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BCAP **NewsClips** **March 29, 2018**

Kentucky Wired, the ambitious project announced by Republican U.S. Rep. Hal Rogers of Somerset and then-Democratic Gov. Steve Beshear in 2015, is on the brink of collapse without coming close to achieving its goal of bringing high-speed Internet access to all 120 Kentucky counties. The proposed two-year budget approved by the Kentucky Senate does not include any state money to fund Kentucky Wired for the next two years. The budget approved by the House of Representatives does include funds the broadband project requires the state to make for about $30 million to its private sector partners.

Meanwhile, officials in Republican Gov. Matt Bevin's administration warn it would likely cost more to kill the project than it would to finish it. That's because the state could be responsible for paying $286 million to pay off a loan to Macquarie Capital, the Australian-based venture capital firm that along with its partners has a contract to install a network of more than 3,000 miles of fiber optic cables touching all of Kentucky's 120 counties.

"It would be incredibly difficult for us to continue the project without the funding," said Phillip Brown, executive director of the Kentucky Communications Network Authority, in an Associated Press article. Brown remains convinced that if the state can finish the network and turn it on, it can make money by leasing it to private companies. We agree, but as long as the network remains unfinished, it drains tax dollars without providing promised benefits. "We need to complete the network. There is money once the network is complete," Brown said. "That allows me to say with 100 percent certainty this project will break even and can cover its costs."

The entire network was supposed to be completed by the fall 2016. However, the network currently has only 708 miles of cable in place out of the 3,000 miles needed to reach all 120 counties. The delays have already forced taxpayers to reimburse contractors for $8 million in unexpected costs. Facing up to another $30 million worth of delays, the Kentucky

Communications Network Authority has asked the state legislature for authority to borrow up to $110 million.

Meanwhile, AT&T, one of the largest internet service providers in the state, says it already has 980,000 strand miles of fiber in Kentucky and has no plans to partner with Kentucky Wired. Republican Sen. Chris McDaniel, chairman of the Senate budget committee, said it's not likely the state would have to pay anything if it ends the project, calling the people that bought and sold the bonds "sophisticated shysters." "The fact is, from the day the ink was dry on the first contract, this project has been nothing but a series of delays and cost overruns," McDaniel said. "Throwing good money after bad on this boondoggle is not something I'm going to participate in."

Republican David Osborne, the acting House Speaker, said the project has put Kentucky in "a horrible position" with a contract "that we cannot get out of and one that was impossible to comply with." Still, he said he would prefer for the state to complete the project so "at least we will get some residual benefit out of it." "The consequences of Kentucky Wired and the situation in which we find ourselves in has got to be a priority of this institution, because one way or the other, it is going to cost the state a fortune," Osborne said.

While we share the frustrations of McDaniel and other legislators over the slow pace of building the high-speed network, backing out now strikes us as spending millions of dollars to build a road and then not completing it because it is too expensive. In our view, providing high-speed internet access to every corner of Kentucky is as important to the economic future of Kentucky in the 21st century as the building a modern system of highways was in the 20th century.

We commend AT&T for all it has done to improve Internet access in Kentucky, but it is private company that is unlikely to invest in bringing high-speed internet access to the most remote and sparsely populated corner of the commonwealth. That's what Kentucky Wired promises to do. Despite all its problems, dropping Kentucky Wired now strikes us as a foolish step backward. Eliminate the problem, not the network. – *Ashland (KY) Daily Independent* **editorial**

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West Virginians have become used to the folks in Washington, D.C., almost intentionally misunderstanding our state. It can be laughable, at times. But what is not remotely funny is the mistake made in a Federal Communications Commission report that could cost seven West Virginia counties federal funding to build broadband networks in rural areas.

According to the FCC, Barbour, Gilmer, Harrison, Lewis, Marion, Randolph and Upshur counties have 100 percent fixed broadband access. Rob Hinton, chairman of the West Virginia Broadband Enhancement Council, said that data is "not even . close to correct." The mistakes came when the FCC used census blocks to collect data. That means if one person in an entire — potentially rural -census block has fixed broadband access, the FCC assumes it means everyone in that block is "covered."

A child can see the flaw in such logic. In fact, the FCC has noted there are shortcomings in its data collection, and that those flaws could overestimate rural access. Meanwhile, of course, the program meant to improve access for people in regions such as ours is actually so mismanaged it could hamper access. As one Internet provider told another media outlet, "The very data we're turning in to the FCC that they mandate from a funding standpoint can turn out to be your worst enemy."

It is enough to make one wonder how many other federal reports are similarly flawed, and doing similar damage. – *Parkersburg (WV) News and Sentinel* **editorial**