

BEAD Program: A Framework to Allocate Funding for Broadband Availability

State Broadband Report: Alabama

January 2024





1 Eligible Locations

How many unserved/underserved locations are eligible for BEAD funding?

17%
375K LOCATIONS
OF ALABAMA LOCATIONS LACK HIGH-SPEED BROADBAND IN JUN 2023
VS. 9% STATE/TERRITORY AVERAGE

UNSERVED LOCATIONS, JUN. 2024



161.1K
LOCATIONS
Are estimated to lack broadband access at 25/3 Mbps

UNDERSERVED LOCATIONS, JUN. 2024



51.2K
LOCATIONS
Are estimated to lack broadband access at 100/20 Mbps

These locations are primarily in rural areas and are eligible for BEAD funding to deploy broadband service.

2 Total Funding

How much capital funding is the State/Territory estimated to have?

\$1.4B
IN BEAD FUNDING HAS BEEN ALLOCATED TO ALABAMA
VS. \$743M STATE/TERRITORY AVERAGE

ESTIMATED BEAD FUNDING:

BEAD Funds allocated by NTIA **\$1.4B**

Estimated Provider Match **\$616M**

Estimated Total Capital **\$2.0B**

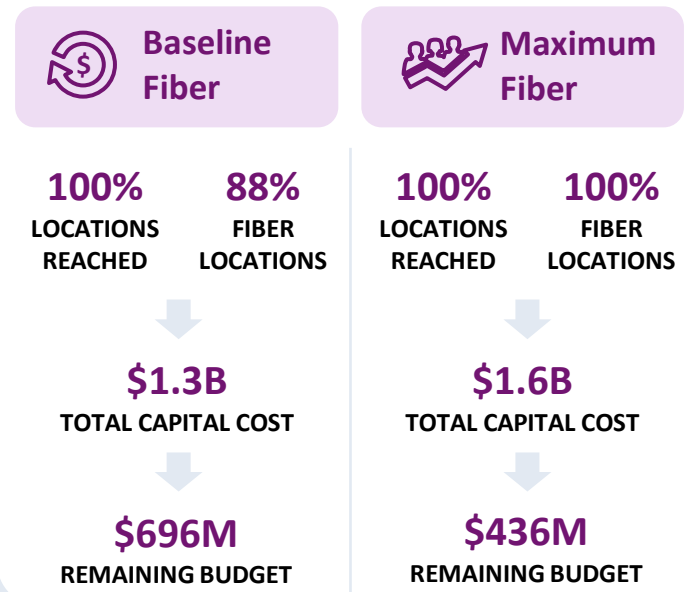
The provider match is estimated using a high-level service provider business case. See national summary deck for full details.

3 Deployment

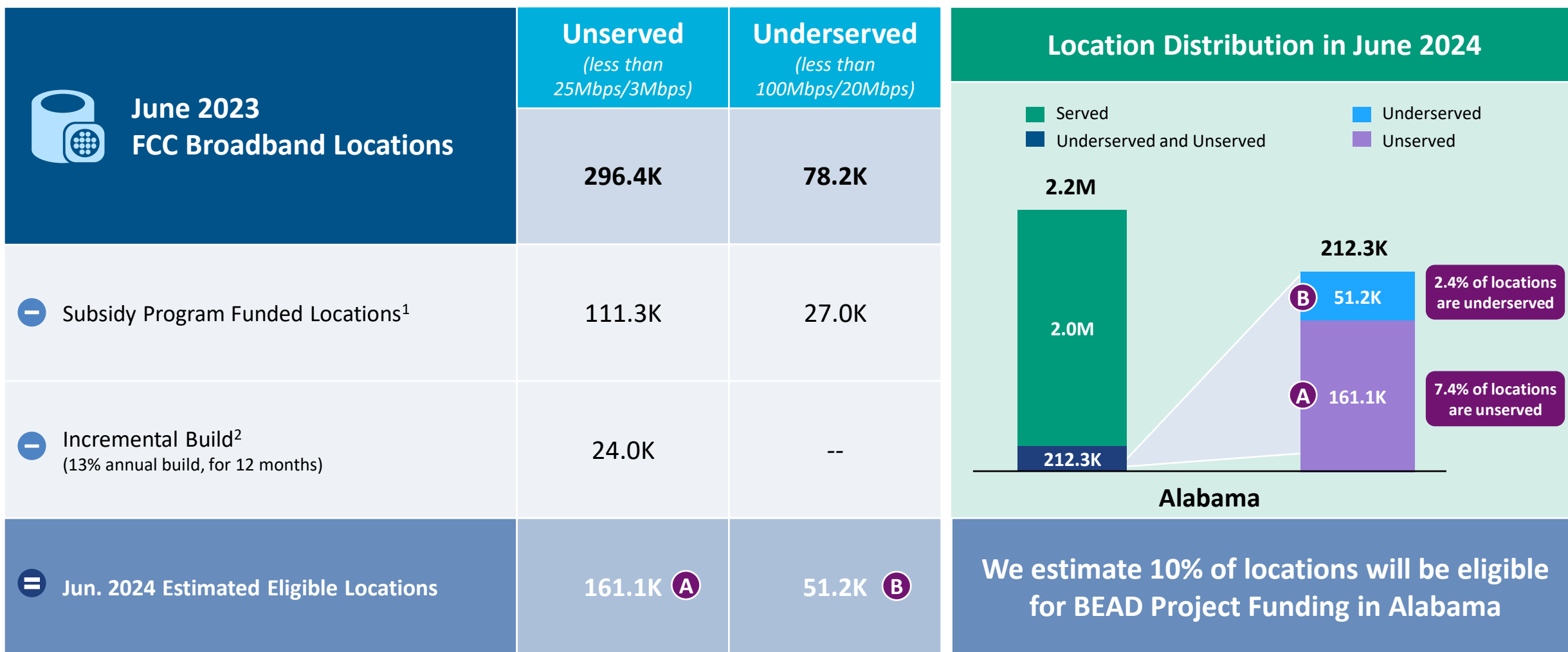
How many locations can be covered with fiber and other technologies?

\$705M-\$965M
OF BEAD FUNDS IS REQUIRED TO BUILD HIGH-SPEED BROADBAND TO ALL ELIGIBLE LOCATIONS

DEPLOYMENT SCENARIOS:



Alabama | Estimated Eligible Locations for BEAD Projects



1. Locations with "commitments" to receive support from federal subsidy programs

2. Given the uncertainty around the magnitude of locations moving from unserved to underserved, we have not made incremental builds adjustments to underserved locations

BEAD eligible locations does not account for state-specific eligibility rules set forth in Initial Proposals

Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)

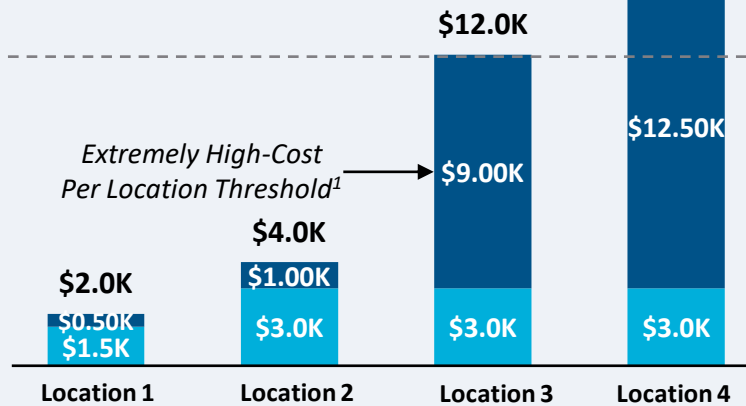
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Provider Match Examples

Total Deployment Cost per Location

- BEAD Funds Per Location
- Estimated Provider Match

High-Cost Areas
\$15.5K

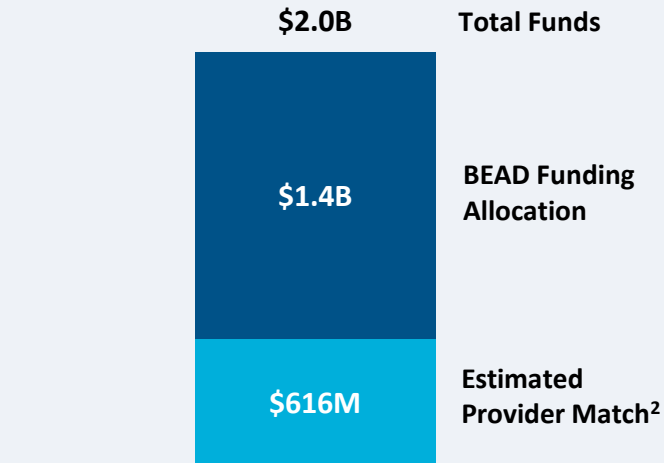


Provider Match %

75%	75%	25%	19%
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To be conservative, we assume provider match amounts have a maximum of 75% and a minimum of 25%, except in high-cost areas

Total Capital Available - Alabama



\$2.0B in total capital is estimated to be available to serve unserved/underserved Alabama locations (combining BEAD funding and estimated provider match)

Provider Match - Alabama

Total Estimated Provider Match:

\$616M

Total Estimated Eligible Locations:

212.3K

Average Provider Match:

\$2,903
PER LOCATION

We estimate the average provider match will be \$2,903 – provider matches will be 75% where cost to deploy is less than \$4K

1. The model uses a \$9k threshold, however, States/Territories will individually need to determine their appropriate extremely high-cost threshold

2. In reality, providers will determine the viable level of match funding for each project using a business case model. They will be willing to contribute a greater match in some locations and less in others. Locations which are hardest to serve may need to be fully funded by BEAD with no match. Competitive bidding should drive provider matches towards this level.

Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023), Benton, NTIA

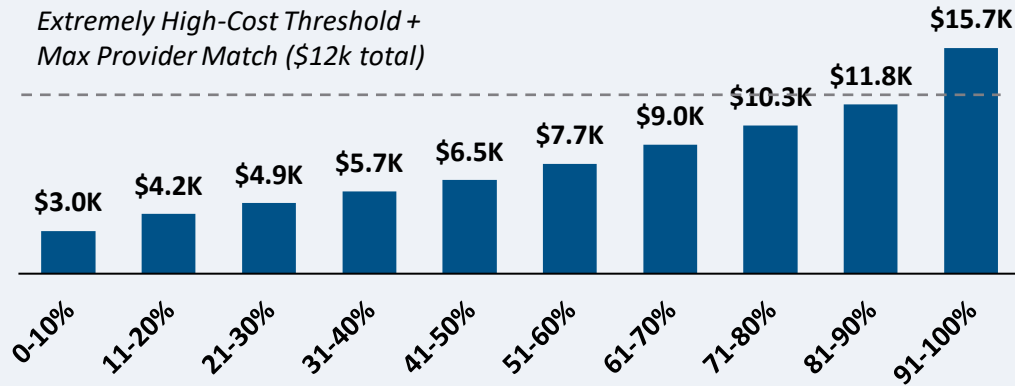
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Alabama | Cost to Deploy Fiber by Decile

CAPEX Fiber Deployment Cost per Location Segmented by Cost Deciles¹

Unserved Locations

Overall Average Cost per Location: \$7,921

Extremely High-Cost Threshold +
Max Provider Match (\$12k total)

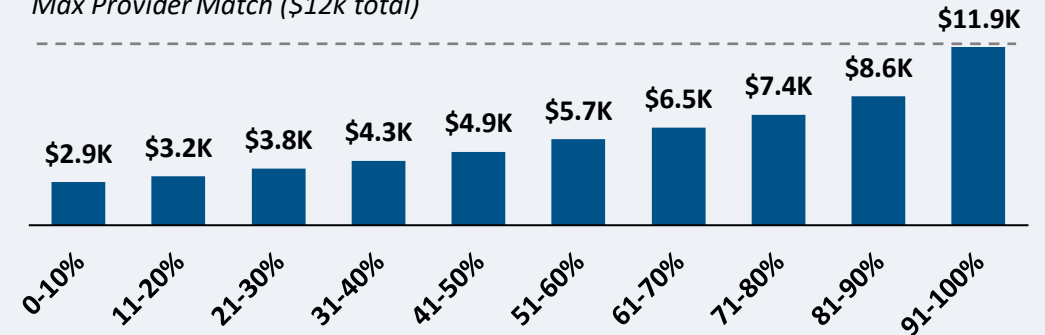
Average Tract Density (Location per sq. Mile)

51	31	17	17	11	18	8	11	8	9
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161.1K Locations

Underserved Locations

Overall Average Cost per Location: \$5,965

Extremely High-Cost Threshold +
Max Provider Match (\$12k total)

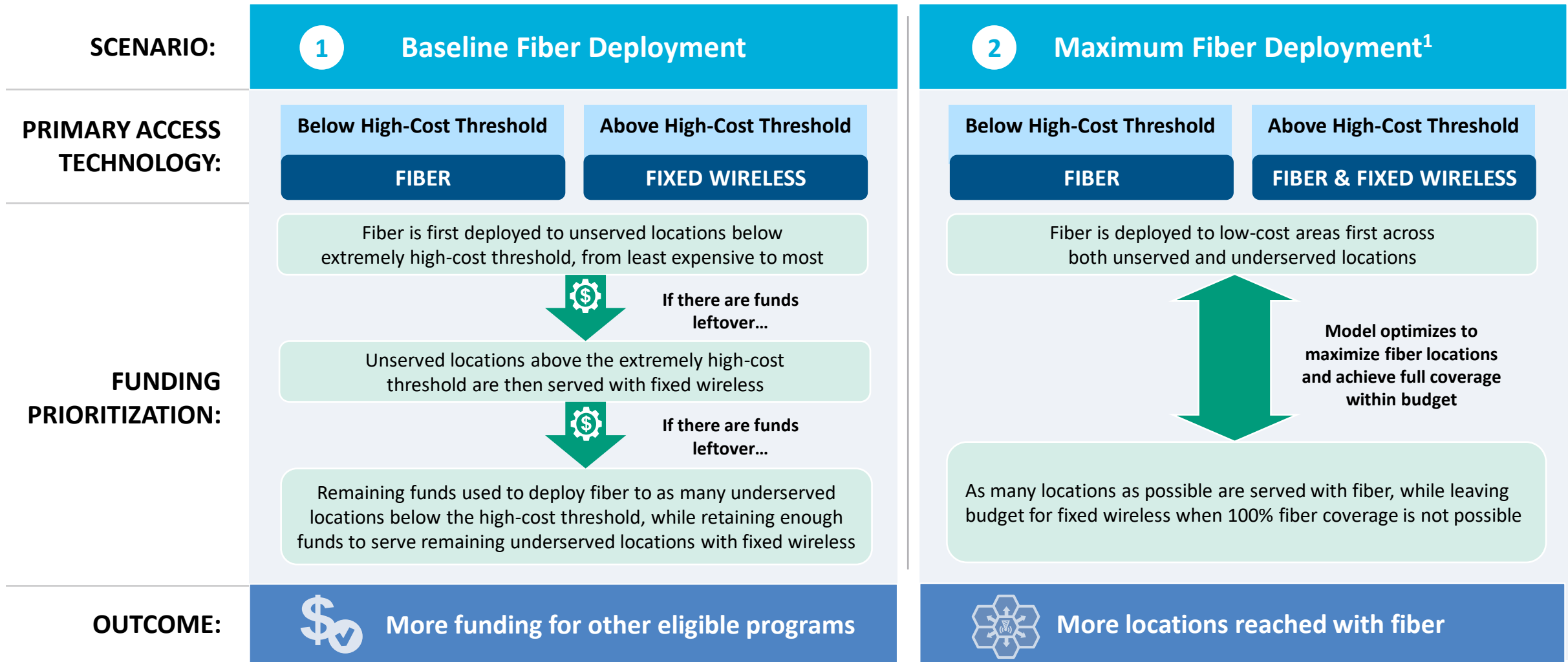
Average Tract Density (Location per sq. Mile)

26	23	9	10	9	6	7	8	15	9
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51.2K Locations

Over 90% of locations are estimated to fall below the High-Cost Threshold + Provider Match

Alabama | Fiber Preferencing Scenarios



1. Scenario 2 deploys fiber beyond the extremely high-cost threshold

Source: Cartesian

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3 Develop Deployment Scenarios

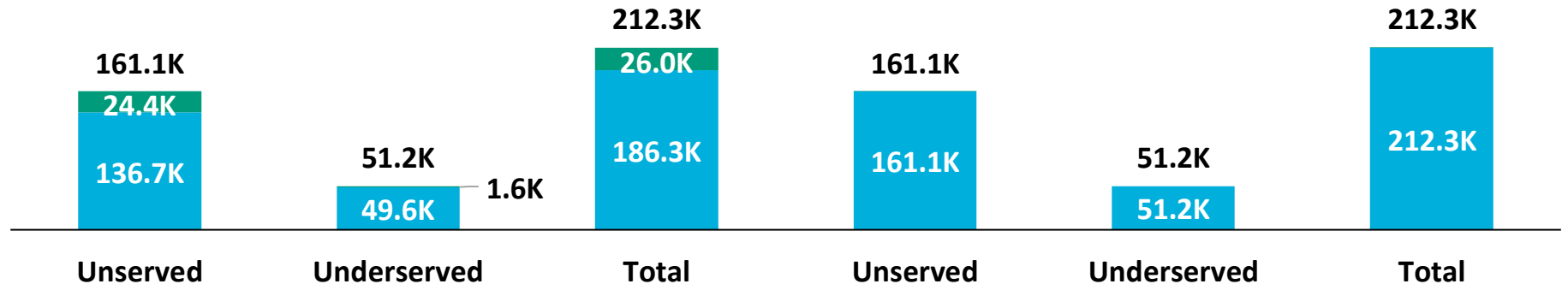
Alabama | Scenario Analysis Results

SCENARIO:

1 Baseline Fiber Deployment

2 Maximum Fiber Deployment

■ Fixed Wireless
■ Fiber



	Scenario 1	Scenario 2
Capex Required per Locations ¹	\$6,417	\$7,921
BEAD Funds Available to State	\$1.4B	\$1.4B
+ Estimated Provider Match	\$616M	\$616M
= Total Available Capital	\$2.0B	\$2.0B
- Capex Required to Build	\$1.3B	\$1.6B
= Remaining Funds	\$696M	\$436M
% of Locations Reached	100%	100%
% of Locations Reached with Fiber	88%	100%

1. Funding to deploy fiber before the maximum \$3k provider match per location
 Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023), Benton, NTIA
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Alabama | Conclusion



Funding Summary

Alabama is expected to receive

\$1.4B in BEAD funding



\$616M in estimated provider matching

We estimate the funding is sufficient to reach all of Alabama's 212.3k eligible locations with high-speed broadband



Key Findings

Alabama appears well positioned to reach all eligible premises and have funding for other BEAD eligible programs

A Baseline Fiber Deployment...



Maximizing Fiber...

- Leaves \$696M additional funds for affordability programs
- Reaches 88% of locations with fiber
- Requires 12% to be reached with other tech.

- Leaves \$436M additional funds for affordability programs
- Reaches 100% of locations with fiber
- Requires 0% to be reached with other tech.

States/Territories will set their own extremely high-cost threshold and may choose a threshold or funding paradigm different from these two scenarios

Alabama | ACA Connects Members

Member Name
Beamspeed
Block Communications, Inc.
Cable One, Inc.
Cable TV Of East Alabama
Consolidated Communications, Inc.
Demopolis CATV
Mediacom, LLC
Mon-Cre Telephone Cooperative, Inc.
North Alabama Electric Cooperative
Pine Belt Communications, Inc.
Point Broadband, LLC
Scottsboro Electric Power Board
Skyline Telephone Membership Corporation
TDS Telecom
Telepak Networks, Inc. dba Cspire
Troy Cablevision, Inc.
Vyve
West Kentucky Rural Telephone Coop Corp, Inc.
Wide Open West Networks, LLC



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