

1 A RESOLUTION urging the 2018 Program Review and Investigations Committee
2 to investigate the KentuckyWired Project during the 2018 Interim Session.

3 WHEREAS, the Kentucky Communications Network Authority (KCNA) was
4 created by former Governor Steven L. Beshear in 2015 by Executive Order 2015-574 to
5 create a fiber optic highway across the state that included 3,400 miles of fiber by 2018,
6 known as the KentuckyWired Project; and

7 WHEREAS, the circumstances and structure of the award of the contract and
8 issuance of bonds raise questions of potential improprieties; and

9 WHEREAS, the project appears to have been in default of contractual obligations
10 from near its inception and has continued to face ongoing contractual penalties,
11 specifically related to KCNA's difficulty in obtaining pole attachment agreements,
12 permits, and easements which were required within an apparently unreasonable brief
13 contractual period; and

14 WHEREAS, the initial project budget was \$324 million, but the penalties and
15 delays arising from the imprudent contractual obligations are adding tens of millions of
16 dollars to the projected cost of the project; and

17 WHEREAS, the revenues from the completed project were intended to cover the
18 \$30 million annual bond issuances by the Commonwealth; however, the project remains
19 woefully incomplete and produces no revenue, but the bond payments are still due; and

20 WHEREAS, the General Assembly inherited this failed project from the Beshear
21 administration; and

22 WHEREAS, the General Assembly is constitutionally required to pay the debts of
23 the Commonwealth and be good stewards of tax payer dollars; and

24 WHEREAS, the current Attorney General is conflicted by a familial relationship
25 with the prior Governor and is therefore compromised as an appropriate investigative
26 option; and

27 WHEREAS, the Program Review and Investigations Committee is authorized to

1 review the operations of state agencies and programs to determine if public funds are
2 being spent efficiently and appropriately and make findings and recommendations to the
3 affected agency, the Governor, and the General Assembly;

4 NOW, THEREFORE,

5 *Be it resolved by the House of Representatives of the General Assembly of the*
6 *Commonwealth of Kentucky:*

7 →Section 1. The members of the House of Representatives hereby urge the 2018
8 Program Review and Investigations Committee to investigate the KentuckyWired Project,
9 including but not limited to the manner by which it was evaluated for feasibility,
10 authorized, contracted, and implemented.

11 →Section 2. The Clerk of the House of Representatives is directed to transmit a
12 copy of this Resolution to the members of the Program Review and Investigations
13 Committee and Governor Matt G. Bevin.