

BEAD Program: A Framework to Allocate Funding for Broadband Availability

State Broadband Report: Washington

January 2024



1 Eligible Locations

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

12%

293K LOCATIONS

OF WASHINGTON LOCATIONS LACK HIGH-SPEED BROADBAND IN JUN 2023

VS. 9% STATE/TERRITORY AVERAGE

UNSERVED LOCATIONS, JUN. 2024



156.7K
LOCATIONS

Are estimated to lack broadband access at 25/3 Mbps

UNDERSERVED LOCATIONS, JUN. 2024



61.0K
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?

\$1.2B

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

ESTIMATED BEAD FUNDING:

BEAD Funds allocated by NTIA

\$1.2B

Estimated Provider Match

\$616M

Estimated Total Capital

\$1.8B

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?

**\$581M-
\$1.2B**

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

DEPLOYMENT SCENARIOS:

 **Baseline Fiber**

100%
LOCATIONS REACHED

77%
FIBER LOCATIONS

\$1.2B
TOTAL CAPITAL COST

\$647M
REMAINING BUDGET

 **Maximum Fiber**

100%
LOCATIONS REACHED





96%
FIBER LOCATIONS

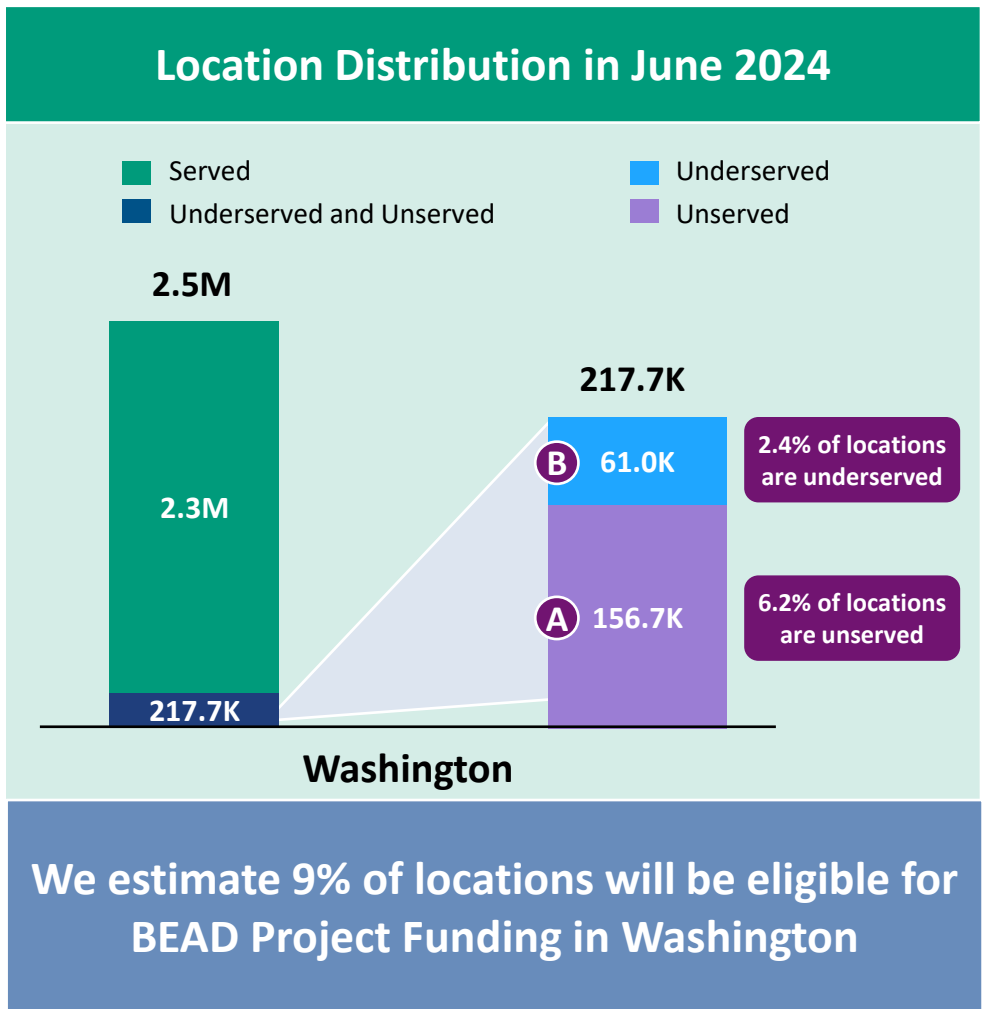
\$1.8B
TOTAL CAPITAL COST

\$--M
REMAINING BUDGET

1 Estimate Eligible Locations

Washington | 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>
		217.9K
 Subsidy Program Funded Locations ¹	37.8K	14.2K
 Incremental Build ² (13% annual build, for 12 months)	23.4K	--
 Jun. 2024 Estimated Eligible Locations	156.7K (A)	61.0K (B)

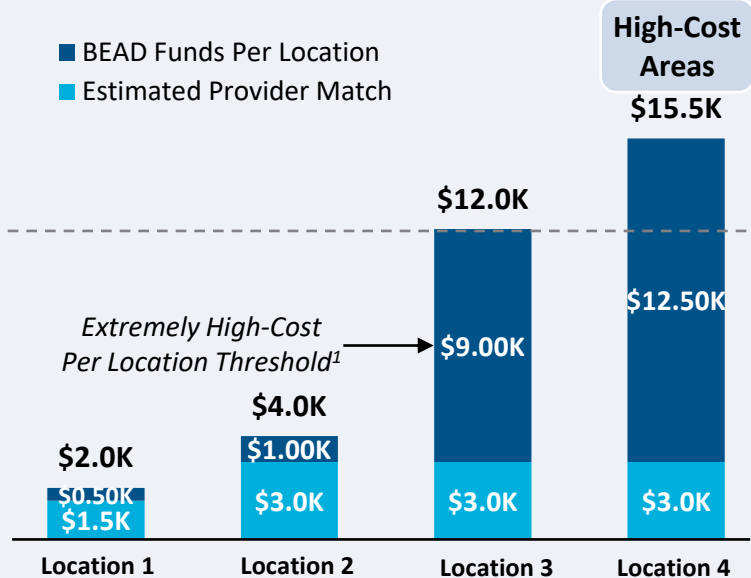


1. Locations with "commitments" to receive support from federal subsidy programs
 2. Given the uncertainty around the magnitude of locations moving from unserved to underserved, we have not made incremental builds adjustments to underserved locations
 BEAD eligible locations does not account for state-specific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

Total Deployment Cost per Location

- BEAD Funds Per Location
- Estimated Provider Match

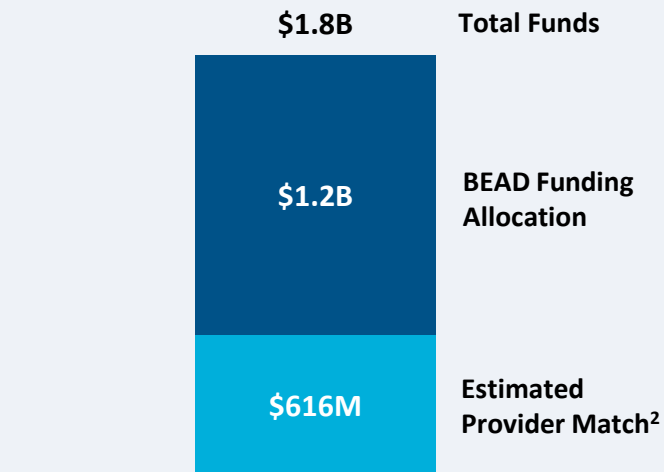


Provider Match %

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 - Washington



\$1.8B in total capital is estimated to be available to serve unserved/underserved Washington locations (combining BEAD funding and estimated provider match)

Provider Match - Washington

Total Estimated Provider Match: **\$616M**

Total Estimated Eligible Locations: **217.7K**

Average Provider Match: **\$2,830 PER LOCATION**

We estimate the average provider match will be \$2,830 – 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.

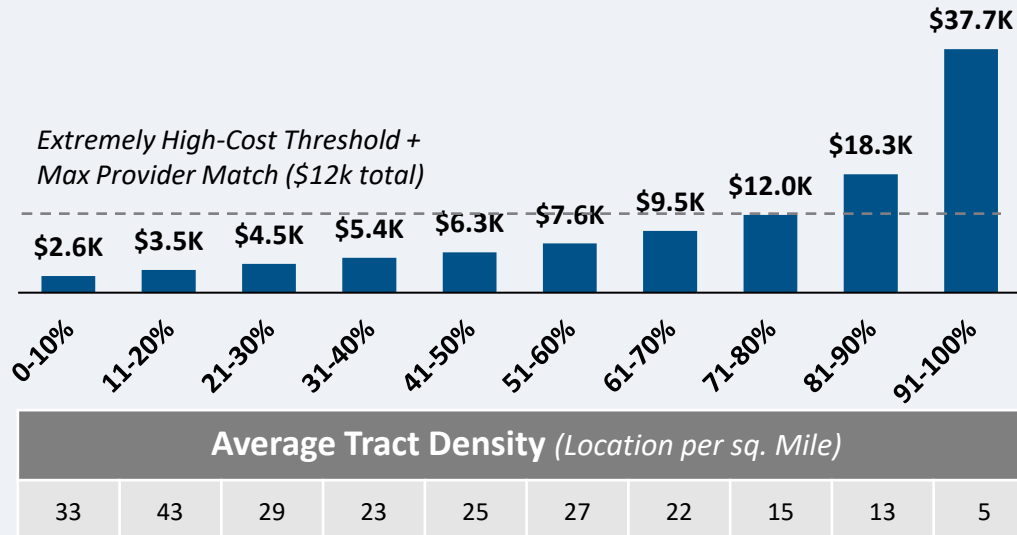
Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023), Benton, NTIA

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CAPEX Fiber Deployment Cost per Location Segmented by Cost Deciles¹

Unserved Locations

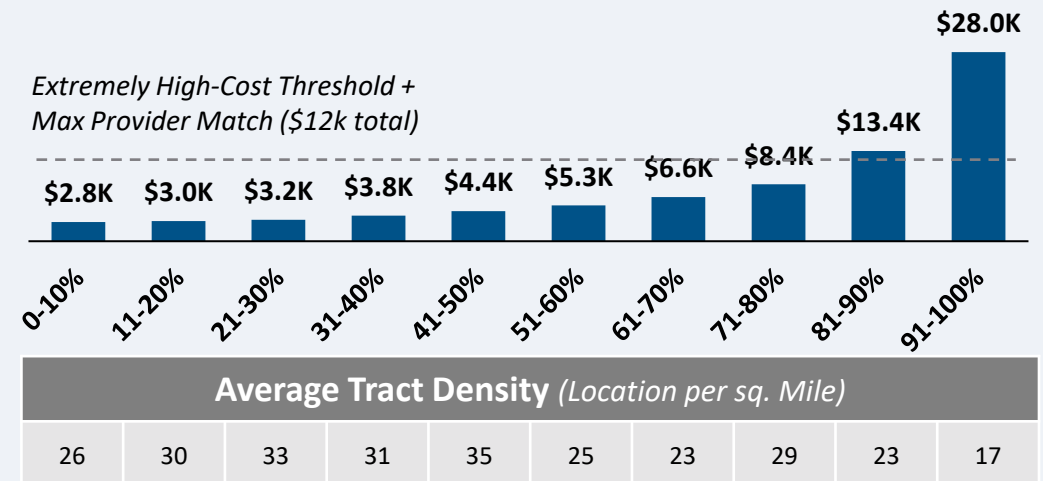
Overall Average Cost per Location: \$10,834



156.7K Locations

Underserved Locations

Overall Average Cost per Location: \$8,014

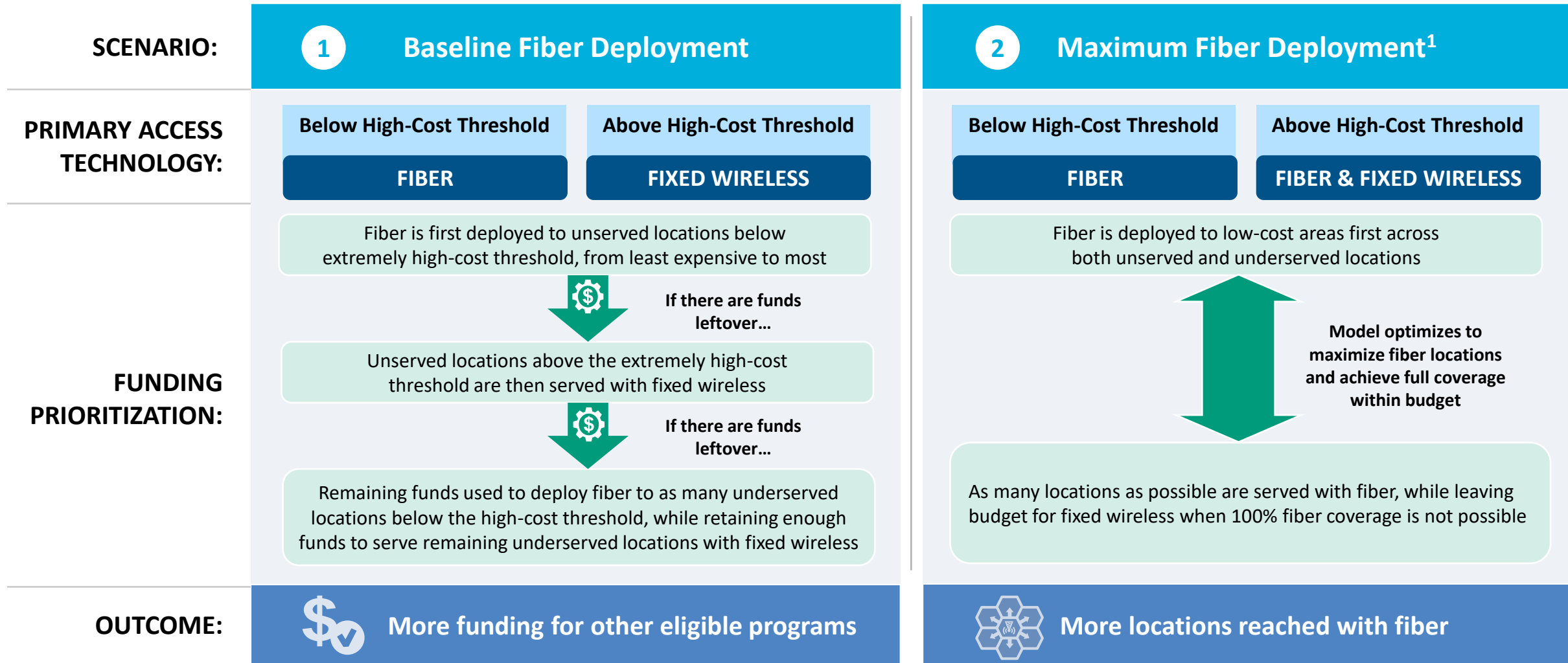


61.0K Locations

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

3 Develop Deployment Scenarios

Washington | Fiber Preferencing Scenarios



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

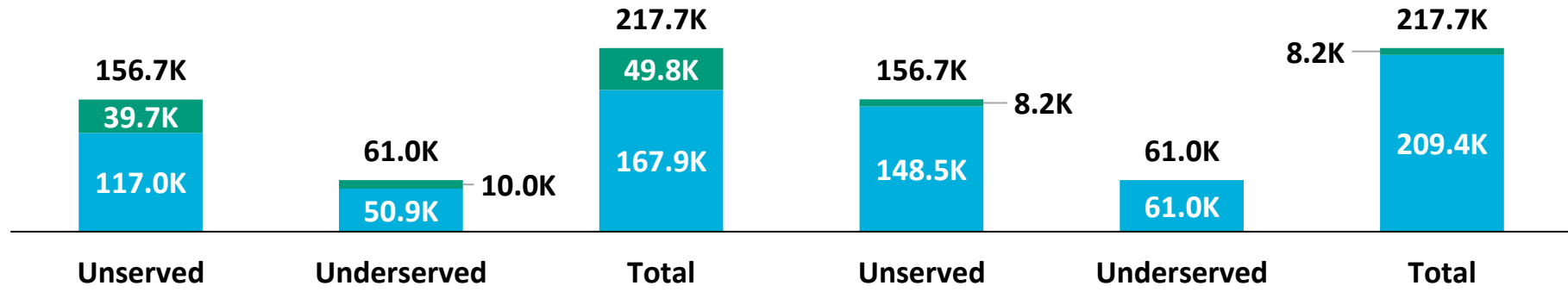
Washington | Scenario Analysis Results

SCENARIO:

1 Baseline Fiber Deployment

2 Maximum Fiber Deployment

■ Fixed Wireless
■ Fiber



	Scenario 1	Scenario 2
Capex Required per Locations ¹	\$5,714	\$8,467
BEAD Funds Available to State	\$1.2B	\$1.2B
+ Estimated Provider Match	\$616M	\$616M
= Total Available Capital	\$1.8B	\$1.8B
- Capex Required to Build	\$1.2B	\$1.8B
= Remaining Funds	\$647M	\$--M
% of Locations Reached	100%	100%
% of Locations Reached with Fiber	77%	96%

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

Washington is expected to receive

\$1.2B in BEAD funding



\$616M in estimated provider matching

We estimate the funding is sufficient to reach all of Washington's 217.7k eligible locations with high-speed broadband



Key Findings

Washington 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 \$647M additional funds for affordability programs
- Reaches 77% of locations with fiber
- Requires 23% to be reached with other tech.

- Exhausts funds without leaving additional funds for affordability programs
- Reaches 96% of locations with fiber
- Requires 4% 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

Washington | ACA Connects Members

Member Name
Astound Broadband
Cable One, Inc.
Coast Communications Co, Inc.
Concept Communication Corp
Consolidated Communications, Inc.
Davis Communications
Hood Canal Cablevision
Localtel Communications Aka Computer 5 I
Mashell, Inc. dba Rainier Connect
Northwest Fiber, LLC
Rio Virgin Cablevision
Rural Telephone Company
Sound Internet Services dba Pogozone
St. John Telephone Company
TDS Telecom
Television Assoc Of Republic
Tulalip Tribes dba Salish Networks, Inc.
Vyve



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