

Report on Activities of The e-NC Authority

Presented to:
Governor Beverly Perdue
Joint Select Committee on Information Technology
Joint Legislative Commission on Governmental Operations
(as required by S.L. 2003-425)

Nov. 1, 2009 – Jan. 31, 2010
Quarterly Report

TABLE OF CONTENTS

	<u>Page</u>
Introduction	3
Key Activities This Quarter (Nov. 1, 2009 – Jan. 31, 2010)	3
Ongoing Activities	8
Summary	11
Appendices	
1: Jan. 15 Press Release from U.S. Department of Commerce and U.S. Department of Agriculture regarding the next round of broadband recovery funding	
2. Jan. 13 resolution from the e-NC Authority regarding provisioning of broadband service by local governments and non-profits	

INTRODUCTION

The e-NC Authority respectfully submits this report of activities to the N.C. General Assembly (NCGA) and to the Governor, as required by legislative mandate. S.L. 2003-425, which created the e-NC Authority, requires regular reporting to the Joint Select Committee on Information Technology, the Joint Legislative Commission on Governmental Operations and to the Governor. This report is meant to give a general overview of the work of the e-NC Authority during the past quarter (Nov. 1, 2009 – Jan. 31, 2010). Additional materials and information are readily available from staff and on our Web site at www.e-nc.org.

The e-NC Authority is dedicated to ensuring that all North Carolina citizens, businesses and communities are aware of, know how to use and have access to broadband Internet services at affordable prices, while also creating local opportunities for technology-based economic development and job creation. The work denoted here is carried out in accordance with our legislative mandate from the NCGA.

KEY ACTIVITIES THIS QUARTER: Nov. 1, 2009 – Jan. 31, 2010

During this quarter, in addition to all of our on-going activities, a major priority for the e-NC Authority has been to get the many facets of e-NC's federal broadband mapping and planning grant underway. Also, as part of the federal stimulus program, a Notice of Funding Availability was released in mid-January for round two of the broadband recovery funding. The e-NC Authority is working to assess what projects may be appropriate for e-NC to apply for, and is looking at how e-NC can help counties, towns and communities around the state to be more competitive with their own round two proposals. The e-NC Authority continues to work with the NC Office of Economic Recovery and Investment regarding broadband stimulus funding for the state.

The e-NC Authority also continues to work on key telehealth projects for the state, as explained later in this report. The e-NC Authority has worked to keep the House Select Committee on High Speed Internet in Rural and Urban Areas up-to-date on its activities and to provide the committee with policy recommendations. The e-NC Authority has begun to assist Senator Joe Sam Queen with a working group to look at smart metering and how electric service and broadband access could be utilized to aid in the provisioning of broadband for homes.

In addition, the e-NC Authority has worked to respond to requests from around the state from citizens, counties and municipalities, on technical assistance issues related to increasing access to broadband. The e-NC Authority has also spent time over the past quarter talking with the Federal Communications Commission (FCC) as it looks at models of state broadband authorities in its efforts for formulating a national broadband plan, and also with the U.S. General Accounting Office (GAO) as it looks at broadband efforts at the federal level.

NC BRIM, NC Broadband – Rigor in Mapping

In early October 2009, the e-NC Authority was awarded a grant from the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce under the State Broadband Data and Development Grant Program. The grant includes a mapping component and a planning component:

- Mapping – award of \$1,589,077 over 2 years, with possible additional funding for 3 more years
- Planning – award of \$434,799 over 5 years

The purpose of the grant program is to enable states to collect comprehensive and accurate state-level broadband mapping data and to develop state-level broadband maps, with these efforts aimed at aiding in the development and maintenance of a national broadband map, as well as to provide planning funds for broadband within states such as North Carolina.

The data collection and mapping process to be conducted by the e-NC Authority for this project, and outlined in the proposal submitted to NTIA, requires e-NC to gather data using multiple methods including:

- Collecting data directly from Broadband Service Providers
- Collecting provider data through a national data corporation which uses data mining/Web-crawling techniques
- Collecting broadband consumer data at the local level
- Conducting radio wave propagation prediction modeling (using GIS) to determine wireless coverage in North Carolina

In addition, under the planning portion of the grant, the e-NC will conduct additional surveys to look at broadband availability and use including:

- Conducting surveys of citizens to verify broadband availability in North Carolina
- Conducting a survey to assess broadband use among institutions and households in North Carolina

The e-NC Authority received this award in early October and has been working hard over the past quarter to get the many complex components of the project underway. On December 1, 2009, the e-NC Commission approved the framework for the contracted services related to this project, including looking at which projects would require bidding. (Projects contracted with other state entities, primarily North Carolina universities, were not bid.) In December, the e-NC Authority released the following Requests for Proposals (RFPs) related to the project:

- Web-Enabled Data Mining for Collection of Broadband Data for e-NC
- Collecting Broadband Data at the Consumer Level
- Database Development and Maintenance for e-NC
- GIS Mapping/Hosting for e-NC
- Survey Analysis of Broadband Adoption and Strategic Gaps (Planning)

At this time, all RFP responses have been received and evaluated and successful bidders have been selected. In January, and continuing into February, the e-NC Authority is working to finalize contracts for all the various contracted services related to the project. The status of the contracting process for the Sub-Recipients under this NTIA grant is as follows:

For Data Collection efforts:

- Service Provider Data through Data Mining/Web-Crawling (successful bidder selected, contract being finalized)
- Broadband Consumer Survey – Research Methodology & Oversight (UNC-Chapel Hill, Kenan Institute)

- Broadband Consumer Survey – Local Level (2 successful bidders selected, contracts being finalized)
- Wireless Propagation/GIS Modeling (UNC-Greensboro)
- Database Development & Hosting (successful bidders selected, contracts being finalized)

Mapping

- GIS Mapping Company (successful bidder selected, contract being finalized)

Planning:

- Citizen Surveys (East Carolina University)
- Survey analysis of broadband adoption and strategic gaps (successful bidder selected, contract being finalized)

Research Oversight

- Contracts for research oversight (ECU), for three external evaluators and for one additional technical consultant (CGIA) are being finalized

The e-NC Authority expects all contracts to be in place by the end of February.

In addition to the work above, the e-NC Authority has begun its data collection efforts in obtaining data on broadband availability directly from the broadband service providers. The e-NC Authority has been in regular communication with the over eighty service providers for the state since September, to keep them informed on the mapping project. Per the requirements of the NTIA, the e-NC Authority along with legal counsel from the Attorney General's Office, is working to negotiate Non-Disclosure Agreements with providers so that the necessary data may be submitted to e-NC in the format outlined by the NTIA. At this time, the e-NC Authority has executed Non-Disclosure Agreements with AT&T and Time Warner Cable and is in negotiations with several other large and small providers. Data is submitted to a secure server which is being hosted by MCNC.

The final deadline for the first round of data collection was recently changed by NTIA from March 1 to March 31, 2010. Data is to be collected and submitted to NTIA every 6 months. The e-NC Authority was the first state in the nation to submit data for the November 1, 2009 NTIA deadline, using provider data collected through data mining/Web-crawling methods.

The premise of e-NC's mapping proposal is to employ various data collection methods in order to assess the effectiveness of an array of methods. The e-NC Authority will begin holding meetings of its Technical Advisory Group and with its external evaluators beginning in February, to begin looking at the methods being employed. The e-NC Authority will hold a Data Confab in late March 2010 (with participation anticipated from NTIA and the FCC), to assess the methodologies used and compare the data collected.

During this quarter the e-NC Authority has worked closely with the NC Office of Economic Recovery and Investment (OERI) to keep them updated on the progress of the mapping grant. In addition, an advisory committee was formed under the Governor and staffed by OERI to track the progress of the mapping grant. The e-NC Authority participated in the first two meetings of the advisory committee (held in January) to offer status updates and discuss various elements of the project.

Broadband Technology Opportunities Program (BTOP)/Broadband Initiatives Program (BIP)

On January 15, the U.S. Department of Commerce's NTIA and the U.S. Department of Agriculture's Rural Utilities Service announced availability of the second round of broadband recovery funding. Proposals for both programs are due by March 15. NTIA's program, BTOP (Broadband Technology Opportunities Program), will focus on middle-mile projects with some funding for public computer centers and sustainable broadband adoption programs. RUS's program, BIP (Broadband Initiatives Program), will focus on last-mile projects. (See the press release regarding this round of funding attached as Appendix 1.)

The e-NC Authority is working to determine which broadband recovery funding projects the e-NC Authority may apply for to best help the state of North Carolina. In addition, the e-NC Authority continues to offer assistance, as possible, to the many counties, towns and communities considering applying for these funds in the next six weeks. In round one funding, e-NC is aware of only one North Carolina project funded to date, the middle mile project under MCNC. The e-NC Authority is working with partners to determine how the state may pool proposals to create stronger proposals from the state. There is some indication that large, statewide proposals may be likely to receive more consideration under the BTOP/BIP programs.

In looking at federal funding for North Carolina, the e-NC Authority also continues to work on two FCC grant programs awarded to organizations in North Carolina for critical health information technology infrastructure projects.

1) North Carolina Telehealth Network (NCTN) – Public Health Phase

<http://nctelehealthnetwork.com>

The e-NC Authority continues to work as the program manager with the Public Health Authority of Cabarrus County (PHACC) on a major e-health initiative for the state. This project, the North Carolina TeleHealth Network (NCTN), is designed to assist local public health agencies and free clinics to obtain broadband services suitable for their current and upcoming needs. The network is planned to support over 180 sites positioned in every North Carolina county.

The RFP for this phase of the NCTN which will support public health sites, free clinic sites, and some rural health clinics was released in September 2009. The RFP sought bids for providers to implement and operate this broadband network, to lead to a contract for the \$6M in federal funds (already awarded to Cabarrus County) to provide broadband services to these 180+ sites across North Carolina. The broadband network is to be funded using this initial FCC support with the rest of the funding coming from subscriber fees.

The RFP responses have been reviewed and currently the e-NC Authority and project partners are working to negotiate a contract with the successful bidder. Upon contracting with the successful bidder, user agreements with each of the 180+ sites expected to participate will need to be put into place.

The NC Division of Health in the Department of Health and Human Services provided match funds to be used for program management to Cabarrus County. Program management functions in the development phase of the NCTN are being carried out by the e-NC Authority. Kirby

Information Management Consulting, LLC is a subcontractor to the e-NC Authority to support the NCTN development.

2) NCTN - Hospital Phase

The NCTN Public Health Network is the first phase of a broader program to bring similar broadband facilities to bear on the challenge of using information to support health and care in NC. The next phase, NCTN – Hospital Phase, will support NC's hospitals. It is intended to be tied to the NCTN-Public Health Phase to form a dedicated network for all of these health-related entities.

The pilot for the hospital phase comes from a project in Western NC for which e-NC has helped provide technical assistance. This FCC-funded health broadband pilot program provides funding for broadband networks in eligible nonprofit community hospitals in the western portion of the state. Funds were originally applied for by Western Carolina University. The grant program has been managed by the Southwestern Commission, a regional council of government serving seven counties in the far western tip of North Carolina. The e-NC Authority and Kirby Information Management Consulting, LLC, are now working with this phase II project. The UNC-Chapel Hill School of Public Health is also a project partner.

3) NCTN - Phase III

Initial design work is just beginning on Phase III of the NCTN. This third phase would work with local providers who need telecommunications network access to connect to in order to provide a telecommunications transport for their federally mandated electronic medical records. More information on this project will be provided as it progresses.

The e-NC Authority continues to provide updates on telehealth efforts in the state to the Joint Select Committee on Information Technology (with one scheduled for Feb. 3, 2010) and other groups as requested.

N.C. General Assembly

In addition to working with the Joint Select Committee on Information Technology, as requested, the e-NC Authority has also provided regular updates to the House Select Committee on High Speed Internet in Rural and Urban Areas on the progress of the mapping grant and other e-NC activities. At e-NC's January 26 presentation to this committee e-NC's director, Jane Smith Patterson, requested that the committee consider re-looking at the 10-year Internet Action Plan from e-NC, presented to the NCGA in January 2009, in terms of policy recommendations and goals for the state for consideration in the upcoming session. In addition, Ms. Patterson read a resolution passed on January 13, 2010 by the e-NC Authority, asking that no restrictions be placed by the state legislature on local governments and non-profits working to provide broadband service. (This e-NC resolution is attached as Appendix 2.)

In addition, as mentioned earlier, the e-NC Authority continues to work with Senator Joe Sam Queen, co-chair of the Senate Select Committee on Energy, Science and Technology, in looking at smart metering in relation to the electric grid, and any ties between smart metering and the provisioning of broadband service at citizens' homes.

In the upcoming meetings of the e-NC Authority Commission, e-NC will work to finalize its advocacy and legislative agenda for the upcoming session. One key item will likely be the

request for the removal of the e-NC sunset date, currently slated for December 31, 2011. It is imperative for the sunset date to be removed so that e-NC may continue its current efforts, which no other entities in the state perform. The e-NC Authority is also evaluating the need for a small increase in its operating budget (currently <\$495,000) in light of the many activities requested and needed of e-NC by the state and the limited funding that will be available for the upcoming year.

ONGOING ACTIVITIES

Grant Programs

Among its ongoing activities this past quarter, the e-NC Authority continued to monitor grants under its four biggest grant programs:

- e-NC Connectivity Incentive Grants (state funding)
- e-NC Business & Technology Telecenter Grants (state funding)
- e-NC Capital Expenditure Grants for Qualified PEG Channels (state funding)
- e-NC e-Learning Grants (Golden LEAF funding)

The e-NC Authority continued to oversee two connectivity incentive grants which were completed at the end of December 2009. These grants to Verizon and Embarq (now CenturyLink) allowed for deployment of last-mile broadband to six North Carolina counties (Caswell, Cherokee, Duplin, Graham, Pamlico, and Tyrrell), the six counties with the least connectivity per e-NC's *100 County Report on High-Speed Internet Access*. The grants were matched by a minimum 1:1 match by the service providers. The final reports on these grant programs are currently being completed by Verizon and CenturyLink and should be submitted to e-NC in early February. We will provide more information in next quarter's report on the outcomes of these two grants.

The e-NC Authority continues to monitor active grants with six of the seven e-NC Business & Technology Telecenters (BTTs). These centers offer a variety of technology-focused economic development programs with a focus on small businesses and entrepreneurship. Foothills Connect in Rutherford County, one of the seven e-NC telecenters, has received much national acclaim this past quarter for its Farmers Fresh Market program (<http://www.farmersfreshmarket.org/>). This program connects local farmers to markets in Charlotte through an online ordering system, allowing these rural farmers a new market via Charlotte's restaurants and high-end consumers. The director of the telecenter, Tim Will, received a \$100,000 Purpose Prize in November for this program (<http://www.encore.org/prize/nominate?ref=candidatepage.cfm?candidateid=4765>), and donated the funding back into the e-NC telecenter budget. The program and the center have received much coverage this past quarter including being on CBS Nightly News and in Parade Magazine on January 24 (<http://www.parade.com/news/intelligence-report/archive/100124-making-family-farms-profitable.html>).

The Farmers Fresh Market program is expected to be replicated in Rockingham County beginning in March, through the work of the e-NC telecenter in Rockingham, the Rockingham County Business & Technology Center, which is expected to be just one of Rockingham's many successful economic development initiatives. The e-NC Authority is currently confirming the job creation statistics for the seven e-NC telecenters for 2009, and expects to release those numbers soon.

The e-NC Authority continues to monitor the program that provides Capital Expenditure Grants for Qualified PEG Channels. PEG channels are public, educational or governmental access channels provided to a county or city as part of a cable franchise agreement (G.S. 66-350). In 2007, \$1 million was designated by the NCGA to the e-NC Authority to provide capital equipment grants to local governments for eligible PEG channels, per G.S. 66-359. There are no administrative or management funds provided by the NCGA for the e-NC Authority to carry out this program.

In four rounds of funding, with the last being awarded in August 2009, all funding for this program has been awarded. Upon making the August awards, the e-NC Commission indicated that if funding becomes available from grantees failing to use their full awards (with active grants), e-NC may look at providing additional funding to the applicants in the August round who were unable to be funded due to the depletion of available funds. Any funding that becomes available due to unspent funds in active grants would likely be a very small amount. With the exhaustion of the 2007 funding, the PEG channel fund created in G.S. 66-359 will sit empty once these active grants are closed out, unless further action is taken by the NCGA.

The e-NC Authority continues to monitor the e-learning grants provided to 15 school districts in northeastern NC with funding from Golden LEAF and grant management provided by e-NC. In October, the e-NC Authority submitted a budget revision request to Golden LEAF suggesting additional ways to increase the efficiency of the funding while still serving the 15 schools districts and maintaining the original goals of the program. The e-NC Authority was notified in December by Golden LEAF that these requests were approved. In general, the funding will now also provide equipment needed at the participating schools to make the most of the broadband available.

Connectivity and Technical Assistance

The e-NC Authority continues to work on its core mission of increasing access to high-speed Internet in rural and urban distressed areas. Key connectivity activities of the past quarter include:

- **Continued work on the NC BRIM federal mapping and planning grant**

In addition to the mapping activities discussed previously in this report, e-NC is also undertaking numerous planning activities to look at how to increase broadband availability and adoption in the state. Two key planning programs include the Last-Mile Roundup program and Lifeline Online. The Last Mile Roundup work includes working with unserved and underserved communities around the state to find solutions for gaining access to broadband for citizens. The e-NC staff members work regularly to provide technical assistance to communities that are putting together broadband plans.

Lifeline Online is an effort to create a broadband program modeled after Lifeline Link-up. Lifeline Link-up is a federal program, carried out in partnership with telecommunications providers, to provide assistance to low-income citizens to gain access to telephone service. The e-NC Authority is talking with partners to look at the feasibility of providing a similar program to help low-income citizens pay for broadband access at their homes.

- **Responding to service inquiries from citizens and small businesses**

Service inquiries are an ongoing activity of the e-NC Authority. We are regularly contacted with questions about the availability of high-speed Internet, and for technical advice by private citizens, small businesses, elected officials, staff members of the NCGA, the N.C. Department of Commerce, the NC Office of Budget and Management and staff members of the N.C. Utilities Commission (as well as individual members of the NC General Assembly). The e-NC Authority provides them with connectivity data and when needed, contacts the relevant service providers to relay public needs and work with the providers to attempt to gain broadband access for citizens and small businesses.

- **Providing technical assistance to counties**

The e-NC Authority continues to visit many North Carolina counties to look at broadband issues in these counties and regions and offer suggestions for long-term connectivity plans. (In 08-09, e-NC estimates actively working with over 30 counties on their broadband deployment planning efforts.) When connectivity plans are developed, both by private, nonprofit or government providers (when no other private sector service is available), the e-NC Authority can provide technical assistance on requests for applications for federal funds, Requests for Proposals for broadband telecom services, detailed technical information on design, financial analysis of business plans, pricing from providers and equipment vendors, etc., as requested to do so. We have found that many counties lack the resources necessary for comprehensive broadband planning. We are pleased to be able to give assistance at the county level and are looking at additional ways to help counties and towns obtain accurate and reliable technical advice and resources.

- **Providing support to requests from other states**

Staff members and commissioners of the e-NC Authority also continue to provide strategic guidance and advice to other states' connectivity expansion initiatives, as requested. In addition, the e-NC Authority continues to track federal broadband issues such as the call for a national broadband strategy, and most recently, tracking of broadband infrastructure funding through the American Recovery and Reinvestment Act.

- **Providing support to the School Connectivity Initiative**

Under S.L. 2007-323, \$12 million (recurring) in public school funding was allocated to help continue the School Connectivity Initiative. The 2008 session granted an additional recurring \$10 million dollars to the School Connectivity Initiative. The e-NC Authority provides planning, administrative and technical assistance for this initiative when requested, working primarily with MCNC, but also with all project partners including the Friday Institute at N.C. State University, the former Business Education Technology Alliance (BETA) now replaced by the e-learning Commission, Information Technology Services, the Department of Public Instruction, and the Board of Public Education.

Communications

In continuing to promote telecommunications infrastructure expansion, and the economic and educational value of high-speed connectivity, the work of the e-NC Authority was featured in the following news venues during the past quarter:

Business North Carolina
Courier-Times, Roxboro (3 articles)

Graham Star, Robbinsville
Tech Journal South
WRAL Local Tech Wire
WRAL.com
Lincoln Tribune, Lincolnton
WFMY-TV Channel 2, Greensboro
News & Record, Greensboro
Triad dBusiness News
Business Leader
Parade Magazine
CBS Nightly News

SUMMARY

Broadband connectivity is a critical utility to every citizen of North Carolina. It is arguably as important to the economic health of the state as are the more traditional public utilities such as telephone service, electricity and water and sewer lines. Nevertheless, citizens in almost 600,000 homes in North Carolina have no high-speed Internet service available to them.

As more and more counties around the state make broadband access an economic development priority, the challenge for e-NC is determining the best way to provide assistance with a staff of just 5 full-time and 3 part-time people. The e-NC Authority remains focused on its new mapping responsibilities, while still working to find solutions to broadband availability and adoption for unserved and underserved areas. While the American Recovery and Reinvestment Act will provide some needed assistance in the area of broadband deployment, it will not re-shape the landscape of North Carolina's infrastructure, especially in terms of solutions for last-mile service.

It is critical that the state maintain its focus on efforts to increase broadband deployment and adoption. While state and local governments, foundations and the private sector all face challenging economic times, the focus on broadband must remain in order for North Carolina to be able to remain competitive in the global economy.

Please contact the e-NC Authority with any questions, or for any additional information about items from this report. The continued support from the governor and her office, the NCGA and its fiscal research staff, and elected officials and community leaders is vital to fulfilling the mission and legislative mandate of the e-NC Authority - to see that North Carolinians have access to high speed broadband and know how to use the Internet in their work, learning, access to health care and recreation.



American Recovery and Reinvestment Act of 2009 Broadband Initiative

FOR IMMEDIATE RELEASE: January 15, 2010

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COMMERCE DEPARTMENT'S NTIA AND USDA'S RUS ANNOUNCE AVAILABILITY OF \$4.8 BILLION IN RECOVERY ACT FUNDING TO BRING BROADBAND TO MORE AMERICANS

Agencies Enhance Program Objectives, Announce Workshop Locations to Assist Applicants

WASHINGTON – The Commerce Department's National Telecommunications and Information Administration (NTIA) and USDA's Rural Utilities Service (RUS) today announced availability of \$4.8 billion in American Recovery and Reinvestment Act (ARRA) grants and loans to expand broadband access and adoption in America. This is the second funding round for the agencies' broadband programs. The investment will help bridge the technological divide, boost economic growth, and create jobs.

NTIA and RUS also announced the rules for applying in this funding round, which have been modified to make the application process easier for applicants and better target program resources.

"Based on the feedback we received from stakeholders and our own experience in the first funding round, we are making the application process more user-friendly, sharpening our funding focus to make the biggest impact with this investment, and streamlining our review process to increase efficiency," said Lawrence E. Strickling, Assistant Secretary for Communications and Information and Administrator of NTIA.

"In response to lessons learned from the first funding round, RUS is making important changes that will make the process easier for applicants and target our resources toward 'last-mile' broadband connections to homes and businesses," said Jonathan Adelstein, Administrator, Rural Utilities Service, United States Department of Agriculture. "This draws on our long experience in improving rural networks to the most difficult-to-reach areas of our country that need it most. We've streamlined the application process, added support for satellite service for rural residents left unserved after other funds are awarded, and provided ourselves more flexibility to target areas of greatest need. We are going to stretch every last dime to maximize economic development in rural areas that currently lack adequate broadband service."



The agencies announced the rules for this funding round in two separate but complementary Notices of Funds Availability (NOFAs) that promote each agency's distinct objectives.

NTIA's Broadband Technology Opportunities Program (BTOP)

NTIA's NOFA allocates approximately \$2.6 billion in this funding round of which approximately \$2.35 billion will be made available for infrastructure projects. In this round, NTIA is adopting a "comprehensive communities" approach as its top priority in awarding infrastructure grants, focusing on middle mile broadband projects that connect key community anchor institutions – such as libraries, hospitals, community colleges, universities, and public safety institutions. Comprehensive Community Infrastructure projects maximize the benefits of BTOP by leveraging resources, promoting sustainable community growth, and ultimately laying the foundation for reasonably priced broadband service to consumers and businesses.

In addition, NTIA plans to award at least \$150 million of the funding for Public Computer Center projects, which will expand access to broadband service and enhance broadband capacity at public libraries, community colleges, and other institutions that service the general public. NTIA also plans to award at least \$100 million for Sustainable Broadband Adoption projects, which include projects to provide broadband education, training, and equipment, particularly to vulnerable population groups where broadband technology has traditionally been underutilized.

RUS's Broadband Initiatives Program (BIP)

RUS's NOFA allocates approximately \$2.2 billion in this funding round for broadband infrastructure projects. A second funding window will open later which will provide grants for satellite service for premises that remain unserved after all other Recovery Act broadband funding is awarded, make Technical Assistance grants for developing plans using broadband for regional economic development, and grants to provide broadband service to rural libraries funded by USDA under the Recovery Act.

RUS will focus this round on last mile projects, which are anticipated to receive the vast majority of funding. RUS will also fund middle mile projects involving current RUS program participants. The first NOFA had two funding options – grants up to 100 percent in remote rural areas, and 50/50 loan/grant combinations in non-remote rural areas. In the second NOFA, RUS has eliminated this distinction and adopted a base 75/25 grant/loan combination for all projects. The new approach provides RUS with flexibility to seek a waiver if additional grant resources are needed for areas that are difficult to serve, and priority for those who seek lower grant levels. RUS believes this simplified and flexible funding strategy will promote rural economic development.

Separate NOFAs will allow applicants to apply directly to either program. RUS also eliminates the two-step process for BIP applicants to improve program efficiency. These changes will also add valuable time for applicants to focus on one specific program in preparing a more solid application.

Incorporated into the RUS NOFA is an opportunity for the reconsideration of BIP requests to provide viable applications with every chance for funding. There is also a second application review process during which RUS would allow an applicant to adjust its application to better meet program objectives and for the Administrator to provide discretionary points or to increase a grant component to meet rural economic objectives.

Public Workshops

Also today, NTIA and RUS announced a series of public workshops to review the application process and answer questions from prospective applicants. The workshops will be held in Portland, Ore.; Reno, Nev.; Denver, Colo.; San Antonio, Tex.; Eureka, Mo.; Sioux Falls, S.D.; Detroit, Mich.; Blacksburg, Va.; Fayetteville, N.C.; and Atlanta, Ga. Interested parties can register for the workshops at www.broadbandusa.gov.

The agencies plan to accept applications from February 16, 2010, to March 15, 2010, and announce all awards by September 30, 2010.

The American Recovery and Reinvestment Act provided a total of \$7.2 billion to NTIA and RUS to fund projects that will expand access to and adoption of broadband services. Of that funding, NTIA will utilize \$4.7 billion for grants to deploy broadband infrastructure in unserved and underserved areas in the United States, expand public computer center capacity, and encourage sustainable adoption of broadband service. RUS will use \$2.5 billion in budget authority to support grants and loans to facilitate broadband deployment in primarily rural communities.

Resolution of the e-NC Authority Board

Meeting in Rocky Mount, North Carolina

January 13, 2010

Broadband access is a critical issue for the economic competitiveness and social well being of all North Carolina citizens. The e-NC Authority reaffirms its position taken in the January, 2009 document, ***Capturing the Promise: A 10-year Action Plan Using Broadband Internet to Increase North Carolina's Competitiveness and Sustainability in the Global Economy, page 6***

Commitment to Competitive Infrastructure: Currently deployed infrastructure will only suffice for a short term. The state of North Carolina must support high-capacity deployment while understanding the need to utilize what is currently available. The need for provisioning of competitive broadband service should be met by the private sector. However, local governments should have the right to offer broadband services when the service available does not meet the needs of the local community.

In further interpretation of this statement, the State of North Carolina should make no restriction to the provision of broadband by any nonprofit or local governments.



Oppie N. Jordan, Chair of the e-NC Authority