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BEAD Rationale, Results and Lessons Learned

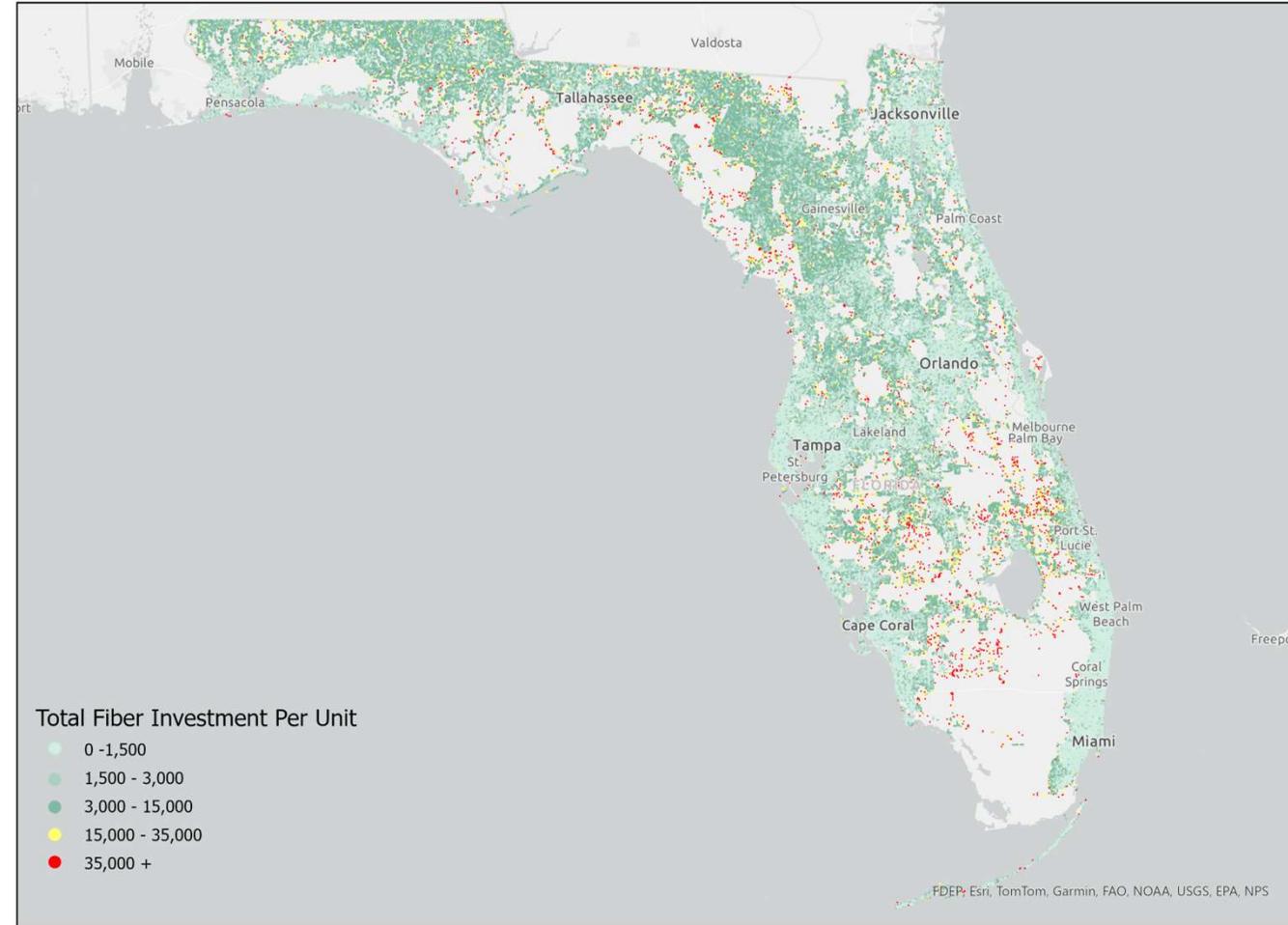
January 2025



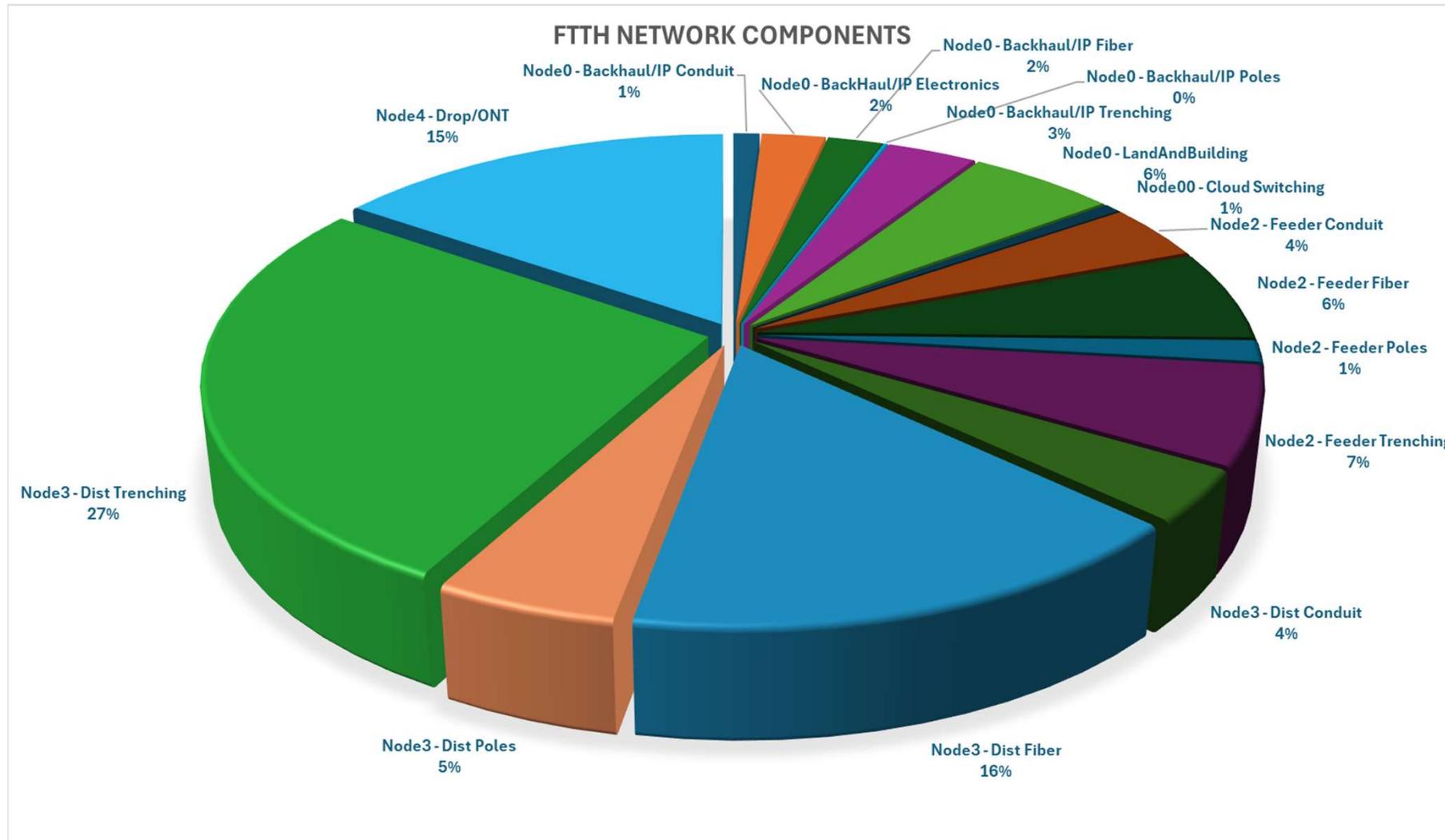
The Economics of Broadband

Economics of Fiber Deployment in Florida – Capital

Total Fiber Investment per Unit

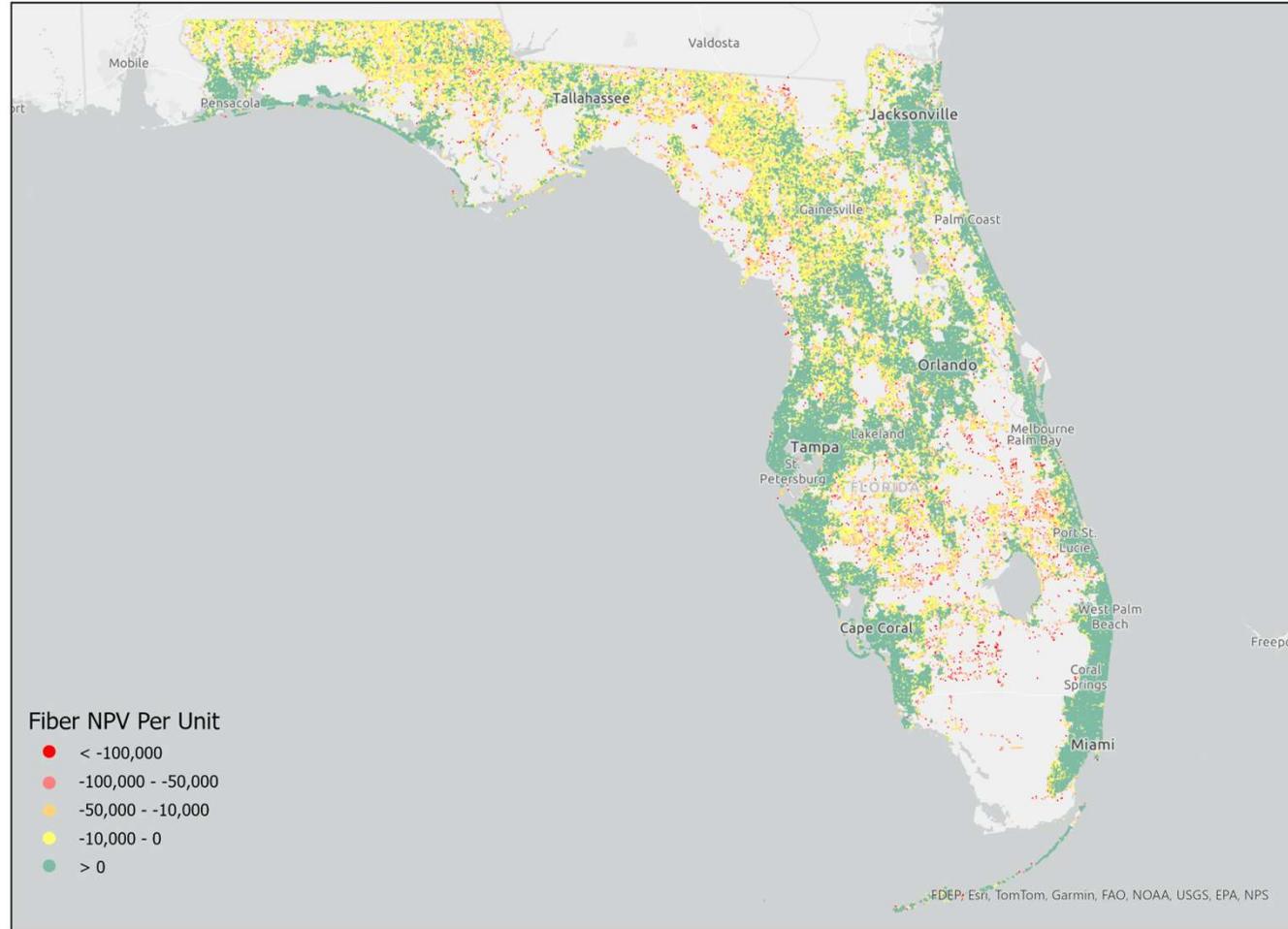


Economics of Fiber Deployment – Capital

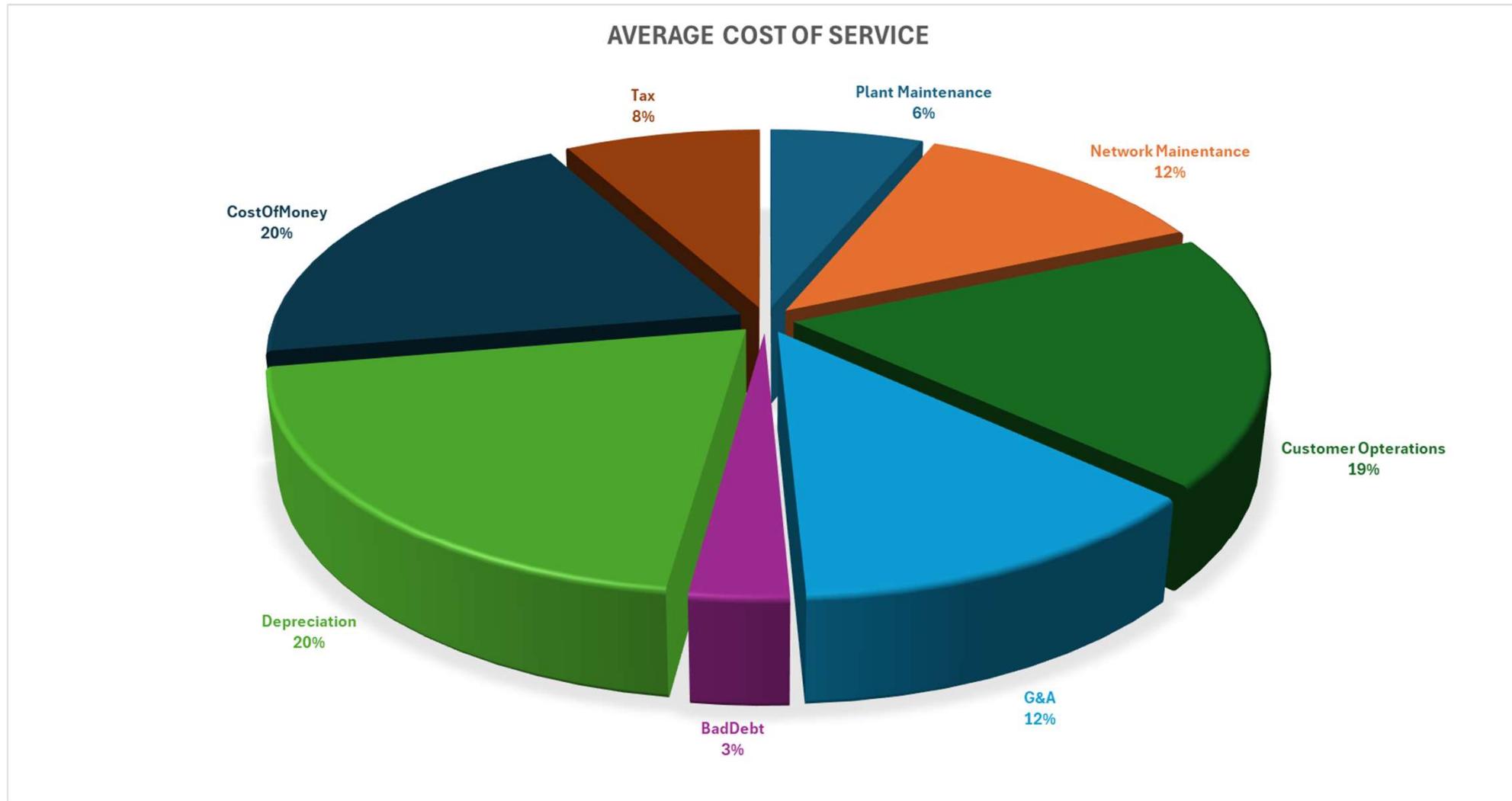


Economics of Fiber Deployment in Florida - NPV

Fiber NPV per Unit



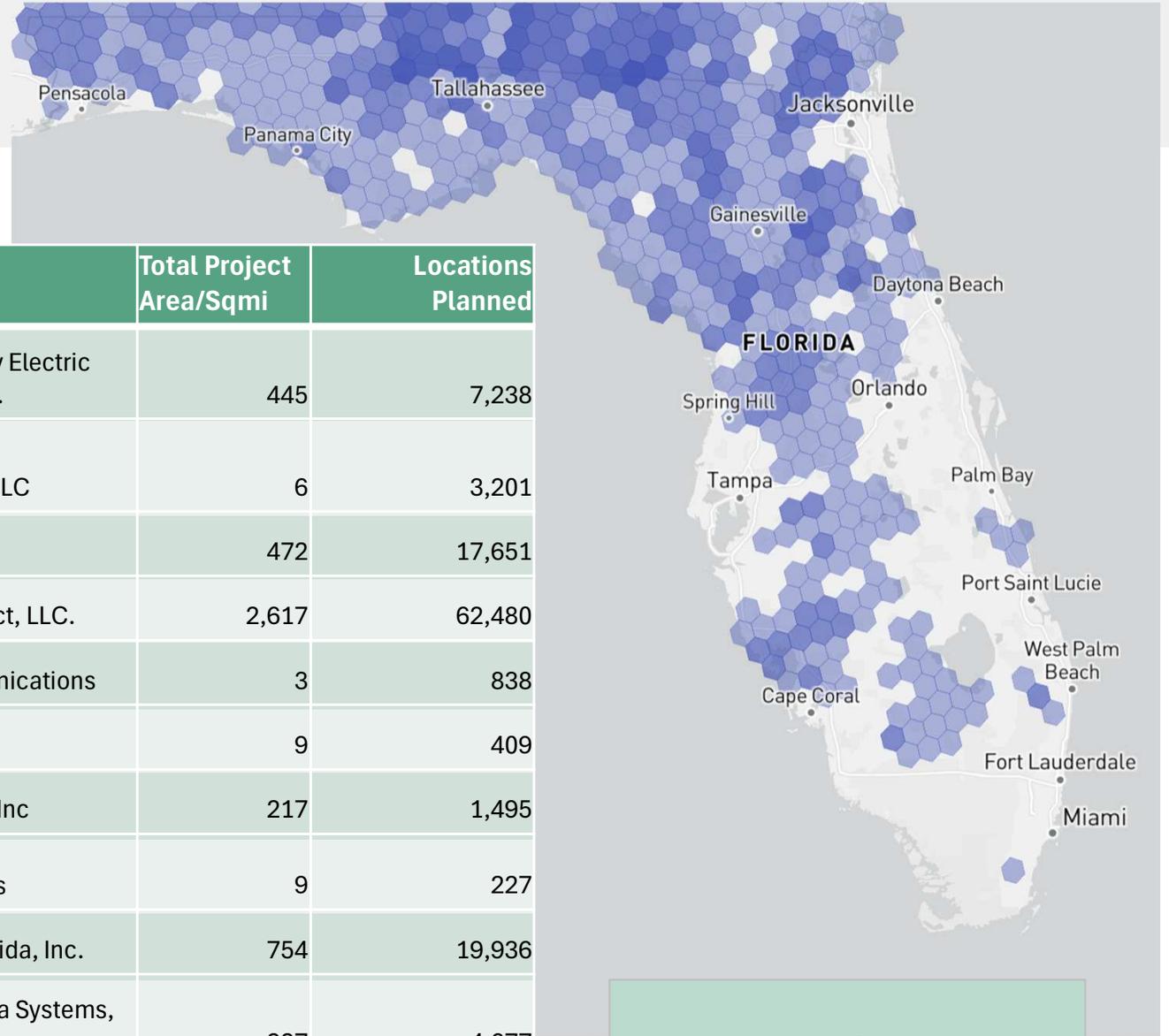
Economics of Fiber Deployment – Cost of Service





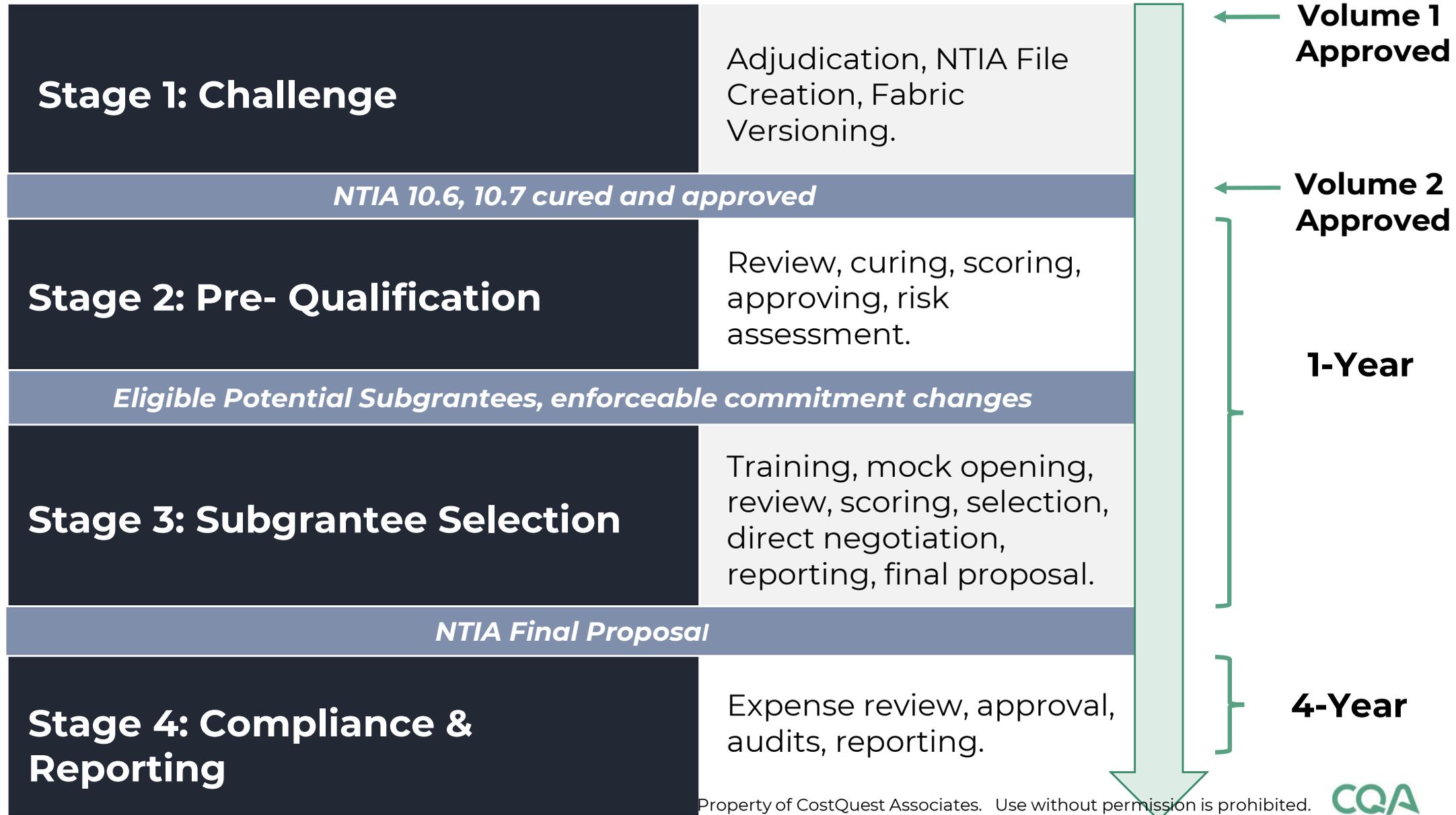
Review of Government Intervention

Broadband Funding in Florida



Federal Program Name	Project End	Money Awarded	Brandname	Total Project Area/Sqmi	Locations Planned
RURAL ECONNECTIVITY PROGRAM	12/31/2028	\$17,795,471	Suwannee Valley Electric Cooperative, Inc.	445	7,238
RURAL ECONNECTIVITY PROGRAM	12/31/2028	\$24,248,616	IBT Group USA, LLC	6	3,201
Rural Digital Opportunity Fund	3/30/2032	\$22,439,807	Spectrum	472	17,651
Rural Digital Opportunity Fund	12/30/2031	\$82,504,050	Conexon Connect, LLC.	2,617	62,480
Rural Digital Opportunity Fund	5/30/2032	\$492,732	Frontier Communications	3	838
Rural Digital Opportunity Fund	4/29/2032	\$81,802	Mediacom	9	409
Rural Digital Opportunity Fund	5/30/2032	\$5,039,443	Embarq Florida, Inc	217	1,495
Rural Digital Opportunity Fund	12/30/2031	\$831,384	Consolidated Communications	9	227
Rural Digital Opportunity Fund	4/29/2032	\$40,763,387	Windstream Florida, Inc.	754	19,936
Enhanced Alternative Connect America Cost Model	12/31/2028	\$7,872,948	Telephone & Data Systems, incl. UScellular	227	4,677
Enhanced Alternative Connect America Cost Model	12/31/2028	\$7,691,416	Townes Telecommunications, Inc.	321	2,622
Total		\$209,761,056		5,080	120,774

BEAD: \$1.17B



The Office will evaluate project progress to reimburse funds at

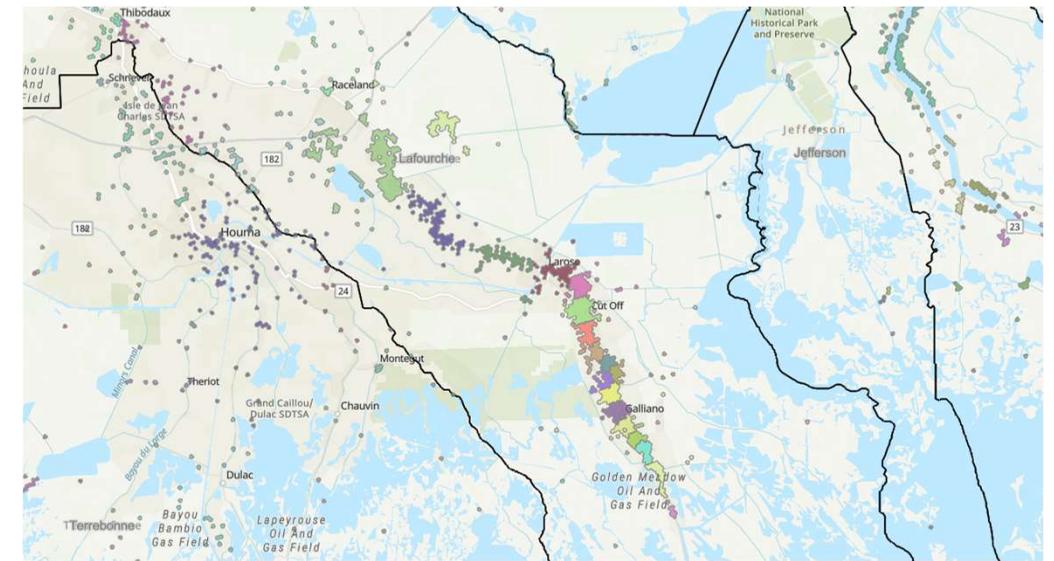
- 10%
- 30%
- 50%
- And 85% completion



Review of Louisiana BEAD

- **Louisiana, ConnectLA**, conducted their challenge process , posted their results, and published custom sub project areas
- **Posted Type of Project Areas:**
 - SPA – Sub Project Area – A set of BEAD eligible broadband serviceable locations that include unserved, underserved and community anchor locations to function as an application unit for GUMBO 2.0 applications
- **Posted Reference Funding** for each Project Area – Reference funding values are determined based on a standardized deployment cost model applied using consistent input values statewide.
- They defined the EHCT after the bids came in

Parish Name	Parish FIPS	Total BSLs in Parish	Number of SPAs	Total BSLs in SPAs	Total BEAD Eligible BSLs in SPA	Percent BEAD Eligible within Parish	Total Reference Funding	Average Reference Funding per Location
Acadia	22001	26,833	20	4,842	1,980	7.4%	\$6,839,353	\$3,454
Allen	22003	10,432	23	2,400	1,012	9.7%	\$6,185,913	\$6,113
Ascension	22005	50,210	17	943	280	0.6%	\$2,516,204	\$8,986
Assumption	22007	10,101	20	1,001	363	3.6%	\$3,952,139	\$10,887
Avoyelles	22009	19,032	30	11,554	4,739	24.9%	\$12,822,965	\$2,706
Beauregard	22011	16,552	47	5,078	3,625	21.9%	\$16,748,736	\$4,620
Bienville	22013	7,674	26	2,655	1,320	17.2%	\$8,219,165	\$6,227
Bossier	22015	49,410	45	13,871	6,526	13.2%	\$23,985,785	\$3,675
Caddo	22017	101,499	42	13,403	4,000	3.9%	\$20,105,965	\$5,026
Calcasieu	22019	86,333	48	18,313	8,181	9.5%	\$25,630,403	\$3,133
Caldwell	22021	4,862	23	794	471	9.7%	\$6,292,255	\$13,359
Cameron	22023	4,223	24	398	286	6.8%	\$4,746,387	\$16,596



State Project Criteria:

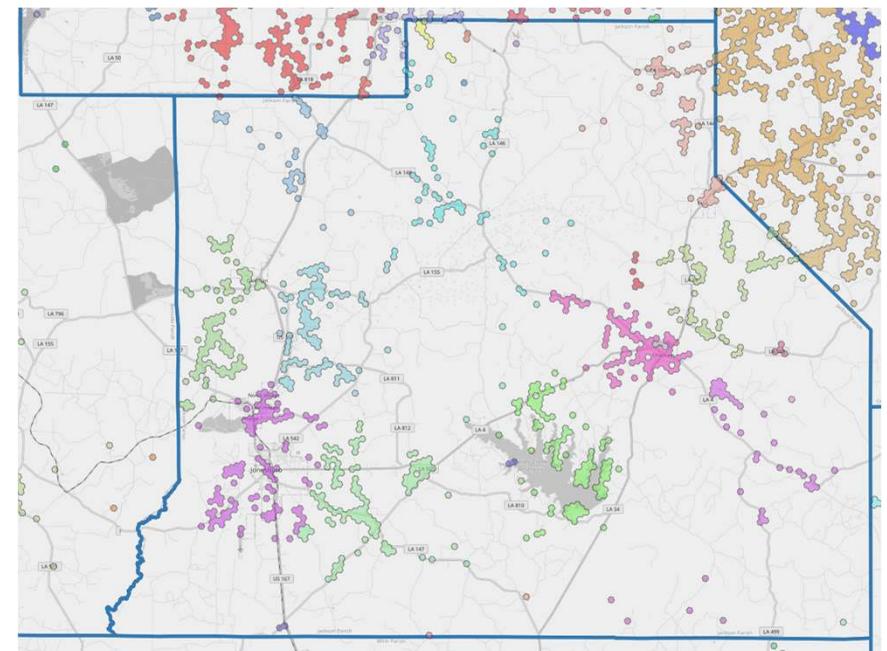
- Financial capability, managerial capability, operational capability, technical capability, ownership info, public funding info, and BABA/EHP/NEPA/NHPA compliance.

How applications were scored:

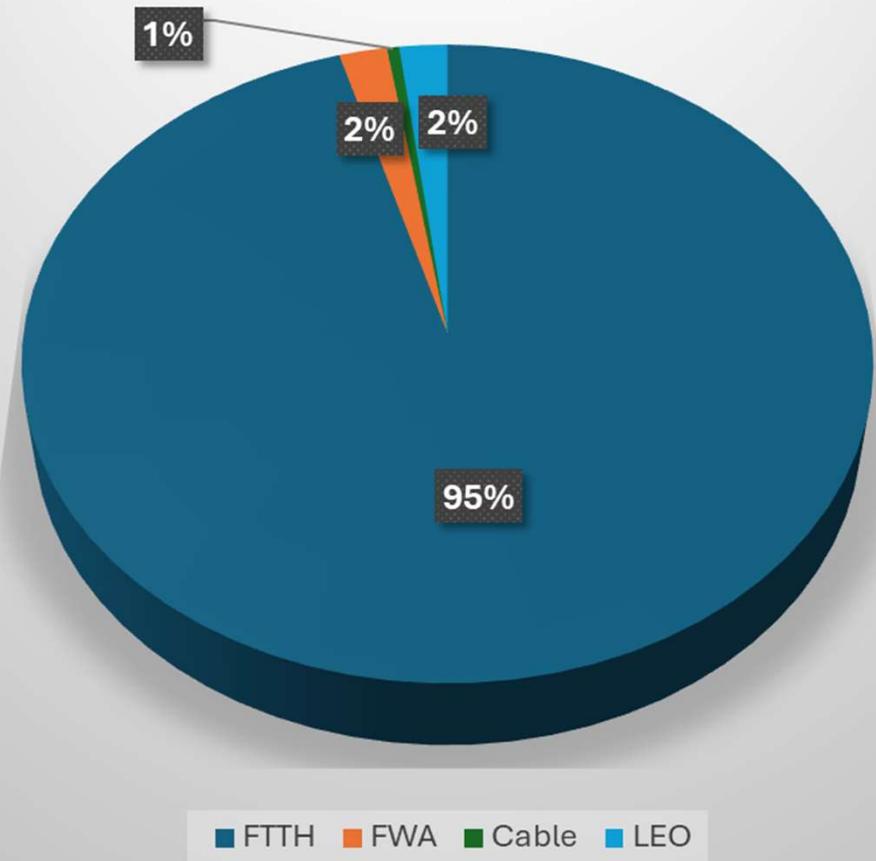
- Primary Criteria - 601 points
 - Minimal BEAD Outlay - 300 points
 - Affordability - 200 points
 - Fair Labor Practices - 101 points
- Secondary Criteria - 197 points
 - Speed to Deployment - 12 points
 - Economically disadvantaged areas - 25 points
 - Critical resiliency need areas - 100 points
 - Parish location points - 35 points
 - Speed of network - 25 points

Example of SPAs

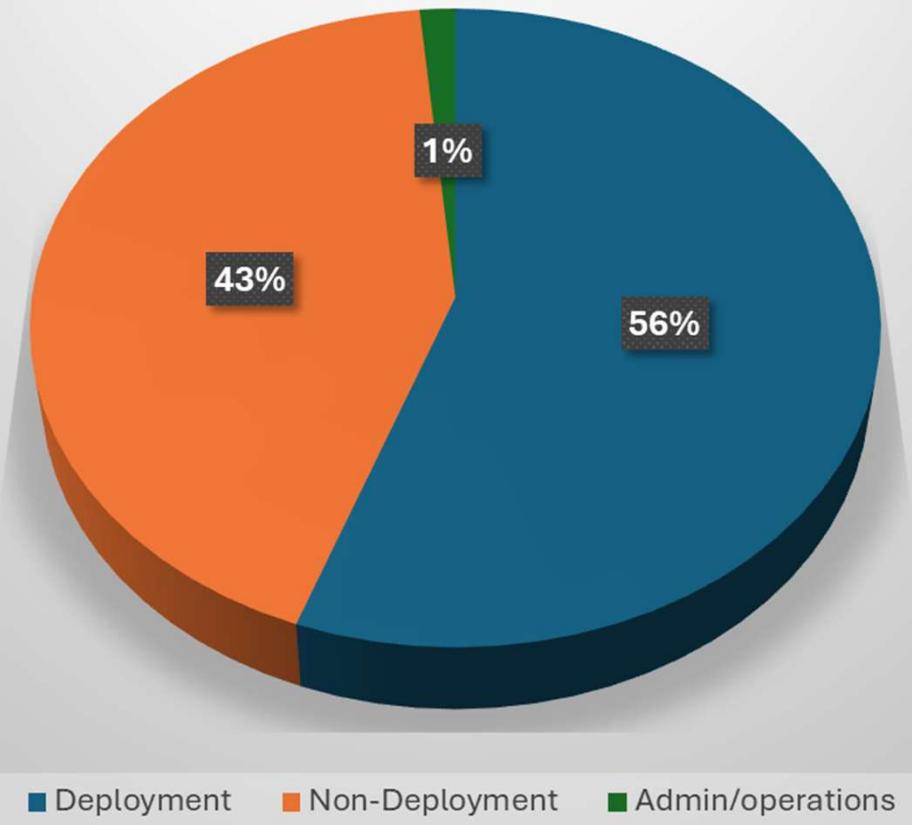
The area is Jackson Parish: 2,241 eligible locations, reference funding of \$8.7M



Broadband Serviceable Locations 139,677



BEAD Funds \$1.35 billion



Results by Technology

Technology	BSLs	Total Funding	Funding Per BSL	%BSLs	%Funding
Fiber	133,284	706,063,050	5,297	95.4%	94.4%
FW	3,005	12,231,048	4,070	2.2%	1.6%
Cable/Coax	519	1,041,647	2,007	0.4%	0.1%
LEO	2,869	28,690,000	10,000	2.1%	3.8%
Total	139,677	748,025,745	5,355		

Placeholder, discussions pending

Results by Organization

Organization	BSLs	Total Funding	Funding Per BSL
Louisiana Local Fiber Consortium	76,815	\$450,476,832	\$5,864
Nextlink	2,474	\$5,311,789	\$2,147
AT&T	20,073	\$54,943,186	\$2,737
Charter	1,701	\$11,739,186	\$6,901
Brightspeed	2,801	\$7,510,130	\$2,681
ClearPath Fiber	7,356	\$34,545,962	\$4,696
Conexon Connect LLC	8,489	\$65,902,273	\$7,763
Cajun Broadband	4,667	\$26,720,564	\$5,725
Coushatta Tribe of LA	641	\$3,529,898	\$5,507
FastWyre	17	\$68,057	\$4,003
A2D Inc	4,758	\$6,773,005	\$1,424
Direct Communications	1,837	\$17,442,414	\$9,495
SkyRider Communications LLC	764	\$5,893,456	\$7,714
PhireLink	148	\$550,002	\$3,716
Comcast Cable Communications LLC	205	\$749,229	\$3,655
Cox Communications	1,611	\$10,685,237	\$6,633
Allen's Communications	310	\$1,549,003	\$4,997
Pelican Broadband	1,314	\$4,210,190	\$3,204
Faster Cajun Networks	383	\$6,369,256	\$16,630
Volt Broadband LLC	444	\$4,366,076	\$9,834
Subtotal	136,808	\$719,335,745	\$5,258
Alternative Technology Provider (Pending)	2,869	\$28,690,000	\$10,000
Total	139,677	\$748,025,745	\$5,355

21 total subgrantees

Top 4 = 80% of funds

\$ awards distribution:

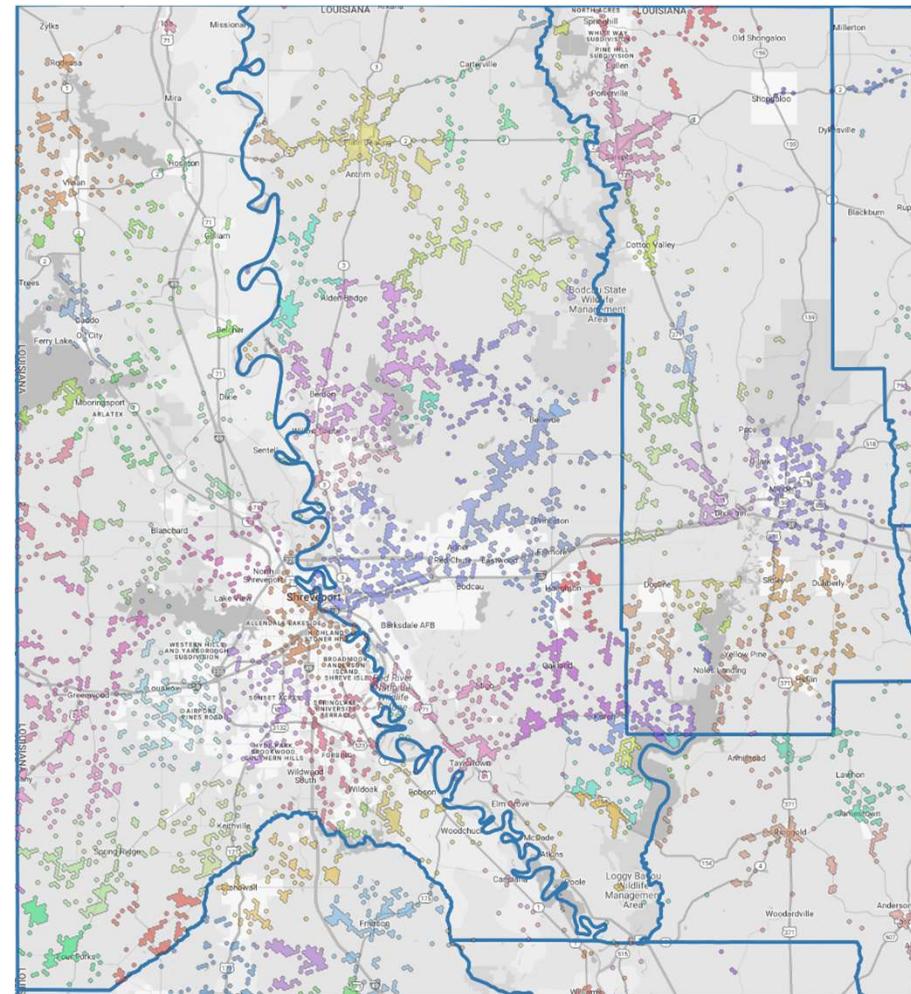
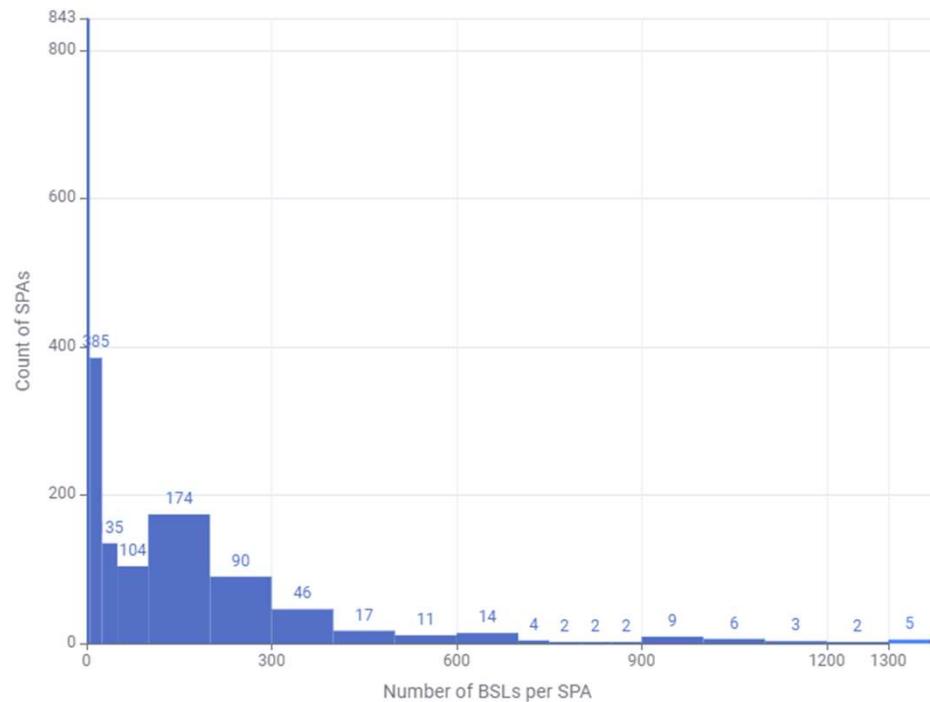
- 17% large wireline carrier (LEC, cable)
- 78% small wireline provider (FTTH)
- 5% wireless/LEO

1. Project Area Definition

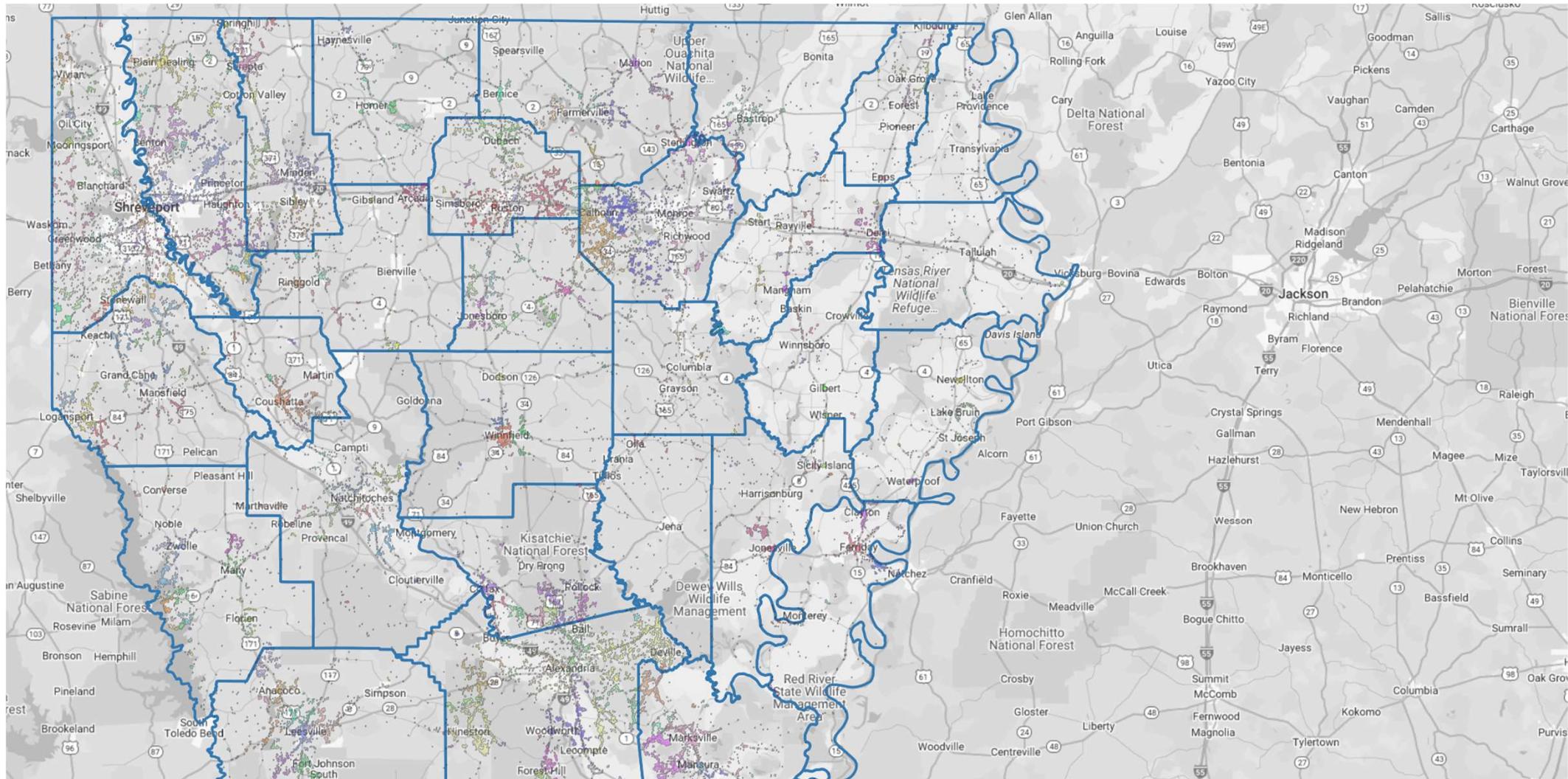
GUMBO 2.0 Project Area Profile: “Sub-Project Areas” (SPAs)

SPA Summary:

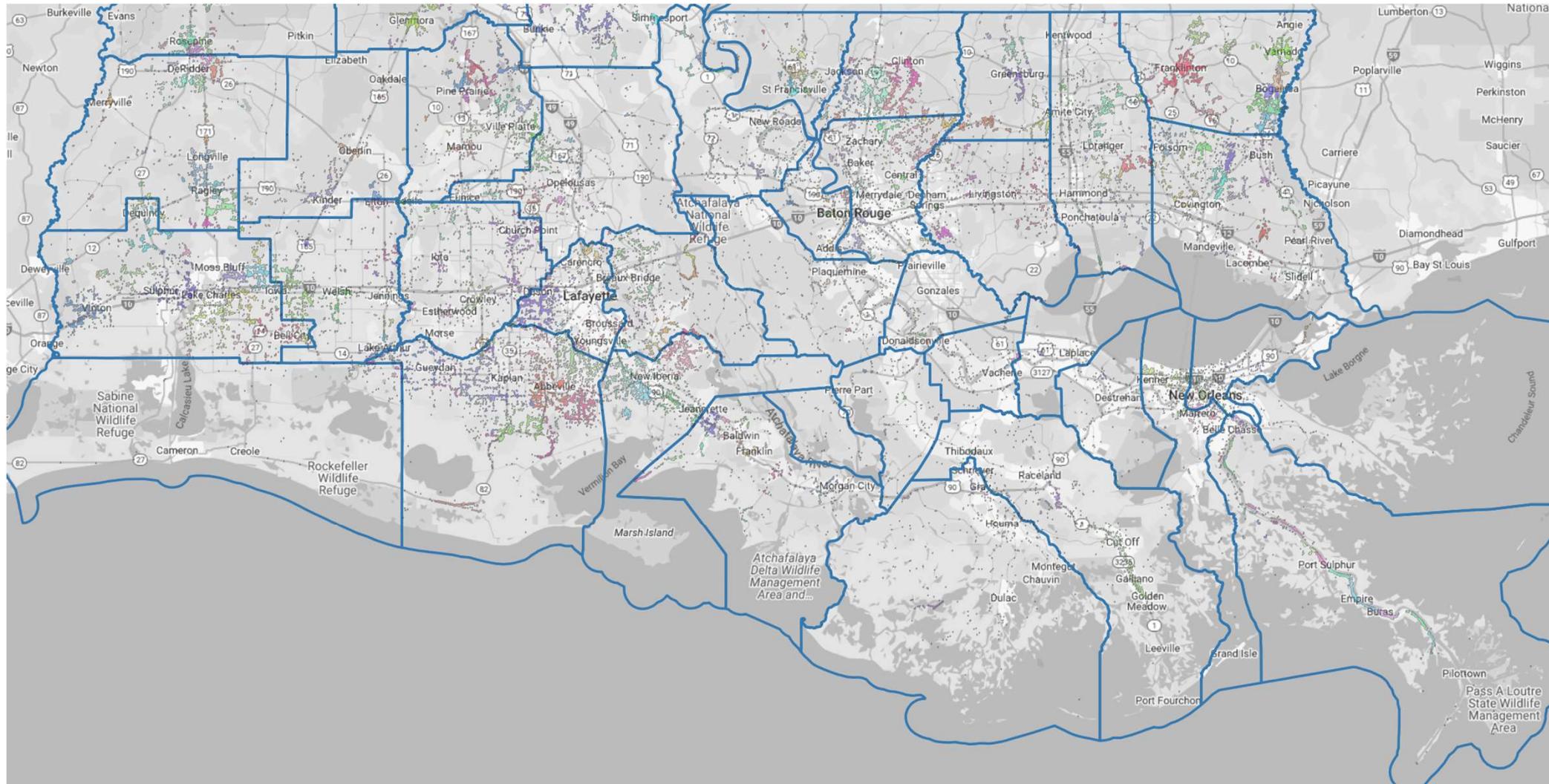
Count:	1853
• BSLs <10	981 (53%)
• BSLs >=10, <100	484 (26%)
• BSLs >=100, <200	174 (9%)
• BSLs >=200aa	214 (12%)
Avg BSLs per SPA:	75



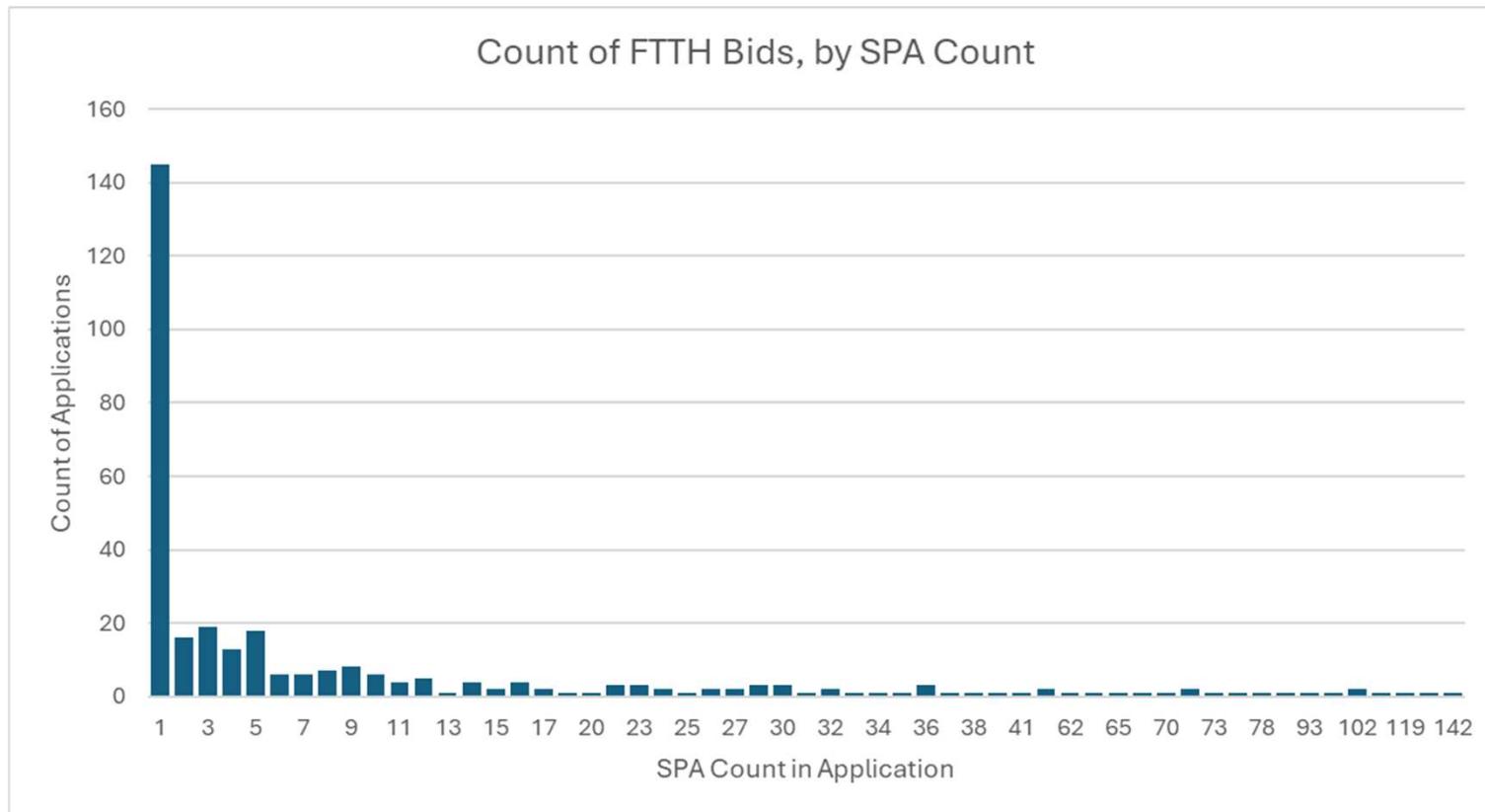
North Louisiana SPAs



South Louisiana SPAs



Round 1 Demand Profile: Very High FTTH Competition



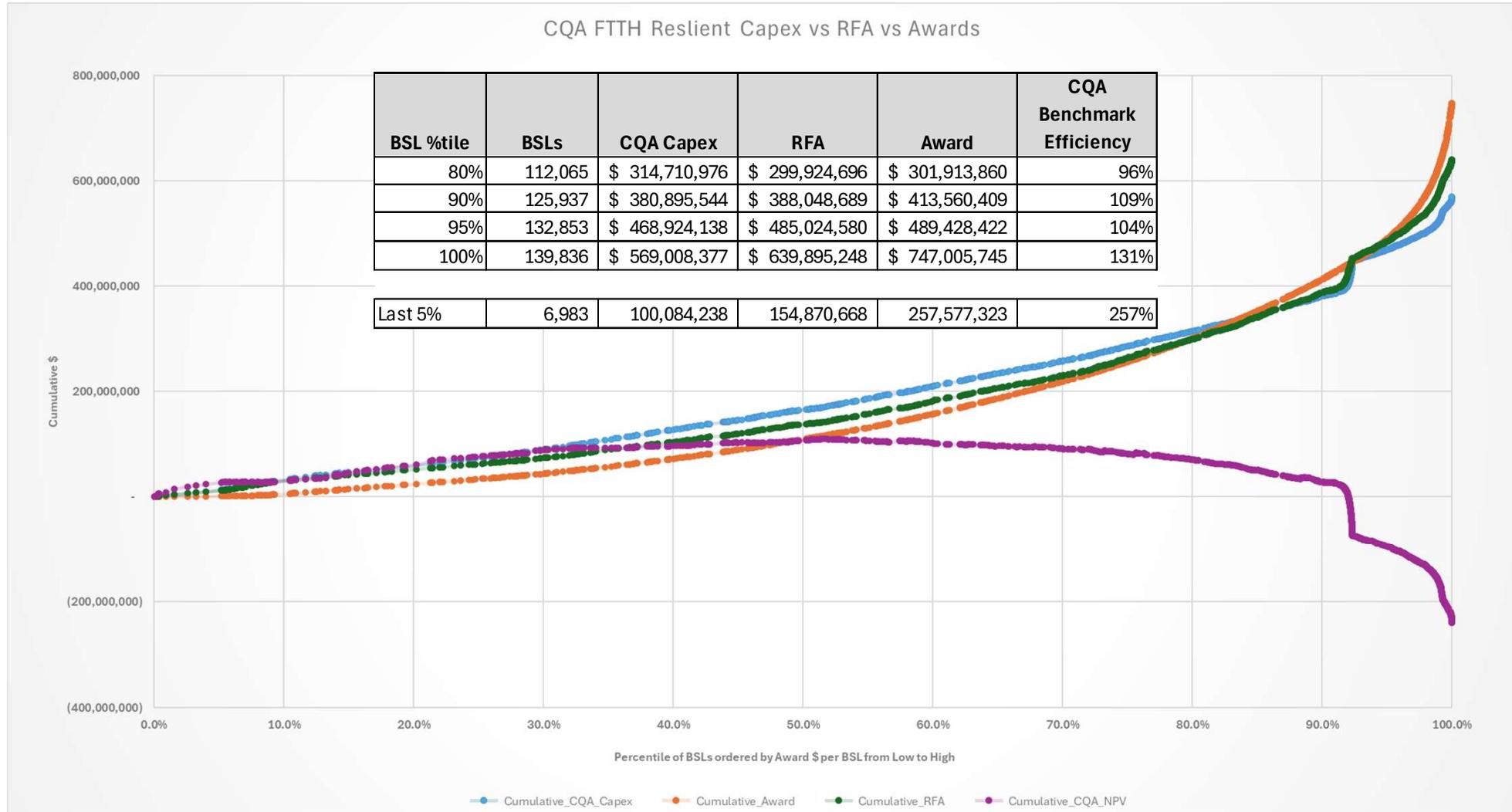
	BSL	SPA Count	RFA Sum	RFA/BSL
TOTAL	139,836	1,853	639,895,248	4,576
NO BID	1,871	258	36,142,292	19,317
	1.3%	13.9%	5.6%	
NonFiber	1,474	127	20,790,363	14,105
	1.1%	6.9%	3.2%	
Fiber	136,491	1,468	582,962,593	4,271
	97.6%	79.2%	91.1%	

FTTH only Bids				
Number of applications for a given SPA	SPACount	SPA %	TotalBSLs	BSL %
1	298	16%	5,717	4%
2	496	27%	22,854	16%
3	396	21%	33,922	24%
4	171	9%	37,204	27%
5	77	4%	26,446	19%
6	24	1%	9,152	7%
7	4	0%	709	1%
8	2	0%	487	0%

2. Public Funding Benchmarks

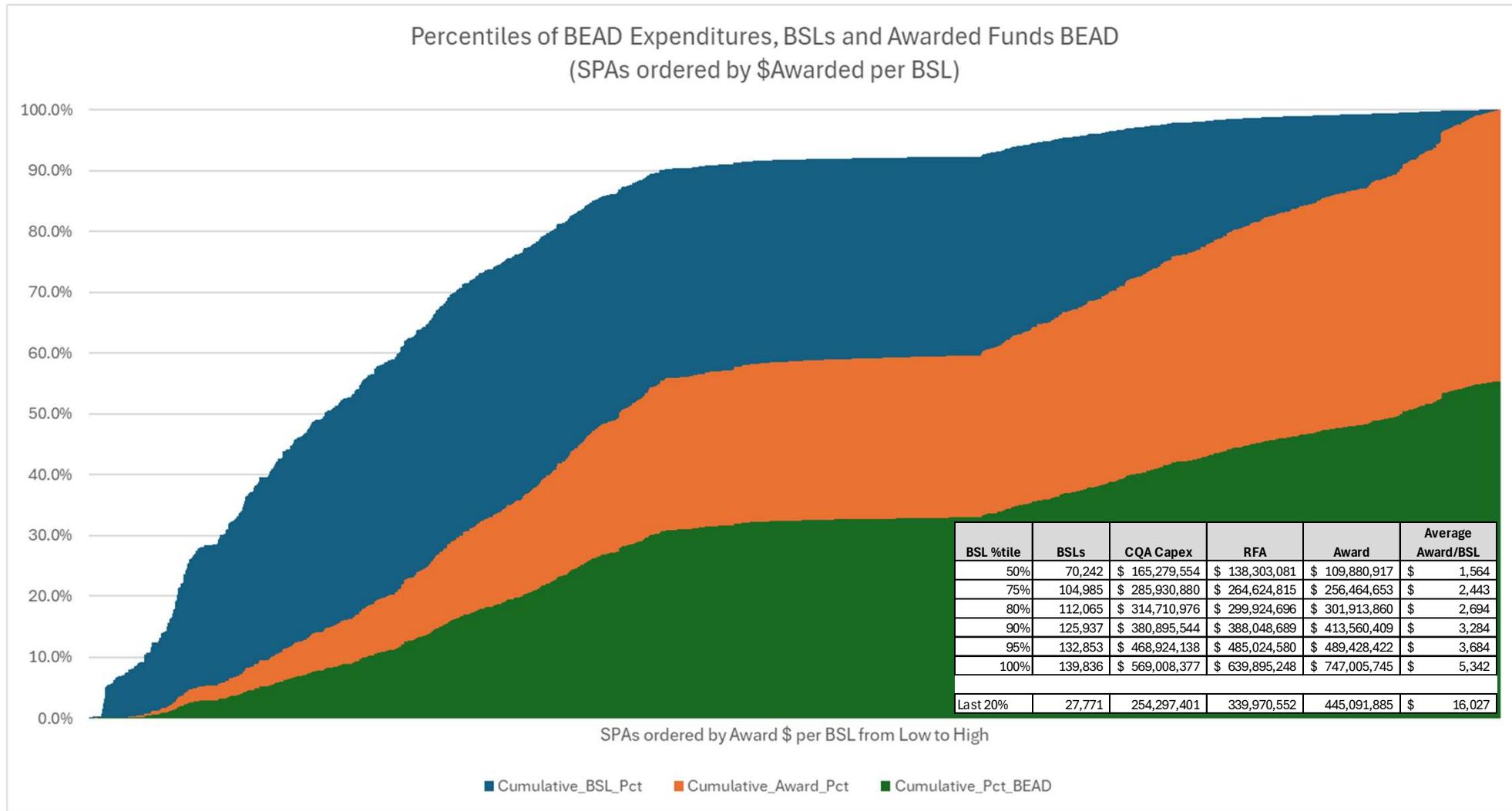
Based on CostQuest Data

“Following the Cost Curve”

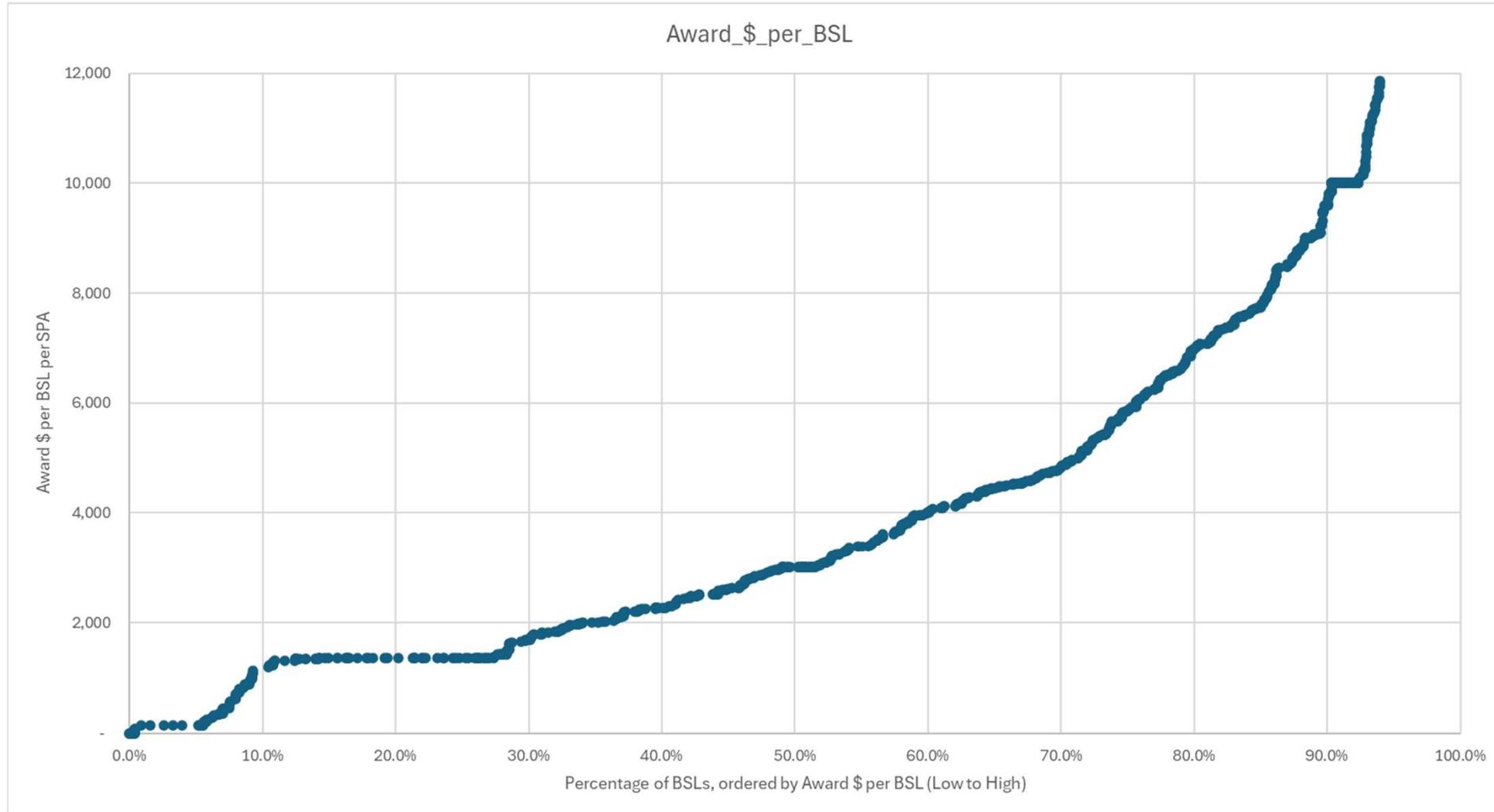


The Benefit of Following the Curve:

90% of BSLs Reached with FTTH for 30% of Total BEAD Allocation



Award \$ per BSL per SPA



Average Award \$ per BSL

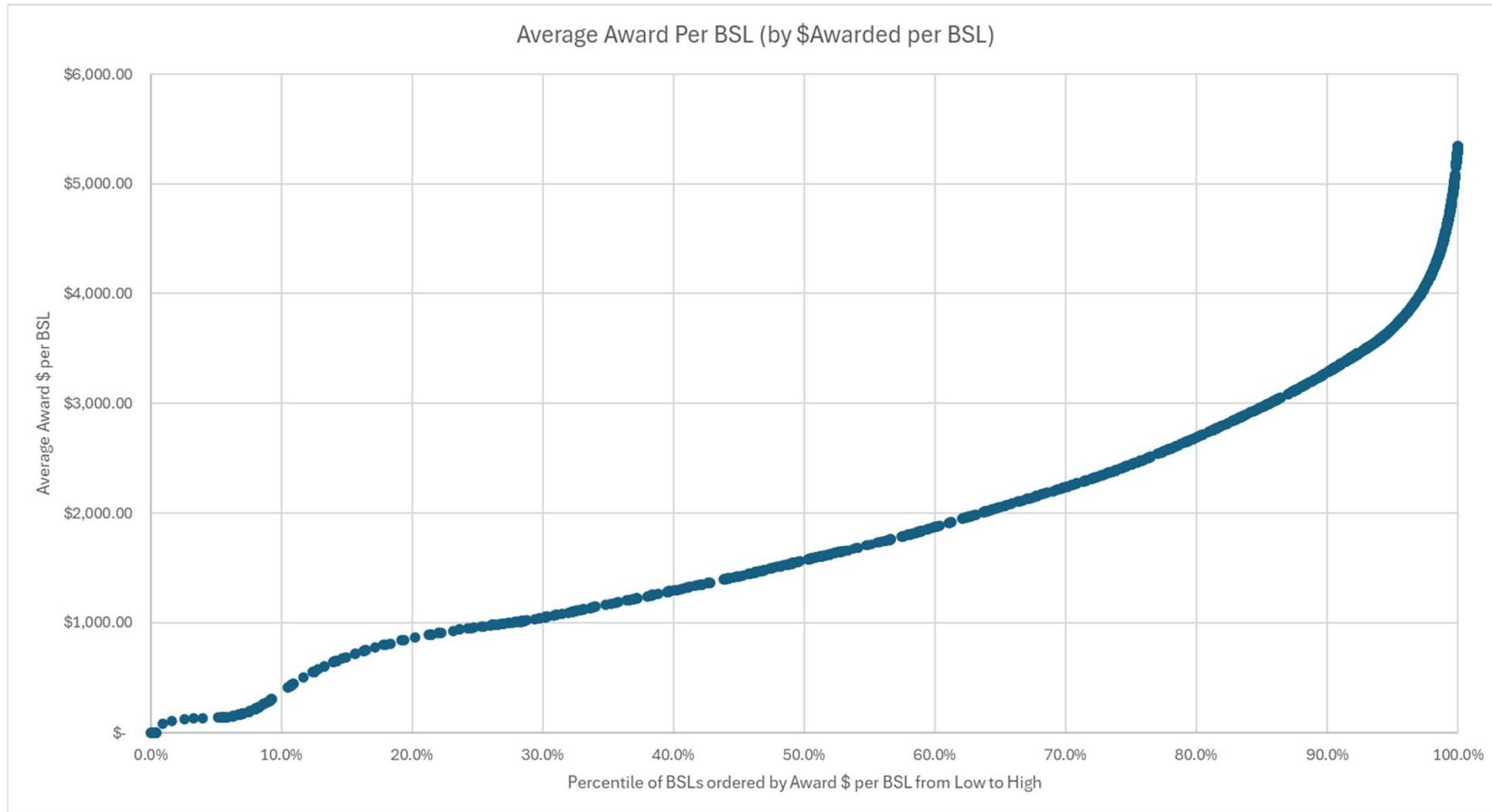
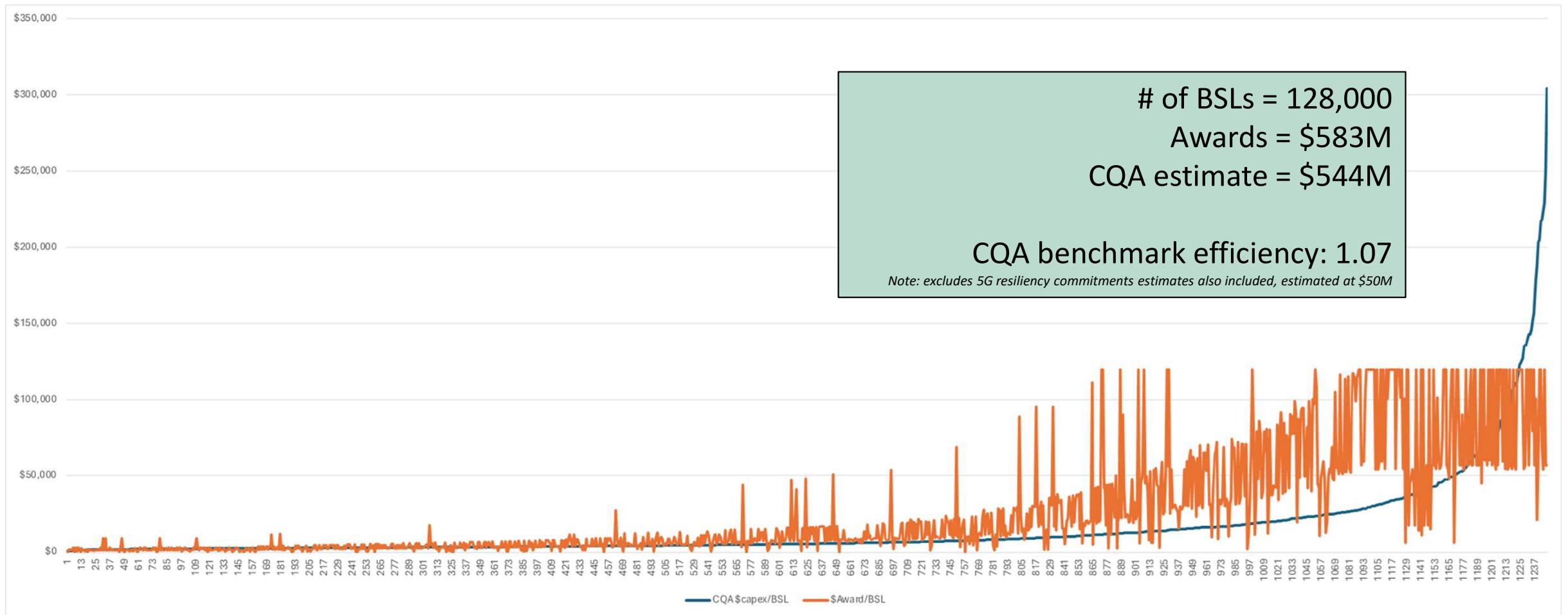
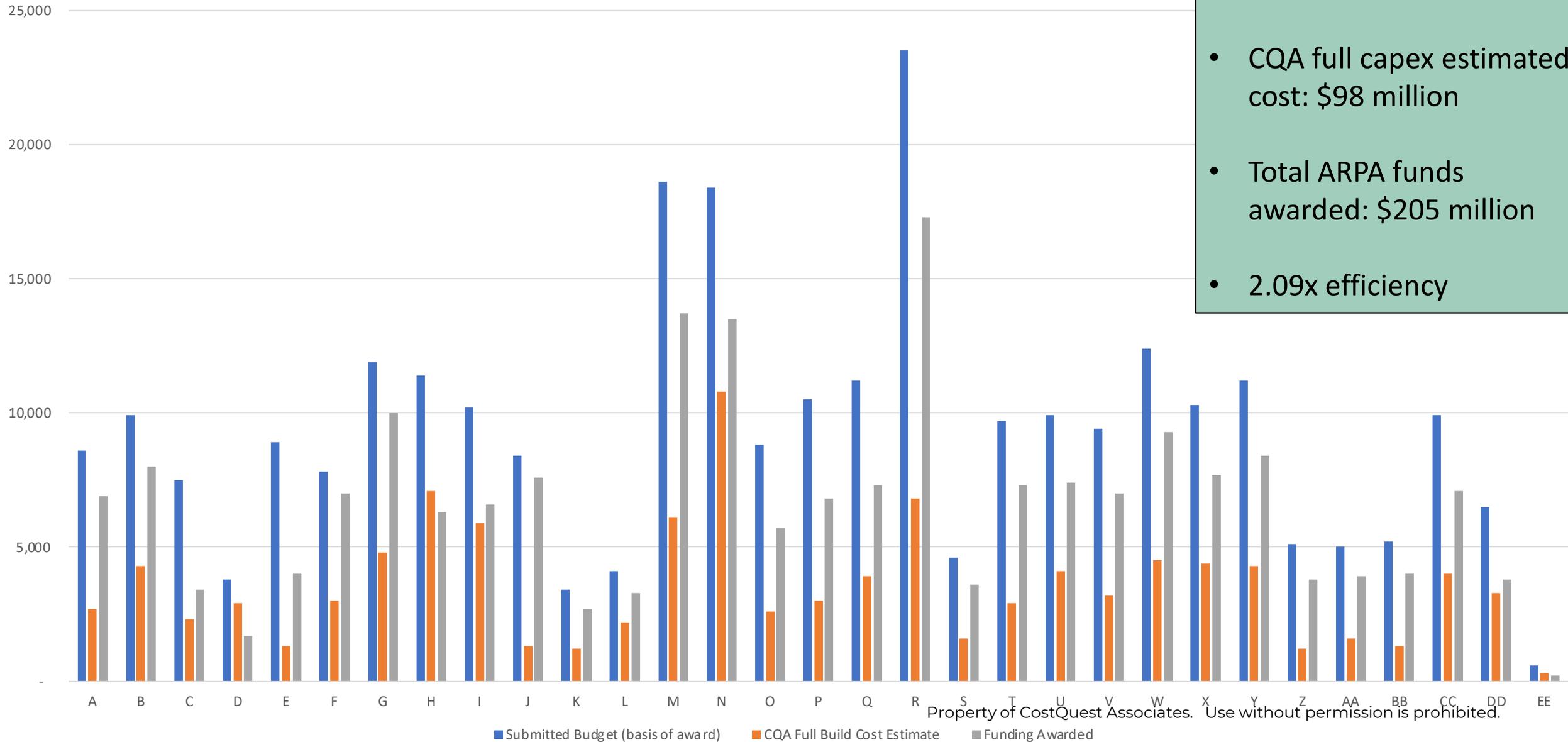


Illustration: Impact of RFA-Based Bid Anchoring (selections through Round 2)



Contrast: State "A" ARPA vs CQA Build Cost Estimates

State #2: Submitted Budgets vs CQA Full Build Cost Estimates vs Funding Awards



- CQA full capex estimated cost: \$98 million
- Total ARPA funds awarded: \$205 million
- 2.09x efficiency

3. Impact of “Second Bidding Round”

Comparing Bids received in Round 1 to Round 2

- 345 Bids
 - 98% of BSLs received a fiber bid in Round 1
- Average Application RFA % request
 - Round 1: 142.7%
 - Round 2: 115.6% (19% reduction)
- Average Application Funding Request
 - Round 1: \$9,026,453
 - Round 2: \$7,986,164 (11.5% reduction)

Comparing Bids received in Round 1 to Round 2

- If we stopped at Round 1 (no conflicts)
 - 101,330 BSLs
 - \$456,153,490 Funding
 - 96 Applications
- After round 2 (no conflicts and no separable SPAs)
 - 101,430 BSLs
 - \$418,861,320 Funding (8.3% reduction achieved)
 - 111 Applications (92 from the 96 in Round 1)
 - The 111 had a Funding request of \$466,813,400 in Round 1 (10.3% reduction)
 - Of the 4 that were potentially Round 1 winners and lost out in Round 2, their funding request only dropped by 2.2%

5. Top 6 Organizations

Louisiana Local Fiber Consortium

BSLs:

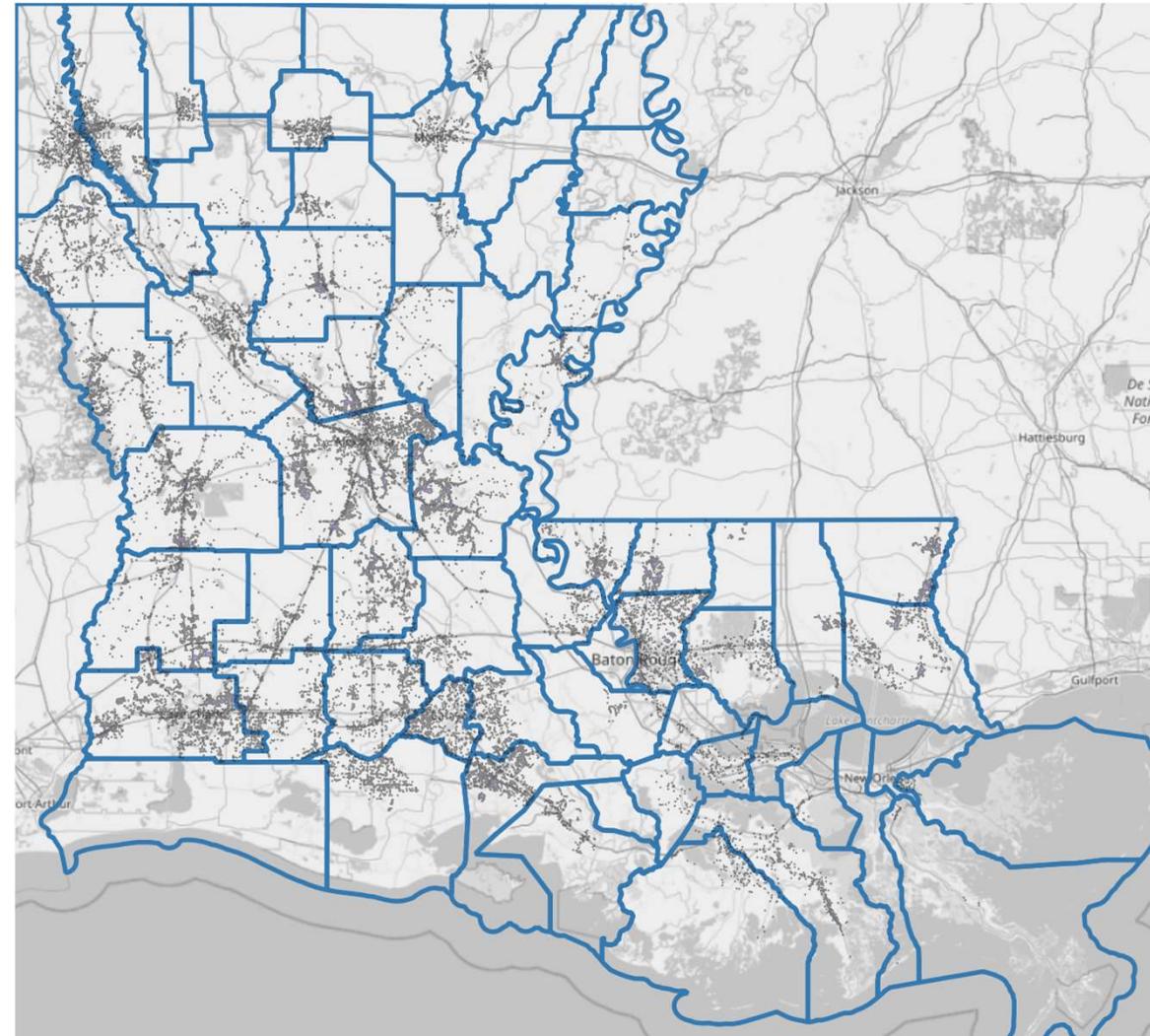
- 76,817

Funding:

- \$450,485,406

Funding per BSL:

- \$5,864



BSLs:

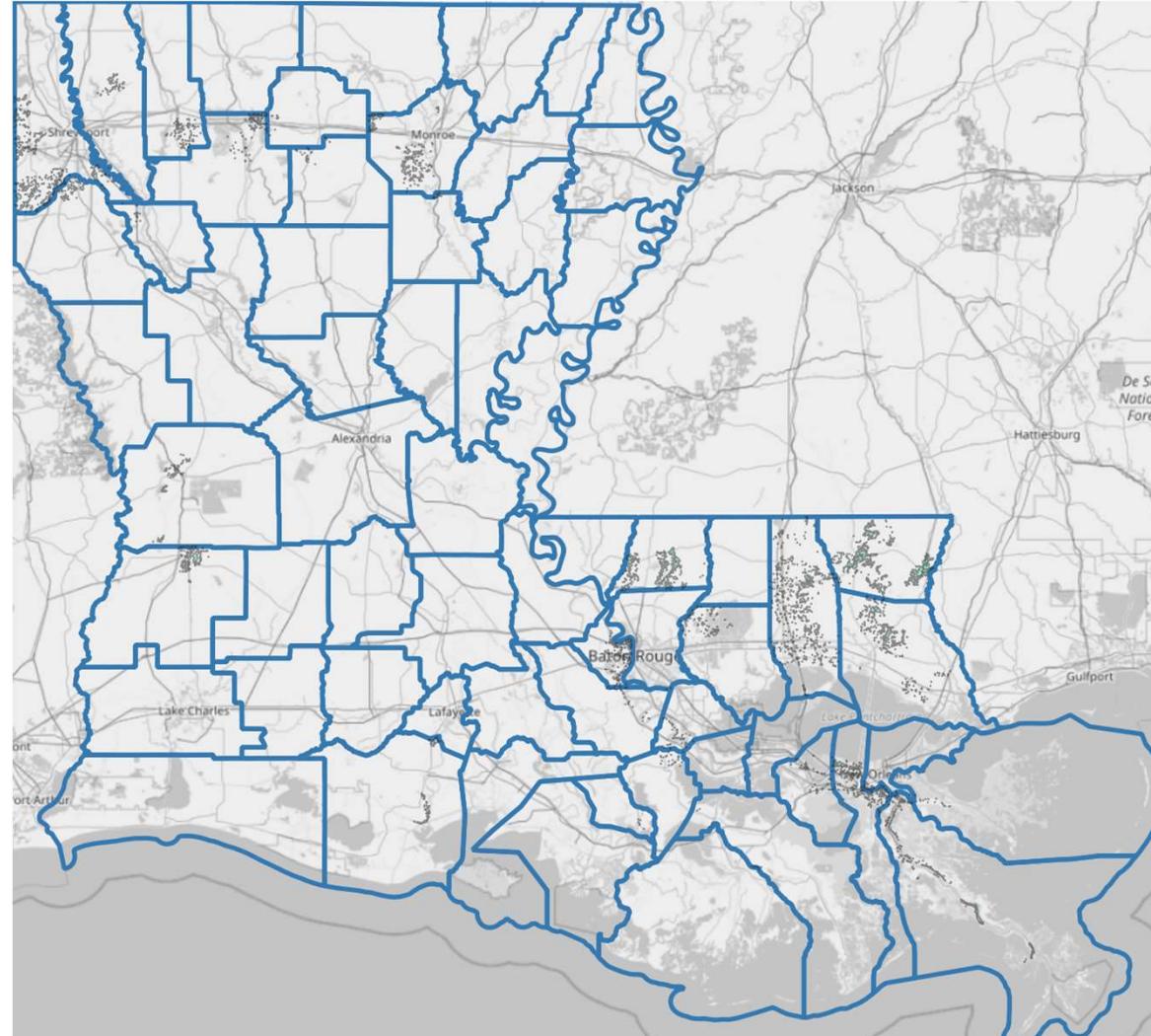
- 20,073

Funding:

- \$54,943,186

Funding per BSL:

- \$2,737



BSLs:

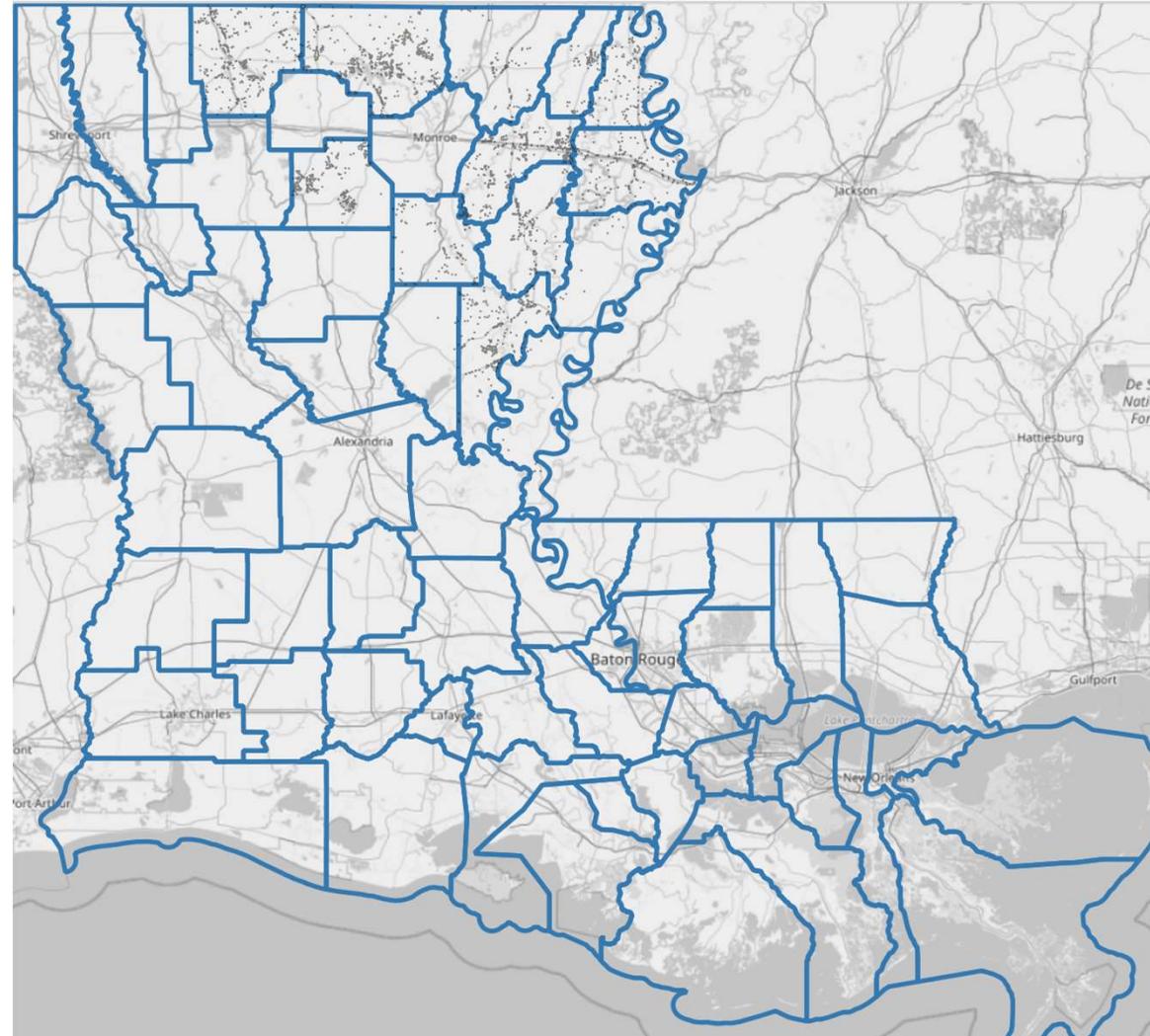
- 8,489

Funding:

- \$65,902,273

Funding per BSL:

- \$7,763



BSLs:

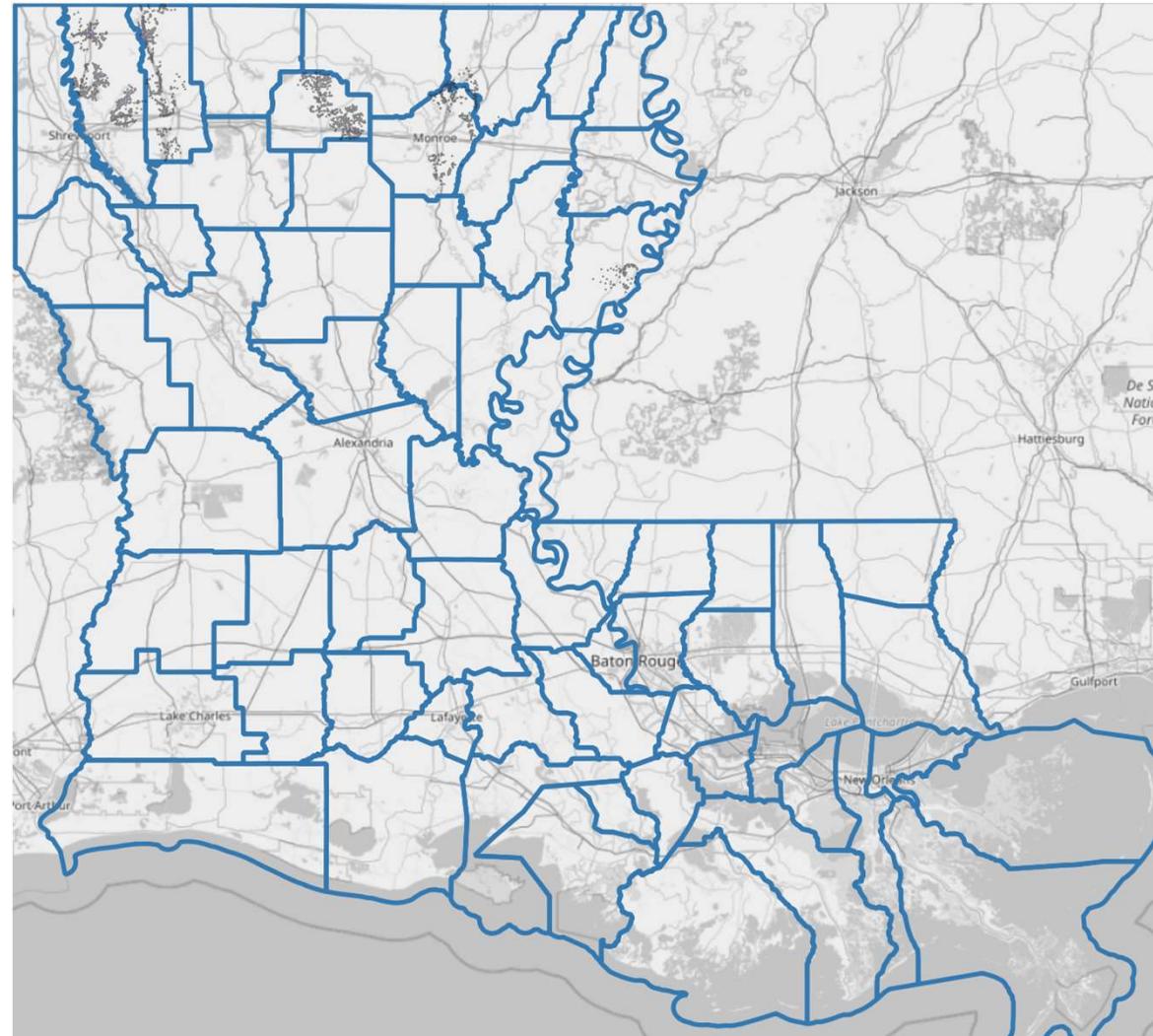
- 7,356

Funding:

- \$34,545,962

Funding per BSL:

- \$4,696



BSLs:

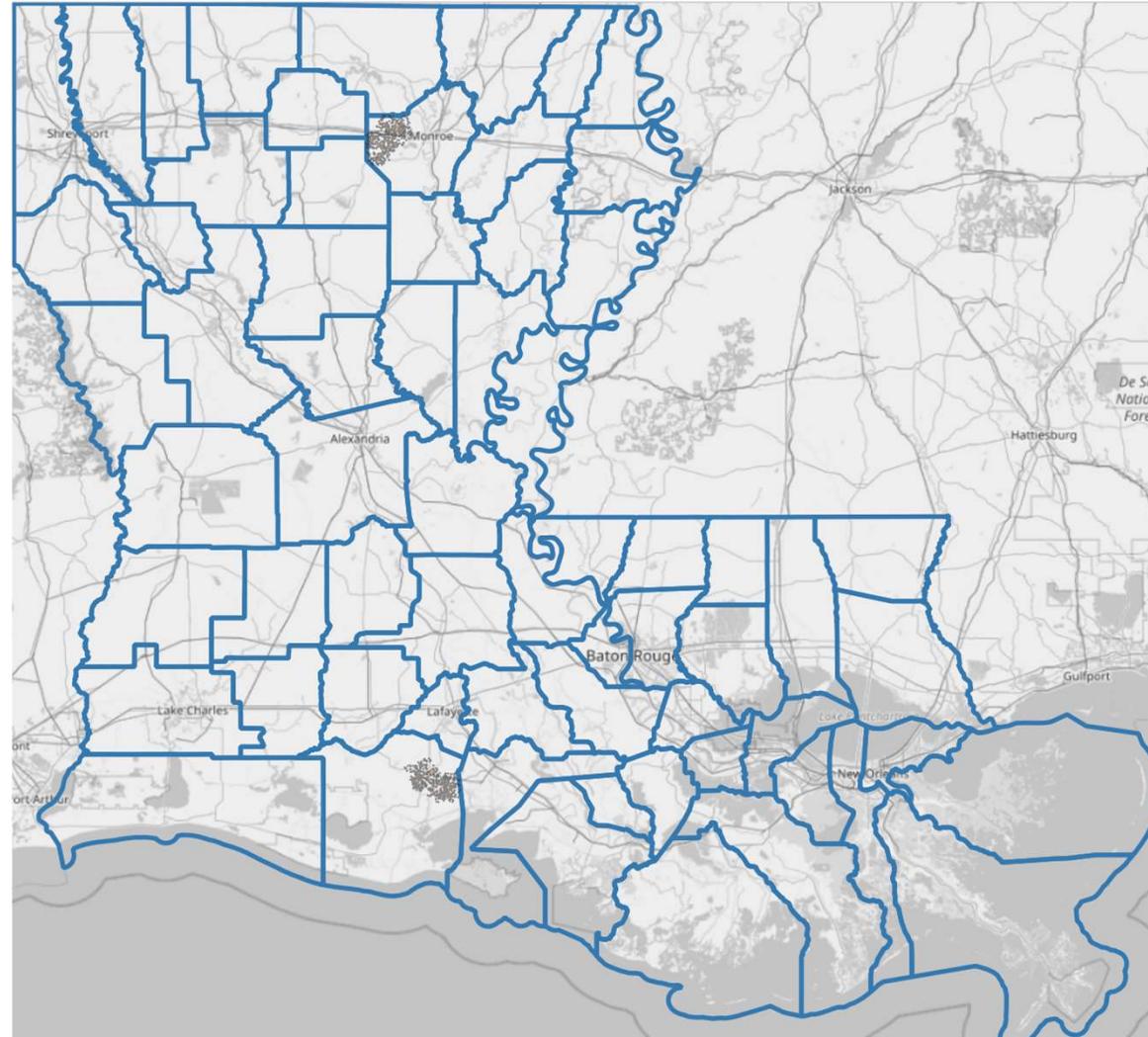
- 4,758

Funding:

- \$6,773,005

Funding per BSL:

- \$1,423



Cajun Broadband

BSLs:

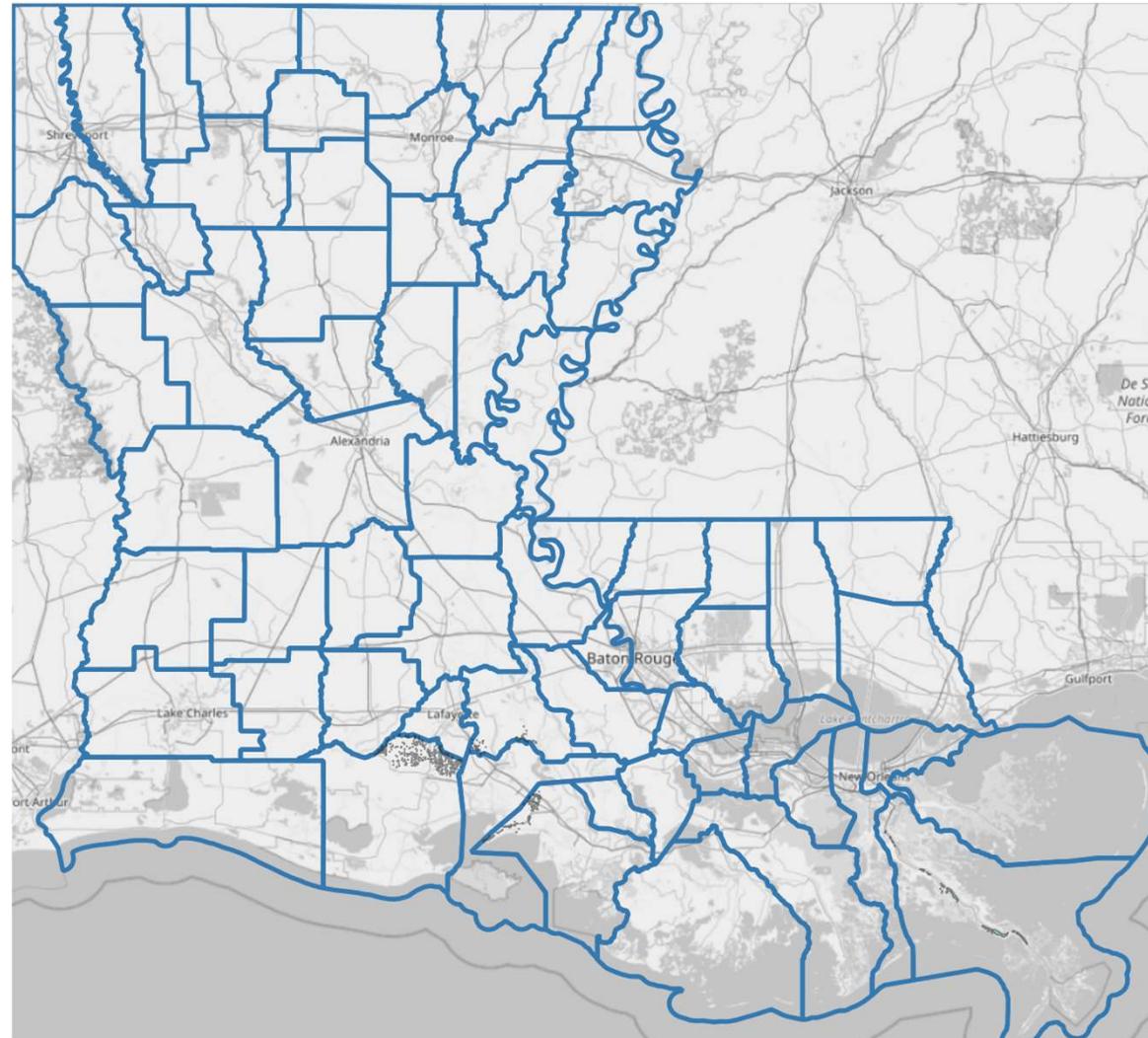
- 4,667

Funding:

- \$26,720,564

Funding per BSL:

- \$5,725



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