

BEAD Program: A Framework to Allocate Funding for Broadband Availability

State Broadband Report: Arkansas

January 2024





1 Eligible Locations

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

18%

245K LOCATIONS

OF ARKANSAS LOCATIONS LACK HIGH-SPEED BROADBAND IN JUN 2023

VS. 9% STATE/TERRITORY AVERAGE

UNSERVED LOCATIONS, JUN. 2024



72.6K
LOCATIONS

Are estimated to lack broadband access at 25/3 Mbps

UNDERSERVED LOCATIONS, JUN. 2024



47.6K
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?

\$1.0B

IN BEAD FUNDING HAS BEEN ALLOCATED TO ARKANSAS

VS. \$743M STATE/TERRITORY AVERAGE

ESTIMATED BEAD FUNDING:

BEAD Funds allocated by NTIA

\$1.0B

Estimated Provider Match

\$347M

Estimated Total Capital

\$1.4B

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?

**\$374M-
\$656M**

OF BEAD FUNDS IS REQUIRED TO BUILD HIGH-SPEED BROADBAND TO ALL ELIGIBLE LOCATIONS

DEPLOYMENT SCENARIOS:



Baseline Fiber

100%
LOCATIONS REACHED

81%
FIBER LOCATIONS

\$721M
TOTAL CAPITAL COST

\$650M
REMAINING BUDGET



Maximum Fiber

100%
LOCATIONS REACHED





100%
FIBER LOCATIONS

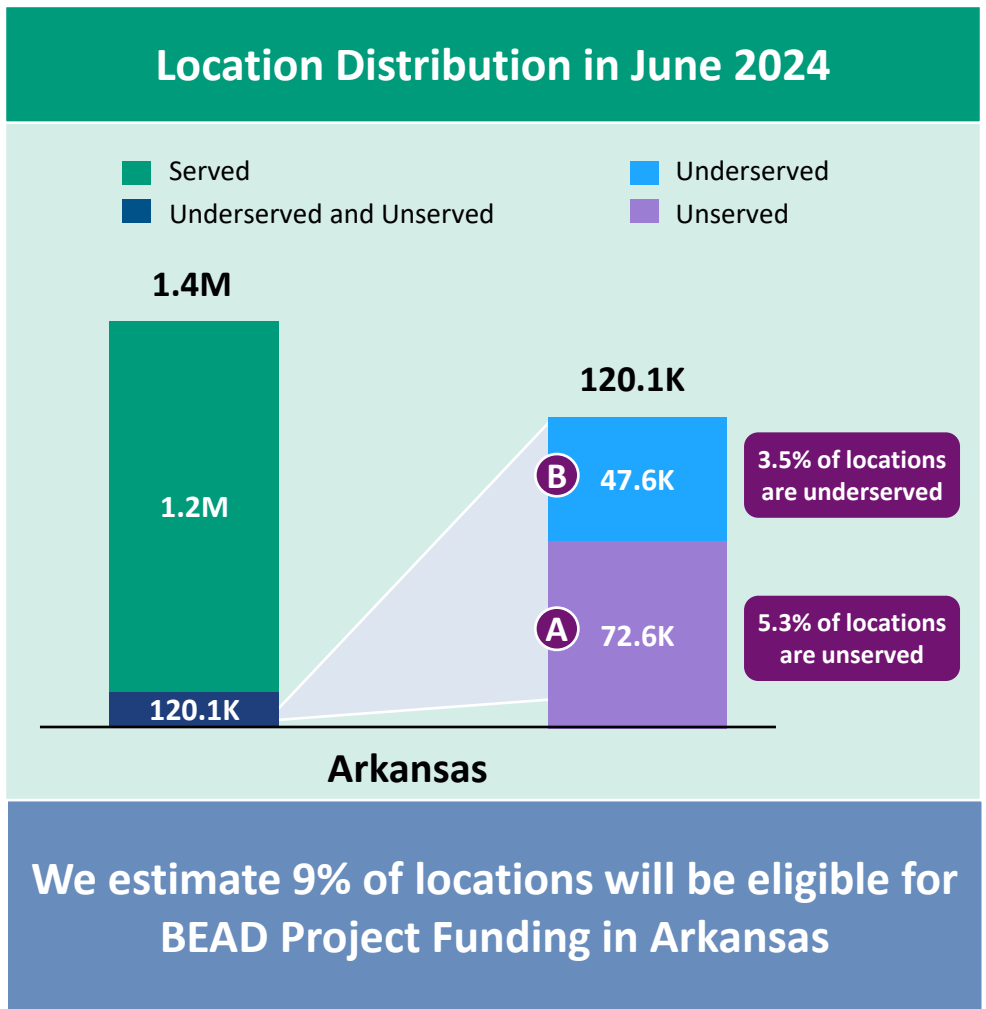
\$1.0B
TOTAL CAPITAL COST

\$368M
REMAINING BUDGET

1 Estimate Eligible Locations

Arkansas | Estimated Eligible Locations for BEAD Projects

 June 2023 FCC Broadband Locations	Unerved <i>(less than 25Mbps/3Mbps)</i>	Underserved <i>(less than 100Mbps/20Mbps)</i>
		175.8K
 Subsidy Program Funded Locations ¹	92.3K	21.8K
 Incremental Build ² (13% annual build, for 12 months)	10.8K	--
 Jun. 2024 Estimated Eligible Locations	72.6K A	47.6K B

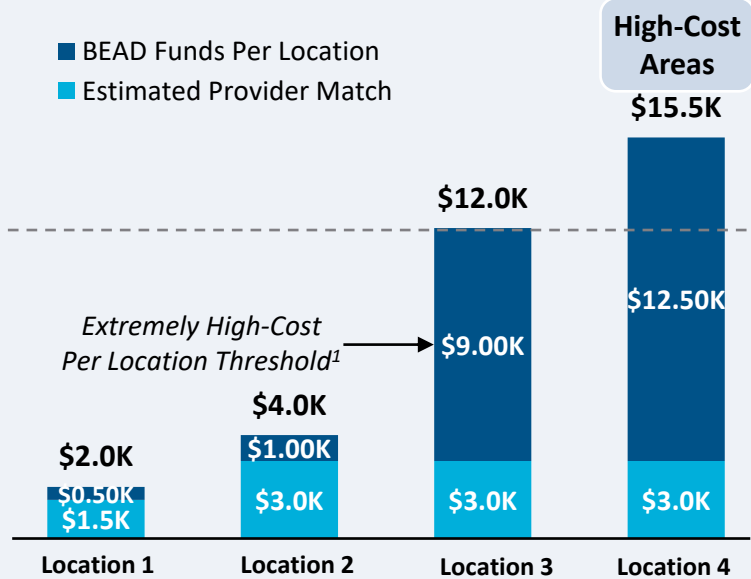


1. Locations with "commitments" to receive support from federal subsidy programs
 2. Given the uncertainty around the magnitude of locations moving from unerved to underserved, we have not made incremental builds adjustments to underserved locations
 BEAD eligible locations does not account for state-specific 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

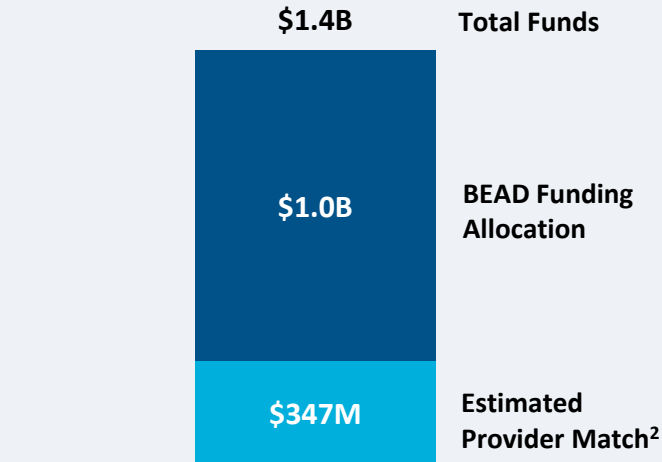


Provider Match %

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 - Arkansas



\$1.4B in total capital is estimated to be available to serve unserved/underserved Arkansas locations (combining BEAD funding and estimated provider match)

Provider Match - Arkansas

Total Estimated
Provider Match:

\$347M

Total Estimated
Eligible Locations:

120.1K

Average
Provider Match:

\$2,890
PER LOCATION

We estimate the average provider match will be \$2,890 – 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

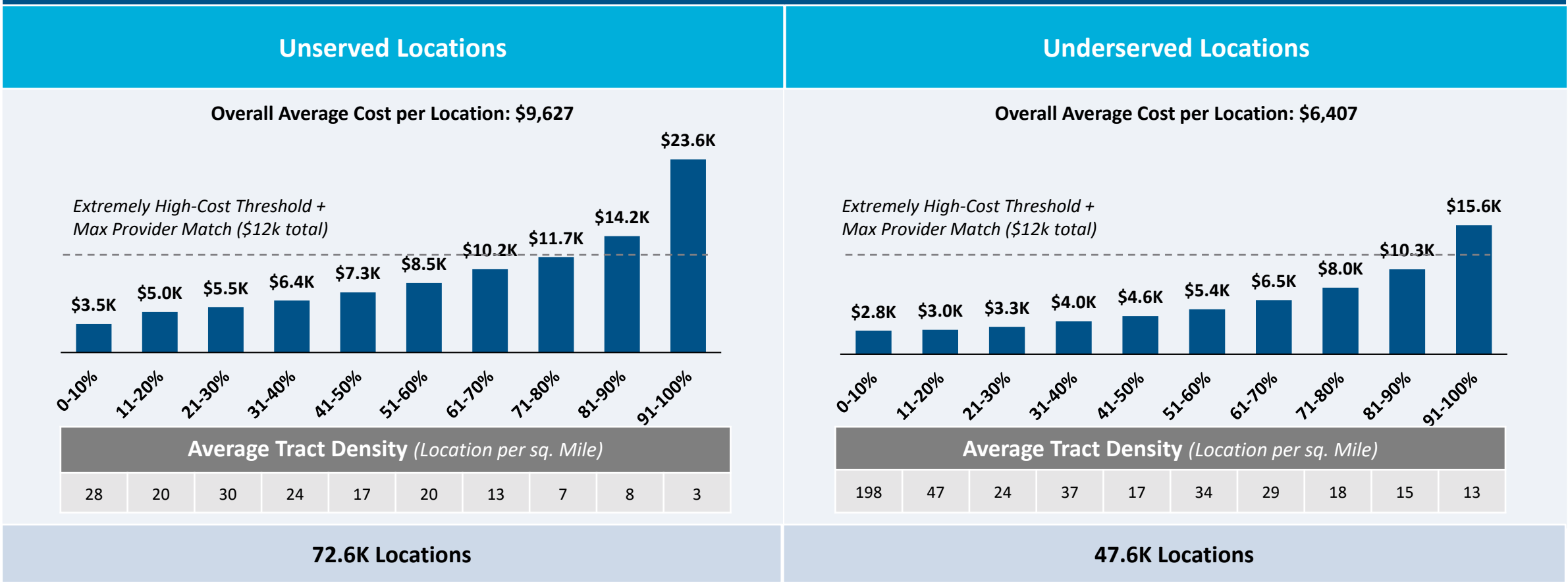
2. In reality, providers will determine the viable level of match funding for each project using a business case model. They will be willing to contribute a greater match in some locations and less in others. Locations which are hardest to serve may need to be fully funded by BEAD with no match. Competitive 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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Arkansas | Cost to Deploy Fiber by Decile

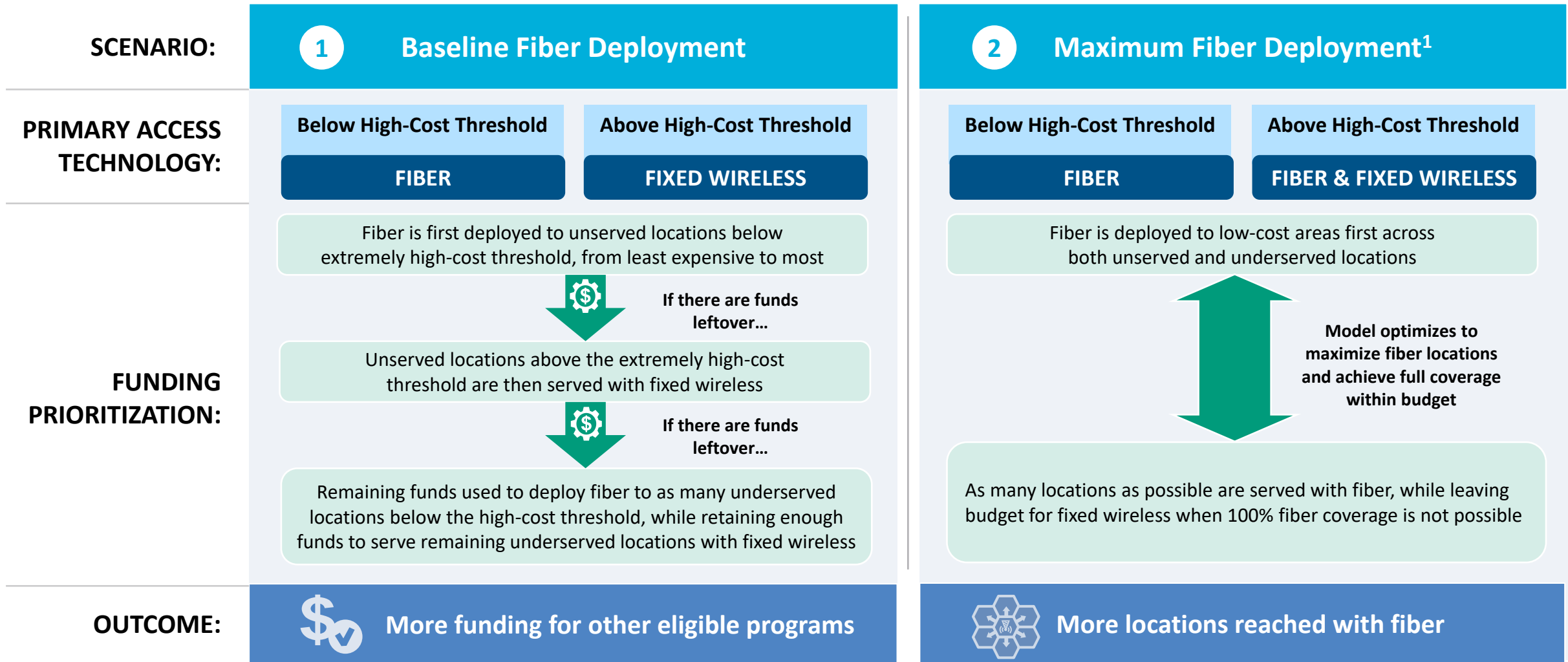
CAPEX Fiber Deployment Cost per Location Segmented by Cost Deciles¹



Over 80% of locations are estimated to fall below the High-Cost Threshold + Provider Match

1. Chart values are average cost per location for each decile bucket
 Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)
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Arkansas | Fiber Preferencing Scenarios



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

Source: Cartesian

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3 Develop Deployment Scenarios

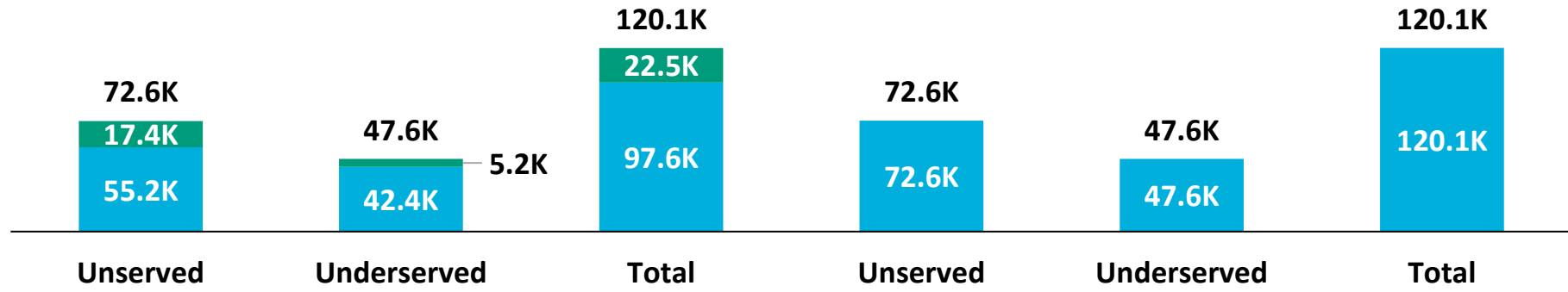
Arkansas | Scenario Analysis Results

SCENARIO:

1 Baseline Fiber Deployment

2 Maximum Fiber Deployment

■ Fixed Wireless
■ Fiber



	Scenario 1	Scenario 2
Capex Required per Locations ¹	\$6,500	\$8,351
BEAD Funds Available to State	\$1.0B	\$1.0B
+ Estimated Provider Match	\$347M	\$347M
= Total Available Capital	\$1.4B	\$1.4B
- Capex Required to Build	\$721M	\$1.0B
= Remaining Funds	\$650M	\$368M
% of Locations Reached	100%	100%
% of Locations Reached with Fiber	81%	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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Funding Summary

Arkansas is expected to receive

\$1.0B in BEAD funding



\$347M in estimated provider matching

We estimate the funding is sufficient to reach all of Arkansas's 120.1k eligible locations with high-speed broadband



Key Findings

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

A Baseline Fiber Deployment...



Maximizing Fiber...

- Leaves \$650M additional funds for affordability programs
- Reaches 81% of locations with fiber
- Requires 19% to be reached with other tech.

- Leaves \$368M 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

Arkansas | ACA Connects Members

Member Name
Bayou Cable, Inc.
Broken Bow Cable
Cable One, Inc.
CableSouth Media III, LLC
Central Arkansas Telephone Cooperative, Inc.
Consolidated Communications, Inc.
Conway Corporation
Grain Capital
Madison County Cable, Inc.
Ozarksgo, LLC
Paragould City Cable
Skyfinet, LLC
Southwest Arkansas Telephone Coop, Inc.
Vyve
Yelcot Video Group



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