

April 1, 2024

Dear FBA Members,

We exit the first quarter in anticipation that 2024 will mark the beginning of the fiber broadband investment cycle accelerated by the Infrastructure Investment and Jobs Act (IIJA) signed into law by President Biden on November 15, 2021. Our research studies indicate that the network operator inventory draw down issues that impacted fiber and fiber equipment suppliers in 2023 are beginning to normalize and, while 2023 was still a record year for fiber expansion, we see 2024 as the inflection point for our industry.

As previously reported, the Department of Commerce's National Telecommunications and Information Administration (NTIA) approved Louisiana's Initial Proposal on December 17, 2023, and the state has received its \$1.36B allocation of the Broadband Equity, Access, and Deployment (BEAD) infrastructure funding. While it was anticipated that Virginia's Initial Proposal would receive approval in Q1, along with several others, those approvals remain pending. Unfortunately, NTIA has yet to approve Initial Proposals from any other state or territory and we remain cautious in our expectations of the NTIA's BEAD projects but do expect to see movement in Q2. Currently, there are 28 states and territories that have completed nine of ten required phases for funding to be released. We will note this is a unique undertaking and there is a big onus on states to get it right and know that they are working diligently to do so. Despite this slowdown, all indicators are that 2024 will set a record in fiber deployment with the CapEx investment and funding programs provided by other federal programs including the American Rescue Plan Act (ARPA), Department of Treasury's \$10B Coronavirus Capital Projects Fund (CPR), the FCC Rural Digital Opportunity Fund (RDOF), U.S. Department of Agriculture's RUS Reconnect Fund, and state funding programs, in addition to private investment.

The Fiber Broadband Association has continued to gain momentum in 1Q24. The Association ended February favorable to budget on revenue and expenses, resulting net income 6% favorable to budget. The Association's favorable financials are a result of the strong growth from membership revenue, coming in 31% favorable to budget, and the strength of our Regional Fiber Connect event in Richmond, VA that brought in a record crowd of 375 registrants. To enable us to continue to operate at peak efficiency, the FBA increased headcount with the additions of Danielle Lawrence, Team Executive Administrative Assistant, and Kristin Cabina, Platform Administrator. We are excited to add these talented professionals to our team.

The value we bring to our industry is reflected in the membership growth we've seen over the past two years and during the first quarter of 2024. If we are judged by the company we keep, I'm pleased to share that we've added 39 net new member companies since our Premier Members meeting in December. We now have over 500 member companies, with 47% of our membership representing network operators. I am also pleased that we also have 29 Native American Tribes as members as our Tribal Broadband working group continues to grow.

FBA's policy team has been extremely active during the quarter. The U.S. Department of Commerce recently released the five-year Build America Buy America (BABA) Waiver. FBA worked closely with NTIA and the feedback from our membership is that the final waiver is something they can all work within the parameters of. We continue to engage with NTIA related to reporting requirements. The BABA waiver is broken down into five sections as follows:

- Construction Materials
 - All optic glass, from initial batching and melting of raw materials through annealing, cooling, and cutting, must be manufactured in US.
 - All fiber optic cable (including drop cable) must be manufactured in the US -- from the initial ribboning (if applicable), through buffering, fiber stranding and jacketing.
- Manufactured Products: Electronics
 - OLTs, rOLTs, OLT line cards, Optic Pluggables, and Standalone ONTs and ONUs must be manufactured in the US.
 - For these four categories of electronics, DOC waives the 55 percent cost of components requirement.
- Manufactured Products: Enclosures
 - DOC declines to waive the 55 percent cost of components requirement for cabinets, Vaults, Pedestals, and closures and terminals.
- Manufactured Products: Passive Optical Equipment
 - DOC waives the Buy America Preference for passive optical equipment.
- Manufactured Products: Other Network Equipment
 - The application of the *de minimis* waiver is applied to other network equipment (*e.g.*, conduit, mounting brackets, patch panels).
- Manufactured Products: Iron and Steel Products
 - DOC does not waive the Buy America Preference for any other iron or steel products used for BEAD-funded broadband infrastructure projects, including radio towers used in terrestrial fixed wireless deployments.
 - DOC expects the DOC *de minimis* waiver will be sufficient for most projects.

FBA's chief regulatory counsel and general counsel, Tom Cohen provided a comprehensive walk through on the BABA Waiver to a record audience on Fiber for Breakfast on February 28. If you missed it, you can watch the replay (<https://fiberbroadband.org/resources/fiber-for-breakfast-2024-week-9-ntia-build-america-buy-america-baba-final-waiver-what-you-really-need-to-know/>).

The FBA policy team, led by Marissa Mitrovich, Vice President of Public Policy, was also very focused on advocating for Congress to continue to fund the FCC's bipartisan Affordable Connectivity Program (ACP). Over 23M low-income Americans families are currently subscribed to this affordable broadband subsidy, but funding runs out in April. The Affordable Connectivity Program Extension, a bipartisan, bicameral bill has been introduced by Senators Peter Welch (VT), Vance (OH), Rosen (NV), and Cramer (ND) and Representatives Clarke (NY-09) and Fitzpatrick (PA-01), would appropriate an additional \$7B to keep the ACP funded through 2024. Unfortunately, with the government budget and funding issues, we anticipate that ACP will conclude in April before Congress can appropriate additional funding.

Our advocacy efforts continue with our second annual "Fiber Day on the Hill" on Thursday, April 11 in the Rayburn building. We are excited to announce that our Honorary co-chairs are Representatives Annie Kuster (NH-02) and Troy Balderson (OH-12) and Senators Peter Welch (VT) and Roger Marshall (KS). Last year we had over 250 congressional offices represented, as well as, the FCC, NTIA, Treasury, and the Administration during our inaugural "Fiber Day on the Hill." This event has proven effective in helping to educate policymakers on how imperative fiber is to build our nation's critical broadband infrastructure.

As our industry grows and evolves, the FBA continues to put a hard focus on research and issued the following studies and whitepapers during the quarter:

- *"Fiber Installation Constraints Study"* (FBA/RVA) February 2024 is a survey of 238 small to mid-sized network operators on the current concerns and challenges they face.
- *"Fiber Broadband Scalability and Longevity"* whitepaper (FBA Technology Committee) February 2024 finds that fiber has no known expiration date.
- *"Fiber Deployment Annual Cost Study"* (FBA/Cartesian) February 2024 finds that costs for aerial deployments range from \$4 to \$9 per foot and buried costs are ranging from \$11.30 to \$24.13 per foot. This report includes detailed fiber deployment cost elements.

- *“FTTH Panorama for Latin America”* (FBA/SMC+) December 2023 finds that FTTH broadband subscriptions in LATAM will go from 111M in 2022 to 134M in 2027, increasing from 51% to 69% coverage.

I’m excited to share that registration is now open for FBA’s annual Fiber Connect 2024 conference in Nashville, Tennessee, from July 28 to July 31, and we anticipate another record turnout. The exhibit hall sold out nearly a year in advance. The focus at Fiber Connect 2024 is “Accelerating Our Fiber Future” and we have an amazing agenda planned that has something for everyone within the fiber broadband ecosystem with new content programs, expanded networking opportunities, and a fresh take on some of more traditional activities. We continue to take this event to the next level as Fiber Connect has become the premier Fiber Broadband event in the world.

Our highly successful Regional Fiber Connect Workshops kicked off on February 8, in Richmond, Virginia with the largest audience to date and the most network operators in the room. We had a strong line up of speakers including Joey Wender, Director of the \$10B US Treasury Capital Project Fund, Ajit Pai, former FCC Chairman, and Dr. Tamarah Holmes, Virginia State Broadband Director. However, Dr. Karen Rheuban, Medical Director, Office of Telemedicine, Center for Telehealth, University of Virginia stole the show as she enlightened us on the advancement of positive health outcomes with Telemedicine. Our next regional event will be in Little Rock, AR on Tuesday, April 16. Registration for Little Rock is outpacing all our past regional events and the success of these events continues to grow. After Little Rock, we will be in Deer Valley, UT, in June; Des Moines, IA, in September; and Albuquerque, NM, in November. We have also added our first Canadian regional workshop in Alberta on October 9. Unlike our large Fiber Connect annual conference, Regional Fiber Connect attendees are generally not familiar with FBA, and it is their first FBA event. This provides a great opportunity for FBA and our sponsors to engage with these attendees who are seeking to learn about fiber broadband and how to connect with their communities.

Our LATAM Chapter will be holding the first of its three Fiber Connect LATAM conferences in Puerto Rico on April 9, followed by Peru in June, and Panama in October, and each event will be followed by two days of training and certification programs. Given the NTIA BEAD allocation and desperate need for fiber broadband infrastructure in Puerto Rico, we anticipate a very strong turnout.

I’m particularly proud of the work the team has done in creating the Fiber Forward magazine. Through it, we have been able to tell some of the amazing stories of our industry and the

people that are part of it. To expand this voice further, we've rebranded our weekly newsletter as Fiber Forward Weekly and extended the print magazine into a digital format within our website. We're taking it further in Q2 and Q3 with the announcement of the Fiber Forward AMPLIFY Awards that will be presented at Fiber Connect 2024.

As we close the first quarter, the following is our progress against our 1Q 2024 goals:

- ✓ Reorganize and staff the FBA team for continued growth
 - In January, the FBA executed a reorganization of staff to enable the team to continue to scale and serve our membership and mission. Two headcounts were added to the team.
- ✓ Prepare the Fiber Connect 2024 to be the largest and best Fiber Broadband event in the world.
 - The exhibit hall is sold out. Registration is now open. The agenda is nearly complete, and all preparations are in the final stages as we execute toward another record event.
- ✓ Continue to ramp and scale our OpTIC Path fiber technician training program nationwide.
 - During the quarter, we saw our 300th student graduate from our OpTIC Path training program and we anticipate reaching 1,085 graduates by year end. FBA continues to ramp the OpTIC Path training program to all 56 states and territories and is at 51% of its target for the year.
- ✓ Develop a Canadian presence.
 - FBA has scheduled a Regional Fiber Connect workshop in Alberta for October 9.
- ✓ Prepare for Fiber Day on the Hill on April 11.
 - FBA is well on track to execute a highly successful Fiber Day.
- ✓ Launch an advocacy campaign to encourage Congress to re-fund ACP.
 - FBA launched and executed a strong advocacy campaign, but Congress has yet to appropriate additional funding.
- ✓ Membership - grow Tribal members, unite the industry, invest in our volunteer leadership.


From the Office of the President & CEO

- We have added four Tribal members, and now have over 29 Tribes as FBA members.
- FBA has added 39 member companies in 1Q.
- FBA has added two new working groups.
 - Precision Ag Working Group – chaired by Jimmy Todd (Nex-Tech) and John Greene
 - Middle Mile Working Group – chaired by Sachin Gupta (CentraNet)

As we head into the second quarter, I am extremely excited about the number of key events and initiatives that FBA has underway. In April, we will be in Puerto Rico, on Capitol Hill in Washington DC, and in Little Rock, in addition to the numerous company and industry meeting and events that are scheduled. FBA is extremely fortunate to have a very strong working board of directors, led by our chairman Jimmy Todd, CEO, Nex-Tech, and vice chair Kimberly McKinnley, CMO, UTOPTIA Fiber. Jimmy is also leading our newly created Precision Ag working group, along with industry icon John Greene. Kim continues to co-chair FBA's Government Officials Roundtable. Our Treasurer, Sachin Gupta, Centrnet, was instrumental in getting our Tribal Broadband working group up and going and he is now focused on leading our newly created Middle Mile working group. Our Treasurer, Gregg Logan, Telapex/C-Spire and GM of Franklin Tel is leading our Finance and Audit Committee. Everyone on our board members is deeply engaged in the Association and leading key initiatives as we growth, shape and respond to the challenges and opportunities ahead. We are also incredibly fortunate to have tremendous volunteer leadership from our member companies, leading our 16 committees, working groups and roundtables as we work to develop and implement industry best practices to accelerate the deployment of fiber broadband. I also cannot be prouder of our exceptional full-time staff at FBA. They are all true professionals and completely dedicated to elevating the quality of life for generations to come that comes with the deployment of fiber. *When Fiber Leads, The Future Follows...*

As always, you can reach me 24/7 on my cell phone (listed below) or by email. If I or anyone on my staff can help you and your company accelerate the deployment of fiber, please do not hesitate to reach out.

Sincerely,



Gary Bolton
President and CEO



From the Office of the President & CEO

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