



Co-ops Connect FYI

By Jonathan Chambers • Jun 07, 2024

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How to Jump-Start BEAD: Replicate Kentucky's Pole Replacement Program Nationwide



Two years ago, the Commonwealth of Kentucky adopted an innovative pole replacement program to help deploy broadband in unserved areas.

Kentucky's program is simple and worthy of imitation.

To quote from the program:

"The utility pole replacement projects...are to assist in the funding of the construction, development, or improvement of broadband infrastructure and provide supplemental funding for recipients of federal government awards, specifically to support the deployment or expansion of broadband networks that will result in broadband service with a minimum speed of 100 megabits per second downstream and 100 megabits per second upstream in unserved areas of the Commonwealth...

The maximum grant amount is \$5,000 for each pole replaced. The maximum grant funding award cannot exceed 50 percent of the eligible pole replacement costs. Awards under the program will be the lesser of \$5,000 for each pole replaced or 50 percent of the total amount incurred or paid for eligible pole replacement costs...

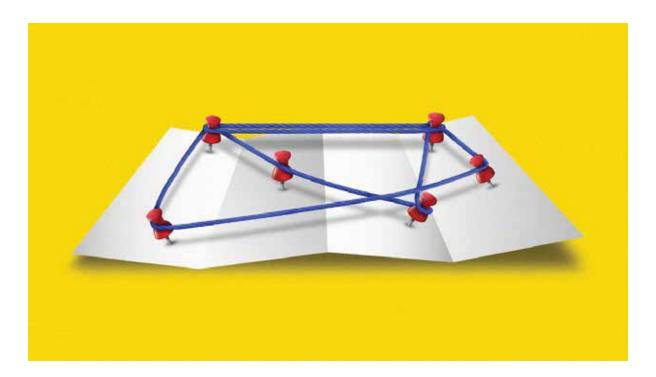
An eligible applicant for this program is any retail provider that incurs actual and reasonable costs for an eligible pole replacement to accommodate the attachment of facilities to be used, in whole or in part, by a retail provider to provide qualifying broadband service access to residences or businesses within an unserved or underserved area...

An eligible pole replacement means the removal of an existing utility pole and replacement with a new utility pole in an unserved or underserved area in order to accommodate the attachment of facilities to be used, in whole or in part, by a retail provider to provide qualifying broadband service access to residences or businesses within an unserved area."

That's it. That's the program.

It is designed to supplement federal broadband programs by paying up to \$5,000 for each pole replacement in unserved and underserved areas for costs incurred by internet service providers who offer at least 100/100 Mbps service.

How It Can Work for BEAD



NTIA, the administrator of the BEAD program, should imitate Kentucky's program by authorizing the use of BEAD funds for 50 state pole replacement programs.

For administrative simplicity, NTIA could include a few clarifications to remain consistent with the BEAD framework, including:

- 1) Specify that an unserved/underserved area would be any census block group that contains an eligible BEAD location.
 - While the Kentucky program requires identification of the planned routes for deploying broadband service, using census block groups is administratively simple.
 - Every BEAD-eligible location and electric pole is readily identified by census block group.
- **2) Reimburse the lesser** of the actual cost or \$5,000.
 - While Kentucky's program pays 50% of the cost of replacement, the BEAD program has more than enough funds to cover full pole replacements.
- **3) Add a look-back provision** to include any pole replaced as of the date a state submitted its BEAD application to NTIA, so as not to penalize

those who have not wanted to wait to serve rural areas.

4) Require a minimum of 1 Gbps/1 Gbps.

- These poles will last 30-50 years. An attachment to the pole should therefore be capable of delivering broadband internet access over that span of time. Yes, I mean fiber-optic cable.
- **5)** Ensure that applicants for BEAD monies under a state's future application process can still seek non-pole replacement costs in their BEAD funding request.

Why It Can Work for BEAD



I am not suggesting a pole replacement program replace or interfere with the current BEAD process. But at this pace, few, if any, states will award BEAD funds in 2024.

A pole replacement program can speed up the process:

• In BEAD-eligible areas, more than 90% of broadband network construction will occur on existing poles.

- Make-ready engineering and construction is the first step of any fiber network construction in a rural area.
- It also takes the longest time. It actually is the proverbial long pole in the tent of rural network construction.

Jump-starting the necessary make-ready work – with pole replacements – would in turn jump-start BEAD. And who doesn't want that?

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