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Orrick Advises on First of a Kind Statewide Telecommunications Network in Kentucky.

Orrick, Herrington & Sutcliffe LLP represented KentuckyWired Operations Company, LLC, indirectly owned by Macquarie Infrastructure Developments, LLC, First Solutions LLC and Ledcor US Ventures Inc., as bond counsel in the US\$300 million financing of a high-speed, open access, middle-mile fiber optic network with excess capacity with the Commonwealth of Kentucky. The project, which is expected to be completed in 2018, will add over 3,200 miles of fiber optic cable statewide.

Kentucky currently ranks 46th in the U.S. in terms of broadband availability, and approximately 23% of the state's population (mostly located in rural areas) has no broadband access at all. The statewide fiber optic network will make high-speed internet accessible throughout Kentucky's 120 counties by 2018, including 1,098 government and public facilities such as academic institutions, public libraries and governmental agencies, with the excess capacity to be made available through wholesale access to local Internet service providers who can extend fiber to homes and businesses. The project is a first of its kind in the U.S. in that it involves an underground fiber optic cable for part of the system, and was financed using a unique tax exempt structure that was designed by Orrick's Tax Group. In particular, the structure eased regulatory hurdles which enabled a statewide project to be completed in a short time frame.

"We are thrilled to handle such a unique and groundbreaking transaction," said Dan Mathews, partner and co-Head of Orrick's Energy & Infrastructure Group, who led the infrastructure team. "This project is expected to significantly improve Kentucky's education, health access and economy through increased connectivity to high speed internet, and we hope it will set precedent for improvement of telecommunications networks in additional states."

"This deal was successful due to the cross-practice support of our Tax, Energy & Infrastructure and Public Finance Groups," said Chas Cardall, partner and Chair of Orrick's Tax Group and a member of the Public Finance group, who led the tax aspects of the transaction. "We were able to leverage the expertise of our lawyers in each of these areas to create a unique tax exempt structure, which was a key aspect of the transaction."

In addition to Dan and Chas, the team was comprised of Ken Schuhmacher, Susan Long, Benjamin Bass and Walter Alarkon of the Energy & Infrastructure Group, Sarah Rackoff, Marc Bauer and Jennifer Grew of the Public Finance Group and Greg Riddle, Wolfram Pohl, George Wolf and Ashley Rodriguez of the Tax Group.

About Orrick

Orrick is a leading global law firm focused on counseling companies in the Energy & Infrastructure, Finance and Tech sectors. The firm's client work is divided equally between transactional advice and litigation. Law360 recognizes Orrick among the "Global 20" law firms and named the firm a "Technology Practice Group of the Year" in 2014. The firm's platform includes offices across the US and in the UK, France, Switzerland, Germany, Italy, Belgium, Russia, China and Japan. The firm also

has an affiliated office in Abidjan, Cote d'Ivoire. Financial Times consistently recognizes Orrick among the 10 most innovative North American firms, and BTI Consulting recently named Orrick to its Client Service All Star List.

Contact

For more information, please contact us by e-mail pr@orrick.com or by phone: Ashley Laputka at (415) 773-5725 in San Francisco or Adi Weisman at (212) 506-5122 in New York.

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