

BEAD Program: A Framework to Allocate Funding for Broadband Availability

State Broadband Report: Rhode Island

January 2024




1 Eligible Locations

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

1%
3K LOCATIONS


OF RHODE ISLAND LOCATIONS LACK HIGH-SPEED BROADBAND IN JUN 2023
VS. 9% STATE/TERRITORY AVERAGE

UNSERVED LOCATIONS, JUN. 2024

 **1.8K**
LOCATIONS

Are estimated to lack broadband access at **25/3 Mbps**

UNDERSERVED LOCATIONS, JUN. 2024

 **0.4K**
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?

\$109M

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

ESTIMATED BEAD FUNDING:

BEAD Funds allocated by NTIA	\$109M
Estimated Provider Match	\$5M
Estimated Total Capital	\$114M

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?

\$3M-\$9M

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

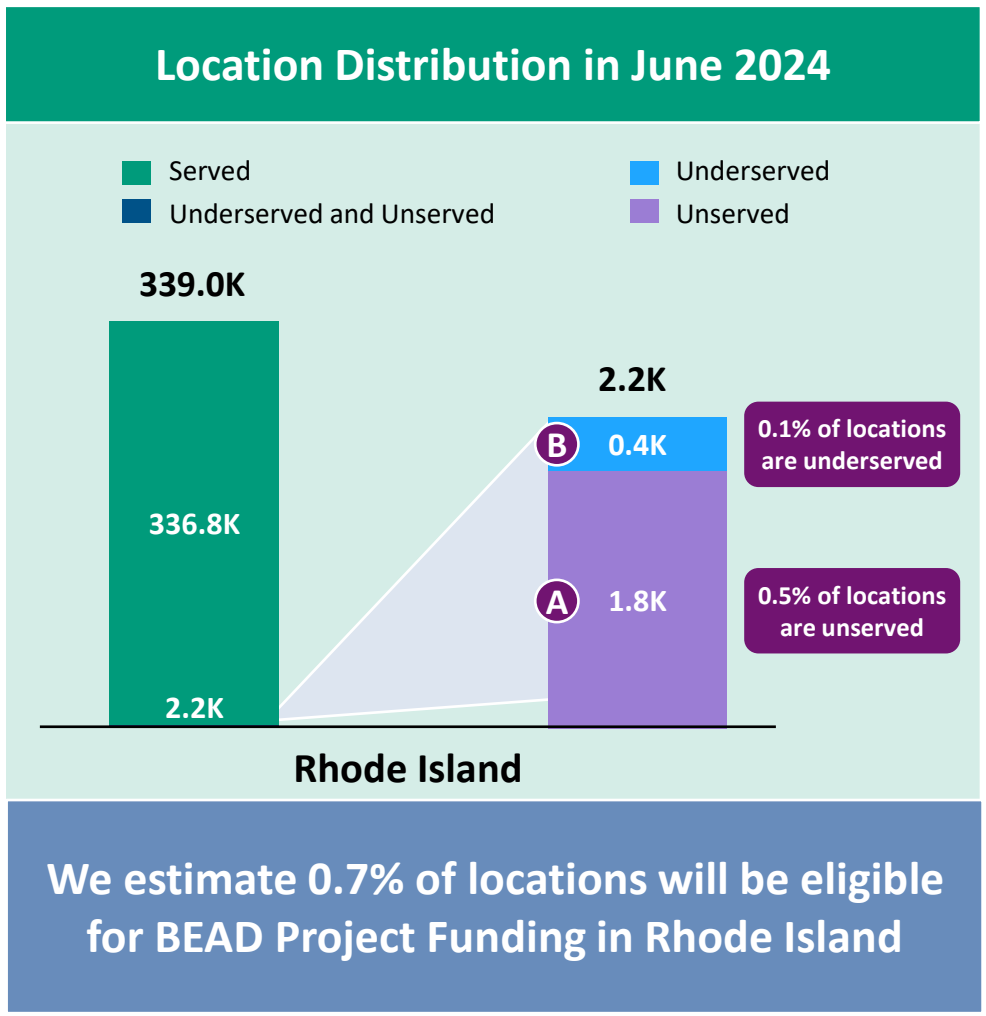
DEPLOYMENT SCENARIOS:

 Baseline Fiber	 Maximum Fiber
100% LOCATIONS REACHED	80% FIBER LOCATIONS
100% LOCATIONS REACHED	100% FIBER LOCATIONS
\$8M TOTAL CAPITAL COST	\$13M TOTAL CAPITAL COST
\$106M REMAINING BUDGET	\$100M REMAINING BUDGET

1 Estimate Eligible Locations

Rhode Island | Estimated Eligible Locations for BEAD Projects

June 2023 FCC Broadband Locations	Unserved <i>(less than 25Mbps/3Mbps)</i>	Underserved <i>(less than 100Mbps/20Mbps)</i>
Subsidy Program Funded Locations ¹	<0.1K	<0.1K
Incremental Build ² <i>(13% annual build, for 12 months)</i>	0.3K	--
Jun. 2024 Estimated Eligible Locations	1.8K (A)	0.4K (B)



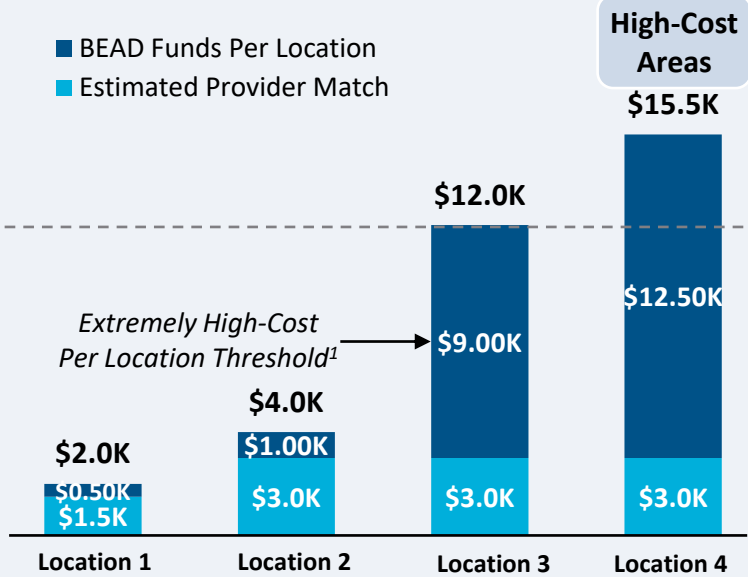
1. Locations with "commitments" to receive support from federal subsidy programs
 2. Given the uncertainty around the magnitude of locations moving from unserved to underserved, we have not made incremental builds adjustments to underserved locations
 BEAD eligible locations does not account for state-specific eligibility rules set forth in Initial Proposals
 Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)
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Rhode Island | BEAD Funding & Estimated Provider Match

Provider Match Examples

Total Deployment Cost per Location

- BEAD Funds Per Location
- Estimated Provider Match

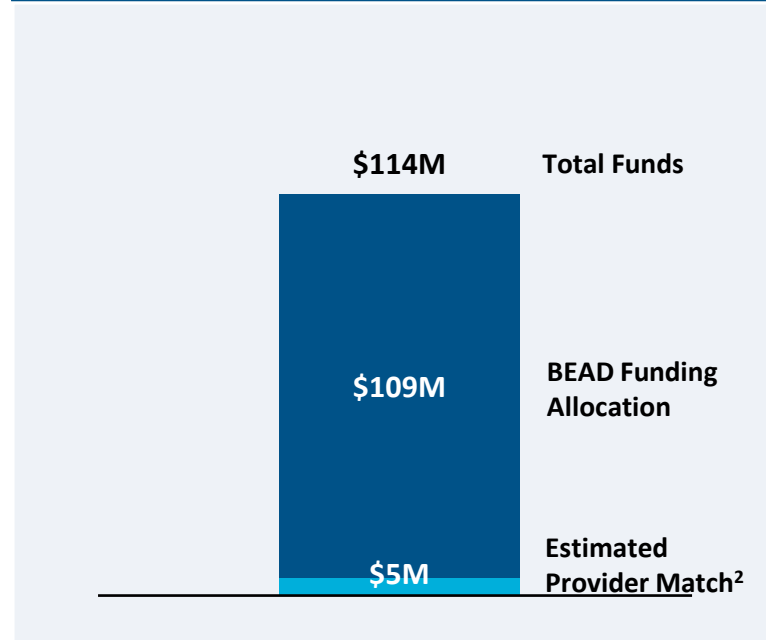


Provider Match %

75% 75% 25% 19%

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 - Rhode Island



\$114M in total capital is estimated to be available to serve unserved/underserved Rhode Island locations (combining BEAD funding and estimated provider match)

Provider Match - Rhode Island

Total Estimated Provider Match: **\$5M**

Total Estimated Eligible Locations: **2.2K**

Average Provider Match: **\$2,175 PER LOCATION**

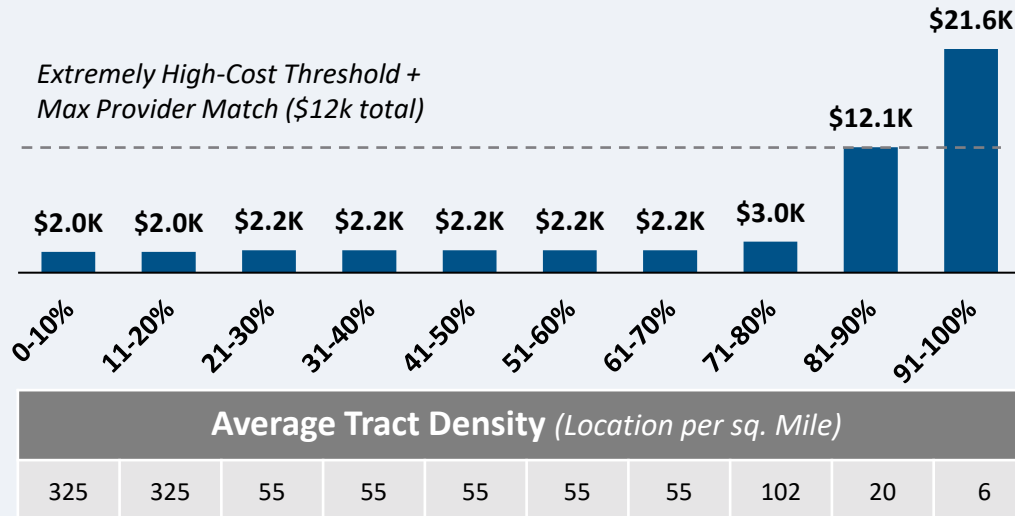
We estimate the average provider match will be \$2,175 – provider matches will be 75% where cost to deploy is less than \$4K

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.

CAPEX Fiber Deployment Cost per Location Segmented by Cost Deciles¹

Unserved Locations

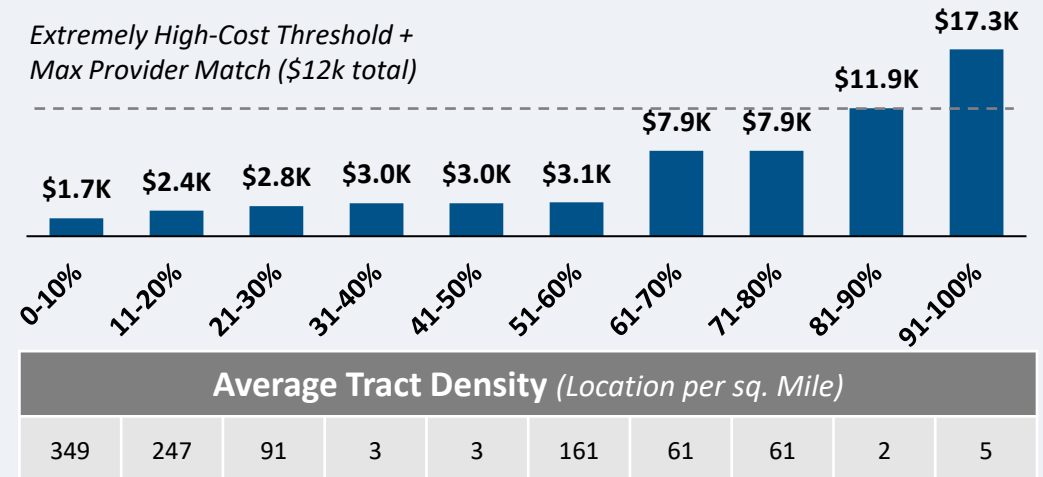
Overall Average Cost per Location: \$5,802



1.8K Locations

Underserved Locations

Overall Average Cost per Location: \$7,306

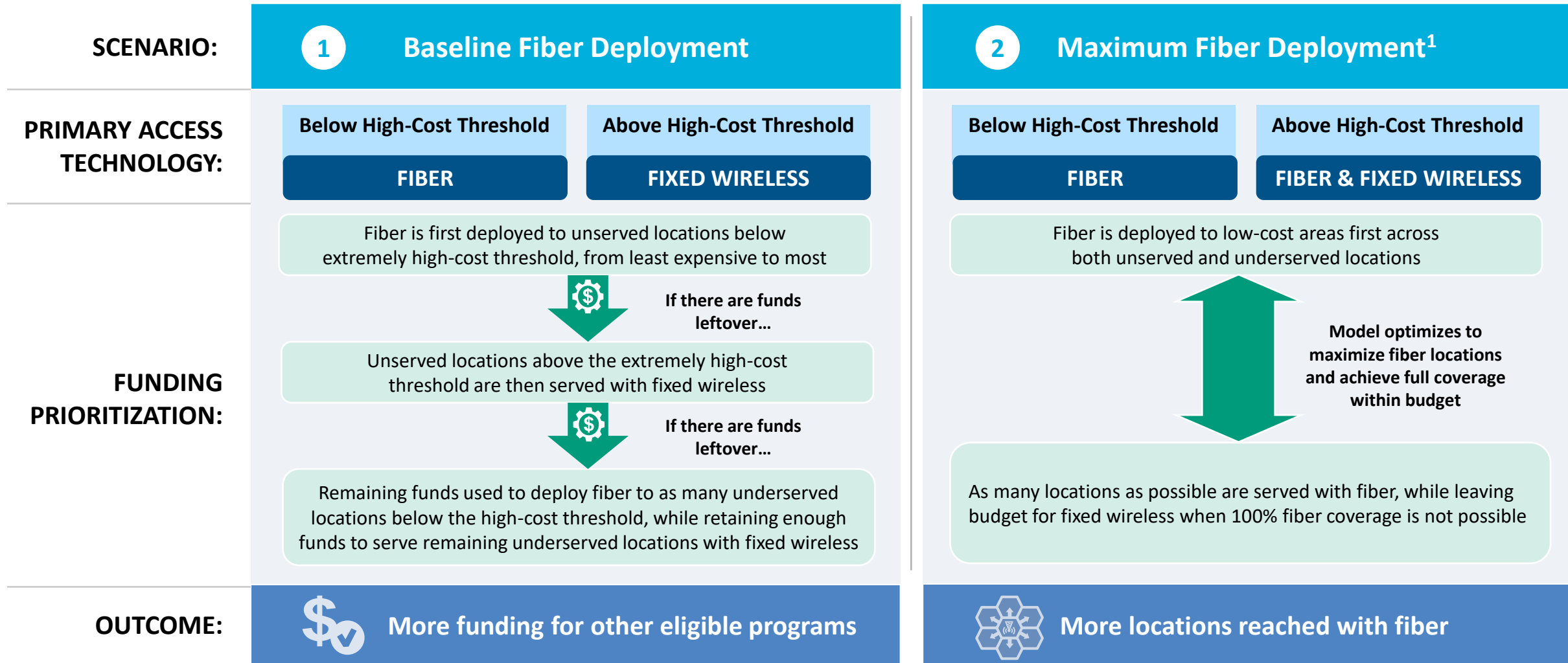


0.4K Locations

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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Rhode Island | Fiber Preferencing Scenarios



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

3 Develop Deployment Scenarios

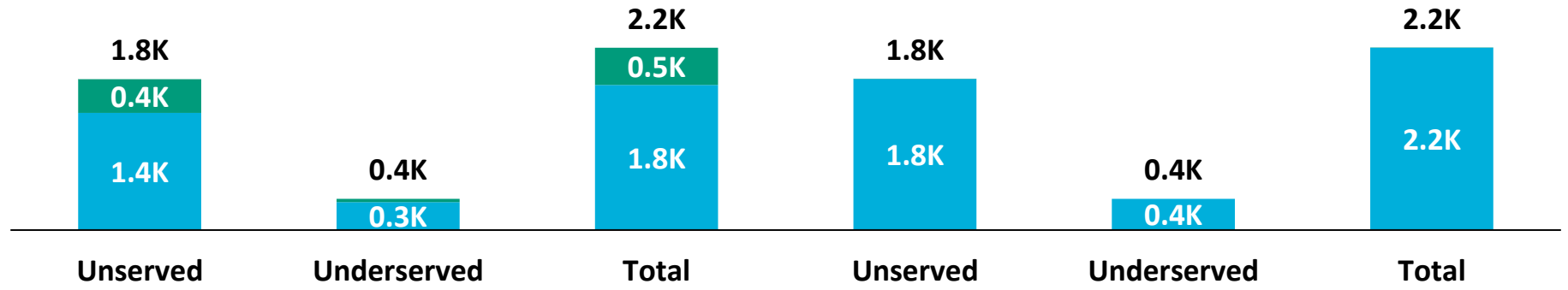
Rhode Island | Scenario Analysis Results

SCENARIO:

1 Baseline Fiber Deployment

2 Maximum Fiber Deployment

■ Fixed Wireless
■ Fiber



	Scenario 1	Scenario 2
Capex Required per Locations ¹	\$3,175	\$5,763
BEAD Funds Available to State	\$109M	\$109M
+ Estimated Provider Match	\$5M	\$5M
= Total Available Capital	\$114M	\$114M
- Capex Required to Build	\$8M	\$13M
= Remaining Funds	\$106M	\$100M
% of Locations Reached	100%	100%
% of Locations Reached with Fiber	80%	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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Rhode Island | Conclusion



Funding Summary

Rhode Island is expected to receive

\$109M in BEAD funding



\$5M in estimated provider matching

We estimate the funding is sufficient to reach all of Rhode Island's 2.2k eligible locations with high-speed broadband



Key Findings

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

A Baseline Fiber Deployment...



Maximizing Fiber...

- Leaves \$106M additional funds for affordability programs
- Reaches 80% of locations with fiber
- Requires 20% to be reached with other tech.

- Leaves \$100M 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

Rhode Island | ACA Connects Members

Member Name
Atlantic Broadband
Consolidated Communications, Inc.
WH I3B Holdings, LLC



www.acaconnects.org

GRANT SPELLMEYER
PRESIDENT AND CEO
GSPELLMEYER@ACACONNECTS.ORG

BRIAN HURLEY
CHIEF REGULATORY COUNSEL
BHURLEY@ACACONNECTS.ORG



www.cartesian.com

MICHAEL DARGUE
VICE PRESIDENT
MICHAEL.DARGUE@CARTESIAN.COM

SAMUEL KORNSTEIN
MANAGING DIRECTOR
SAMUEL.KORNSTEIN@CARTESIAN.COM