

1 AN ACT relating to broadband service.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 154.15-010 is amended to read as follows:

4 As used in this subchapter:

5 (1) "Authority" means the Kentucky Communications Network Authority;

6 (2) "Board" means the Board of the Kentucky Communications Network Authority;

7 (3) **"Broadband service" means any wireline or fixed wireless technology having a**
8 **capacity to transmit data from or to the Internet with a minimum speed of twenty-**
9 **five (25) megabits per second downstream and three (3) megabits per second**
10 **upstream;**

11 **(4) "Eligible entity" means any nonpublic entity authorized to provide broadband**
12 **service in Kentucky;**

13 **(5)** "Executive director" means the executive director of the Kentucky Communications
14 Network Authority;

15 **(6)**~~(4)~~ "Network" or "KentuckyWired" means the Commonwealth's open-access
16 broadband network;~~and~~

17 **(7)**~~(5)~~ "Partnership" means the public-private partnership entered into between the
18 Commonwealth and a private entity or entities for the purpose of creating, running,
19 and maintaining the network;

20 **(8) "Unserved area" means a geographical area without access to broadband service**
21 **on the effective date of this Act or any time thereafter; and**

22 **(9) "Wholesale network access" means any lease or sale of excess network capacity**
23 **by the authority or any entity in partnership with the authority to any public or**
24 **private entity.**

25 ➔Section 2. KRS 154.15-020 is amended to read as follows:

26 (1) The Kentucky Communications Network Authority is established and shall be
27 attached to the Office of the Governor. The authority shall be headed by an

- 1 executive director who shall be hired by the board and approved by the Governor.
- 2 (2) Notwithstanding KRS 42.726, the duties of the authority shall be to:
- 3 (a) Oversee and maintain KentuckyWired, the Commonwealth's open-access
4 broadband network;
- 5 (b) Manage the master agreement establishing the public-private partnership
6 between the Commonwealth and its private industry partner or partners. The
7 purpose of the agreement is to design, engineer, build, operate, maintain, and
8 upgrade the network;
- 9 (c) Provide network connectivity to public agencies;
- 10 (d) Offer **wholesale network** access to **eligible** entities~~[-eligible]~~ to utilize excess
11 capacity on the network **only in unserved areas**;
- 12 (e) Manage other aspects of the network and its utilization through the executive
13 director and with oversight and input from the board established in KRS
14 154.15-030 and the advisory group established in this section;
- 15 (f) Promulgate administrative regulations pursuant to KRS Chapter 13A
16 necessary to implement the purposes of this subchapter;
- 17 (g) Enter into contracts with public and private entities to carry out its duties and
18 responsibilities. A contract or other agreement involving the acquisition or
19 disposition of a property interest by the Commonwealth shall be signed by the
20 secretary of the Finance and Administration Cabinet. KRS Chapters 45A and
21 56 may require the secretary's signature on other contracts or agreements;
- 22 (h) Provide program management services ensuring the financial viability of the
23 master agreement and related contracts and agreements, including grant
24 administration, contract compliance and oversight, community planning
25 support, and constituent services;
- 26 (i) Seek out, secure, and manage funding sources for the network; and
- 27 (j) Create an advisory group, including major stakeholders, to provide input and

1 feedback on issues important to the user community and to the long-term
2 sustainability of the project and the network. The advisory group shall be
3 administratively attached to and managed by the authority. The advisory group
4 shall include but not be limited to representatives of:

- 5 1. The Department of Education;
- 6 2. The Council on Postsecondary Education;
- 7 3. The Cabinet for Economic Development;
- 8 4. The Cabinet for Health and Family Services;
- 9 5. The Transportation Cabinet;
- 10 6. The Justice and Public Safety Cabinet;
- 11 7. The Finance and Administration Cabinet;
- 12 8. The Administrative Office of the Courts;
- 13 9. The Legislative Research Commission;
- 14 10. Institutions of higher education;
- 15 11. Local government entities;
- 16 12. Libraries;
- 17 13. Public health care institutions or agencies;
- 18 14. Kentucky Educational Television; and
- 19 15. Others whose input will benefit the network.

20 (3) With the approval of the board, the executive director may hire additional officers
21 and other personnel necessary for the proper functioning of the authority, fix their
22 salaries, and prescribe their duties. The executive director and persons employed by
23 the authority shall not be subject to the provisions of KRS Chapter 18A.

24 (4) (a) With the approval of the board, the executive director may make, execute, and
25 effectuate contracts, leveraging future revenues from provision of
26 government-to-government services and sale or lease of excess capacity, to
27 incur debt in the name of the authority and enter into financing agreements

1 with the Commonwealth, agencies of the Commonwealth, lending
2 institutions, investors, or investing entities.

3 (b) The total amount of debt or financing under this subsection shall not exceed
4 one hundred ten million dollars (\$110,000,000), and shall not leverage any
5 future revenues committed to the repayment of any other debt, or expected to
6 be used for the repayment of any other debt, as of the time the debt or
7 financing is entered into.

8 (c) Any proposed debt or financing under this subsection shall be submitted to the
9 Capital Projects and Bond Oversight Committee for review at least fourteen
10 (14) days prior to the committee meeting.

11 (d) If any debt or financing is incurred under this subsection, the authority shall
12 provide to the Legislative Research Commission:

- 13 1. Within thirty (30) days of entering into a debt or financing agreement, a
14 copy of the agreement; and
- 15 2. On January 1, April 1, July 1, and October 1 of each year that the debt or
16 financing is outstanding:
 - 17 a. The amount of principal and interest remaining on the debt or
18 financing;
 - 19 b. The use to which the capital gained from the debt or financing has
20 been put; and
 - 21 c. Any amendments, if any, to the original debt or financing
22 instruments or agreements.