



NCRGEA *Government Relations* Update

NCRGEA Governmental Relations Update #20-19 Expansion of Broadband

July 15, 2020

Thanks to the efforts of the NC Rural Center, the North Carolina Association of Educators and a number of other groups, the question of broadband coverage for all of North Carolina was already on the state legislature's radar coming into the 2019-20 session.

The arrival of the COVID-19 pandemic during the winter months changed the game, however. What had been a "nice to have" issue was transformed in a priority concern that directly affected the lives of millions of people in our state, including many of our youngest and oldest citizens.

Travel restrictions and social distancing guidelines to prevent the spread of the SARS-CoV-2 coronavirus resulted in schools and many health services transitioning to online, as stay-at-home orders were issued. Online services of this nature require video conferencing--and only quality broadband service can deliver video conferencing services.

The legislature has taken a number of efforts to ramp up and improve broadband services, especially during the 2020 short session which is winding down as June moves into July. Funding made available from the federal CARES Act has helped, but so too has a measure of "Tar Heel ingenuity," such as the efforts in several rural counties to repurpose idle school buses as high-powered mobile routers in underserved areas.

A recent study showed North Carolina was tied with Florida for the most broadband coverage in the southeastern United States, with 93 percent of its citizens having service available. However, about 40 percent of North Carolinians still don't have it, mainly due to affordability.

Already on the move, pre-COVID

Governor Roy Cooper had already signed the Growing Rural Economies with Access to Technology (GREAT) Act into law on October 14, 2019. This bill made grants totaling \$15 million annually over 10 years

available for expanding high-speed Internet access in rural areas. Later events have put much more money on the table for this purpose, sooner than expected.

On May 30 of last year SB310 was passed, allowing the state's electrical cooperatives to seek federal funding on their own to add broadband services. In many cases, the co-ops already have infrastructure in place that could easily be expanded or adapted to provide such services. The bill removed a serious obstacle to their doing so.

Momentum picks up in the short session

In the short session, the problems arising from lack of full coverage to the state were tackled in several bills that are currently before the legislature. However, most are stuck in committee.

The first salvo came early in the session, as the legislature worked through how to distribute federal funds from the CARES Act, the national coronavirus relief bill that became law on March 27. About a week after the session began, two bills reached Cooper's desk and he signed both into law. One of them, HB1043, distributed the CARES funds and dedicated \$9 million to improving rural broadband services.

Several other bills on the subject have been proposed during the session. Most have remained stuck in committee and are not likely to surface before the legislature goes into recess again.

The bill that seems to have the best chance of getting through to Cooper's desk soon is HB1105, which passed the NC House on June 22 unanimously and is now before the Senate. The bill provides an additional \$30 million in funding for grants through the GREAT program through Dec. 30 of this year. Applications for the additional grants will be taken in the first half of September if the bill becomes law.

HB1105 was part of the discussion at a May meeting of the Governor's Task Force on Connecting North Carolina, where federal assistance toward broadband expansion was also discussed. Some \$20.4 billion in federal funding has been made available to help six million homes and businesses in need of high-speed voice and/or broadband services. Starting Oct. 22, providers will bid in a "reverse auction," where the winner will be whoever says they can provide broadband to a designated area with the least amount of government support.

Some areas of the state not eligible for a GREAT grant are eligible under this federal program.

With HB1105 likely to eventually be enacted in some form, the combination of state and federal grants could mean a much better situation for telehealth, education, and other mobile communication forms in the latter part of 2020 if COVID-19 continues to prevent a return to normal activities.

Other bills under consideration

There are bills before the legislature but not likely to be passed before the recess, if at all. Some of them address issues that are covered by HB1105. These bills include:

- HB1122, proposed on May 15, authorizes two state agencies to work together to provide Internet access to students and teachers who do not have or cannot afford home Internet service, thus tackling the one of the biggest problems the state faces, even more so than the seven percent of the state that is not presently covered. It was a sweeping bill that would have increased funding far beyond what had been called for in the GREAT Act of October and removed all sorts of regulations. However, the bill has been in committee since May 18.
- SB769, also proposed on May 15, would give \$50,000 toward helping local governments plan and implement broadband expansion. It would also allow municipalities to lease a part of the city-owned public enterprise to run a broadband network, gives cities and counties added authority to run wired or wireless networks, and redefines "public-private projects" to include such networks.
- HB1205, a bill proposed on May 26, took this one step further and would make it easier for the state to lease its property for the construction and/or placement of broadband infrastructure.
- HB1228, proposed on May 27, would appropriate \$2.5 million in funding toward satellite-based broadband services for underserved areas. SB859, proposed the same day, would provide home mobile broadband hotspots for any student receiving subsidized school lunches.

Stay Tuned!

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