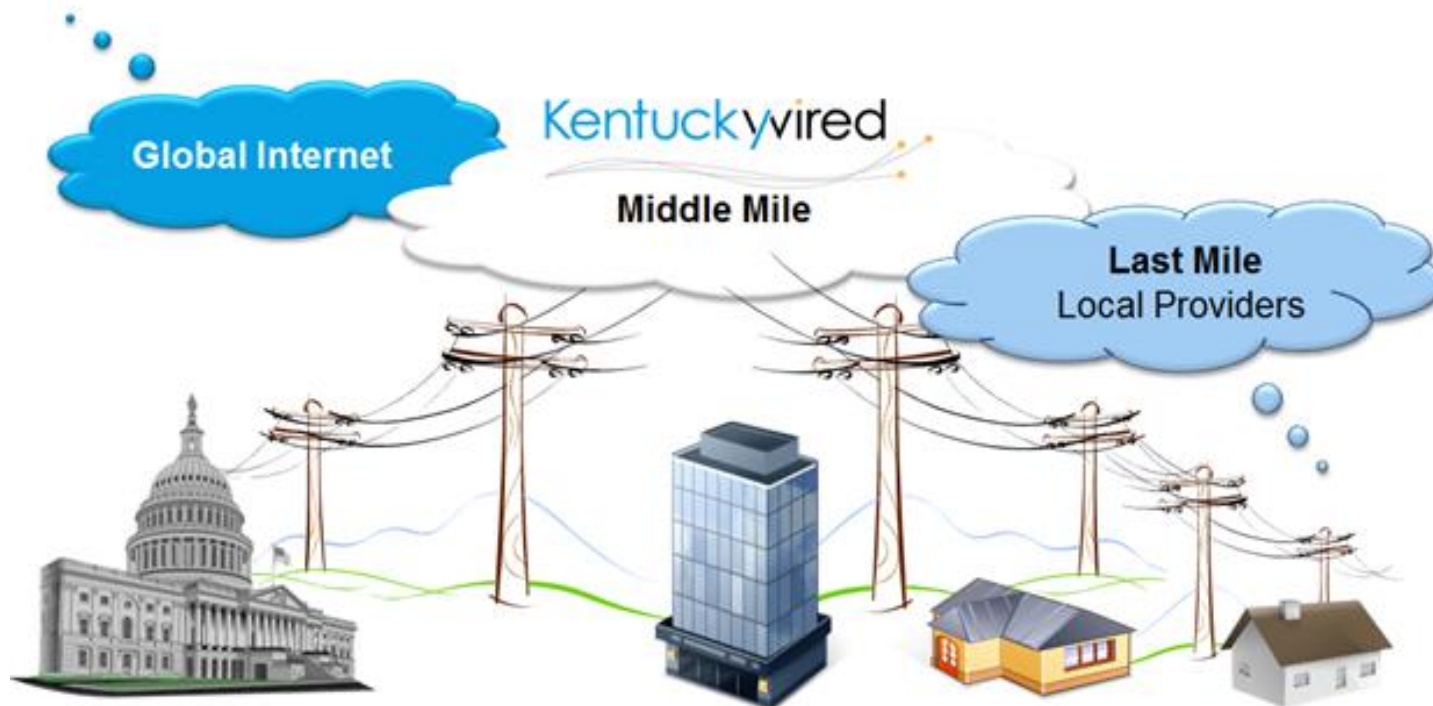
**Fiber Plan**

- 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

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**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.
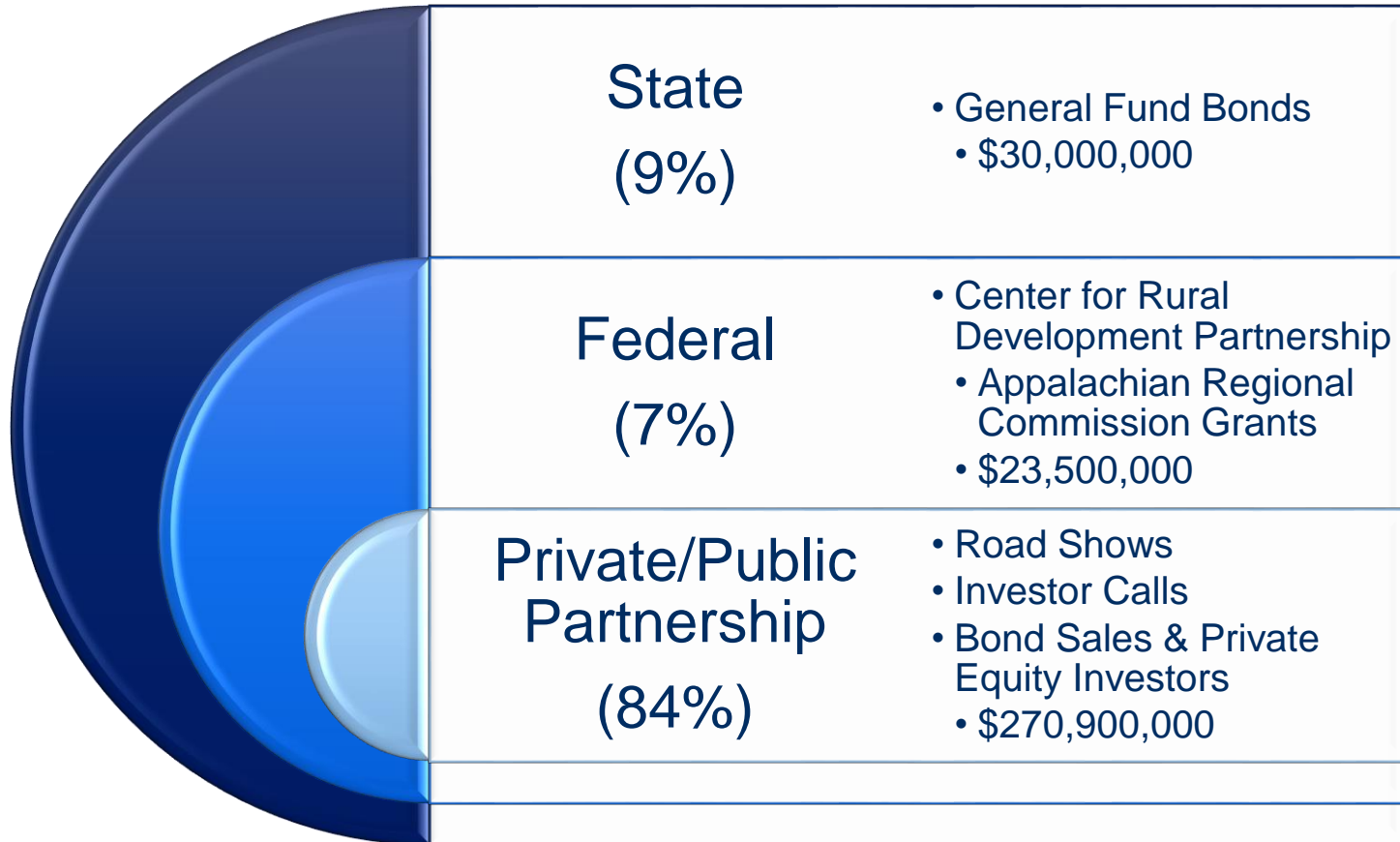
# What is KYW?

**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.
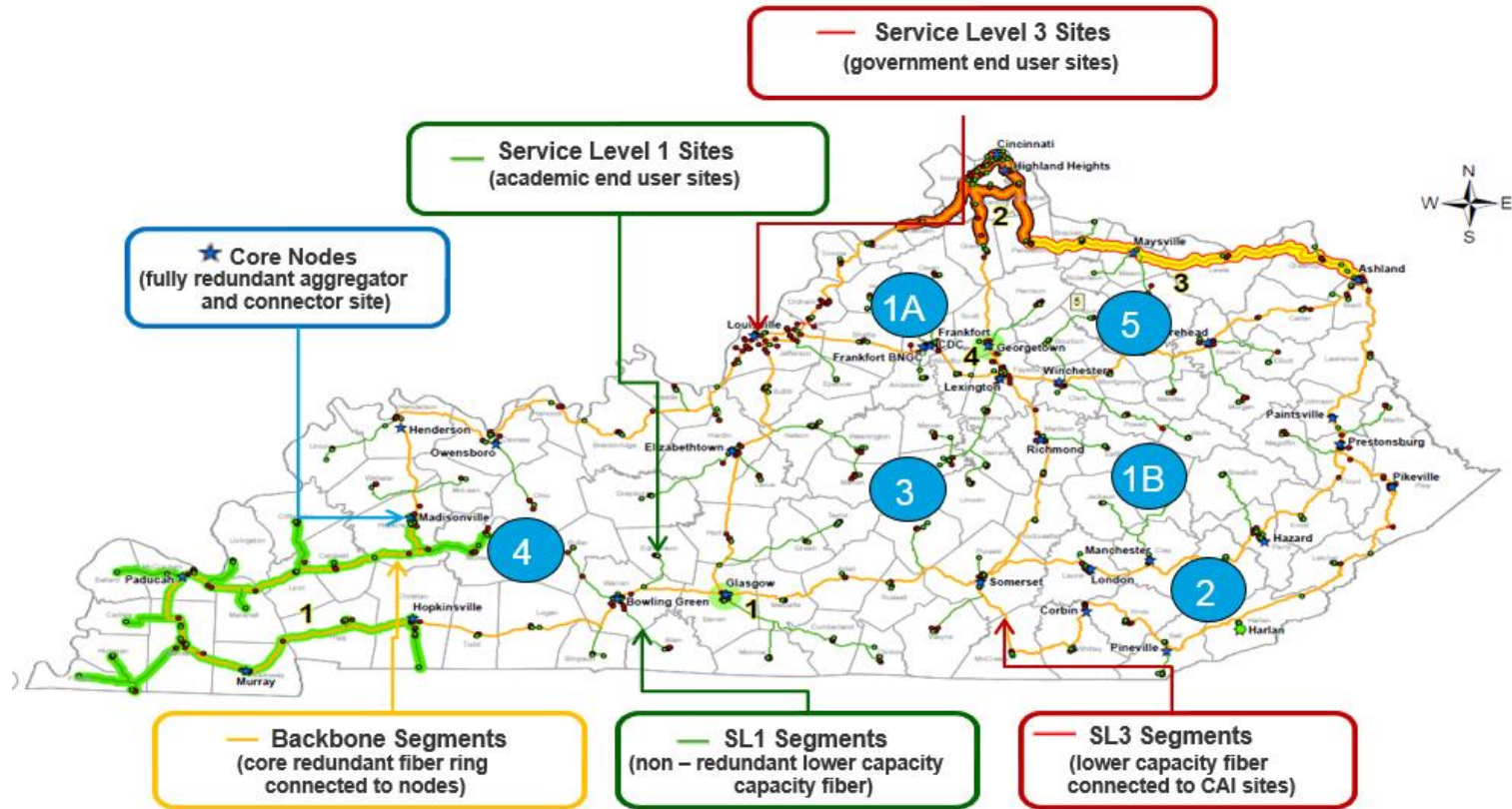
- Combining public and private funding resources.

**Kentuckywired IS NOT…**

- An Internet service provider to individuals.

- Building fiber to individual homes or private businesses.

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

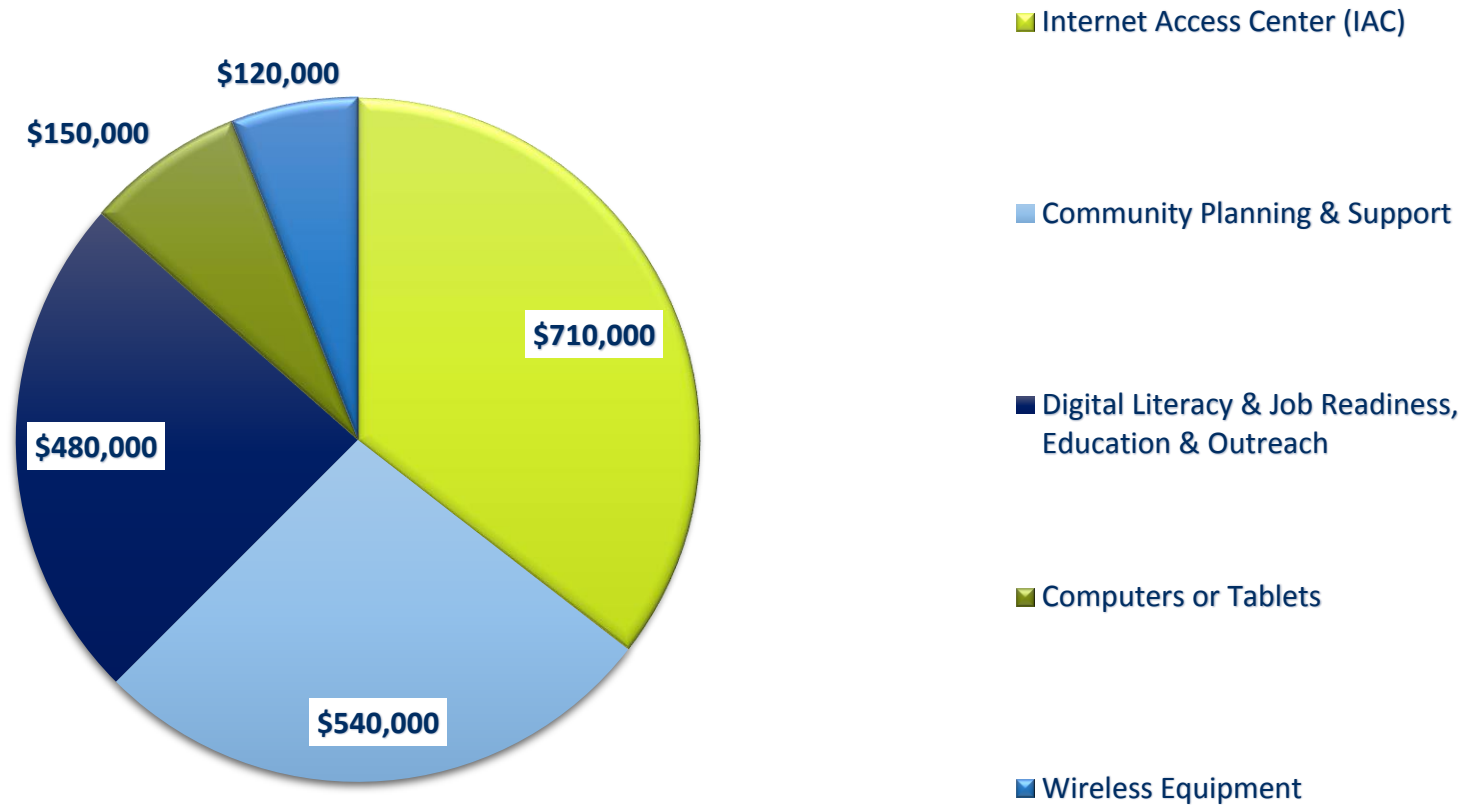| State (9%) | • General Fund Bonds<br>• $30,000,000 |
|---|---|
| Federal (7%) | • Center for Rural Development Partnership<br>• Appalachian Regional Commission Grants<br>• $23,500,000 |
| Private/Public Partnership (84%) | • Road Shows<br>• Investor Calls<br>• Bond Sales & Private Equity Investors<br>• $270,900,000 |

- In an effort to minimize cost and engage private businesses, we are committed to partnering with Kentucky's telecommunications service providers, local municipals, and rural electric cooperative companies to leverage existing infrastructure.
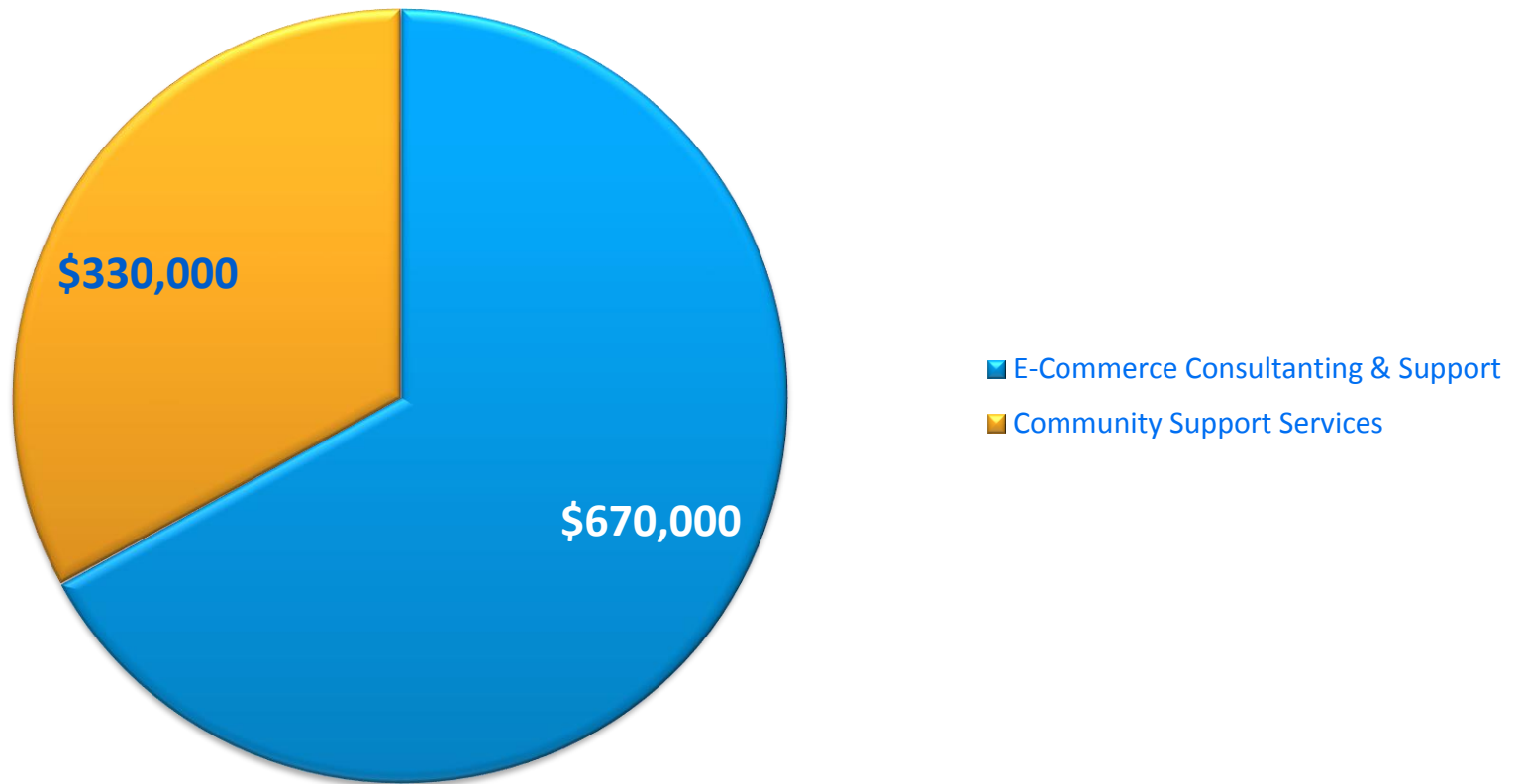
- We recently signed a Strategic Agreement with Cincinnati Bell to partner on construction costs in northern Kentucky.
    - This agreement will save approximately $3 million in project construction costs.
    - This portion of the network will play a crucial role in the broadband expansion in Eastern Kentucky and the I-75 corridor because it is critical to bringing state government sites online, connecting the network to the Internet, and providing redundancy for the network.

- We have also signed a Letter of Intent to partner with East Kentucky Network (or "EKN") on broadband network construction in Eastern Kentucky. EKN represents a consortium of five incumbent service providers with coverage in 21 counties.

# CFR Budget

## $2 M-  Regional Strategic Development Fund



- Internet Access Center (IAC)
- Community Planning & Support
- Digital Literacy & Job Readiness, Education & Outreach
- Computers or Tablets
- Wireless Equipment

Pie chart values: $710,000; $540,000; $480,000; $150,000; $120,000

**$1M - EDA POWER Grant Award**



E-Commerce Consultanting & Support
Community Support Services

$330,000
$670,000

**Mission: Support Economic Development and Job Readiness**

**Supports the SOAR Regional Goals and leverages KYW as an open-access, middle mile fiber network which will provide high speed, high capacity broadband services.**

➢ E-Commerce and training support provided through a partnership with the Education and Workforce Development Cabinet (EWDC)
  ❖ EWDC has partnered with Eastern Kentucky Concentrated Employment Program (EKCEP)

➢ Community Internet Access Centers includes support for each IAC, digital literacy, education and outreach services.

➢ Work is underway to create Partnership with local ISP providers that provide critical last mile services.

**Mission: Support Economic Development and Job Readiness**

**Community Planning & Support covers 54 counties with a concentrated focus on 23 severely economically distressed counties.**

➢ Three (3) statewide contracts awarded to vendors to support community level fiber planning.
  ❖ Three (3) pilot engagements, which includes 10 counties and the City of Ashland.
  ❖ Strategies, frameworks and work items produced during these engagements will serve as models for other communities.

**Mission:  Support Economic Development and Job Readiness**

**Community Based Internet Access Centers (Broadband Adoption Pilot) includes support for each IAC, digital literacy, education and outreach services.**

- ➢ Primary focus is 12 distressed Eastern Kentucky counties, however broadband education & outreach are statewide
  - ❖ Computer delivery is underway
  - ❖ Wireless support  - needs assessment completed August 15th
  - ❖ Digital Literacy Training to start Fall 2016

**Mission: Support Economic Development and Job Readiness**

**E-Commerce Training for Businesses & Entrepreneurs**
KCNA in partnership with the Education and Workforce Development Cabinet and the East Kentucky Concentrated Employment Program (EKCEP) will help businesses and communities in Eastern Kentucky grow e-commerce jobs.

- ➢ Businesses in Eastern Kentucky have been selected to receive e-commerce training to increase global marketing capability, product development, production efficiencies, and process improvement.

- ➢ Expected outcomes are the creation, saving or expansion of job opportunities. Monthly training programs will support broadband usage and adoption for job readiness, job placement, and e-commerce purposes.

**KCNA** Kentuckywired

## Kentuckywired

| Home | About ▾ | News & Events | Getting Connected | Resources | Service Providers ▾ |

🏠 / Resources

## Resources

On the KentuckyWired website @ www.kentucky.wired.ky.gov posted are links to resources that can help communities get ready for implementation of fiber networks to homes and businesses.

➤ Guidebooks on funding and fiber planning
➤ Webinars to help prepare for expanded broadband
➤ Statewide contracts for community fiber readiness consulting
➤ National Telecommunication & Information Administration links, which include additional resources and tools

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

## Kentuckywired

Home    About ▾    News & Events    Getting Connected    Resources    Service Providers ▾
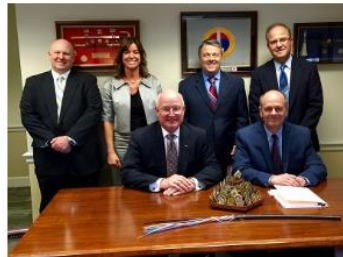
### Announcements

**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.

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