



April 23, 2024

Kentucky Communications Network Authority
500 Mero Street, Suite 1 – 1NC
Frankfort, KY 40601

Attn: Stewart Douglas Hendrix, Executive Director

Re: Resolution of Market Testing Dispute

Dear Doug:

We write in response to your letter dated March 21, 2024 in which KCNA disagreed with KWOC's recommendation of [REDACTED] as the Preferred Service Tenderer.

In accordance with Section 3.5(c) of Schedule 19 [Market Testing Procedure], if the Authority does not agree with KWOC's determination in the case of any Qualifying Service Tender, the Authority may, within 30 days of being provided with the tender evaluation, dispute such determination and, if the parties do not resolve such dispute within a further 30 days, the dispute shall be referred for resolution in accordance with Schedule 13 [Dispute Resolution Procedure].

KCNA and KWOC met to discuss the disputed recommendation on March 28, 2024 and again on April 8, 2024. At those meetings, KCNA expressed concerns about [REDACTED] ability to provide [REDACTED] [REDACTED].

As KNCA is aware, [REDACTED] and [REDACTED] were essentially tied after the evaluation of the tenders received in response to the Market Testing. It was on this basis that KWOC originally proposed either party as potential Preferred Service Tenderer. Though discussions with KCNA, it has become clear that the [REDACTED] of [REDACTED] [REDACTED] tender should be weighed more heavily than the [REDACTED] of [REDACTED] tender.

In order to address the concerns raised by KCNA of KWOC's recommendation of [REDACTED] as the Preferred Service Tenderer, KWOC would propose to resolve the dispute by [REDACTED] [REDACTED] [REDACTED].

KentuckyWired Operations Company
312 South 4th Street, Suite 700, Louisville KY 40202

[REDACTED]. [REDACTED]
[REDACTED]
[REDACTED]. Further, the project will benefit from
[REDACTED].

KWOC makes this offer to fully and finally resolve the concerns expressed by KCNA and, based on this agreement, no dispute related to this issue will be referred for resolution in accordance with Schedule 13 [Dispute Resolution Procedure].

The parties have also agreed to meet to establish the System Refresh Baseline Requirements for the First System Refresh, having reference to the existing Services Specifications and prevailing market standards currently in effect. KCNA and KWOC will work in good faith to establish the System Refresh Baseline Requirements for the First System Refresh as soon as possible and, in any event, no later than May 31, 2024.

Once the System Refresh Baseline Requirements for the First System Refresh have been established, [REDACTED] will be asked to submit a proposal to KWOC setting out the price at which [REDACTED] will agree to undertake the First System Refresh. If the [REDACTED] proposal is acceptable to KCNA, then the [REDACTED] shall undertake the First System Refresh for the price set out set out in its proposal.

We are available to discuss.

Regards,



Robert Morphonios, CEO
KentuckyWired Operations Company, LLC

Cc: Tom Snyder, COO