



Broadband In Kentucky

Legislative Oversight and Investigations

July 14, 2022



Broadband Development In Kentucky

- Broadband Task Force
 - 2004-2006
- Broadband Deployment Account
 - 2006-2020
- Office Of Broadband Outreach And Development (OBOD)
 - 2010-2014
- Kentucky Communications Network Authority (KCNA)
 - 2015-present
- Broadband Deployment Fund
 - 2020-present
- Office Of Broadband Development (OBD)
 - 2022-present



Report Methodology

- Areas Of Review:
 - Technology and infrastructure
 - State and federal legislation
 - State and federal regulations
 - State and federal funding
 - Kentucky's broadband efforts since 2004
 - Best practices in broadband development



Best Practices for Statewide Broadband Programs

- Stakeholder Outreach and Engagement (Finding Area 1)
 - Engage stakeholders at both the state and local level
- Policy Framework (Finding Area 2)
 - Well defined goals and clear policy direction in legislation
- Planning and Capacity Building (Finding Area 3)
 - Plans that define goals and objectives that can be used to measure progress
- Funding Operations (Finding Area 4)
 - Funding to support broadband deployment in unserved and underserved areas
- Program Evaluation (Finding Area 5)
 - Evaluating the performance of planning efforts and funding infrastructure projects



Finding Area 1: Stakeholder Outreach & Engagement

- Kentucky Broadband Task Force
 - 2004-2006
- Office of Broadband Outreach and Development (OBOD)
 - 2010-2014
- Kentucky Communications Network Authority (KCNA)
 - 2015-present
- Accelecom (OpenFiber KY)
 - 2017-present



LOIC Recommendation 3.1 (Page 39)

The Kentucky Communications Network Authority should work with Accelecom to establish formal quarterly reporting to keep the legislature updated on anticipated revenue from the sale of dark and lit fiber pursuant to the wholesaler agreement.



Finding Area 2: Policy Framework

- HB 627 (2004)
 - Broadband removed from Public Service Commission regulatory authority
- HB 550 (2006)
 - Broadband Deployment Account
- HB 343 (2017)
 - Kentucky Communications Network Authority (KCNA) & KentuckyWired
- HB 362 (2020)
 - Broadband Deployment Fund
- HB 320 & HB 382 (2021)
 - \$300 million in combined appropriations to the Broadband Deployment Fund
- HB 315 (2022)
 - Office of Broadband Development (OBD)



LOIC Recommendation 3.2

(Page 50)

KIA should begin drafting its regulation related to the newly created Rural Infrastructure Fund. In addition, it should consider including additional regulatory language to address other components of HB 315 related to the administration of the Broadband Deployment Fund. Finally, it should revisit the public comments received from its draft regulation 200 KAR 17:100-Guidelines for the Broadband Deployment Account as it considers a regulatory framework for broadband deployment moving forward.



Finding Area 3: Planning and Capacity Building

- Kentucky Broadband Task Force
 - 2004-2006
- Office of Broadband Outreach And Development (OBOD)
 - 2010-2014
- Kentucky Communications Network Authority (KCNA)
 - 2015-present
- Kentucky Broadband Working Group
 - 2020-2021
- Office of Broadband Development (OBD)
 - 2022-present



Finding Area 3: Planning And Capacity Building

- Office of Broadband Development (OBD)
 - Develop and implement a statewide broadband plan
 - Develop and encourage cost-effective broadband
 - Further broadband infrastructure development in unserved and underserved areas
 - Coordinate with and provide consultation to stakeholders
- Additional National Best Practices
 - Working to translate policy into practice
 - Developing accurate maps of broadband infrastructure
 - Review the policy framework of other states



Finding Area 3: Planning And Capacity Building

- Following up on additional national best practices
 - Policy into practice
 - KCNA broadband planning documents
 - Accurate state-level maps
 - Additional mapping procurements
 - State policy framework
 - Reviewing other broadband programs



LOIC Recommendation 3.3 (Page 54)

The newly created Office of Broadband Development should thoroughly review and use the archived information stored by KCNA as context for developing its planning and outreach program moving forward.



LOIC Recommendation 3.4 (Page 55)

The newly created Office of Broadband Development should consider additional procurements related to mapping in order to assist with the review of current and future address challenges and other mapping issues.



LOIC Recommendation 3.5 (Page 58)

The Office of Broadband Development should review broadband development regulations and policies that other states are successfully putting into practice. The statutory language contained in HB 315 is inclusive, but reviews of regulations and policies already in practice in other states and their outcomes can help identify areas for improvement and inform Kentucky's statewide broadband plan.

Finding Area 4: Funding And Operations

- Federal broadband investments primarily focus on closing the Digital Divide

Federal Communications Commission

- E-Rate
- Rural Healthcare
- Lifeline
- Connect America

USDA Rural Utilities Service

- ReConnect
- Community Connect
- Rural Broadband Access & Telecommunications Infrastructure Loan and Loan Guarantee Programs
- Broadband Initiatives Program (ARRA 2009)

National Telecommunications and Information Administration

- Broadband Technology Opportunity Program
- State Broadband Data and Development Grant Program
- Will administer IJA broadband infrastructure, middle-mile, and digital equity programs



Finding Area 4: Funding And Operations

- Coronavirus Aid, Relief, and Economic Security (CARES) Act
 - Kentucky: \$8.06 million for K-12 internet connectivity and broadband mapping initiative
- Consolidated Appropriations Act, 2021
 - Emergency Broadband Benefit (FCC)
 - Broadband Infrastructure Program (NTIA)



Finding Area 4: Funding And Operations

- American Rescue Plan Act (ARPA) of 2021
 - State and Local Fiscal Recovery Fund
 - Kentucky: \$2.18 billion
 - Counties, Cities, Non-Entitlement Units: \$1.59 billion
 - Coronavirus Capital Projects Fund
 - Kentucky: \$182.77 million
 - HB 315 appropriated \$300 million in ARPA funds to the Broadband Deployment Fund
 - Tracking via statewide accounting system



Finding Area 4: Funding And Operations

- Infrastructure Investment and Jobs Act
 - \$60 billion in funding for broadband expansion and access
 - \$42.45 billion for the Broadband Equity, Access, and Deployment Program (BEAD)
 - \$14.2 billion for the Affordable Connectivity Program
 - \$2.75 billion for digital equity programs
 - \$1 billion for middle-mile projects
 - Additional funding for existing programs (ReConnect, etc.)
- NTIA solicited feedback regarding funding and other concerns related to the Infrastructure Investment and Jobs Act



LOIC Recommendation 3.6

(Page 61)

The Office of Broadband Development should review the questions posed by the National Telecommunications and Information Administration (NTIA) during the public comment process for the Infrastructure Investment and Jobs Act, along with the responses the NTIA received. These questions and responses indicate which issues NTIA considers critical, and they can inform the state's decision-making related to upcoming procurement documents. In addition, the questions and responses provide valuable insight into what will be required of states as they seek eligibility for the Broadband Equity, Access, and Deployment Program.



LOIC Recommendation 3.7

(Page 64)

The newly created Office of Broadband Development should ensure that federal money appropriated from the Coronavirus capital projects and the State Fiscal Recovery Fund is expended and tracked through the Kentucky Infrastructure Authority Broadband Deployment Fund (fund CA4C).



Finding Area 5: Program Evaluation

- Prior to 2022:
 - Kentucky, like many states, did not administer broadband development through a central office until recently
 - Local entities and the private sector were responsible for broadband development
- Post 2022:
 - The Office of Broadband Development is the first statewide central broadband planning and coordination entity for Kentucky
 - Among its other responsibilities, the office will be responsible for program evaluation



LOIC Recommendation 3.8

(Page 68)

The newly created Office of Broadband Development should consider developing memoranda of agreement with critical groups in state government related to planning, outreach, and program evaluation, in addition to the expenditure of broadband deployment funds. At a minimum, it should consider creating memoranda of understanding with entities that represent the Kentucky Advisory Group pursuant to KRS 154.15-020(2)(j).

