

CoreConnect: Northwest Pennsylvania Open Access Broadband Network Request for Information

Issue Date: 9/30/2024

Response Due Date: 10/22/2024

To: Experienced Open Access Fiber Network Operators interested in working in Pennsylvania on a \$300-400M open access network with 60,000-90,000 passings.

1. Project Introduction

CoreConnect is a collaboration across Cameron, Clarion, Crawford, Erie, Forest, Lawrence, Venango, and Warren Counties (CoreConnect Counties of Pennsylvania, USA). It intends to deploy a regional Open Access Network (OAN), funded by BEAD subsidy from the Pennsylvania Broadband Development Authority (PBDA) and locally raised funds (likely tax-exempt bonds).

CoreConnect intends to build a network covering nearly all unserved and underserved Broadband Serviceable Locations (BSLs) initially in an eight-county region with a possibility of adding additional counties to address contiguity. Our preliminary design work, performed by consultant Design Nine, estimates between 60,000 and 90,000 passable locations (29,000+ of which will be eligible for the BEAD subsidy) across 5,000-8,000 miles at a cost between \$350-400 million across our potential footprint.

Central goals of this project are to ensure universal broadband availability in NW PA and to offer a Middle Class Affordability Plan of 1GB symmetrical residential service of approximately \$55-60/month (or as close as possible) inclusive of taxes and fees. Pricing tiers and bundled offerings above that are anticipated and allowable.

The purpose of this RFI is to:

- a. Identify viable partners for the development, deployment, and maintenance of fiber to the home (FTTH) infrastructure.
- b. Identify viable candidates for the operations of an OAN used by multiple ISPs.
- c. Gather information on business models that can provide long-term reliable, affordable, and high-speed internet access to residents and businesses.
- d. Ensure a partner who can round out our team for the submission of a BEAD application - including bringing engineering expertise, construction and retail ISP partners, ability to demonstrate financial stability, technical/managerial experience for application development.

- e. Selection of an operating partner who will bring confidence to bond markets for required tax-exempt bond issuances for project match.

CoreConnect is working to create a 501(c)3 to be the underlying asset owner and to facilitate the funding. It is anticipated that the 501(c)3 will issue approximately \$150M in tax-exempt debt via a conduit issuer as a match for the project funding. The remaining balance of approximately \$200M will come from BEAD funding. The BEAD funding is central to the financial viability of this project.

2. The Partner Opportunity

CoreConnect is seeking a network operating partner to help with that application and, if successful, the subsequent buildout and operation of the open access network. Core Connect is seeking information from qualified Network Operators who can

- A) meet PDBA BEAD [grant requirements](#)¹,
- B) develop, deploy, and operate high-speed fiber infrastructure, and
- C) manage an OAN in Northwest Pennsylvania.

This RFI aims to help CoreConnect identify premiere candidates able and interested in bringing FTTH to underserved, unserved, and Community Anchor Institutions (CAI) in Northwestern PA. Such a partner will need to bring the technical, operational, and management expertise necessary to execute this project. This partner will also reassure both bond-holders and the PBDA of this project's ultimate success.

CoreConnect anticipates the partner being actively involved from selection in late October/early November through submission of a Round One BEAD application in mid/late-December, in network design, providing input in developing the project pro forma, engineering certifications, and in ensuring that application criteria are met, including qualified construction partners, retail ISPs, letter of credit/surety bonds, and related requirements.

3. Information Requested

Please provide, as concisely as possible, answers to the questions below in whatever format is most efficient. Ensure that the reviewing committee can quickly and easily access the answers to your qualifications to best position CoreConnect to win the competitive BEAD application. Please highlight:

1. Your experience and qualifications in operating open access networks;
2. The construction partners and retail ISPs you can bring to the project;
3. How you would manage the network to be financially sustainable;
4. Your experience meeting take rate targets; and
5. The cost structure for your services.

Please clearly delineate your charges for services for building and operating the network. We need to calculate available revenues across servicing the debt service/capital expenses,

¹ <https://www.broadband.pa.gov/broadband-equity-access-and-deployment-bead-program/>

operational expenses, reserves, ISP margins and other expenses.

Your response to this RFI should incorporate the following elements in listed order:

a. Title Page

List the RFI subject, the name of the firm, address, primary contact, telephone number, and date of submission. Additionally, provide the name of an authorized decision maker for your firm, their title, and contact information.

b. Company/Organization Profile

Company overview, relevant experience, rural projects and case studies.

c. Qualifications

Provide a summary of the firm's qualifications and experience that has prepared it to build and manage a network across multiple counties in NW Pennsylvania.

d. Technology and Infrastructure Solutions

- i. Expertise designing and constructing FTTH networks, municipal outreach & relations, permitting, managing and operating broadband networks, maintenance, and capital improvements.
- ii. Contractors or partners you would engage for construction, with an emphasis on their qualifications and experience.
- iii. Challenges in meeting the PBDA BEAD Guidelines.² Example topics include, but are not limited to: using local union labor, prevailing wage, local workforce development, affordability, or overbuild prohibitions.

e. Financial and Operational Considerations

- i. Ability to assist and/or secure Letters of Credit or other financial assurances necessary for the project, or for a partner (e.g., construction firm) to so provide.
- ii. Provide your management fees or premiums associated with the project.
- iii. Outline the financial requirements and strategies for debt repayment associated with the project.
- iv. Provide high-level input on your expected break-even costs on the project; include key assumptions and variables, maintenance, and repairs.
- v. Define your business goals and forecasts for ten and twenty year partnership agreements.
- vi. Describe how you plan to manage data privacy, and monitor/audit for emerging threats.

² https://www.broadband.pa.gov/wp-content/uploads/2024/09/BEAD_Guidelines_2024.pdf (PDF)

f. **Partnership and ISP Collaboration**

- i. List the retail ISPs you may potentially bring to this network and your approach to division of marketing responsibilities for increasing take rates
- ii. Specify the duration of your commitment to the project, including any long-term operational or support roles.

4. **Submission Instructions**

a. **Format**

Responses should be submitted via email in PDF format.

b. **Deadline**

All responses must be submitted by 8 PM EST on October 22, 2024. This deadline is designed to be as late as possible to allow applicants as much time as possible for thoughtful replies, while recognizing that PA's BEAD first round application is likely to open on Monday October 21, 2024 and close 60 days later, or in mid-December 2024. As such, selection of a partner is critical and time-limited.

c. **Submission Address**

Please send responses to submit@coreconnect.io

d. **Questions**

Any questions regarding this RFI should be directed via email to: submit@coreconnect.io

5. **Review Process**

This RFI is for information-gathering purposes only and submission does not guarantee an award. CoreConnect reserves the right to request additional information or clarification from respondents. All submissions will be reviewed immediately and applicants can expect to hear within a week for further information and/or next steps.

6. **Confidentiality**

All submissions will be treated as confidential, used solely for the purpose of this RFI, and not be publicly disclosed unless required by law.

7. **Disclaimers**

- a. This RFI is not a commitment to enter into any contractual agreement.
- b. CoreConnect is not responsible for any costs incurred by respondents in the preparation or submission of their responses.
- c. The issuance of this RFI does not obligate the CoreConnect to proceed with any project or procurement.
- d. Final partners will be expected to provide all necessary application information, including stamped engineering drawings of networks and diagrams, to facilitate the submission of a BEAD grant proposal on or before December 13, 2024. Selection by CoreConnect does not guarantee a contract. Funding is contingent upon a full BEAD award by the PBDA across all expected project areas. Expenses incurred during this application process cannot be recovered.