

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

H

1

HOUSE BILL 40*

Short Title: E-NC Connectivity Incentives Funds. (Public)

Sponsors: Representatives Tolson; Clary, Hilton, Rapp, Parmon, Tucker, E. Warren, Wright, Alexander, Bell, Bryant, Coleman, Daughtridge, Faison, Glazier, Harrison, McLawhorn, Saunders, Underhill, and Wainwright.

Referred to: Rules, Calendar, and Operations of the House.

January 31, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO APPROPRIATE FUNDS TO THE E-NC AUTHORITY TO INCREASE
3 THE AVAILABILITY OF INTERNET CONNECTIVITY IN UNDERSERVED
4 AREAS OF THE STATE THROUGH INCENTIVE GRANTS, TO PROVIDE
5 ADDITIONAL FUNDING FOR GENERAL OPERATIONS, TO EXPAND THE
6 FUNDING FOR THE E-NC BUSINESS AND TECHNOLOGY TELECENTERS
7 PROGRAM, AND TO PROVIDE INCENTIVES TO E-COMMUNITIES, LOCAL
8 E-GOVERNMENT UTILIZATION PROGRAM PARTICIPANTS, AND
9 E-COMMERCE INITIATIVES.

10 Whereas, the e-NC Authority is successfully pursuing its mandated goals of
11 increasing access to affordable high-speed Internet and creating 21st century jobs
12 through technology-based economic development in the rural areas and the distressed
13 urban areas of the State; and

14 Whereas, the e-NC Business and Technology Telecenters (BTTs) serve as
15 catalysts to technology-based economic development in some of North Carolina's most
16 distressed regions by helping to grow existing small businesses, bringing new kinds of
17 businesses into rural communities and regions, stimulating and supporting
18 entrepreneurship, and creating 21st century jobs; and

19 Whereas, the e-NC Authority works successfully with local governments,
20 educational and health institutions, and business by providing technical assistance to
21 strengthen their technology capacities and service their communities by making
22 available to the citizens technology services and resources, training, and public access to
23 computers and the Internet; and

24 Whereas, the e-NC Authority supports citizens and communities through
25 research, tracking of broadband Internet resources, and by providing information about
26 such infrastructure through GIS mapping on the e-NC Web site. This allows citizens
27 and businesses to view service offerings of telecommunications companies. E-NC

1 answers broadband service inquiries about broadband access from citizens and
2 businesses, economic development commissions, local and State agencies, and attempts
3 to enable the inquirer to receive a timely response to their concerns; and

4 Whereas, the work of the e-NC Authority has leveraged more than two
5 hundred million dollars (\$200,000,000) for investment into NC communities to carry
6 out deployment of connectivity in working with private and public sector partners as
7 well as more than eight million dollars (\$8,000,000) leveraged with its other major
8 programs such as the Business and Technology Telecenters. These figures do not
9 include the direct job creation through the Business and Technology Telecenters in Tier
10 1 & 2 areas, where more than 900 jobs were created between 2001 and 2005; Now,
11 therefore,

12 The General Assembly of North Carolina enacts:

13 **SECTION 1.(a)** There is appropriated from the General Fund to the
14 Department of Commerce for allocation to the e-NC Authority the sum of seven million
15 five hundred thousand dollars (\$7,500,000) for the 2007-2008 fiscal year and the sum of
16 seven million five hundred thousand dollars (\$7,500,000) for the 2008-2009 fiscal year
17 to be used for high-speed Internet connectivity (build-out infrastructure) incentive
18 grants for service providers. These funds shall not revert except upon subsequent action
19 of the General Assembly.

20 **SECTION 1.(b)** The incentive grants shall be awarded on a competitive
21 basis and shall require a minimum one hundred percent (100%) cash match from
22 bidding service providers. Service providers shall fund at least fifty percent (50%) of
23 the total project cost for each project. Companies shall ensure the number of additional
24 households to be served as a result of the grant funding.

25 **SECTION 1.(c)** It is the intent of the General Assembly that the incentive
26 grant funds shall be used to provide at least seventy percent (70%) of the households in
27 each county with the ability to access high-speed Internet services by 2009. The
28 amount of an incentive grant shall be awarded to the bid-winning service provider on a
29 per household basis, for each new household for which access is made available.
30 Incentives shall be provided only for households with no previous high-speed Internet
31 service solutions available. Funds for incentive grants shall be committed to service
32 providers by December 31, 2008.

33 **SECTION 1.(d)** The e-NC Authority may use up to five percent (5%) of
34 these funds to cover its expenses in grant-letting and monitoring, and general
35 operations.

36 **SECTION 2.** There is appropriated from the General Fund to the
37 Department of Commerce to be allocated to the e-NC Authority the sum of three
38 hundred thousand dollars (\$300,000) for the 2007-2008 fiscal year and the sum of three
39 hundred thousand dollars (\$300,000) for the 2008-2009 fiscal year to be used as
40 additional funding for general operations and research.

41 **SECTION 3.(a)** There is appropriated from the General Fund to the
42 Department of Commerce to be allocated to the e-NC Authority the sum of two million
43 dollars (\$2,000,000) for the 2007-2008 fiscal year for continued and expanded funding
44 of the e-NC Business and Technology Telecenters program.

1 **SECTION 3.(b)** The e-NC Authority may use up to five percent (5%) of
2 these funds to cover its expenses in program development and implementation of
3 activity areas with the Business and Technology Telecenters program.

4 **SECTION 4.** There is appropriated from the General Fund to the
5 Department of Commerce for allocation to the e-NC Authority the sum of two hundred
6 thousand dollars (\$200,000) for the 2007-2008 fiscal year and the sum of two hundred
7 thousand dollars (\$200,000) for the 2008-2009 fiscal year to be used for competitive
8 innovation grants to e-communities, Business and Technology Telecenters, local
9 e-government Utilization Program participants, and e-commerce initiatives for the
10 development of model programs and value-added products that enhance the economy of
11 their regions.

12 **SECTION 5.** The e-NC Authority shall work cooperatively with the
13 following entities to carry out the purposes of this act: the Department of Commerce,
14 The University of North Carolina System, the Community Colleges System Office, the
15 local councils of government, the local chambers of commerce, the North Carolina
16 Association of County Commissioners, the North Carolina League of Municipalities,
17 the Regional Economic Development Partnerships, local economic developers, and the
18 private and nonprofit sectors. The e-NC Authority may contract with other State
19 agencies, The University of North Carolina System, the Community Colleges System
20 Office, and nonprofit organizations to assist with program development and the
21 evaluation of program activities.

22 **SECTION 6.** This act becomes effective July 1, 2007.