

BEAD Program: A Framework to Allocate Funding for Broadband Availability

State Broadband Report: Iowa

January 2024





1 Eligible Locations

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

10%

131K LOCATIONS

OF IOWA LOCATIONS LACK HIGH-SPEED BROADBAND IN JUN 2023

VS. 9% STATE/TERRITORY AVERAGE

UNSERVED LOCATIONS, JUN. 2024



39.7K LOCATIONS

Are estimated to lack broadband access at 25/3 Mbps

UNDERSERVED LOCATIONS, JUN. 2024



52.3K 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?

\$415M

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

ESTIMATED BEAD FUNDING:

BEAD Funds allocated by NTIA

\$415M

Estimated Provider Match

\$275M

Estimated Total Capital

\$691M

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?

\$295M-\$415M

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

DEPLOYMENT SCENARIOS:



Baseline Fiber



Maximum Fiber

100% LOCATIONS REACHED

33% FIBER LOCATIONS

100% LOCATIONS REACHED

40% FIBER LOCATIONS

\$571M

TOTAL CAPITAL COST

\$691M

TOTAL CAPITAL COST

\$120M





REMAINING BUDGET

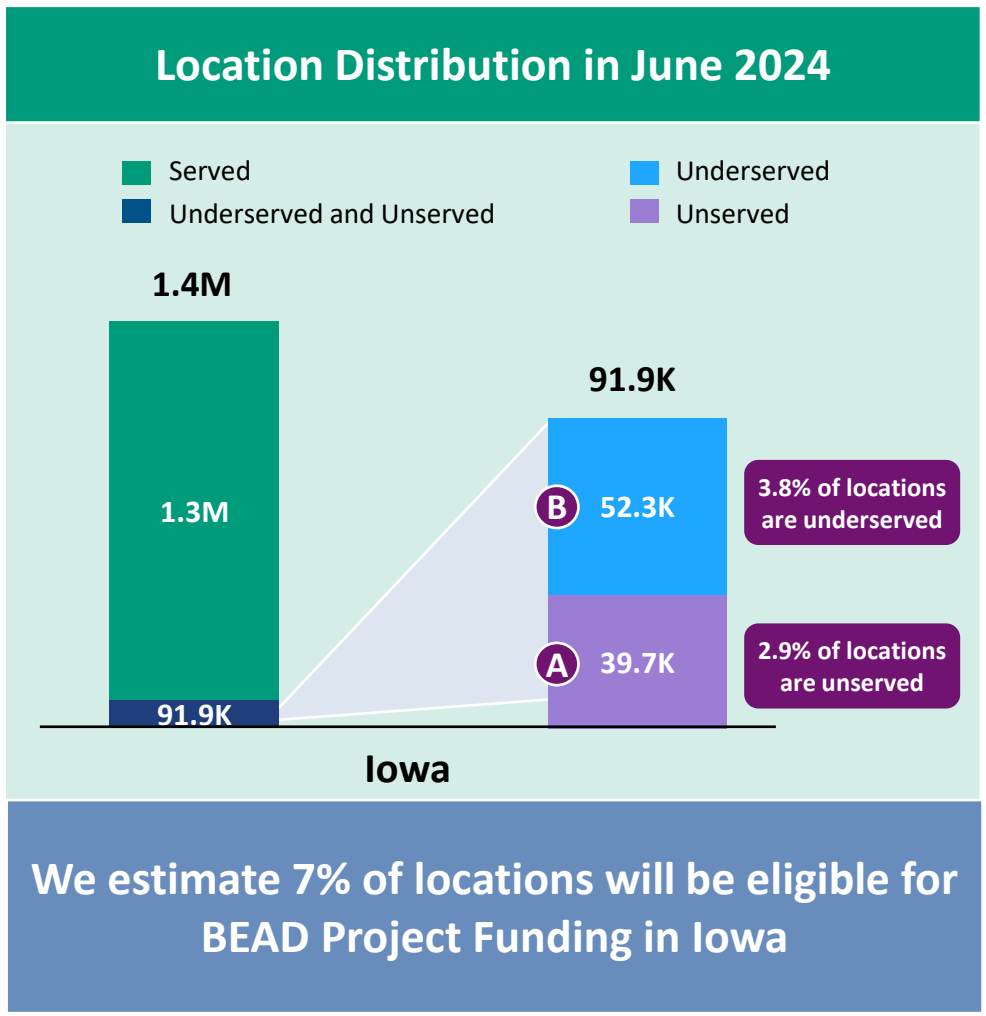
\$--M

REMAINING BUDGET

1 Estimate Eligible Locations

Iowa | 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>
		67.2K
 Subsidy Program Funded Locations ¹	21.6K	11.5K
 Incremental Build ² (13% annual build, for 12 months)	5.9K	--
 Jun. 2024 Estimated Eligible Locations	39.7K A	52.3K B

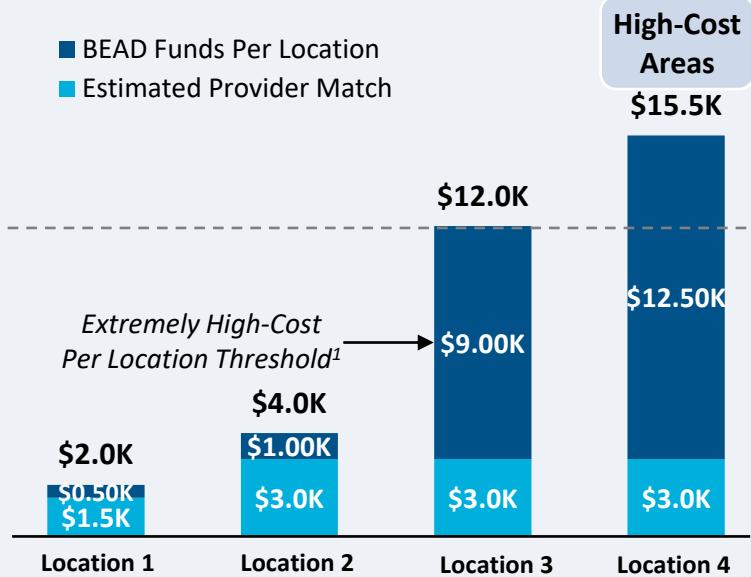


1. Locations with "commitments" to receive support from federal subsidy programs
 2. Given the uncertainty around the magnitude of locations moving from unerved to underserved, we have not made incremental builds adjustments to underserved locations
 BEAD eligible locations does not account for state-specific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

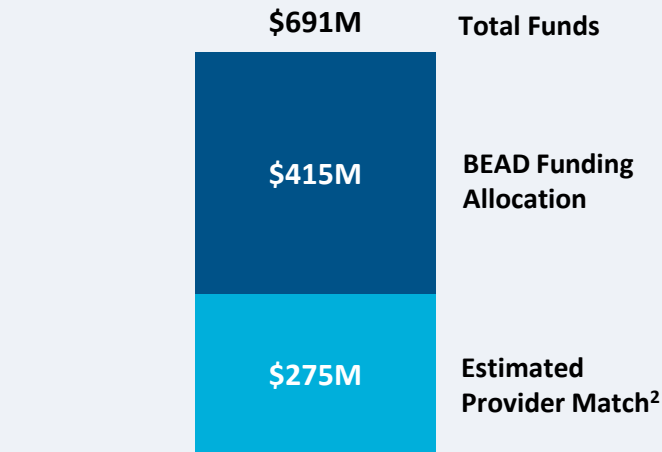


Provider Match %

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 - Iowa



\$691M in total capital is estimated to be available to serve unserved/underserved Iowa locations (combining BEAD funding and estimated provider match)

Provider Match - Iowa

Total Estimated Provider Match:

\$275M

Total Estimated Eligible Locations:

91.9K

Average Provider Match:

\$2,996
PER LOCATION

We estimate the average provider match will be \$2,996 – 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

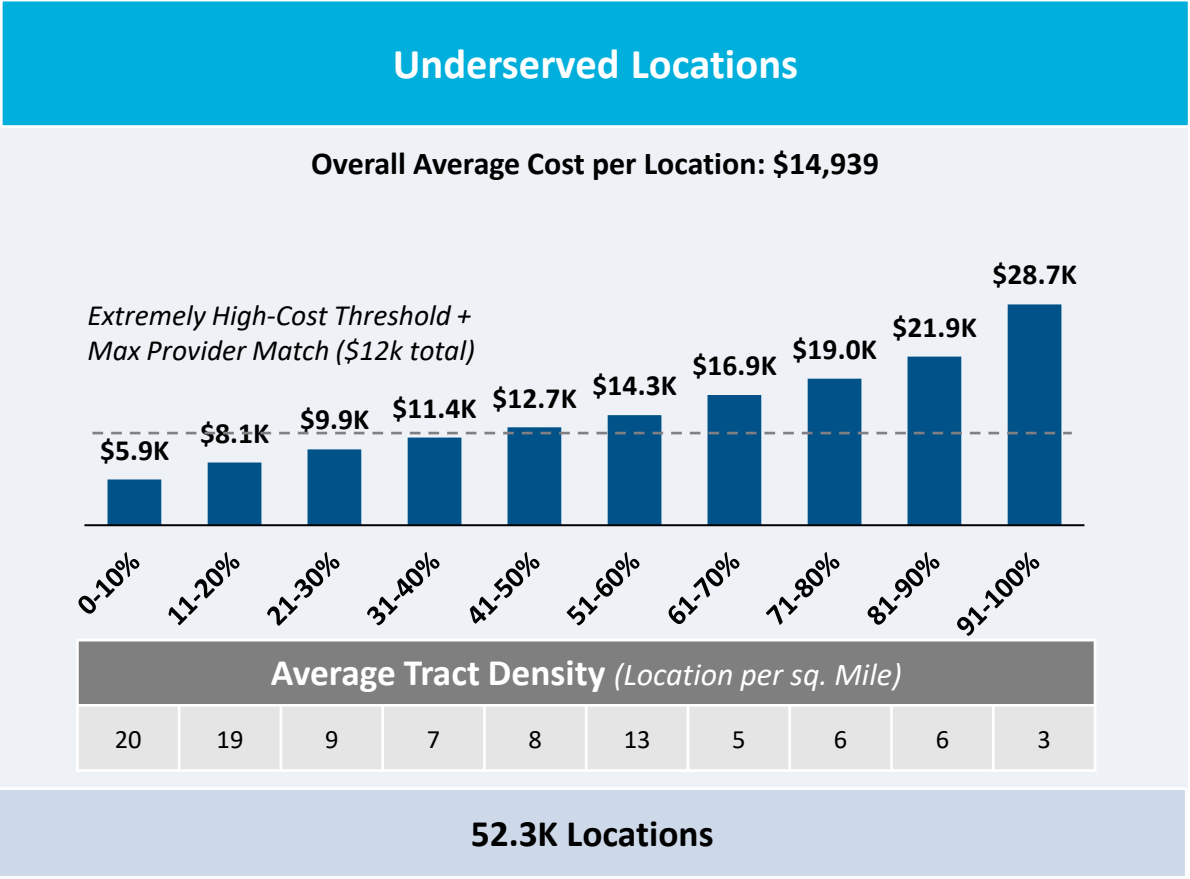
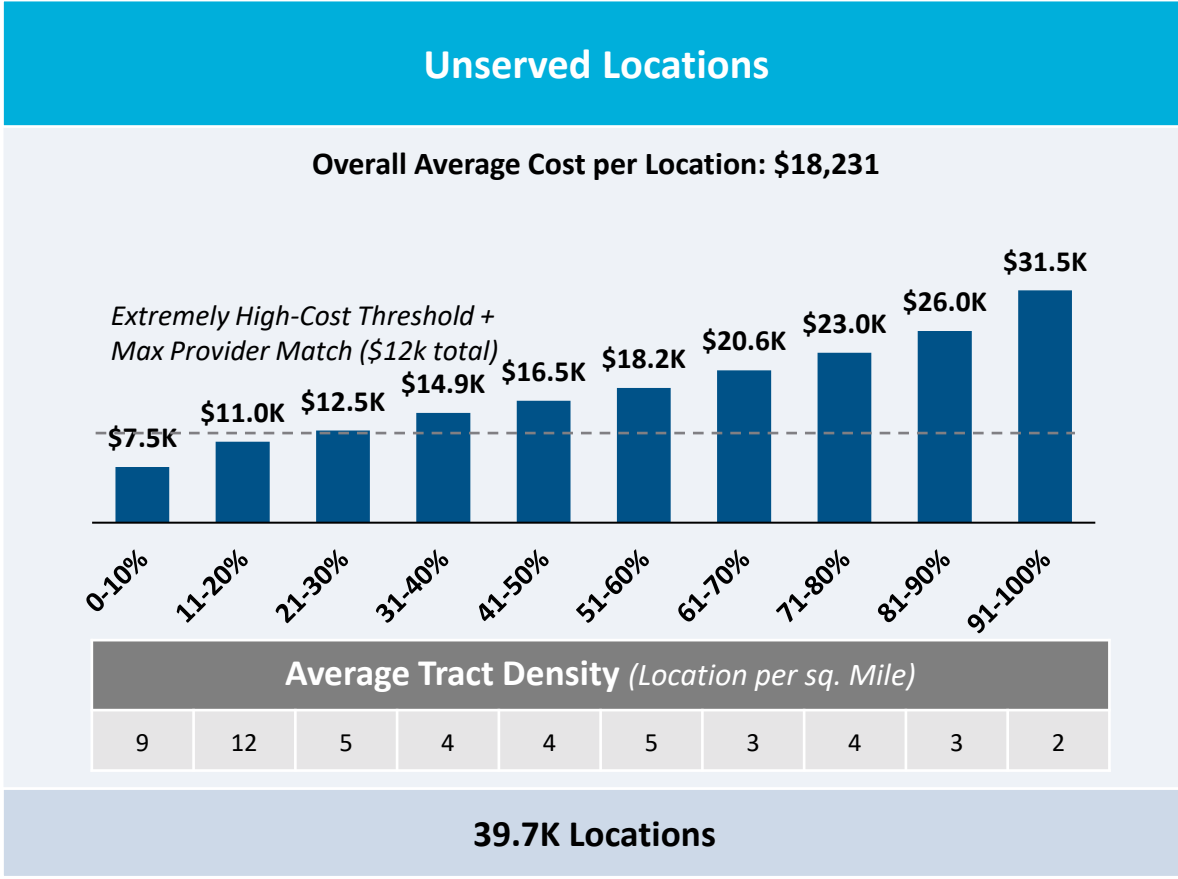
2. In reality, providers will determine the viable level of match funding for each project using a business case model. They will be willing to contribute a greater match in some locations and less in others. Locations which are hardest to serve may need to be fully funded by BEAD with no match. Competitive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

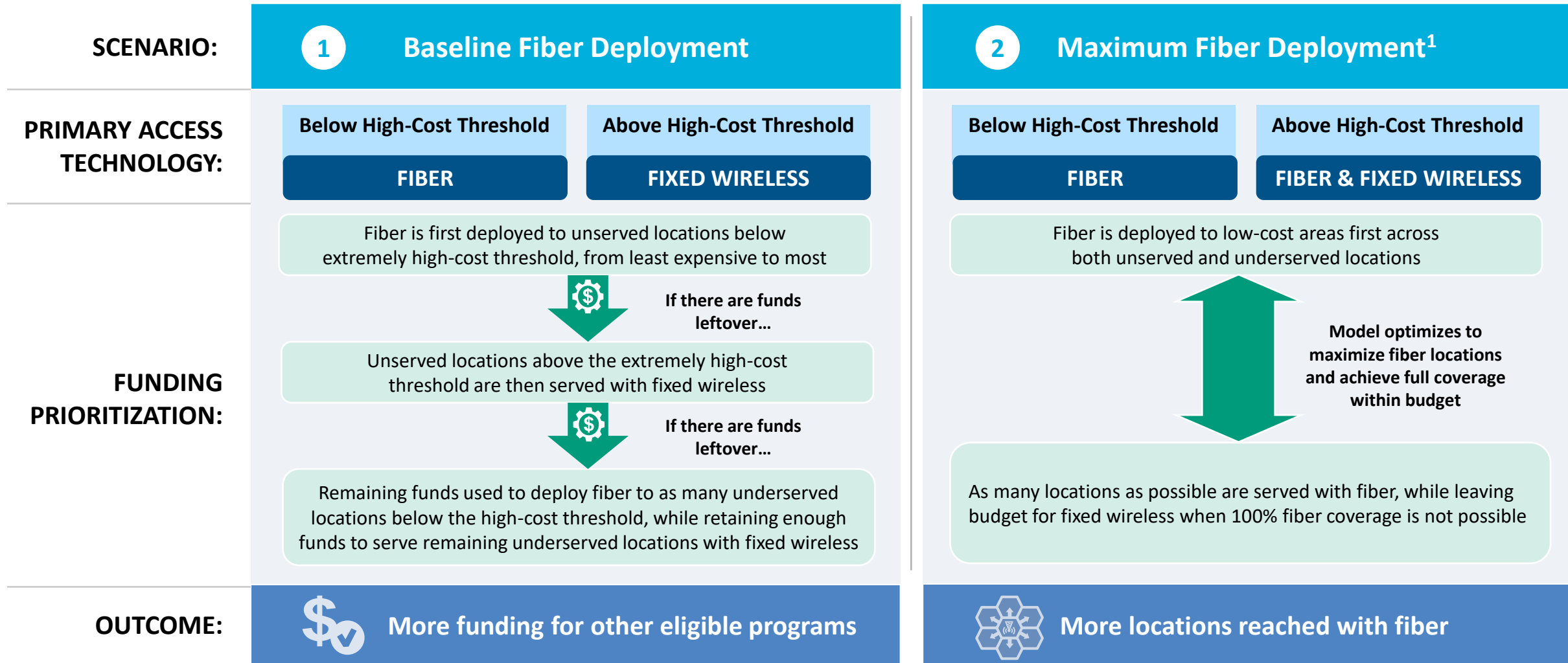
CAPEX Fiber Deployment Cost per Location Segmented by Cost Deciles¹



Over 30% 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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Iowa | Fiber Preferencing Scenarios



1. Scenario 2 deploys fiber beyond the extremely high-cost threshold
 Source: Cartesian
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3 Develop Deployment Scenarios

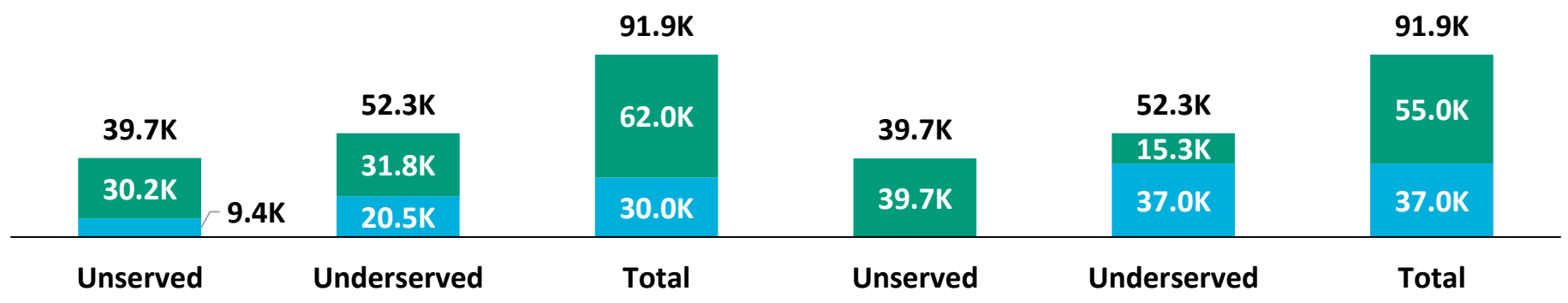
Iowa | Scenario Analysis Results

SCENARIO:

1 Baseline Fiber Deployment

2 Maximum Fiber Deployment

■ Fixed Wireless
■ Fiber



	Scenario 1	Scenario 2
Capex Required per Locations ¹	\$5,960	\$7,473
BEAD Funds Available to State	\$415M	\$415M
+ Estimated Provider Match	\$275M	\$275M
= Total Available Capital	\$691M	\$691M
- Capex Required to Build	\$571M	\$691M
= Remaining Funds	\$120M	\$--M
% of Locations Reached	100%	100%
% of Locations Reached with Fiber	33%	40%

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

Iowa is expected to receive

\$415M in BEAD funding



\$275M in estimated provider matching

We estimate the funding is sufficient to reach all of Iowa's 91.9k eligible locations with high-speed broadband



Key Findings

Iowa will need to decide how far to deploy fiber while considering the trade-off of having higher fiber coverage vs. retaining funds for other BEAD eligible programs

A Baseline Fiber Deployment...



Maximizing Fiber...

- Leaves \$120M additional funds for affordability programs
 - Reaches 33% of locations with fiber
 - Requires 67% to be reached with other tech.
- Exhausts funds without leaving additional funds for affordability programs
 - Reaches 40% of locations with fiber
 - Requires 60% 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

Iowa | ACA Connects Members

Member Name	
Ace Telephone Assoc dba Acentek	Corn Belt Telephone Company, Inc.
Algona Municipal Utilities	Dumont Telephone Company
Alpine Cable Television, LLC	Dunkerton Telephone Cooperative
Alta Municipal Utilities	Ellsworth Cooperative Telephone Association
Atkins Cablevision, Inc.	Farmers Mutual Coop Telephone Co
Baldwin Cablevision	Farmers Mutual Nora Springs
Beamspeed	Farmers Mutual Telephone
Breda Telephone Corp dba Western IA Networks	Farmers Telephone Company, Inc.
Butlerbremer Communications	Grand Mound Cooperative Telephone Association
Cable One, Inc.	Griswold Cooperative Tele Co
Cascade Communications Company	Grundy Center Municipal Utilities
Casey Cable Co	Harlan Municipal Utilities
Citizens Mutual Telephone Cooperative, Inc.	Harmony Cable, Inc.
City Of Bellevue	Hawarden Municipal Utilities
City Of Lenox	Hawkeye Telephone Company
City Of Pella	Heart Of Iowa Communications Cooperative
Clarence Cablevision Co	Hutchinson Telecommunications, Inc.
Clear Lake Independent Telephone Co	Hutchinson Telephone Company
CMLTelephone Cooperative Assn Of Meriden Ia	ImOn Communications, LLC
Communications 1 Cablevision, Inc.	Independence Municipal Telecomm Utility
Community Cable Television Agency Of Obrien County	Indianola Municipal Utilities
Complete Communication Services Corp	Intercounty Cable Co
Consolidated Communications, Inc.	Interstate Cablevision Co
Cooperative Telephone Company, Inc.	Jefferson Telephone Company

Iowa | ACA Connects Members

Member Name	
Keystone Farmers Cooperative Telephone Company	Rockwell Cooperative Telephone Association, Inc.
Laurens Municipal Comm Utility	Sac County Mutual Telephone Company
Lehigh Valley Cooperative Telephone Association	Schaller Telephone Company
Lict Corp	Scranton Telephone Company
Lost Nationalwood Telephone Company	Shellsburg Cablevision, Inc.
Marne Elk Horn Telephone	Southern Plains Cable TV
Martelle Cooperative Tel Assoc	Spencer Municipal Utilities
Mechanicsville Cablevision	Spring Grove Communications
Mediacom, LLC	Springville Coop Telephone Assn, Inc.
Metronet	TDS Telecom
Minburn Cablevision, Inc.	Templeton Telephone Company
Municipal Comm Utility Of The City Of Cedar Falls	United Services, Inc.
Muscatine Power And Water	Vinton Municipal Communications Utility
Mutual Telephone Company Ia	Waverly Communications Utility
New Hampton Municipal Utilities	Webstercalhoun Coop Telephone Assoc
Northeast Iowa Telephone Company	Wellman Cooperative Telephone Association
Ogden Telephone Company Cablevision	West Iowa Telephone Company
Olin Telephone Company, Inc.	Western Iowa Telephone Association
Palo Cooperative Telephone	Winnebago Cooperative Telecom Assoc
Panora Cooperative Cable	WTC Communications Wilton Telephone
Pinpoint Communications	Wyoming Mutual Telephone Company, Inc.
Premier Communications, Inc.	
Radcliffe Cablevision	
Rock Port Cablevision	



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