



Oregon Broadband Partnership:
Concept Evaluation and Recommendations
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Prepared for the
Oregon Broadband Partnership Committee
of the
Oregon Telecommunications Coordinating Council

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Oregon Broadband Partnership

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Oregon Broadband Partnership

Overview

The Oregon Broadband Partnership's (ORBP) mission would expand broadband access for Oregon's citizens, institutions and businesses. Organizations in the public and private sector would be offered low-cost financing for the acquisition of hardware, software and services (for example, assistance with preparation of federal broadband grant or loan proposals) that will improve or increase the availability and use of broadband technologies.

Please note that we have elected to refer to this opportunity as a "partnership" rather than as an "authority" as we believe this is a characterization in line with the Council's continued endorsement of the value found in public-private partnerships.

This white paper presented by the Oregon Broadband Partnership Committee (ORBPC) of the ORTCC seeks to explore and evaluate a variety of options for implementing the concept, including organizational approaches. Precedents for this approach are found in Alaska¹, Kentucky², Michigan^{3,4}, and North Carolina⁵.

Oregon Public Utility Commission (OPUC) Commissioner Ray Baum has recommended and Oregon Telecommunications Coordinating Council (ORTCC) endorses the concept of an Oregon Broadband Partnership to provide grant writing support, matching funds and loan guarantees that will permit Oregon to use available United States Department of Agriculture/Rural Utility Service (USDA/RUS) funding or other sources to expand Oregon's broadband infrastructure through public-private partnerships. Ideally, startup funds would be provided in the 2005 legislative session. If funds are not available in this session, then ORTCC, PUC and Oregon Economic and Community Development Department (OECDD) could be directed to develop plans and bring detailed recommendations to the 2007 legislature.

This white paper contains a summary of the four known state broadband authorities, observations and recommendations for next steps. Four sections of the white paper (appendices 1 – 4) contain more detailed information extracted from publicly available information for each of the approaches. Additional reference information is contained in appendices 5 – 7.

Summary Chart of Broadband Authorities in Four States

<i>State</i>	<i>Authorization/Organization</i>	<i>Purpose</i>	<i>Mechanism(s)</i>	<i>Financing</i>
Alaska	<ul style="list-style-type: none"> • Rural Alaska Broadband Internet Access Grant Program formed by State of Alaska, Department of Community and Economic Development (DCED), Regulatory Commission of Alaska (RCA). • Administered by the RCA. 	<ul style="list-style-type: none"> • To provide economic, employment and educational opportunities to some of the most isolated and economically depressed areas of rural Alaska. 	<p>RCA will provide to telecommunication carriers and cable operators (through sub-recipient grants), up to 75 percent of the funding they require for projects to:</p> <ul style="list-style-type: none"> • Expand broadband Internet service into Rural Alaskan communities currently without local dial-up Internet access or broadband service. • Continue to provide broadband Internet service to the residents of those communities at affordable rates that are comparable to rates paid by residents of Anchorage, Fairbanks, and Juneau for at least two mandatory years after completion. • Only telecommunications carriers or cable operators capable of providing broadband Internet service in rural Alaska will be eligible. • Eligible communities restrictions apply. 	U.S. Department of Agriculture \$7.5 million grant.

<i>State</i>	<i>Authorization/Organization</i>	<i>Purpose</i>	<i>Mechanism(s)</i>	<i>Financing</i>
Kentucky	<i>connectkentucky</i> is a public-private partnership ^{6,7} between the Office of the New Economy, private industry, Kentucky's universities and the Center for information Technology Enterprise (CiTE, Inc.).	<ul style="list-style-type: none"> • Increase public awareness of the benefits of e-commerce, e-government, and e-learning to Kentucky's businesses, governmental agencies and citizens. • Create and implement market-driven strategies that increase business, consumer and government use of technology. • Implement public policy initiatives that promote competition and eliminate regulatory barriers to increase Internet usage and broadband deployment throughout Kentucky. • Towards accomplishing these goals, 19 action strategies and 12 success measures were identified as mission critical. 	<ul style="list-style-type: none"> • CiTE was established in February 2002 to facilitate a growing need in Kentucky for a contract research and consulting enterprise that specialized in information technology strategy and policy planning for business, government, and educational institutions. • Provides strategy and policy expertise to local governments, rural co-operatives, education institutions and others seeking to build high-speed internet applications, accessibility and infrastructure to help their communities. 	Western Kentucky University Foundation guaranteed the operating capital for CiTE. ⁸
Michigan	<ul style="list-style-type: none"> • Broadband Development Authority created by the State Legislature on March 14, 2002 (Act No. 49 of the Public Acts of 2002.⁹ • Independent state agency. 	<ul style="list-style-type: none"> • To help Michigan attract more private sector investment in high-speed Internet infrastructure. • To increase demand for and utilization of broadband services. 	<ul style="list-style-type: none"> • Low-cost loans to telecommunications companies willing to make such investments. • Low-cost financing to organizations for the acquisition of hardware/software applications that will improve or increase their use of broadband service. 	<ul style="list-style-type: none"> • The Authority is authorized to issue investment grade, taxable and tax-exempt bonds, the proceeds of which can be used to provide financing assistance. • Capitalized by the state's Housing Authority through a \$50 million bond sale in April 2004.

<i>State</i>	<i>Authorization/Organization</i>	<i>Purpose</i>	<i>Mechanism(s)</i>	<i>Financing</i>
North Carolina (N.C.)	<p><u>First Step...</u></p> <ul style="list-style-type: none"> • N.C. General Assembly in its 2000 session approved the creation of the Rural Internet Access Authority to oversee efforts to provide rural areas with high-speed broadband Internet access.¹⁰ • Established within the state Department of Commerce, with the Rural Center providing administrative and professional staff support for the authority. Staffed by the N.C. Rural Economic Development Center, a non-profit organization created in 1987 to lead the state's efforts to build economic strength in the state's 85 rural counties. 	<ul style="list-style-type: none"> • To provide local dial-up Internet access from every telephone exchange in N.C. within one year • To provide high-speed Internet access at competitive rates to all N.C. within three years. • Increase the ownership of computers, related Web devices, and Internet subscriptions throughout the state. • Provide two model Telework Centers to be established by January 2002. • Providing accurate and current information via the Internet to state residents concerning the availability of telecommunications and Internet services. • Provide updates on future telecommunications and Internet services. • Develop Internet applications for government agencies that will make receiving services easier and more convenient. 	<p>Grants Funded by the RIAA:</p> <ul style="list-style-type: none"> • Digital Literacy Training • e-communities Implementation • e-Communities Planning • Incentives • Leg-UP • Public Access • Telecenter 	<ul style="list-style-type: none"> • Funding for the Rural Internet Access Authority will come from a variety of different sources. • General Assembly, committed \$30 million.

<i>State</i>	<i>Authorization/Organization</i>	<i>Purpose</i>	<i>Mechanism(s)</i>	<i>Financing</i>
North Carolina (N.C.) (cont.)	<ul style="list-style-type: none"> The authority is governed by a 21-member commission (appointed by the General Assembly and the Governor), which includes members of state government, business and education leaders, members of the Microelectronics Center of N.C. (MCNC) and representatives from the state's telecom companies, including Internet service providers, rural telephone cooperatives, local telephone exchange and independent telephone companies, commercial wireless communications carriers, and the cable industry. <p><u>Today there's e-NC¹¹...</u> Operates with support from a 15 member coalition that includes the N.C. Rural Economic Development Center, the legislature and state government, the telecommunications industry, non-profit organizations and individuals</p>	<ul style="list-style-type: none"> Employ open-technology approaches that encourage all potential providers to participate in the implementation of high-speed Internet access. Coordinate activities, conducting and sponsoring research, and recommending and advocating actions, including regulatory and legislative actions, to achieve the authority's goals and objectives. <p><u>e-NC...</u> Lead a grassroots initiative to link all North Carolinians – especially those in rural areas – to the Internet.</p>		

Observations on the Approaches of the Four States

Authorization and Organization

- Varies from departments within state governments working together to a newly formed independent state agency to public-private partnerships involving state government, not for profits and industry.
- Three of the four started with legislation.
- The broader the organizational composition, the more ambitious the goals.
- Three of the four appear to be on going. Alaska's approach appears to have been derived solely to obtain and distribute federal funding.
- Kentucky and North Carolina present the more ambitious and comprehensive approaches of the four.

Purpose

- Ranged from focusing on the most rural telecommunications infrastructure development in support of economic, employment and educational opportunities to a much broader set of goals.
- The broader set of goals goes well beyond provisioning infrastructure and services.

Mechanism(s)

- Ranged from providing a mechanism for distributing funds (grants and loans) to providing strategy and policy expertise to local governments, rural co-operatives, education institutions and others seeking to build high-speed internet applications, accessibility and infrastructure to help their communities

Financing

- Funding sources varied across all of the approaches.

USDA/RUS

University foundations

Taxable and tax-exempt bonds

State funds

Other sources (e.g., industry)

- Most intriguing source of funding among the four was from Michigan, capitalized by the state's Housing Authority through a \$50 million bond sale in April 2004.

Recommendations

Please note that these recommendations differ from those proposed in the November 2004 ORTCC “Report to the Legislature.” Also please note that these are suggestions provided for discussion purposes and are not necessarily the recommendations of the ORBP Committee of the ORTCC.

Create an Oregon Broadband Partnership (ORBP)

1. *As a first step legislation will be required to authorize the creation and organization of the ORBP as well as for the participation of the appropriate state departments to occur.*

Likely participating departments are the Oregon Public Utility (OPUC) and/or the Oregon Economic and Community Development Department (OECDD) as well as the Oregon Telecommunications Coordinating Council (ORTCC).

The OECDD and the ORTCC focus attention on the demand side, particularly demand for broadband services by medium and large public and private users, such as large businesses, schools, state and local governments etc. This proposal would add focus on consumers and small businesses, especially in rural locations.

The Oregon PUC has the experience and staff expertise in the areas of telecommunications engineering and financial analysis to implement the technical study portions of ORBP proposals with minimum additional administrative resources.

2. *Create a not for profit umbrella organization to carry out the ORBP mandate.*

This organization would seat at a “round table” representation from government, business, telecommunications industry (including Internet service providers, rural telephone cooperatives, local telephone exchange and independent telephone companies, commercial wireless communications carriers, and the cable industry), education, not for profits, healthcare, and residents. Participants would elect a chairman and officers.

One possibility is to include ORBP under the authority of the ORTCC.

3. *Target the 2005 session for the authorizing legislation.*

Oregon needs jobs, jobs, jobs! Every day of delay is another day of pain for Oregonians. Telecommunications is only one piece of the puzzle required to create a renaissance of economic recovery across all of Oregon, but it has become a *lynchpin* in that recovery.

ORBP Roles

1. *Designate service areas in the state where investments and services could be targeted*

Provide assistance for development of broadband strategic plans, for development of funding requests, and for matching funds to leverage federal dollars available from the Rural Utility Service grant and loan programs.

The ORBP would be authorized to issue RFPs and then select the recipient of a grant for 20% of the installed system cost in each unserved area and provide technical assistance, so that the entity will be eligible for an U.S. Department of Agriculture Rural Utility Service loan. Approximately \$2 billion is available for these loans and, according to RUS, a major impediment is that applicants do not have adequate financial resources or technical expertise to meet RUS requirements. The RUS requires that applicants demonstrate the financial viability of proposals before a loan is approved as a part of ensuring that the loan will be repaid.

2. *Increase public awareness of the availability and benefits of e-commerce, e-government, and e-learning to Oregon's businesses, educational entities, governmental agencies, and citizens.*

- Determine the availability of broadband in Oregon. A careful study of broadband availability from all service providers throughout Oregon needs to be conducted, especially in rural areas and underserved areas of more densely populated urban areas. The primary intent is to establish what broadband services are available in each part of the state, which local service providers are in each area, and what these services cost consumers. The study would also be used to identify those parts of Oregon where broadband access is not available. The PUC has the staff and experience to conduct this study.
- Provide accurate and current information via the Internet to state residents concerning the availability of telecommunications and Internet services.
- Provide updates on future telecommunications and Internet services.
- Encourage open-technology approaches that encourage all potential providers to participate in the implementation of high-speed Internet access.
- Create and implement market-driven strategies that increase business, consumer and government use of technology.
- Coordinate activities, conducting and sponsoring research, and recommending and advocating actions, including regulatory and legislative actions, to achieve the ORBP's goals and objectives.

3. *Implement Oregon public policy initiatives relating to broadband as specified in ORS 759.016¹².*

“... to promote access to broadband services for all Oregonians in order to improve the economy in Oregon, improve the quality of life in Oregon communities and reduce the economic gap between Oregon communities that have access to broadband digital applications and services and those that do not, for both present and future generations that promote competition and eliminate regulatory barriers to increase Internet usage and broadband deployment throughout Oregon.”

Financing for ORBP and its activities.

1. *Seek funding from multiple sources.*

USDA/RUS
Foundations
Corporations
Industry groups
Taxable and tax-exempt bonds
State funds
Other sources (e.g., industry)

Appendix 1 - Alaska

Purpose and goals

The purpose of the Rural Alaska Broadband Internet Access Grant Program (Program) is to provide economic, employment and educational opportunities to some of the most isolated and economically depressed areas of rural Alaska. Most of these communities are not connected to a road system and can only be accessed by either boat or airplane. These communities depend upon telecommunications to provide basic education, public health, and public services.

Unfortunately, communities with the greatest need and those that could benefit greatly from broadband Internet services are those with the highest costs of providing these services. Alaska's harsh climate, sparse population, and northern location make expanding broadband Internet service into much of rural Alaska a technical challenge and economically infeasible for private-sector telecommunication carriers and cable operators.

RCA's goal is to facilitate long-term affordable broadband Internet services in rural Alaska communities where these services do not currently exist. To accomplish this, the RCA will provide to telecommunication carriers and cable operators (through sub-recipient grants), up to 75 percent of the funding they require for projects that would:

- Expand broadband Internet service into Rural Alaskan communities currently without local dial-up Internet access or broadband service.
- Continue to provide broadband Internet service to the residents of those communities at affordable rates that are comparable to rates paid by residents of Anchorage, Fairbanks, and Juneau for at least two mandatory years after completion of the initial expansion project.

Authorization, Organization, and Funding

Acknowledging that access to the Internet provides economic, employment, and educational opportunities to isolated, remote, and economically depressed areas of the country, Congress amended the Consolidated Farm and Rural Development Act referenced as 7 U.S.C. 1926 Section 306 (a)(20)(E). Accordingly, the State of Alaska, Department of Community and Economic Development (DCED), Regulatory Commission of Alaska (RCA) submitted an application to the U.S. Department of Agriculture for a \$7.5 million grant. With this grant, the RCA would establish a sub-recipient grant program titled the Rural Alaska Broadband Internet Access Grant Program.

Eligible Applicants

Only telecommunications carriers or cable operators capable of providing broadband Internet service in rural Alaska will be eligible to apply for sub-recipient grants. This grant program is not limited to Alaskan applicants.

Sub-recipient applicants must provide, among other items, information identifying its organization, duration of its existence, location of its offices, and its experience with similar projects.

Sub-recipient applicants must identify its key personnel assigned to the project and discuss the working relationship, interaction, and chain of communications between the applicant and the eligible community(s) that will benefit.

Eligible Communities

Sub-recipient grants will be limited to those projects that are structured so the benefit is specific (limited) to rural Alaskan communities that are predefined as:

1. A city, town, village, or borough within rural Alaska with a population of less than 20,000.
2. Have a not-employed rate of more than 19.5 percent.
3. Residents within the community that do not currently have local Internet access or broadband service. Internet access provided at some public schools and libraries through the E-rate Program or access available for rural health care does not exclude a community from this Program.

Using the Denali Commission's Telecommunications Survey conducted in 2000 and recent not-employed rates from Alaska's Department of Labor, the RCA has identified approximately 50 predefined communities in rural Alaska that meet the above criteria. This pre-defined list will be available to sub-recipient applicants upon release of the sub-recipient Grant Application Guide.

Communities whose residents currently have access to the Internet through either local dial-up providers regardless of the quality of connection will not be eligible.

Community Support: RCA believes community involvement is essential to the success and sustainability of broadband services in these rural communities.

To further this premise, the RCA recommends that all sub-recipient applicants provide documentation demonstrating community support and participation in the planning and implementation of the proposed project. Documentation can be items such as resolutions of support or memorandums of agreement between the applicants and the community or tribal council, or another public or non-profit organization representing the eligible community.

Eligible projects and project phases¹³

Projects must be proposed by eligible applicants and must benefit only eligible communities on the pre-defined list or provide substantive evidence that a community not on the predefined list is eligible. Additionally, Communities identified on the pre-defined list that have since received local dial-up Internet access or broadband connection since the Denali Commission Telecommunication Survey conducted in 2000 are not eligible for this grant program. The proposed project must result in providing:

1. Broadband Internet service into rural areas of Alaska currently without local dial-up Internet access or broadband service; and
2. The Internet services at affordable rates to the residents and are comparable to rates paid by residents of Anchorage, Fairbanks, and Juneau are eligible and
3. Maintain that rate structure and level of service for at least two years (mandatory) from the completion of the Start-Up Phase of the project.

Projects will consist of three distinct phases: a.) Construction Phase, b.) Start-Up Phase, and c.) Maintenance Phase.

Sub-recipient applicants must provide a proposal, which provides a detailed discussion of:

1. The applicant profile including key personnel, and its financial status.
2. The communities that would benefit from the project, the applicant's and community's relationship, and the community's support of the project.
3. Every aspect of the project for each of its three phases.
4. The applicant's commitment to contribute at least 25 percent of the funding for the first two phases, a budget for the first two phases, and a long term financial projection for the continuing sustainability through the third phase and beyond.
5. The applicant's acknowledgement that the Internet rate structure approved by the RCA must be maintained for a minimum of two years.
6. The applicant's acknowledgement that full compliance to federal and state requirements is mandatory.

The Program is intended to provide one-time financial assistance (funding) for projects that will:

- (1) establish common carrier facilities and services which will expand broadband Internet service into areas of Alaska currently without local (toll free) dial-up Internet access or broadband service, and
- (2) continue to provide broadband Internet service to the residents of those communities at affordable and comparable rates to those paid by residents of Anchorage, Fairbanks, and Juneau.

For the purposes of this Program and grants awarded under this Program, broadband Internet service is defined as at least 200Kbps from the network (downstream) to the end user and at least 64Kbps (upstream) from the end user to the network.

Projects must demonstrate that there is enough demand from residents for Internet services, that in the long-term, revenue generated from Internet fees paid by residents would be sufficient to cover the cost of maintaining Internet services. In essence, the project must be self-supporting, e.g. sustainable.

“Provide documentation from each community demonstrating community support and participation in the planning and implementation of the proposed broadband service. Such documentation can but is not limited to resolutions of support, cooperative agreements or memorandum of agreement between the Applicant and the community council, tribal council or nonprofit corporation, or other nonprofit organization representing the community.”

The intent is to have the Construction Phase completed within 18-months. If an unforeseen and unavoidable event arises, up to a six-month extension may be requested and the Regulatory Commission of Alaska, totally at its discretion, may extend the Construction Phase up to six months.

It is during the Construction Phase that the applicant will develop its rate structure, recurring and non-recurring rates, and level of service and present it to the Regulatory Commission of Alaska for approval. All must be very similar to those identified in the applicant's initial application to the Regulatory Commission of Alaska and must be comparable to rates assessed in Fairbanks, Anchorage, and Juneau for similar services.

The applicant must agree to maintain the approved rate structure and level of service for two years from the completion of the START-UP PHASE.

The Start-Up Phase begins upon completion of the CONSTRUCTION PHASE and may be up to 18 months in length. There will be no extensions.

During the Start-Up Phase, the applicant is encouraged to provide free Internet training and Internet business development courses to community residents within six months after the beginning of the Start-Up Phase.

During the Start-Up Phase, the applicants is encouraged to provide the community with a telephone number of the technical representative who is able to resolve problems or answer questions regarding the broadband Internet service.

During the Start-Up Phase, the applicant must provide computers and software so that free broadband Internet service is available to the residents of the community from at least one public building.

During the Start-Up Phase, the applicant must make residents aware that eventually, residents will need to subscribe to and pay for the broadband Internet service.

After free public access is available in the public facility and residents have been notified that they will eventually need to pay for the broadband Internet services in the public facility, the applicant may begin installing and charging for the broadband Internet service provided to private residences. The recurring and non-recurring rates charged to community residents must be those approved during the Construction Phase.

Regardless of the grant's scheduled termination date identified in the Grant Agreement, an applicant's grant with the Regulatory Commission of Alaska will terminate immediately upon the applicant's charging community residents for broadband Internet services that was free in the public facility.

The Regulatory Commission of Alaska may provide up to 75 percent of the funding required for the Start-Up Phase. The entire amount provided by the Regulatory Commission of Alaska must be for actual direct expenses incurred in the Start-Up Phase. An indirect rate, overhead rate,

profit rate, indirect expenses, overhead expenses, and/or markup of direct expenses are not allowed.

The Maintenance Phase is mandatory and begins upon completion, including early termination, of the Start-Up Phase and shall be for two years. During this Phase applicants shall not modify their rate structure and/or level of service approved by the Regulatory Commission of Alaska during the CONSTRUCTION PHASE.

As of the beginning of the Maintenance Phase, the Regulatory Commission of Alaska will provide no further funding in any manner to the applicant.

If the applicant has not already done so, at the beginning of the Maintenance Phase, the applicant may begin charging for broadband Internet services that was free in the public facility during the START-UP PHASE.

An applicant's proposal must provide a statement that the applicant understands that this Program is being funded with federal money that is being "passed" as a grant to the Department of Community and Economic Development and then being "passed" by the Department of Community and Economic Development through the Regulatory Commission of Alaska to "sub-recipient" grantees -- telecommunication carriers and cable operators -- and that the applicant understands that the following federal requirements also apply to and are being "passed" to the sub-recipient. As a for-profit entity, receiving federal funding through a state government, the successful applicants (sub-recipients) must comply with:

- Federal Title 7, Chapter XXX, Part 3015 enacted by the U. S. Department of Agriculture for non-government entities receiving federal funding
- Section 3015.21 requires the applicant retain all record for 3 years.
- Section 3015.24 allows the U. S. Department of Agriculture and the Comptroller General of the United States, access to any books, documents, papers, or other records of the applicant, which are pertinent to the grant.
- Section 3015.113 requires changes in scope, objectives, or key people have prior approval by the U. S. Department of Agriculture.
- Sections 3015.163 through .173 discuss key terms regarding property and equipment acquired under the grant. When the property or equipment is no longer needed for the authorized purpose of the grant, transfer or disposal may be required with compensation made to the federal government.
- Section 3015.194 incorporates the Cost Principles dictated by federal Title 48, Chapter 1, Part 31.2 (also referred to as 48 CFR Part 31)
- Section 3015.195 identifies that there may be different and conflicting requirements between initial and sub-recipient grantees.
- As an entity receiving funding through a State of Alaska entity, the successful applicants (sub-recipients) must comply with the State's Single Audit Requirement established under Alaska Administrative Code 2 AAC 45.010.
- Successful applicants are advised they will operate all facilities financed with grant proceeds in a nondiscriminatory manner on the basis of handicap. Refer to Rural Development Instruction 1942-A, Section 1942-17(k)(8), "Section 504 of the Rehabilitation Act of 1973".
- Applicant must provide, with the sub-recipient application, the information in the federally required format reflected on the (1) Request for Environmental Information - Form 1940.20

which also requires a detailed letter from the State Historic Preservation Office; and (2) the State of Alaska's Coastal Management Zone questionnaire.

Appendix 2 - Kentucky

Purpose and goals

connectkentucky is a strategic alliance of technology-minded companies, universities and government entities. *connectkentucky* supports statewide broadband infrastructure expansion, technology planning, public policy, public relations and technology workforce recruitment.

connectkentucky is enhancing Kentucky's competitiveness in the networked world by creating a better understanding of existing technological infrastructure, access and usage, and implementing the resulting action plan to build upon advantageous resources within the Commonwealth.

connectkentucky is a public-private partnership^{14,15} between the Office of the New Economy, private industry, Kentucky's universities and the Center for information Technology Enterprise (CiTE, Inc.).

In the *connectkentucky* 2002 report, "Kentucky Prepares for the Networked World¹⁶", three major goals were identified to increase the competitiveness of the Commonwealth in the "Knowledge Economy". The first goal is to **increase public awareness** of the benefits of e-commerce, e-government, and e-learning to Kentucky's businesses, governmental agencies and citizens. The second goal is to **create and implement market-driven strategies** that increase business, consumer and government use of technology. The third goal is to **implement public policy initiatives** that promote competition and eliminate regulatory barriers to increase Internet usage and broadband deployment throughout Kentucky. Towards accomplishing these goals, 19 action strategies and 12 success measures were identified as mission critical for the *connectkentucky* project.

In its second year, *connectkentucky* continues to gain momentum, recognition and success. Recently cited by a national study as a "best practice" for statewide technology deployment initiatives, *connectkentucky* has successfully brought to the table key corporations, decision-makers, educators, and policy-makers. The 2003 annual report, due to be released in November, will update the previous year's data and provide an assessment of progress since the project's inception. Additionally, 2003 marks the inaugural year for (KY120), an effort to profile innovative businesses and initiatives in each of Kentucky's 120 counties.

Economic vision and small business development¹⁷

connectkentucky supports the economic vision of the Commonwealth's leaders to increase technology-based business and enhance Kentucky's future workforce.

The *connectkentucky* alliance is focused on building and sustaining a vital Kentucky economy through **job creation, improved business processes, technology, education and advocacy**. The mission of *connectkentucky* is to promote technology-based economic development for the Commonwealth by fostering collaboration among the leadership of public and private companies, government agencies and institutions of higher education. By working with these organizations, the *connectkentucky* alliance will create more effective manufacturing processes, improve communications, increase efficiency, expand market opportunities and develop corporate growth strategies.

Today's economy is driven by processes and goods with a high technical content. Superiority, competitiveness and progress rely upon a technically trained workforce. There is growing evidence that U.S. dominance in this regard is eroding, which means Kentucky's ability to compete is also eroding. Based on recent national reports, Kentucky's performance as a "new economy" state has fallen to 45th and will continue to erode without further investment into its infrastructure and developing a technically trained workforce.

In the race for economic development and quality jobs, the Commonwealth must be innovative and sharpen its competitive edge. Companies like Gallatin Steel, Sygen Affiliate company PIC, Kuhlman Electric and Carlson Software are just a few of the Kentucky companies *connectkentucky* has profiled for their innovations and new-economy practices.

Kentuckians now live and work in the midst of an economic and cultural transformation that connects the world through advanced communications and information technology. Progressive policies and the innovative use of technology provide the Commonwealth with the opportunity to thrive in this new environment. Regardless of the label, whether it is the New Economy, the Knowledge Economy, the Next Economy or the Now Economy, the premise is the same: in light of recent economic and cultural shifts, individuals, communities, and states can choose to embrace the inherent opportunities or they can sit idly while the world passes by.

This new context allows little time to grieve jobs that leave our borders or to argue the merits of a traditionally defensive posture. In order to compete and thrive, Kentucky must proactively improve the ability of its citizens and businesses to adopt and use advantageous resources. The use of computers, the Internet and related technologies advance the development of the skills that fuel a progressive economy. Increasingly, companies choose locations and hire workers based upon the availability of technology-centric skills and resources. CEOs measure skills based upon an employee's ability to use computers, software and the Internet. The CEO of tomorrow will have used a laptop computer from the time he or she could talk. Tomorrow's CEO will demand a workforce that has had a similar exposure to technology.

There has never before been a greater imperative for expanding access to computers and the Internet to all reaches of Kentucky: the future of Kentuckians is at stake. Information technology is an enabler for expanding wealth, improving education, and increasing access to healthcare. By creating an environment that embraces technology, Kentucky will be better positioned to retain its native talent and to attract tech-savvy workers and companies. Ultimately, Kentucky's success in this economic and technological transition will be determined by the extent to which Kentuckians can effectively use new technologies.

The quality of life, natural resources and human capital in Kentucky provide a fertile ground for starting and growing businesses.

Kentucky's leaders have a vision for growing jobs that embraces small business development, innovation and technology expansion, and creating a common-sense regulatory environment. This combination of high quality of life and a progressive vision for business development make Kentucky an attractive place to live and work. One of the goals of *connectkentucky* is to serve as a reliable resource of information about technology in Kentucky that are relevant to Kentuckians and people interested in working and living in the Commonwealth.

Access to government¹⁸

Access to government information is fundamental to our democratic society. Streamlining state and local government processes through Internet-based tools has proven to be a highly effective and cost-efficient way to improve services. E-government saves time and money through convenient, electronic access to government information and services. Seamless government can help agencies perform more effectively and securely share information with all who need it – other departments, agencies at other levels of government, vendors or constituents – while reducing processing time and improving the integrity and security of data.

For e-government to reach its full potential in Kentucky, it is vital that more homes and businesses have access to high-speed Internet connectivity. Electronic access will speed up license renewals, provide online employment information and improve overall service levels. As state and local governments provide an increasing number of services online, the ability to access them through a faster connection becomes paramount. By working with government leaders in developing e-government solutions, *connectkentucky* is reducing administrative costs, and increasing access to services and demand for broadband Internet applications.

connectkentucky is working to increase broadband access and availability across the Commonwealth. As a technology-based resource, the *connectkentucky* alliance seeks to keep government officials apprised of policy issues and build citizen participation through the development of new applications, emergency preparedness information, employment opportunities and links to other valuable resources.

Healthcare¹⁹

connectkentucky supports healthcare providers and networks through rural broadband deployment and public policy initiatives. New technologies are enabling doctors to view and send medical images from any location with access to broadband services securely and quickly. Hospitals like Ephraim McDowell Regional Medical Center in Danville and Our Lady of Bellefonte Hospital in Ashland are transmitting patient data to off-campus locations.

Broadband access is reducing the disadvantages of physical remoteness from cities, connecting healthcare providers with potentially life-saving information. In addition, consumers are using the Internet to search for healthcare information that was previously only available by visiting their healthcare provider.

The cost for healthcare providers to offer services steadily increases while the amount of revenue remains flat or even decreases. As hospitals and physicians look for ways to lower costs, broadband applications provide efficiencies and cost-saving opportunities. Broadband connectivity can improve quality of services and profits for healthcare providers where reliability is essential, speed important and cost a defining factor. High-bandwidth connections enhance the dependability of Web-based mission-critical applications, reducing some of the cost and burden of providing care. Ultimately, improved service levels are the key to quality of life for both patients and physicians.

In addition to cutting the cost for healthcare providers, broadband enables Kentucky companies to manufacture world-class medical equipment and pharmaceutical products. Image Analysis, based in Columbia, Kentucky, builds state-of-the-art diagnostic equipment for clients in the U.S., Europe and Asia. According to Dr. Ben Arnold, President of Image Analysis, “One of the reasons we were able to move back home was the availability of broadband Internet access. It allowed us to have an international reach from a small town in Kentucky.”

Education and research²⁰

connectkentucky performs important research into the capacity and use of broadband technologies in the Commonwealth. State, business and education leaders use this information in the design of their plans for enhancing Kentucky’s competitiveness in the networked world.

connectkentucky has assessed the Commonwealth’s technology infrastructure for over two years, culminating in the *connectkentucky Report 2003*. This snapshot of information technology (IT) in Kentucky is enhancing the Commonwealth’s competitiveness in the networked world by creating a better understanding of the existing technological infrastructure, the availability of access to that infrastructure and how it is being used today. *connectkentucky Report 2004* will be the third assessment published and will be available in the first quarter of 2005.

Many of Kentucky’s higher education institutions have joined the *connectkentucky* alliance. These education leaders recognize the important role IT and broadband technologies play in the long-term success of the Commonwealth’s economy. Through the adoption of new technologies, education resources will soon be available to citizens even in the most rural parts of Kentucky.

Authorization, Organization, and Funding²¹

In April 2000 House Bill 572, the Kentucky Innovations Act passed the General Assembly and was signed into law. The Act established Kentucky’s Office for the New Economy and the Kentucky Innovation Commission.

CiTE was established in February 2002 to facilitate a growing need in Kentucky for a contract research and consulting enterprise that specialized in information technology strategy and policy planning for business, government, and educational institutions. Dr. Linda Ellis Johnson was named President and CEO of CiTE. Dr. Johnson’s expertise included international recognition in the field of eLearning. The *connectkentucky* (Steering Committee) consists of representatives of the public and private sectors, as well as the state’s universities.

August 2002 - The Western Kentucky University Foundation guaranteed the operating capital for CiTE and the first corporate offices were leased at 1711 Destiny Place, Bowling Green, Kentucky.

CiTE was the successful bidder in October 2002 on a Request for Proposal for a Strategic Statewide Technology Capacity Initiative. This began public-private partnership between Kentucky’s Office for the New Economy, private industry, the state’s universities and CiTE.

CiTE renamed this statewide technology initiative, *connectkentucky*.

CiTE announced in August 2002 24 founding *connectkentucky* Partners participating in the statewide technology-based initiative.

In an effort to renew the Commonwealth of Kentucky's business recruitment strategies, Governor Ernie Fletcher renamed the Office for the New Economy. The agency is now known as the Department of Innovation and Commercialization for the Knowledge Based Economy.

CiTE's rural broadband initiative

CiTE's **RURAL BROADBAND INITIATIVE**²² is national in scope and provides assistance to communities in developing and deploying world-class broadband solutions. The project staff work with rural communities to develop innovative strategies and approaches for providing high-speed Internet access which is a crucial component for economic development, access to advances in medicine, lifelong learning opportunities, and a general improvement in the quality of life for citizens within the community.

Rural Broadband professionals help municipalities and communities improve their quality of life.

The Rural Broadband Initiative is a statewide initiative to provide assistance to communities in developing and deploying world-class broadband solutions. The project staff work with Kentucky's rural communities to develop innovative strategies and approaches for providing high speed Internet access which is a crucial component for economic development, access to advances in medicine, lifelong learning opportunities, and a general improvement in the quality of life for citizens within the community.

We are a public-private partnership, which provides assistance to communities in developing and deploying world-class broadband access, eGovernment, and homeland security solutions. We do this through developing innovative strategies and approaches to funding and in developing and deploying IT strategies.

Services

We provide strategy and policy expertise to local governments, rural co-operatives, education institutions and others seeking to build high-speed internet applications, accessibility and infrastructure to help their communities:

- Attract and retain business and industry
- Encourage growth within existing industries
- Encourage lifelong learning through expanded distance education opportunities
- Provide expertise in developing Homeland Security plans to integrate into telecommunications architecture
- Assist in the general improvement in quality of life for citizens

Rural Broadband professionals first assess the clients telecommunication needs using a model developed exclusively for the rural setting. The assessment report includes:

- A detailed blueprint of the client's needs to enable highspeed Internet access

- The necessary business plan elements
- Key documents that may be used to pursue funding assistance

Benefits

Rural Broadband consultants assess and detail the entire municipality or community broadband needs. We deliver the information and blueprints that enable your municipality or community to seek appropriate state or federal funding and we provide the necessary strategic planning and consulting services to help realize success.

Pricing & Partnership

In order to accurately price our products and services, Rural Broadband offers free consultation by phone, e-mail, or in person to identify and discuss your municipality's or community's needs. Because Rural Broadband is a public-private partnership involving Kentucky's Office for the New Economy, Local Economic Development Funding Authority, the Kentucky Manufacturing Assistance Center and private industry partners, there may be financial assistance available to assist you in funding your project. Once we gather all the necessary information, we are able to construct and present a written proposal for your review and consideration.

Looking Forward²³

To fully appreciate the significance of increasing Kentucky's use of technology, it is important to understand the economic and cultural impact the Internet and related technologies are having on the world in which we live. Consider this reality: the Internet, and other information technology, generally is having a greater transforming impact on the economy than either the industrial revolution of the 19th century or the electricity revolution of the 20th century. Stated more simply, the use of networked computers is transforming the economy and individual lives like nothing else in the past 200 years.

Turning Discovery and Innovation into Jobs and Opportunities
for Kentucky Citizens



It is the convergence of this economic transition and cultural transformation that makes information technology an imperative for the Commonwealth. To dismiss this trend is to join the ranks of those who shrugged off the significance of electricity or the telephone to economic development in the 20th century. The choice to succeed in this new, knowledge-based economy

requires ideas and actions that improve technological infrastructure and encourage high-tech organizations to do business within Kentucky. At the start of the 21st century, the Commonwealth is at a critical juncture where choices must be made and actions taken that will preserve Kentucky's natural and historic advantages while seizing the opportunities that will ensure our success in the global economy.

Appendix 3 - Michigan Broadband Development Authority (MBDA)

Purpose and vision

The MBDA was created to help Michigan attract more private sector investment in high-speed Internet infrastructure, and to increase demand for and utilization of broadband services. It does so by offering low-cost loans to telecommunications companies willing to make such investments and by offering organizations low-cost financing for the acquisition of hardware/software applications that will improve or increase their use of broadband service.

The Michigan Legislature gave a clear mandate to foster the development of broadband technology in the state. They gave several tools to accomplish this mission. Through the bond capabilities of the state they have access to low cost capital and are empowered to offer loans at below market rates. They also gave the resources to hire a talented staff with extensive development expertise. Finally, as a State Agency, they can facilitate relationships with other government and private agencies on behalf of our borrowers. Ultimately they are working to close the "digital divide."

Authority, organization, and funding

As a result of the findings of the Link Michigan Project²⁴, Michigan's legislature created the first Broadband Development Authority in the United States. The agency facilitates broadband expansion for the benefit of all people of the state. The Authority is an independent state government agency. Created by the State Legislature on March 14, 2002 (Act No. 49 of the Public Acts of 2002²⁵ – see Appendix 1 for complete text), the Authority is authorized to issue investment grade, taxable and tax-exempt bonds, the proceeds of which can be used to provide financing assistance.

The MBDA is an independent state agency created by the Michigan Legislature and signed into law by Governor Engle on March 14, 2002. Speeding the new agency's formation, the MBDA was capitalized by the state's Housing Authority through a \$50 million bond sale in April of that year. The Authority's mission is to provide lower-cost financing that will expand more affordable high-speed Internet services throughout Michigan.

The MBDA's 11-member Governing Board is made up of the President and CEO of MBDA, the Vice President of MBDA, the State Treasurer, the Executive Director of the Michigan State Housing Development Authority, the Head of the Michigan Economic Development Corporation and six fixed-term Governor-appointed members, with an equal number from both political parties.

The MBDA is authorized to issue investment grade, taxable and tax-exempt bonds to finance and facilitate the construction, operation and maintenance of broadband infrastructure in Michigan. Authority bonds will be repaid from earnings on the operations of broadband projects. The Authority will create a reserve capital account to secure notes and bonds for the Authority and may establish a capital reserve fund for the payment of the principal and interest of notes and bonds. MBDA will establish a seed capital loan program to make capital loans to persons planning to apply to the Authority for refinancing of broadband infrastructure.²⁶

MBDA may enter into joint venture and partnership agreements with broadband developers and operators so long as the Authority does not use tax-exempt bonds to finance residential, business or other commercial customers. Taxable bonds may be issued for such projects. The Authority will focus on financing privately owned and operated broadband infrastructure backed by sizeable equity investments.

The MBDA may acquire infrastructures in connection with joint ventures and partnerships where Authority participation is necessary to assure the availability of tax-exempt financing. The MBDA will look to partner and leverage other public grants and private resources to reduce risk and lower project costs.

Organizations the MBDA finances

The MBDA Charter permits lending to a range of organizations: telecommunications companies, private businesses, non-profits, and government entities.

Projects the MBDA can finance

The MBDA can finance a broad range of projects: network expansion (fiber, DSL, cable, wireless), hardware, software, training, and installation cost.

Size of loans

They consider loan requests ranging from \$0 - \$100 million.

Application evaluations

Three primary factors when evaluating loan requests:

1. Does the proposed use of funds serve the public interest?
2. Is the project technically and financially feasible?
3. Are the applicants a reasonable credit risk?

MBDA uses credit criteria similar to private lenders including:

1. **Repayment Ability:** borrowers should demonstrate their organization's ability to cover expenses and repay the loan.
2. **Management Expertise:** borrowers must show their capability to manage the business or project. For a startup, experience in the same industry is critical.
3. **Equity Contribution:** borrowers must demonstrate their confidence in the project with an equity contribution of approximately 30% depending on the project type.
4. **Collateral:** borrowers should offer collateral commensurate with the amount of the loan whether it be company assets, personal assets or government guarantees.
5. **Credit History:** borrowers must agree to personal and/or organizational credit reviews.

Loan applications and types

The MBDA provides low-cost loans for qualifying projects, but does NOT provide grants. They can finance network expansions, hardware and software acquisitions, and services that increase the deployment or utilization of broadband technology. Private businesses, non-profit

organizations, educational institutions and government agencies are all eligible for loans. They consider loan requests ranging from \$0 - \$100 million.

The entire process takes approximately 90 days from initial application to closing. You may apply for a loan at any time. *However, for fastest processing, please submit your application by the 15th of any month.*

When submitting an application form, you may include a form for requesting confidential treatment of certain materials that may be submitted with an application.

Application requirements vary, but all applicants must include a description of the project's benefits, scope, economics, and technologies. In addition, they require detailed information about the sponsor, its financial standing and credit. MBDA uses credit criteria similar to private lenders including: repayment ability, management expertise, equity contribution, collateral, and credit rating/history.

Seed loans are suitable for any organization using funds to pay the development and planning costs associated with larger projects submitted for financing from the MBDA. Appropriate uses of funds include market studies, engineering/technical studies and legal services. These loans are typically less than \$50,000.

Up to \$1 million service provider loans are targeted at network operators seeking financing for broadband network infrastructure projects that use technologies such as coaxial cable, copper wire, fiber optic cable, and wireless systems to deliver broadband services.

More than \$1 million service provider loans are targeted at network operators seeking financing for broadband network infrastructure projects that use technologies such as coaxial cable, copper wire, fiber optic cable, and wireless systems to deliver broadband services.

Corporate User Acquisition Loans. This program is suitable for any for-profit company looking to acquire a significant amount of IT hardware/software that will result in increased use of broadband connectivity. Funds can also be used for related costs like installation, maintenance and training.

Non-Profit and Government User Loans. This program is suitable for non-profit and government entities seeking financing from the MBDA for their acquisition of large-scale hardware or software IT or other systems that support and improve or increase the use of broadband services. Eligible costs include hardware and software acquisition, installation, initial maintenance, training and other costs associated with implementing broadband systems

Digital Divide Investment Program Investment Area Loan. Investment Area Loans are a key component of the Digital Divide Investment Program (DDIP) and are to be utilized only when responding to DDIP Request for Proposals as issued by Units of General Local Government. Eligible applicants include for-profit telecommunications providers, including, but not limited to local exchange carriers, cable companies, satellite companies, wireless Internet service providers, or broadband over power-line carriers. A loan will be provided to support the winning vendor's costs for installation of their broadband network in the entire investment area. There is no cap on this loan amount.

Appendix 4 - North Carolina Rural Internet Access Authority

Purpose and goals

The North Carolina General Assembly in its 2000 session approved the creation of the Rural Internet Access Authority to oversee efforts to provide rural areas with high-speed broadband Internet access.²⁷

The authority's main goals are ambitious: to provide local dial-up Internet access from every telephone exchange in North Carolina within one year; and to provide high-speed Internet access at competitive prices (at least 128K for residential customers and at least 256K for business customers) to all North Carolinians within three years.

Other goals of the Rural Internet Access Authority include:

- Increasing the ownership of computers, related Web devices, and Internet subscriptions throughout the state.
- Providing two model Telework Centers to be established by January 2002 (Only one-fourth of the state's telephone central offices are located in the most economically distressed areas.)
- Providing accurate and current information via the Internet to state residents concerning the availability of telecommunications and Internet services. Also providing updates on future telecommunications and Internet services.
- Developing Internet applications for government agencies that will make receiving services easier and more convenient. These applications can also facilitate the delivery of more comprehensive government programs, including training, education, and health care.
- Employing open-technology approaches that encourage all potential providers to participate in the implementation of high-speed Internet access.
- Coordinating activities, conducting and sponsoring research, and recommending and advocating actions, including regulatory and legislative actions, to achieve the authority's goals and objectives.

Authority, organization, and funding

The authority is established within the state Department of Commerce, with the Rural Center providing administrative and professional staff support for the authority. The authority is governed by a 21-member commission, which includes members of state government, business and education leaders, members of the Microelectronics Center of North Carolina (MCNC) and representatives from the state's telecommunications companies, including Internet service providers, rural telephone cooperatives, local telephone exchange and independent telephone companies, commercial wireless communications carriers, and the cable industry.

Today there's e-NC²⁸

e-NC is the grassroots initiative to link all North Carolinians - especially those in rural areas - to the Internet.

The purpose of the e-NC initiative is to use the Internet as a tool for helping people to improve their quality of life. Affordable Internet service will provide North Carolinians with increased access to commerce, health care, education and government services. Through the Internet, rural North Carolinians can utilize resources not located in their areas, contact friends and experts, grow their businesses and increase their personal knowledge - while preserving the lifestyle that is an integral part of who they are.

By encouraging North Carolinians to use the Internet and providing opportunities for them to gain new skills, e-NC is building connected communities and a more economically competitive state. Increased ties between citizens and neighbors, between rural and developed areas and between businesses and communities will help prepare North Carolina for a brighter, more prosperous future.

The e-NC initiative was originally led by the Rural Internet Access Authority. The authority was created on August 2, 2000, by the N.C. General Assembly and began operation in January 2001. Its members are appointed by the General Assembly and the Governor. e-NC operates with support from a coalition that includes the N.C. Rural Economic Development Center, the legislature and state government, the telecommunications industry, non-profit organizations and individuals.

The e-NC Authority is charged with continuing the work of the Rural Internet Access Authority that included the following goals:

- To provide local dial-up Internet access from every telephone exchange in North Carolina within one year (achieved in August 2001)
- To provide high-speed Internet access at competitive prices (at least 128K for residential customers and at least 256K for business customers) to all North Carolinians within three years;
- To significantly increase the numbers of individuals, businesses and organizations who own computers and computer devices and who subscribe to the Internet;
- To establish telecenters located in the state's most economically distressed areas;
- To establish a web site to provide North Carolinians with complete information on Internet and telecommunications services, how they can be obtained and what kinds of services will be available in the future;
- To develop Internet applications that improve government services in areas such as education and health care - and that make it easier and more convenient for citizens to receive services;
- To encourage all potential Internet service providers to participate in the effort, regardless of the technologies they employ (telephone, cable, wireless, satellite); and
- To recommend to the Governor and General Assembly actions to improve Internet access statewide.

The e-NC Authority is leading a grassroots initiative to link all North Carolinians – especially those in rural areas – to the Internet. The authority was first created as the Rural Internet Access Authority on August 2, 2000, by the N.C. General Assembly and given life span of three years. On August 14, 2003, Governor Michael Easley signed into law House Bill 1194²⁹ creating the e-NC Authority, to continue the work of the Rural Internet Access Authority (RIAA) for three

more years, beginning January 2004. The bill recognizes the Authority's successful accomplishment of its goals and spells out key reasons for continued vigilance. A 15-member commission³⁰ guides the work of the authority. See Appendix 2 - e-NC Press Releases to get an overview of the types of activities that have occurred over the course of the life of the RIAA and the e-NC.

Grants Funded by the RIAA³¹

Digital Literacy Training
e-communities Implementation
e-Communities Planning
Incentives
Leg-UP
Public Access
Telecenter

e-Communities grants

Belhaven Cable and TV	A contract to bring high speed access to Ocracoke through cable model technology.
Carteret Community College	Funds ATM connection for the new West Carteret Learning Resource Center
Fastransit Communications	Develop an web portal for Ashe County.
Madison County	Virtual farmers market and training
Mount Olive College	Develop e-agribusiness training and a virtual farmers market.
Mountain Area Information Network (MAIN)	Provides funds to convert the Blue Ridge Web Market to a database driven website.
N.C. Global Transpark Authority	Licensed program to match small businesses with procurement opportunities.
Pamlico Information Network Enterprise	Provides wireless high speed Internet Access.
Perquimans County Chamber of Commerce	Develop a Perquimans county heritage portal.
Polk County	
South Piedmont Community College	SPCC will develop e-business support centers, or incubators, in the Lockhart Taylor Center (Wadesboro) and the Downtown Monroe Inc building (Monroe).

[Stokes County](#)

[Town of Harrells](#)

Provides a public access site and equipment for a telework room in the Town Hall. Scholarship money is also available for digital literacy courses in exchange for volunteer hours with the center.

[Tri-County Community College](#)

Supports three public Internet access centers and provides distance learning opportunities by establishing a wireless connection between schools in Cherokee and Clay counties, the main Tri-County campus, and the community college satellite site in Graham County.

Economic Development Grants

Grantee	Description	Grant Type
N.C. Global Transpark Authority	Licensed program to match small businesses with procurement opportunities.	e-communities Implementation
Mount Olive College	Develop e-agribusiness training and a virtual farmers market.	e-communities Implementation
Town of Harrells	Provides a public access site and equipment for a telework room in the Town Hall. Scholarship money is also available for digital literacy courses in exchange for volunteer hours with the center.	e-communities Implementation
Perquimans County Chamber of Commerce	Develop a Perquimans county heritage portal.	e-communities Implementation
Madison County	Virtual farmers market and training	e-communities Implementation
Mountain Area Information Network (MAIN)	Provides funds to convert the Blue Ridge Web Market to a database driven website.	e-communities Implementation
South Piedmont Community College	SPCC will develop e-business support centers, or incubators, in the Lockhart Taylor Center (Wadesboro) and the Downtown Monroe Inc building (Monroe).	e-communities Implementation
RiverLink, Inc	Develop a tracking program for water quality of the French Broad River that is displayed via GIS to citizens and capable of scaling to other river basins.	Incentives
Carolinas Gateway Partnership	Assist with the creation of an e-learning center for workforce development. Contingent requirement.	Incentives

New River Community Partners	Blue Ridge Business Development Center	Telecenter
Tri-County Community College	Tri-County Community College Telecenter	Telecenter
North Carolina's Northeast Partnership	Northeast Business and Technology Center	Telecenter
Duplin County EDC	Duplin County Business Technology Centers	Telecenter

High-speed Access Proposals Funded

Title	Description	Grant Type
Advantage West	Advantage West will work with the Education & Research Consortium and the Western North Carolina Knowledge Coalition's Appalachian Access initiative to provide a fiber infrastructure to Clay, Jackson and Macon counties, which will attach to the ERC's network in Sylva, N.C.	Incentives
Advantage West	Advantage West will work with the Education & Research Consortium and the Western North Carolina Knowledge Coalition's Appalachian Access initiative to provide a fiber infrastructure to Madison, Mitchell and Yancey counties, which will attach to the ERC's network in Mars Hill, N.C.	Incentives
Alltel	To provide DSL in Anson county wire centers and incent market pricing to bring on customers.	Incentives
America Connect	To deploy wireless last mile high speed Internet access in Granville and Person counties.	Incentives
APEC	To deploy a first and middle mile fiber network in Northeastern North Carolina serving 15 eastern counties	Incentives
Belhaven Cable and TV	A contract to bring high speed access to Ocracoke through cable model technology.	e-communities Implementation
Cape Lookout Internet Service	High speed Internet access via satellite.	Incentives
Carteret Community College	Funds ATM connection for the new West Carteret Learning Resource Center	e-communities Implementation

Clay County	Deploy a fiber network in Haysville that connects schools, government, businesses and residents.	Incentives
DukeNet Communications	DukeNet will co-locate its equipment in the Verizon office in Robbinsville, N.C., and connect to its network in Sylva, N.C. Ultimately, this will provide an alternative fiber optic connection and reduce the cost of broadband transport to Robbinsville and the counties surrounding it.	Incentives
GetOnTheAir	GetOnTheAir, an Internet service provider, will be able to provide wireless Internet service to Graham and Swain counties through this grant.	Incentives
Mountain Area Information Network (MAIN)	MAIN, an Internet service provider, will be able to provide wireless Internet service to Madison, Mitchell and Yancey counties.	Incentives
New River Community Partners	New River Community Partners may work with the Blue Ridge Electric Membership Cooperative, DukeNet Communications and Skyline Telephone Membership Cooperative to build a fiber infrastructure that will provide a geographically diverse route for broadband access to the Northwest mountains.	Incentives
Pamlico Information Network Enterprise	Provides wireless high speed Internet Access.	e-communities Implementation
Polk County	No Description provided	e-communities Implementation
Sprint	Provide DSL	Incentives
Sprint	Provide DSL to specific rural communities.	Incentives
Tri-County Community College	Supports three public Internet access centers and provides distance learning opportunities by establishing a wireless connection between schools in Cherokee and Clay counties, the main Tri-County campus, and the community college satellite site in Graham County.	e-communities Implementation
<u>e-Government</u>		
Grantee	Description	Grant Type
Fastransit	Develop an web portal for Ashe County.	e-communities

Communications

Implementation

Roanoke Economic
Development

Use the NC TechForce and Gekl Technologies to jumpstart online activities in Bertie, Gates, Halifax, Hertford and Northampton counties.

Incentives

Clay County

Deploy a fiber network in Haysville that connects schools, government, businesses and residents.

Incentives

Caldwell County

To provide a web enabled integrated database for human services in county government. Caldwell and 7 other mountain counties

Incentives

Appendix 5 - Text of Legislation Relating to Broadband Authorities

Michigan

STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002
Introduced by Senator Stille
ENROLLED SENATE BILL No. 881

AN ACT to create the Michigan broadband development authority; to create funds and accounts; to authorize the issuing of bonds and notes; to prescribe the powers and duties of the authority; and to provide incentives for the development of broadband services.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the ³Michigan broadband development authority act².

Sec. 2. The legislature finds that certain areas of this state are not being adequately served with broadband services and that, for the benefit of the people of this state and the improvement of their health, welfare, and living conditions, the improvement of the economic and educational welfare of this state, and the improvement of its public safety and security, it is essential that broadband infrastructure be expanded to provide broadband services throughout this state and that the private sector should be encouraged to invest in the deployment of broadband services and networks and that financing by this authority will encourage broadband investment. This act shall provide a method to assure that economic, technological, and logistical integrated broadband services are provided throughout this state on a nondiscriminatory basis. The provision of affordable broadband services and networks will assure the long-term growth of and the enhancement and delivery of services by the educational, medical, commercial, and governmental entities within this state, including, but not limited to, municipalities and counties, public safety facilities, judicial and criminal facilities, telemedical facilities, schools, colleges, universities, hospitals, libraries, community centers, businesses, nonprofit organizations, and residential properties. To increase the speed and availability at which affordable broadband services become available in this state, it is declared to be a valid public purpose to assist in the financing and refinancing of the private and public sectors¹ development of a statewide broadband infrastructure. It is further declared to be a valid public purpose for the authority created under this act to issue bonds and notes to provide for financing or refinancing to broadband developers and broadband operators, to make loans and provide joint venture and partnership arrangements subject to section 7(2) and (3) to broadband developers and broadband operators, to enter into contracts for the lease or management of all or portions of the broadband infrastructure, and to enter into joint venture and partnership arrangements and partnerships with persons that will acquire, construct, develop, create, maintain, own, and operate all or portions of the broadband infrastructure. The legislature finds that the authority created and powers conferred by this act constitute a necessary program and serve a necessary public purpose.

Sec. 3. As used in this act:

(a) ³Authority² means the Michigan broadband development authority created under section 4.

(b) ³Board² means the board of directors of the authority.

(c) ³Capital reserve fund requirement² means the fund amount requirement that may be established in the resolution authorizing notes or bonds for which a capital reserve fund has been established under section 8. The required amount shall not exceed the maximum amount of principal and interest maturing and becoming due in a succeeding calendar year on the notes or bonds secured in whole or in part by the fund.

(d) ³Broadband developer² means a person selected by the authority to acquire, construct, develop, and create any part of the broadband infrastructure.

(e) ³Broadband infrastructure² means all facilities, hardware, and software and other intellectual property necessary to provide broadband services in this state, including, but not limited to, voice, video, and data.

(f) ³Broadband operator² means a person selected by the authority to operate any part of the broadband infrastructure.

(g) ³Broadband services² means those services, including, but not limited to, voice, video, and data, that provide capacity for transmission in excess of 200 kilobits per second in at least 1 direction regardless of the technology or medium used, including, but not limited to, wireless, copper wire, fiber optic cable, or coaxial cable. If voice transmission capacity is offered in conjunction with other services utilizing transmission in excess of 200 kilobits per second, the voice transmission capacity may be less than 200 kilobits per second.

(h) ³Development costs² means the costs associated with the broadband infrastructure that have been approved by the authority and include, but are not limited to, all of the following:

- (i) The costs for the planning, acquiring, leasing, constructing, maintaining, and operating of the broadband infrastructure.
 - (ii) Payments for options to purchase, deposits on contracts of purchase, and payments for the purchases of properties for the broadband infrastructure.
 - (iii) Financing, refinancing, acquisition, demolition, construction, rehabilitation, and site development of new and existing buildings.
 - (iv) Carrying charges during construction.
 - (v) Purchases of hardware, software, facilities, or other expenses related to the broadband infrastructure.
 - (vi) Legal, organizational, and marketing expenses, project manager and clerical staff salaries, office rent, and other incidental expenses.
 - (vii) Payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work.
 - (viii) Any other costs and expenses necessary for the acquisition, construction, maintenance, and operation of all or portions of the broadband infrastructure.
- (i) ³Person² means an individual, corporation, limited or general partnership, joint venture, or limited liability company or a governmental entity, including state authorities, municipalities, counties, and townships, police, fire and other public safety organizations, judicial entities, medical entities, schools, colleges, universities, hospitals, libraries, community centers, and local economic development entities. Except to the extent that state authorities, police, fire, and other public safety organizations, judicial entities, medical entities, schools, colleges, universities, hospitals, and libraries may constitute state entities, person does not include this state.

Sec. 4. (1) The Michigan broadband development authority is created as a public body corporate and politic within the department of treasury.

(2) The authority may do all of the following:

- (a) Assist through financing and refinancing the expansion of broadband infrastructure services to residential, commercial, public, and nonprofit customers in this state.
- (b) Authorize the issuance of bonds and notes to finance or refinance the private and public sectors¹ development of the broadband infrastructure.
- (c) Authorize the making of loans and joint venture and partnership arrangements subject to section 7(2) and (3) to broadband developers and broadband operators.
- (d) Authorize the imposition and collection of rents, charges, and fees for the services furnished by the broadband infrastructure in conjunction with financing entered into by the authority.
- (e) Enter into joint venture and partnership arrangements and partnerships subject to section 7(2) and (3) to acquire, construct, maintain, and operate the broadband infrastructure.
- (f) Assist broadband developers and operators with all other matters necessary for the acquisition, construction, maintenance, and operation of the broadband infrastructure.
- (g) Continuously evaluate all types of technologies in order to encourage the widest deployment of broadband services and broadband infrastructure in this state.
- (h) Make broadband services to schools and libraries a priority under authority financing programs.
- (i) Insure that the financing and refinancing of the development of broadband services under this act includes provisions that small businesses and that each region of this state have an equal opportunity to receive financing and refinancing.

Sec. 5. The authority shall exercise its duties independently of the state treasurer. The budgeting, procurement, and related administrative functions of the authority shall be performed under the direction and supervision of the state treasurer.

Sec. 6. (1) The authority shall exercise its duties through its board of directors.

(2) The board shall be made up of the following members:

- (a) The president and CEO of the Michigan economic development corporation.
- (b) The state treasurer.
- (c) The executive director of the Michigan state housing development authority.
- (d) Eight members with knowledge, skill, or experience in the academic, business, technology, or financial fields appointed by the governor with the advice and consent of the senate. Not more than 2 of the 8 appointed members shall be, during their term on the board, employees of this state. The 2 members of the board who are employees of the state under this subdivision shall not hold any other positions with the state during their term on the board. Six of the 8 appointed members shall serve for fixed terms. Not more than 3 of the 6 appointed members serving for fixed terms shall be members of the same political party. Of the 6 fixed-term members first appointed, 2 shall be appointed for a term that expires December 31, 2003, 2 shall be appointed for a term that expires December 31, 2004, and 2 shall be appointed for a term that expires December 31, 2005. Upon completion of each fixed term, a member shall be appointed for a term of 4 years. The 2 appointed members serving without a fixed term shall serve

at the pleasure of the governor. The 8 appointed members shall serve until a successor is appointed. A vacancy in a fixed-term membership shall be filled for the balance of the unexpired term in the same manner as the original appointment. As used in this subdivision, ³members of the same political party² includes a person who, in the determination of the governor, is currently a member of the same political party and a person who was a member of the same political party at any time within the immediately preceding 2 years, as attested by the person to be appointed.

(3) Each member of the board serving under subsection (2)(a), (b), and (c) may appoint a representative to serve in his or her absence.

(4) Except for the board president, who shall serve as the board's chief executive officer pursuant to subsection (5), and vice president, members of the board shall serve without compensation but may receive reasonable reimbursement for necessary travel and expenses incurred in the discharge of their duties. The board shall establish reasonable compensation for the board president and vice president.

(5) The governor shall designate 1 member of the board to serve as its chairperson who shall serve at the pleasure of the governor. Of the 2 board members serving without a fixed term at the pleasure of the governor, the governor shall designate 1 member to serve as the board's president and chief executive officer and the other member to serve as its vice president.

(6) A majority of the serving members of the board shall constitute a quorum of the board for the transaction of business. Actions of the board shall be approved by a majority vote of the members present at a meeting. The business of the board shall be conducted in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(7) A record or portion of a record, material, information, or other data received, prepared, used, or retained by the authority in connection with an application to or project related to the broadband infrastructure assisted by the authority that relates to trade secrets, commercial, financial, or proprietary information submitted by the applicant, and which is requested in writing by the applicant and acknowledged in writing by the president of the authority to be confidential, is not subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. As used in this subsection, ³trade secrets, commercial, financial, or proprietary information² means information that has not been publicly disseminated or that is unavailable from other sources, the release of which might cause the applicant significant competitive harm.

(8) The authority may employ or contract for legal, financial, and technical experts, and officers, agents, and employees, permanent and temporary, as the authority requires, and shall determine their qualifications, duties, and compensation. The board may delegate to 1 or more agents or employees those powers or duties with any limitations that the board considers proper.

(9) The members of the board and officers and employees of the authority are subject to 1968 PA 317, MCL 15.321 to 15.330, or 1968 PA 318, MCL 15.301 to 15.310.

(10) A member of the board or officer, employee, or agent of the authority shall discharge the duties of his or her position in a nonpartisan manner, with good faith, and with that degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging the duties of his or her position, a member of the board or an officer, employee, or agent of the authority, when acting in good faith, may rely upon the opinion of counsel for the authority, upon the report of an independent appraiser selected with reasonable care by the board, or upon financial statements of the authority represented to the member of the board or officer, employee, or agent of the authority to be correct by the president or the officer of the authority having charge of its books or account, or stated in a written report by a certified public accountant or firm of certified public accountants to fairly reflect the financial condition of the authority.

Sec. 7. (1) The powers of the authority shall include all those necessary to carry out and effectuate the purposes of this act, including, but not limited to, all of the following:

(a) To borrow money and issue bonds and notes to fund operations of the authority, to finance or refinance part or all of the development costs of the broadband infrastructure, to refinance existing debt for technology that constitutes a part of or is related to the broadband infrastructure, and to secure bonds and notes by mortgage, assignment, or pledge of any of its revenues and assets.

(b) To invest any money of the authority at the authority's discretion, in any obligations determined proper by the authority, and name and use depositories for its money.

(c) To enter into joint venture and partnership arrangements subject to subsections (2) and (3) with persons that will acquire, construct, develop, maintain, and operate all or portions of the broadband infrastructure.

(d) To be designated the state program manager for federal telecommunications assistance, to represent this state in negotiations with the federal government regarding telecommunications assistance, and to receive and distribute federal funding, including loans, grants, and other forms of funding and assistance on this state's behalf.

(e) To receive and distribute state or local funding including grants, loans, general appropriations, or an appropriation made for the purposes under subsection (4).

- (f) To make loans and to enter into any joint venture and partnership arrangements subject to subsections (2) and (3) with broadband developers and broadband operators that will acquire, construct, maintain, and operate all or portions of the broadband infrastructure.
- (g) To provide operating assistance to make broadband services more affordable to broadband developers, broadband operators, and broadband customers, in conjunction with broadband infrastructure financed by the authority.
- (h) To impose and collect charges, fees, or rentals for the services furnished by those portions of the broadband infrastructure financed by the authority under this act.
- (i) To set construction, operation, and financing standards for the broadband infrastructure in connection with authority financing and to provide for inspections to determine compliance with those standards.
- (j) To acquire from any person interests in real or personal property necessary for the operation of the authority.
- (k) To procure insurance against any loss in connection with the broadband infrastructure and any other property, assets, or activities of the authority.
- (l) To sue and be sued, to have a seal, and to make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise of the authority's powers.
- (m) To enforce financial, operational, warranty, security, lease, and guaranty terms and conditions established under financings by the authority. The authority may under this subsection acquire, construct, develop, lease, create, and maintain all or portions of the broadband infrastructure and acquire from any person interests in real and personal property.
- (n) To make and amend bylaws.
- (o) To indemnify and procure insurance indemnifying any members of the board of the authority from personal liability by reason of their service as a board member.
- (p) To investigate, evaluate, and assess the current broadband infrastructure and the future broadband infrastructure needs of this state and to encourage and participate in aggregation strategies for the broadband services of all public entities and nonprofit corporations in this state to maximize the interconnectivity and efficiencies of the broadband infrastructure.
- (2) Notwithstanding any other provision of this act, the authority shall not make loans to, or enter into any joint venture and partnership arrangements or participation with, any governmental entity or nonprofit organization except in connection with the financing or refinancing of development costs for that allocable portion of the broadband infrastructure used or to be used exclusively by governmental entities or nonprofit organizations, including, but not limited to, universities, colleges, hospitals, school districts, public safety agencies, judicial organizations, libraries, cities, townships, and counties. No allocable portion of the broadband infrastructure financed by a loan to a governmental entity or a nonprofit organization shall be used to serve residential, business, or other commercial customers.
- (3) Notwithstanding any other provision of this act, except in connection with financing or refinancing under subsection (2) or enforcement procedures authorized under subsection (1)(m), the authority shall acquire real or personal property constituting portions of the broadband infrastructure only in connection with the participation of persons other than governmental entities or nonprofit organizations through joint ventures and partnership arrangements, or other co-ownership arrangements and only if the participation is necessary to assure availability of financing or refinancing derived from the issuance by the authority of bonds or notes, the interest on which is exempt from taxation under the United States internal revenue code, and the financing derived from the tax-exempt bonds or notes is allocated only to those development costs relating to that portion of the broadband infrastructure that is to be used by governmental bodies or nonprofit organizations.
- (4) The authority shall establish a seed capital loan program to make capital loans to persons planning to apply to the authority for financing of broadband infrastructure. Priority for the seed capital loan program shall be given for developments targeted to underserved areas. During the initial 2 years of operations, the authority shall designate a minimum of \$500,000.00 to be targeted to rural underserved areas and a minimum of \$500,000.00 targeted to urban underserved areas. Community economic development programs and small providers shall be given a preference to receive loans under this subsection. The terms and conditions for the seed capital loans shall be established by the authority. As used in this act, ³underserved areas² means geographical areas of this state identified by the authority as having the greatest need for broadband development. In identifying underserved areas, the authority shall consider the area's economic conditions, including, but not limited to, family income, affordability of access, lack of options available, low percentage of residents subscribing, and any other criteria considered important by the authority in determining whether an area is underserved.
- (5) As part of an application for financing under this act, the broadband developer and broadband operator shall file with the authority a participation plan for small and minority owned businesses and a communitywide outreach plan to educate the public of the availability of broadband services. The authority shall not approve an application unless a plan is submitted under this subsection.

Sec. 8. (1) A reserve capital account is created under the jurisdiction and control of the authority and shall be administered by the authority to secure notes and bonds of the authority. The authority shall credit to the reserve capital account the proceeds of the sale of notes or bonds to the extent provided for in the authorizing resolution of the authority, and any other money that is made available to the authority for the purpose of the reserve capital account.

(2) In the resolution authorizing the issuance of notes or bonds, the authority may establish a capital reserve fund for the payment of the principal and interest of notes or bonds, for the purchase or redemption of the notes or bonds, or for the payment of a redemption premium required to be paid when the notes or bonds are redeemed before maturity. The authority shall not use a capital reserve fund for an optional purchase or optional redemption of notes or bonds if the use would reduce the total of the money in the capital reserve fund to less than the capital reserve fund requirement established for the fund.

(3) In addition to, or in lieu of, depositing money in the reserve capital account or in a capital reserve fund, the authority may obtain or pledge letters of credit, insurance policies, surety bonds, guarantees, or other security arrangements if the security arrangements are approved by the state treasurer. The amount available under letters of credit, insurance policies, surety bonds, guarantees, or other security arrangements pledged to the capital reserve fund shall be credited toward the capital reserve fund requirement for the fund.

(4) Income or interest earned by the reserve capital account may be transferred by the authority to other funds or accounts of the authority.

(5) Income or interest earned by a capital reserve fund may be transferred by the authority to other funds or accounts of the authority to the extent that the transfer does not reduce the total of the amount of money and security arrangements authorized under subsection (3) in the fund below the capital reserve fund requirement for that fund.

Sec. 9. (1) The authority shall accumulate in a capital reserve fund an amount equal to the capital reserve fund requirement for that fund. If at any time the amount of a capital reserve fund falls below the capital reserve fund requirement for that fund, the authority shall transfer from the reserve capital account to the capital reserve fund an amount equal to the capital reserve fund requirement. If a deficiency exists in more than 1 capital reserve fund and the amount in the reserve capital account is not sufficient to fully restore the capital reserve funds, the money in the reserve capital account shall be allocated between the deficient capital reserve funds pro rata according to the amounts of the deficiencies. If at any time the reserve capital account has been exhausted and the amount of the capital reserve fund is insufficient to meet the capital reserve fund requirement, the authority on or before September 1 shall certify to the governor the amount necessary to restore the capital reserve fund to an amount equal to the capital reserve fund requirement for that fund. The governor shall include in his or her annual budget the amount certified under this subsection by the authority.

(2) This state is not liable on notes or bonds of the authority and the notes and bonds are not a debt of this state. The notes and bonds shall contain on their face a statement of the limitation contained under this section.

Sec. 10. (1) The authority may issue notes and bonds as provided under this act to do all of the following:

(a) Pay the development costs associated with acquiring, leasing, constructing, maintaining, and operating the broadband infrastructure.

(b) Make loans to persons for development costs.

(c) Make loans to persons to make purchases related to the broadband infrastructure.

(d) Make loans to persons to refinance existing debt of the authority or other persons incurred in connection with the acquisition or development of technology that constitutes a part of or is related to the broadband infrastructure.

(e) Pay the interest on bonds and notes of the authority.

(f) Establish reserves to secure the bonds and notes of the authority.

(g) Make other expenditures necessary to carry out the authority's duties under this act, including the payment of the authority's operating expenses.

(2) The authority may issue renewal notes, issue bonds to pay notes, and refund bonds by the issuance of new bonds, whether or not the bonds to be refunded have matured. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded. The authority may issue instruments separate from the obligations described in this subsection that establish a contractual right in the holder of the instrument to require mandatory tender for purchase of the obligations to which the instrument applies for a period of time and subject to provisions as the authority may determine.

(3) Except as otherwise provided by the authority or this act, every note or bond issue of the authority shall be a general obligation of the authority payable out of revenues or money of the authority, subject only to agreements with the holders of particular notes or bonds pledging any particular receipts or revenues.

(4) Whether or not the notes or bonds are of a form or character as to be negotiable instruments, the notes or bonds are negotiable instruments within the meaning of the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102.

Sec. 11. (1) The notes and bonds shall be authorized by resolution of the authority and mature at the time provided in the resolution. The notes and bonds shall be in a form, bear interest at a rate or rates, be in the denominations, carry registration privileges, be payable, and be subject to the terms of redemption as provided in the resolution.

(2) The notes and bonds of the authority may be sold by the authority at public or private sales at prices as the authority determines.

Sec. 12. A resolution relating to authorizing notes or bonds may contain any of the following provisions, which shall be a part of the contract with the holders of the notes or bonds:

(a) Pledging all or any part of the revenues of the authority, and all or any part of the money received in payment of loans and interest on loans, and other money received or to be received to secure the payment of the notes or bonds.

(b) Pledging all or any part of the assets of the authority, including mortgages and obligations obtained by the authority in connection with its programs, to secure the payment of the notes or bonds.

(c) Pledging any loan, grant, or contribution from a government entity.

(d) The use and disposition of the gross income from contracts and leases of the authority.

(e) The setting aside of reserves or sinking funds and the regulation and disposition of reserves or sinking funds.

(f) Limitations on the purpose to which the proceeds of sale of notes or bonds may be applied and pledging proceeds to secure the payment of the notes or bonds.

(g) Limitations on the issuance of additional notes or bonds, the terms upon which additional notes or bonds may be issued and secured, and the refunding of outstanding or other notes or bonds.

(h) The procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which shall consent to the amendment or abrogation, and the manner in which the consent is to be given.

(i) Vesting in a trustee or trustees property, rights, powers, and duties in trust as the authority may determine, which may include any of the rights, powers, and duties of the trustee appointed by the bondholders under this act and limiting or abrogating the right of the bondholders to appoint a trustee under this section or limiting the rights, powers, and duties of the trustee.

(j) Establishing a contractual right to require mandatory tender for purchase of the notes or bonds in an instrument separate from the notes or bonds. The instrument may be issued or sold by the authority to investors.

(k) Except as otherwise prohibited by this act, any other provision that may affect the security or protection of the notes or bonds.

(l) Delegating to an officer or other employee of the authority, or an agent designated by the authority, for a period of time as the authority determines, the power to cause the issue, sale, and delivery of the notes or bonds within limits on those notes or bonds established by the authority as to any of the following:

(i) The form.

(ii) The maximum interest rate or rates.

(iii) The maturity date or dates.

(iv) The purchase price.

(v) The denominations.

(vi) The redemption premiums.

(vii) The nature of the security.

(viii) The selection of the applicable interest rate index.

(ix) Other terms and conditions with respect to issuance of the notes or bonds as the authority shall prescribe.

Sec. 13. (1) Any pledge made by the authority is valid and binding from the date that the pledge is made.

(2) The money or property pledged and received by the authority shall immediately be subject to the lien of the pledge without any physical delivery or further act and the lien of the pledge is valid and binding against all parties having claims in tort, contract, or otherwise against the authority, irrespective of whether the parties have notice of the lien.

(3) The resolution or any other instrument by which a pledge is created need not be recorded.

Sec. 14. The members of the board or any person executing the notes or bonds under this act are not liable personally on the notes or bonds or subject to any personal liability or accountability by reason of the issuance of the notes or bonds.

Sec. 15. Subject to any agreements with noteholders or bondholders, the authority has the power to use any funds available to purchase notes or bonds of the authority at a price determined by the authority.

Sec. 16. This state pledges and agrees with the holders of any notes or bonds issued under this act, that this state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the holders, or in any way impair the rights and remedies of the holders until the notes or bonds, together with earned interest, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of this state in any agreement with the holders of notes or bonds under this act.

Sec. 17. (1) The authority may issue notes or bonds that are expressly stated not to be general obligations of the authority but that constitute limited obligations of the authority payable solely from and secured solely by the revenues, money, and property as the authority may specify.

(2) The notes or bonds designated as limited obligations under this section shall not be payable from or secured by the reserve capital account, and any reserve fund established for the limited obligation notes or bonds shall not constitute a capital reserve fund under this act.

Sec. 18. (1) If the authority defaults in the payment of principal or interest of any notes or bonds when due, whether at maturity or upon call for redemption, and the default continues for a period of 30 days, or if the authority fails or refuses to comply with this act, or defaults in any agreement made with the holders of any notes or bonds, the holders of 25% in aggregate principal amount of the notes or bonds then outstanding may apply to the circuit court of Ingham county for the appointment of a trustee to represent the holders of the notes or bonds.

(2) A trustee appointed under this act may, and upon the written request of the holders of 25% in aggregate principal amount of the notes or bonds shall, do any of the following:

(a) Enforce all rights of the noteholders or bondholders, including the right to require the authority to perform its duties under this act.

(b) Bring suit upon the notes or bonds.

(c) Require the authority to account as if it were the trustee of an express trust for the holders of the notes or bonds.

(d) Enjoin any acts or things that may be unlawful or in violation of the rights of the holders of the notes or bonds.

(e) Declare all the notes or bonds due and payable.

(3) Before declaring the principal of notes or bonds due and payable, the trustee shall first give 30 days¹ notice in writing to the governor, to the authority, and to the attorney general.

(4) The trustee has all of the powers necessary or appropriate for the general representation of bondholders or noteholders in the enforcement and protection of their rights.

(5) An action under this section shall be brought in the circuit court for the county of Ingham.

Sec. 19. (1) Money of the authority shall be held by the authority and deposited in a financial institution approved by the state treasurer, which financial institution may give security for the deposits.

(2) The authority may, subject to the approval of the state treasurer, contract with the holders of any of its notes or bonds as to the custody, collection, securing, investment, and payment of money of the authority, of any money held in trust or otherwise for the payment of notes or bonds, and to carry out the contract. Money held in trust or otherwise for the payment of notes or bonds or in any way to secure notes or bonds and deposits of money may be secured in the same manner as money of the authority.

(3) The authority may enter into an interest rate exchange or swap, hedge, or similar agreement or agreements in connection with the issuance of its notes or bonds or in connection with its then outstanding notes or bonds.

Sec. 20. The notes and bonds of the authority are securities in which public officers and bodies of this state and municipalities and municipal subdivisions, insurance companies and associations and other persons carrying on an insurance business, banks, trust companies, savings banks and savings associations, savings and loan associations, investment companies, administrators, guardians, executors, trustees and other fiduciaries, and any other person who is now or may be authorized to invest in bonds or other obligations of this state, may properly and legally invest funds, including capital, in their control or belonging to them.

Sec. 21. The authority, at its discretion, may recommend an issuance of full faith and credit bonds to the legislature for a vote of the people.

Sec. 22. This state covenants with the purchasers and all subsequent holders and transferees of notes and bonds issued by the authority, in consideration of the acceptance of and payment for the notes and bonds, that the notes and bonds of the authority, issued under this act and the income from the notes and bonds and all its fees, charges, grants, revenues, receipts, and other money received or to be received, pledged to pay or secure the payment of the notes or bonds shall at all times be free and exempt from all state, city, county, or other taxation provided by the laws of this state, except for estate and gift taxes and taxes on transfers.

Sec. 23. The property of the authority and its income and operation are exempt from all taxation by this state or any of its political subdivisions.

Sec. 24. The authority shall submit an annual report no later than March 1 of each year relating to its activities for the preceding calendar year to the governor, the speaker of the house of representatives, the majority leader of the senate, and to each member of the house and senate committees with oversight over utility and energy issues.

Sec. 25. Except to the extent necessary to maintain, improve, complete, or expand within the defined service area, an element of the broadband infrastructure already acquired or financed under this act, the authority shall not enter into new partnerships or other joint ventures arrangements or provide new loans or joint venture and partnership arrangements after December 31, 2008.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.
Approved

Governor.

North Carolina

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999
SESSION LAW 2000-149
SENATE BILL 1343

AN ACT TO CREATE THE NORTH CAROLINA RURAL INTERNET ACCESS AUTHORITY AND TO DIRECT THE REGIONAL PARTNERSHIPS, WITH THE ASSISTANCE OF THE NORTH CAROLINA RURAL ECONOMIC DEVELOPMENT CENTER, TO STUDY AND REPORT ON THE INFORMATION TECHNOLOGY INFRASTRUCTURE AND INFORMATION TECHNOLOGY NEEDS OF THE STATE.

The General Assembly of North Carolina enacts:

Section 1. Article 10 of Chapter 143B of the General Statutes is amended by adding a new Part to read: "Part 2E. North Carolina Rural Internet Access Authority.

"§ 143B-437.40. Short title and intent.

This Part is the 'North Carolina Rural Internet Access Authority Act.' The General Assembly finds as follows:

- (1) Access to computers and the Internet, along with the ability to effectively use these technologies, are becoming increasingly important for full participation in America's economic, political, and social life.
- (2) Affordable, high-speed Internet access is a key competitive factor for economic development and quality of life in the New Economy of the global marketplace.
- (3) In the digital age, universal connectivity at affordable prices is a necessity for business transactions, education and training, health care, government services, and the democratic process.
- (4) Unequal access to computer technology and Internet connectivity by income, educational level and/or geography could deepen and reinforce the divisions that exist in our society.
- (5) The intent of the Rural Internet Access Authority is to close this digital divide for the citizens of North Carolina.

"§ 143B-437.41. Definitions.

The following definitions apply in this Part: (1) Authority. -- The North Carolina Rural Internet Access Authority.

(2) Commission. -- The governing body of the Authority.

(3) High-speed broadband Internet access. -- Internet access with transmission speeds of at least 128 kilobits per second for residential customers and at least 256 kilobits per second for business customers.

(4) Regional partnership. -- Defined in G.S. 143B-437.21.

(5) Rural county. -- A county with a density of fewer than 200 people per square mile based on the 1990 United States decennial census.

"§ 143B-437.42. Creation of Authority and Commission.

(a) Creation. -- The North Carolina Rural Internet Access Authority is created within the Department of Commerce and, notwithstanding any other provision of law, is subject to the direction and supervision of the Secretary of Commerce only with respect to the management functions of coordinating and reporting. These functions of the Secretary of Commerce are ministerial and shall be performed only pursuant to the direction and policy of the Commission.

The purpose of the Authority is to manage, oversee, and monitor efforts to provide rural counties with high-speed broadband Internet access. The Authority shall also serve as the central rural Internet access policy planning body of the State and shall communicate and coordinate with State, regional, and local agencies and private entities in order to implement a coordinated rural Internet access policy.

(b) Commission. -- The Authority is governed by a Commission that consists of 21 members, six members appointed by the Governor, six members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, six members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, and the following three ex officio, voting members: the State's Chief Information Officer, the chair of the North Carolina Rural Economic Development Center, and the Secretary of Commerce.

It is the intent of the General Assembly that the appointing authorities, in making appointments, shall appoint members who represent the geographic, gender, and racial diversity of the State, members who represent rural counties, members who represent regional partnerships, and members who represent the communications industry, which may include local telephone exchange companies, rural telephone cooperatives, Internet service providers, commercial wireless communications carriers, and other communications businesses.

(c) Oath. -- As the holder of an office, each member of the Commission must take the oath required by Section 7 of Article VI of the North Carolina Constitution before assuming the duties of a Commission member.

(d) Terms; Commencement; Staggering. -- Except as provided in subsection (f) of this section, all terms of office shall commence on August 1 of the year the appointment is made. The appointing officers shall designate one-half of their appointees to serve one-year terms; members may serve up to four consecutive one-year terms. The appointing officers shall designate their remaining appointees to serve three-year terms; members may serve up to two consecutive three-year terms.

(e) Chair. -- The Governor shall designate one of the members appointed by the Governor as the Chair of the Commission. The Governor shall convene the first meeting of the Commission.

(f) Vacancies. -- All members of the Commission shall remain in office until their successors are appointed and qualify. A vacancy in an appointment made by the Governor shall be filled by the Governor for the remainder of the unexpired term. A vacancy in an appointment made by the General Assembly shall be filled in accordance with G.S. 120-122. A person appointed to fill a vacancy must qualify in the same manner as a person appointed for a full term.

(g) Removal of Commission Members. -- The Governor may remove any member of the Commission for misfeasance, malfeasance, or nonfeasance in accordance with G.S. 143B-13(d). The Governor or the person who appointed a member may remove the member for using improper influence in accordance with G.S. 143B-13(c).

(h) Compensation of the Commission. -- No part of the revenues or assets of the Authority shall inure to the benefit of or be distributable to the members of the Commission or officers or other private persons. The members of the Commission shall receive no salary for their services but may receive per diem and allowances in accordance with G.S. 138-5.

(i) Staff. -- The North Carolina Rural Economic Development Center, Inc., shall provide administrative and professional staff support for the Authority under contract.

(j) Conflicts of Interest. -- Members of the Authority shall comply with the provisions of G.S. 14-234 prohibiting conflicts of interest. In addition, if any member, officer, or employee of the Authority is interested either directly or indirectly, or is an officer or employee of or has an ownership interest in any firm or corporation, not including units of local government, interested directly or indirectly, in any contract with the Authority, the member, officer, or employee must disclose the interest to the Commission, which must set forth the disclosure in the minutes of the Commission. The member, officer, or employee having an interest may not participate on behalf of the Authority in the authorization of any contract.

"§ 143B-437.43. Powers, duties, and goals of the Authority.

(a) Powers. -- The Authority shall have the following powers:

(1) To employ, contract with, direct, and supervise all personnel and consultants.

(2) To apply for, accept, and utilize grants, contributions, and appropriations in order to carry out its duties and goals as defined in this Part.

(3) To enter into contracts and to provide support and assistance to local governments, nonprofit entities, and regional partnerships, in carrying out its duties and goals under this Part.

(4) To review and recommend changes in all laws, rules, programs, and policies of this State or any agency or subdivision thereof to further the goals of rural Internet access.

(b) Duties. -- The Authority shall have the following duties:

(1) To develop and recommend to the Governor, the General Assembly, and the North Carolina Rural Redevelopment Authority a plan to provide rural counties with high-speed broadband Internet access.

(2) To propose funding that may be needed from the North Carolina Rural Redevelopment Authority established in Part 2D of this Article and from other appropriate sources for incentives for the private sector to make necessary investments to achieve the Authority's goals and objectives.

(3) To set specific targets and milestones to achieve the goals and objectives set out in subsection (c) of this section.

(c) Goals. -- The goals and objectives of the Authority are:

(1) Local dial-up Internet access provided from every telephone exchange within one year.

(2) High-speed Internet access available to every citizen of North Carolina within three years, at prices in rural counties that are comparable to prices in urban North Carolina.

(3) Two model Telework Centers in either enterprise tier one or enterprise tier two area established by January 1, 2002. To the extent practicable, the Centers should be established in existing facilities.

(4) Significant increases in ownership of computers, related web devices, and Internet subscriptions promoted throughout North Carolina.

(5) Accurate, current, and complete information provided through the Internet to citizens about the availability of present telecommunications and Internet services with periodic updates on the future deployment of new telecommunications and Internet services.

(6) Development of government Internet applications promoted to make citizen interactions with government agencies and services easier and more convenient and to facilitate the delivery of more comprehensive programs, including training, education, and health care.

(7) Open technology approaches employed to encourage all potential providers to participate in the implementation of high-speed Internet access with no technology bias.

(8) To coordinate activities, conduct and sponsor research, and recommend and advocate actions, including regulatory and legislative actions to achieve its goals and objectives.

(d) Limitations. -- The Authority does not have the power of eminent domain or the power to levy any tax.

(e) Reports. -- The Authority must submit quarterly reports to the Governor, the Joint Select Committee on Information Technology, and the Joint Legislative Commission on Governmental Operations. The reports must summarize the Authority's activities during the quarter and contain any information about the Authority's activities that is requested by the Governor, the Committee, or the Commission."

Section 2. G.S. 120-123 is amended by adding a new subdivision to read:

"(71) The North Carolina Rural Internet Access Authority created in Part 2E of Article 10 of Chapter 143B of the General Statutes."

Section 3. Each regional partnership, as defined in G.S. 143B-437.21, shall, with the assistance of the North Carolina Rural Economic Development Center, study the information technology infrastructure and information technology needs of each county within its particular region. Each study shall include an inventory of existing information technology infrastructure, an inventory of information technology needs, an analysis of how the information technology needs affect industrial and business recruitment, and recommendations that address the information technology needs of each region. In conducting the studies required by this section, the regional partnerships shall consider the findings of the Connect NC study. The regional partnerships may contract with the North Carolina Rural Economic Development Center as needed to undertake these studies. No later than November 1, 2001, each regional partnership shall report the results of its study, including any legislative proposals, to the Joint Select Committee on Information Technology.

Section 4. This act does not obligate the General Assembly to appropriate funds.

Section 5. This act is effective when it becomes law. The North Carolina Rural Internet Access Authority created in this act is dissolved effective December 31, 2003. This act is repealed effective December 31, 2003. Part 2E of Article 10 of Chapter 143B of the General Statutes and G.S. 120-123(71), as enacted by this act, are repealed effective December 1, 2003.

In the General Assembly read three times and ratified this the 10th day of July, 2000.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor
Approved 9:24 a.m. this 2nd day of August, 2000

Appendix 6 – e-NC Press Releases

December 09, 2004

[e-NC Creates Two More Business & Technology Telecenters: Anson and Northampton Counties to Receive Funds](#)

The e-NC Authority approved funding for the establishment of two additional Business & Technology Telecenters to be located in Anson and Northampton counties. The e-NC Authority reserved \$400,000 in start-up funds for each new telecenter. The funds are to be used over a two-year period, and receipt of funds is contingent on each county's successful completion of a business plan. As well, e-NC approved additional funds for the telecenters in Alleghany and Martin counties.

December 08, 2004

[National Experts Discuss the Impact of Wireless Technology On The Southeast](#)

Today the e-NC Authority concluded Southeast Wireless 2004, an annual conference on wireless technology trends. Some of the nation's top specialists on wireless technology addressed community representatives faced with the economic or logistical challenges of bringing high-speed Internet to their areas, as well as Internet Service Providers interested in serving those communities.

November 02, 2004

[Southeast Wireless 2004 Advisory](#)

October 11, 2004

[The e-NC Authority Honors Sen. Dalton And Rep. Tolson For Dedication To Rural Entrepreneurs](#)

September 01, 2004

[Business and Technology Telecenters - Request for Letters of Interest](#)

June 10, 2004

[Seeking e-NC Fundraiser \(June 10, 2004\)](#)

December 10, 2003

[Grid Computing to Benefit Traditional NC Industries](#)

E-NC will present findings from Grid Computing: Projected Impact on North Carolina's Economy & Broadband Use through 2010, which predicts a potential \$10 billion impact of grid computing on North Carolina's economy through the end of the decade. Economic developers and educators will be in attendance.

December 03, 2003

[National Experts Discuss Wireless Technology's Impact on the Southeast](#)

Today, the Rural Internet Access Authority held Southeast Wireless 2003, a conference on wireless technology trends and the expected impact of such technology on the Southeastern United States. IT professionals joined business, education and civic leaders at the event.

November 17, 2003

[Report Predicts \\$10 Billion Economic Impact of Grid Computing in North Carolina. E-NC invites media to Buncombe County presentation on report findings](#)

E-NC will present findings from Grid Computing: Projected Impact on North Carolina's Economy & Broadband Use through 2010, which predicts a potential \$10 billion impact of grid computing on North Carolina's economy through the end of the decade. Economic developers and educators will be in attendance.

November 11, 2003

[e-NC Awarded \\$326,350 to N.C. Agribusiness Projects](#)

E-NC has granted \$326,350 for agribusiness projects across the state. The projects are the Agribusiness Center at Mount Olive College, Blue Ridge Web Market, Madison Farms and TeamNC.

October 29, 2003

[Grid Computing To Have \\$10 Billion Impact on N.C. Economy Through 2010](#)

A new North Carolina Grid Computing Initiative will lead the way in ensuring North Carolina's place in the national and international grid computing evolution. A study released today sponsored by the Rural Internet Access Authority estimates grid computing will give a \$10 billion economic boost to the state's economy through 2010, leading to an additional 24,000 jobs and \$7.2 billion in personal income.

October 24, 2003

[Report Predicts \\$10 Billion Economic Impact of Grid Computing in North Carolina](#)

The North Carolina Grid Computing Initiative Forum – will be a day-and-a-half meeting, sponsored by the University of North Carolina Office of the President and MCNC Grid Computing & Networking Services to discuss grid computing technologies and how they will enhance research, higher education and economic development in North Carolina.

September 25, 2003

[e-NC Awards Additional funds to e-Communities.](#)

Today the e-NC Initiative voted to award \$167,900 to 56 counties across the state. The funds will be used to continue e-NC's e-communities program, a community outreach effort to galvanize local support for and involvement in bringing high-speed Internet access and training to all areas of the state.

September 08, 2003

[Nearly 6,000 People Have Participated in e-NC Computer Training Classes Across the State](#)

Today, the e-NC Initiative announced 5,912 people have attended digital literacy training classes, which teach the basics of computer and Internet use. Classes are funded in whole or in part by grants from the Rural Internet Access Authority, which leads the e-NC Initiative to connect all North Carolinians to the Internet and a better future. As part of the announcement, e-NC launched a searchable database, offering citizens a tool for locating facilities in their area where they can attend these free or low-cost classes.

September 02, 2003

[North Carolina Ranks 11th in High-Speed Internet Subscriptions](#)

The number of North Carolinians who subscribe to high-speed Internet increased more than ten-fold from December 1999 to December 2002. The jump from 57,881 to 594,039 users resulted in the state being ranked 11th nationally in number of subscribers to high-speed Internet access.

August 18, 2003

[North Carolina Renews Commitment to Statewide Connectivity](#)

Gov. Michael Easley signed into law House Bill 1194 late last week, reaffirming North Carolina's commitment to improving economic opportunity and quality of life by addressing technology needs. The bill creates the e-NC Authority, which will continue the work of the existing Rural Internet Access Authority for three more years, beginning January 2004.

August 04, 2003

[e-NC Helps Reduce Duplication of Services](#)

Recognizing a best-practice program, the Rural Internet Access Authority has awarded Caldwell County and the Integrated Collaborative Assistance Network a grant for \$610,000. The system reduces duplication of services and allows government and nonprofit organizations to focus funds where they are needed most.

August 04, 2003

[More Than 280,000 People Have Visited e-NC Public Internet Access Sites Across State](#)

More Than 280,000 People Have Visited e-NC Public Internet Access Sites Across State Today, the e-NC Initiative announced that more than 280,000 people have used the free or low-cost Internet sites created by the organization across the state. To date, e-NC has awarded grants totaling \$768,000 to more than 130 public Internet access sites.

July 30, 2003

[Buy a Tax Free Computer, Find an Internet Service Provider](#)

The Rural Internet Access Authority reminds citizens interested in taking advantage of North Carolina's tax-free holiday to buy a computer that the next step to getting connected is Internet access. To find an easy-to-use database of Internet service providers, visit www.e-nc.org. Type in your area code and phone number to receive a list of providers in your area.

July 21, 2003

[Blue Ridge Business Development Center Opens New Doors](#)

Grand opening! The BRBDC is moving from its temporary quarters on Main Street to a 42,000 square foot renovated building, which formerly operated as a mill. The JobLink Center and the Alleghany campus of Wilkes Community College also will open their doors inside the new center.

June 18, 2003

[Rural Internet Access Authority Awards \\$100,000 Grant to Alltel](#)

Recently, the Rural Internet Access Authority commission voted to award ALLTEL a \$100,000 grant to make DSL Internet service more widely available to Anson County citizens. The funds will be used to reduce the initial cost of DSL service for new DSL customers throughout the county, including seven underserved communities. Those communities are Ansonville, Brown Creek Prison area, Burnsville, Camden Church, Cedar Grove Church, Jackson Store and Morven.

June 09, 2003

[Rural Internet Access Authority Awards \\$100,000 Grant to Tri-County Community College](#)

Recently, the Rural Internet Access Authority voted to award Tri-County Community College a \$50,000 grant to help provide a distance learning program. The money will support three public Internet access sites in Cherokee, Clay and Graham counties. The funds also will establish a wireless connection between the TCCC campuses in Murphy and Robbinsville, N.C., and high schools in Andrews and Hayesville, N.C. The program will begin in August 2003.

June 03, 2003

[Rural Internet Access Authority Awards 28 College Scholarships](#)

Recently, the Rural Internet Access Authority voted to award college scholarships totaling more than \$18,000 to 28 North Carolina students who volunteer with NC TechForce. The money will assist students in Alleghany, Anson, Ashe, Bertie, Beaufort, Cleveland, Martin, Pamlico, Perquimans, Wake and Yadkin counties with college costs. The scholarship funds will be delivered in time for school this fall.

June 03, 2003

[Rural Internet Access Authority Awards \\$22,000 Grant for High Speed Internet Access in Fair Bluff](#)

Recently, the Rural Internet Access Authority voted to award approximately \$22,000 to NCEZ.net to help provide high-speed Internet access to citizens and businesses in Fair Bluff, N.C. Currently, the Columbus County town has local, dial-up service, but lacks high-speed Internet service.

May 15, 2003

[Rural Businesses Train to Go Online](#)

Through a series of 17 e-business workshops held across North Carolina throughout 2002 and early 2003, the e-NC Initiative has empowered more than 400 small businesses to use technology to build successful companies. Workshop participants learned the cost-benefit of e-business applications, such as placing advertising online and using Web sites to sell products, as well as other techniques for increasing profitability.

May 06, 2003

[Rural Internet Access Authority Seeks Information on Extending High-Speed Internet to Fair Bluff, N.C.](#)

The Rural Internet Access Authority is seeking information from Internet service providers to assist in the development and deployment of a high-speed Internet access system for Fair Bluff, N.C., in Columbus County.

April 22, 2003

[E-NC Announces Public Internet Access Sites Now Available in All 100 North Carolina Counties](#)

The e-NC Initiative announced the availability of public Internet access sites in all 100 North Carolina counties. As part of the announcement, e-NC launched a searchable database, offering citizens a tool for locating sites in their areas where they can get free or low-cost access to computers and the Internet.

March 25, 2003

[Grant Helps North Carolina's Small Internet Service Providers Compete](#)

The Rural Internet Access Authority commission voted to award the N.C. Consortium of Internet Service Providers a \$250,000 grant to help fund the purchase of DSL lines at a volume discount.

March 18, 2003

[Rural Internet Access Authority Awards \\$125,000 Grant for E-learning Project](#)

The Rural Internet Access Authority announced during its March commission meeting that Carolinas Gateway Partnership will receive a \$125,000 grant to establish an e-learning project.

March 17, 2003

[Rural Internet Access Authority Awards \\$12,000 Grant to Camden County](#)

Recently, the Rural Internet Access Authority commission voted to award Camden County a \$12,000 grant to create a public Internet access site at the Camden County Senior Center.

March 17, 2003

[Rural Internet Access Authority Awards \\$200,000 Grant to Sprint](#)

Recently, the Rural Internet Access Authority commission voted to award Sprint a \$200,000 grant to extend FastConnect DSL high-speed Internet service to 17 rural North Carolina communities.

March 11, 2003

[Kerr Drug Opens Doors to Internet Access](#)

The e-NC Initiative announces the opening of the first Kerr Drug Public Access Site, which is a computer and Internet station inside the store where citizens in Bryson City, N.C., can experience high-speed Internet connectivity for free.

February 25, 2003

[MCNC Helps Educate Technology Leaders of Tomorrow](#)

E-NC will lead about 30 students from the Bertie County and Martin County chapters of NC TechForce on a tour of the North Carolina Supercomputing Center and the N.C. Research & Education Network's data and network operations center.

February 20, 2003

[Local Governments Selected for \\$1.5 Million Program](#)

The Rural Internet Access Authority announced the first round of recipients chosen to participate in its Local E-government Utilization Program or LEG-UP, a \$1.5 million program designed to improve the delivery of public services. Through LEG-UP, the authority will work to advance technology infrastructure, training and use by local governments in 55 rural North Carolina counties and/or municipalities.

January 08, 2003

[E-NC Offers Pilot Technology Program for Select Local Governments](#)

The e-NC Initiative offered local governments in rural areas the opportunity to state their interest in participating in its Local E-government Utilization Program. Through LEG-UP, e-NC will work to improve technology infrastructure, training and use by local governments in 55 rural counties and/or municipalities in North Carolina.

December 16, 2002

[Rural Internet Access Authority Announces More Than \\$3 Million for Internet Infrastructure Projects in Western North Carolina](#)

The Rural Internet Access Authority announced more than \$3 million for Internet infrastructure projects in Western North Carolina. This \$3 million builds on the nearly \$7 million already awarded by the authority during July and November 2002 for connectivity projects around the state for a total of approximately \$10 million to date.

November 22, 2002

[E-NC Commits Nearly \\$4 Million to Connect Rural Communities](#)

Leaders of the e-NC Initiative, voted to commit nearly \$4 million in funds to support connectivity projects statewide. As part of the decision, e-NC is awarding more than \$1.8 million in ecommunities implementation grants to help rural counties expand high-speed Internet service, training and use. E-NC also reaffirmed \$2 million in incentive funds has been earmarked to support connectivity efforts in Western North Carolina that best answer the region's technology needs with last-mile solutions.

November 18, 2002

[U.S. Department of Commerce Salutes Rural Connectivity Model](#)

This month's U.S. Department of Commerce media roundtable will showcase an innovative, public-private partnership led by North Carolina's Rural Internet Access Authority to drive the expansion of rural connectivity in the state.

November 06, 2002

[Rural Internet Access Authority Receives National Award for Outstanding Achievement](#)

The authority received a Special Recognition Award from NASCIO as part of the organization's 15th annual Recognition Awards for Outstanding Achievement in the Field of Information Technology.

October 31, 2002

[Lexmark Donates Printers to Help Build Public Access Sites](#)

the e-NC Initiative announced a generous donation of 100 color printers from Lexmark International to help outfit sites where citizens can get free computer and Internet access.

October 02, 2002

[E-NC Receives \\$700,000 Grant from U.S. Department of Commerce](#)

The U.S. Department of Commerce's Technology Opportunities Program has awarded e-NC a \$700,000 grant to support e-NC's proposed Local E-government Utilization Program. LEG-UP is designed as a targeted, multi-phase effort to improve technology infrastructure, training and use by local governments in 55 counties and/or municipalities in North Carolina.

October 02, 2002

[E-NC Counts Down to Connectivity](#)

The e-NC Initiative held a progress briefing, E-NC Counts Down to Connectivity, Sept. 30, 2002, to mark the approximate halfway point in its effort to bring affordable, high-speed Internet access to all areas of the state by December 2003, as mandated by the N.C. General Assembly. During the briefing, which was held at the N.C. Rural Economic Development Center in Raleigh, N.C., e-NC leaders reviewed the initiative's progress in meeting each of the legislature's eight

goals for the effort, shared examples of how e-NC has positively impacted communities, and answered top-line questions.

September 26, 2002

[Technology: Prescription for Change](#)

The ability to check e-mail for free while shopping for shampoo or waiting for a prescription to be filled will become a reality shortly in four North Carolina towns thanks to a collaborative project involving the e-NC Initiative, Dnet Internet Services, Kerr Drug, HP and Sprint. Kerr Drug locations in Bryson City, Kinston, Tabor City and Windsor, N.C., soon will become home to public access sites featuring free computer and Internet use.

September 03, 2002

[\\$2.5 Million in Grants Available](#)

As part of its e-communities program, the Rural Internet Access Authority is accepting proposals for grants to help counties implement planned technology efforts, primarily those developed during the planning phase of e-communities. The e-communities program is a community outreach effort designed to galvanize community support for and involvement in bringing high-speed Internet access and training to all areas of the state.

August 22, 2002

[E-NC Awards Nearly \\$6 Million in Incentive Grants](#)

The e-NC Initiative is awarding a total of \$5,792,700 million in private funds to nonprofit and for-profit groups statewide to encourage them to provide affordable, high-speed Internet access in North Carolina's 85 rural counties and to develop new and expanded services for users. These Connectivity Incentives Grants will continue the funding cycles of both supply- and demand-building projects affecting rural areas.

August 12, 2002

[Patterson Honored for Leadership in Business](#)

At a luncheon held August 8, 2002, in Raleigh, Jane Smith Patterson was one of 25 Triangle women honored for their leadership in business by the Triangle Business Journal.

July 25, 2002

[E-NC Awards More Than \\$1.4 Million in Grants](#)

The e-NC Initiative is awarding more than \$1.4 million to groups in rural counties statewide. Of the more than \$1.4 million, \$768,000 is being awarded as Public Access Site Grants. The remaining \$705,718 is being awarded in the form of Digital Literacy Training Grants.

July 10, 2002

[FBI and SBI Experts Address Internet Crime Detection in North Carolina](#)

Experts from both the Federal and State Bureaus of Investigation will present critical information on Internet crime detection to North Carolina's ISPs at this month's NCCISP meeting. The meeting is being hosted by e-NC, which assisted the state's ISPs in developing their new trade association.

June 20, 2002

[E-Wayne County Received International Web Design Award](#)

The International Association of Web Masters & Designers recently awarded the e-Wayne County Web site, www.e-wayne.org, the Golden Web Award for 2002-2003.

June 12, 2002

[Rural Internet Access Authority Seeks Incentive Grant Proposals](#)

As part of its Connectivity Incentive Grants program, the authority is accepting proposals for grants to complete the funding cycles of both supply- and demand-building projects, particularly those projects affecting rural areas.

May 30, 2002

[Rural Internet Access Authority Seeks Grant Proposals](#)

As part of its Digital Literacy Training Program, the Rural Internet Access Authority is accepting proposals for grants to support projects that establish or sustain free or low-cost computer and Internet training programs in rural communities across North Carolina.

May 22, 2002

[E-NC and Partners Mobilize Students to Get Northeastern North Carolina Connected](#)

As the central focus of this month's Roanoke-Chowan Partners for Progress meeting, e-NC and Roanoke Economic Development Inc. will formally kick off five chapters of NC TechForce in Bertie, Gates, Halifax, Hertford and Northampton counties.

April 23, 2002

[E-NC Helps Build Business Case for Extending High-Speed Internet Service](#)

In an effort to help companies build a business case for extending high-speed Internet access throughout North Carolina, the e-NC initiative has created a central location for citizens to request service.

April 16, 2002

[Deadline Extended: Rural Internet Access Authority Gathers Information for \\$13.5 Million Incentives Program](#)

At the request of many groups in North Carolina, the authority has extended the deadline for submitting responses to its request for information on Internet connectivity projects statewide.

March 18, 2002

[Request for Information on Internet Projects in North Carolina](#)

The Rural Internet Access Authority requests information from all private and public organizations in North Carolina planning to deploy new fiber, wireless or cable networks, or begin providing high-speed Internet services in rural areas.

February 16, 2002

[E-NC Films Television Ad in Belmont, N.C.](#)

The e-NC Initiative is filming its television public service advertisement, which will feature approximately 20 North Carolina citizens from the Belmont, N.C., area.

February 07, 2002

[Open Casting Call - Belmont, N.C.](#)

The e-NC Initiative will conduct an open casting call to recruit local citizens to appear in a television public service advertisement.

January 09, 2002

[Northwestern North Carolina Opens Doors to Technology](#)

Northwestern North Carolina Opens Doors to Technology

December 19, 2001

[E-Champions to Lead Technology Efforts in Rural Counties](#)

E-Champions to Lead Technology Efforts in Rural Counties

December 05, 2001

[E-NC Awards Grants to Distressed North Carolina Communities](#)

The e-NC Initiative, a grassroots effort to connect all North Carolinians to the Internet, has awarded public engagement grants to 30 of the state's most economically distressed counties.

November 26, 2001

[Forum to Address Rural North Carolina's Technology Future](#)

The 2001 Rural Partners Forum, set for Nov. 29-30, 2001, at the Hilton North Raleigh, will provide a look at the latest developments in information technology and the immense potential they offer for North Carolina's rural communities.

November 20, 2001

[Jane Patterson Elected to National Academy of Public Administration](#)

At a ceremony held in Arlington, Va., Nov. 16, 2001, Jane Smith Patterson, executive director of the Rural Internet Access Authority and the e-NC Initiative, was inducted into the National Academy of Public Administration, an organization chartered by Congress to identify and address emerging issues of governance.

October 10, 2001

[Grant Money Available](#)

E-NC public engagement grants are now available. Funds will go toward community planning for high-speed Internet service.

September 27, 2001

[Connecting North Carolina to a Better Future](#)

Today, leaders of the e-NC campaign, an effort to connect all North Carolinians to the Internet, voted on \$2.8 million in grant funds to go to five, economically distressed communities across North Carolina.

September 13, 2001

[Preparing Rural North Carolina for a Better Future](#)

Leaders of e-NC, a grassroots campaign to link all North Carolinians to the Internet, today initiated an inventory and assessment project to determine what telecommunications technology and other support infrastructure exists statewide.

September 12, 2001

[E-NC Kicks Off Statewide](#)

A statewide satellite broadcast will kick off the campaign, followed by discussions and break out sessions held in communities across North Carolina.

July 09, 2001

[Local Dial-up Internet Access Available Statewide](#)

Leaders of the Rural Internet Access Authority announce that all citizens in North Carolina now can access the Internet by making a local telephone call.

May 02, 2001

[Internet Access Authority to Award Grants for Rural Telecenters](#)

The Rural Internet Access Authority announced today that communities in North Carolina's economically distressed counties are eligible for grants of up to \$700,000 to establish innovative, multipurpose information technology centers.

March 26, 2001

[Will All Internet Service Providers Please Step Up!](#)

The chairman of the Rural Internet Access Authority announces a major effort to identify all companies inside and outside the state that provide Internet services to North Carolina communities.

Footnotes

¹ Rural Alaska Broadband Internet Access Grant Program, <http://www.state.ak.us/rca/broadband.html>

² “Prescription for Innovation: Broadband Technology for a 21st Century Kentucky,” http://www.connectkentucky.org/pdf/EXS_PresInnovation.pdf, Governor Ernie Fletcher, October 7, 2004

³ Michigan broadband Authority, http://www.michigan.gov/cis/0,1607,7-154-28077_28233---,00.html

⁴ “In today's technology-based society, every family must have access to high-speed Internet. Broadband is about more than giving people access to online shopping and information; it's critical to growing our economy and attracting new jobs.” “Michigan to Test New Broadband Grant Program,” <http://www.govtech.net/news/news.php?id=91573>, Michigan Governor Jennifer M. Granholm, September 27, 2004

⁵ Rural Access Internet Authority, <http://www.ncruralcenter.org/internet/>

⁶ “connectkentucky enables partners of all sizes to be recognized as significant contributors to the economic development in the Commonwealth. Large and small organizations alike benefit from the access to legislative activities, networking opportunities, content experts, public relations and other programming.” <http://www.connectkentucky.org/partners.html>

⁷ “ConnectKentucky Partners currently include: Alltel (NYSE: AT), Appalachian Regional Commission, Belcan, Bellsouth (NYSE: BLS), Center for Rural Development, Cincinnati Bell (NYSE: CBB), Commonwealth Office of Technology, Commonwealth Industries (NASDAQ/NML CMIN), CSX (NYSE: CSX), East Kentucky Power Cooperative, Humana (NYSE: HUM), JP MorganChase (NYSE: JPM), Kentucky Community and Technical College System, Kentucky League of Cities, Kentucky Science and Technology Corporation, Morehead State University, Murray State University, Net Tango, Nortel Networks (NYSE: NT), Northern Kentucky University, Qwest (NYSE: Q), Sygen International (London:SNI), Toyota (NYSE: TM), University of Kentucky, University of Louisville, USEC (NYSE: USU), Western Kentucky University and Yum! Brands (NYSE: YUM).” <http://www.connectkentucky.org/prescriptioninnovation.html>

⁸ <http://www.wku.edu/Dept/Support/SponsPrg/grants/>

⁹ STATE OF MICHIGAN, 91ST LEGISLATURE, REGULAR SESSION OF 2002, Introduced by Senator Stille, ENROLLED SENATE BILL No. 881, <http://www.michiganlegislature.org/documents/2001-2002/billenrolled/senate/txt/2001-SNB-0881.txt>

¹⁰ Rural Internet Access Authority, <http://www.ncruralcenter.org/internet/>

¹¹ e-NC, <http://www.e-nc.org/Webpage.asp?page=10>

¹² Chapter 759 — Telecommunications Utility Regulation, <http://www.leg.state.or.us/ors/759.html>

¹³ “Program Description,” <http://www.state.ak.us/rca/Broadband/progdesc.html>, <http://www.state.ak.us/rca/Broadband/SectionA.html>, <http://www.state.ak.us/rca/Broadband/SectionC.html>, <http://www.state.ak.us/rca/Broadband/SectionD.html>, <http://www.state.ak.us/rca/Broadband/SectionD.html>, <http://www.state.ak.us/rca/Broadband/SectionE.html>, Rural Alaska Broadband Internet Program

¹⁴ “connectkentucky enables partners of all sizes to be recognized as significant contributors to the economic development in the Commonwealth. Large and small organizations alike benefit from the access to legislative activities, networking opportunities, content experts, public relations and other programming.” <http://www.connectkentucky.org/partners.html>

¹⁵ “ConnectKentucky Partners currently include: Alltel (NYSE: AT), Appalachian Regional Commission, Belcan, Bellsouth (NYSE: BLS), Center for Rural Development, Cincinnati Bell (NYSE: CBB), Commonwealth Office of Technology, Commonwealth Industries (NASDAQ/NML CMIN), CSX (NYSE: CSX), East Kentucky Power Cooperative, Humana (NYSE: HUM), JP MorganChase (NYSE: JPM), Kentucky Community and Technical College System, Kentucky League of Cities, Kentucky Science and Technology Corporation, Morehead State University, Murray State University, Net Tango, Nortel Networks (NYSE: NT), Northern Kentucky University, Qwest (NYSE: Q), Sygen International (London:SNI), Toyota (NYSE: TM), University of Kentucky, University of Louisville, USEC (NYSE: USU), Western Kentucky University and Yum! Brands (NYSE: YUM).”
<http://www.connectkentucky.org/prescriptioninnovation.html>

¹⁶ “A century ago, steam was the fuel that drove us into the Industrial Revolution. Today, technology is the engine that drives prosperity in the Information Economy. For Kentucky to be successful in the networked world, three critical areas must be developed: Infrastructure, Access and Usage.” Kentucky Prepares for the Networked World, <http://www.connectkentucky.org/report2002.html>, 2002

¹⁷ <http://www.connectkentucky.org/business.asp>, <http://www.connectkentucky.org/kyopps.asp>,
<http://www.connectkentucky.org/Report2003/report2003.html>

¹⁸ <http://www.connectkentucky.org/government.asp>

¹⁹ <http://www.connectkentucky.org/healthcare.asp>

²⁰ <http://www.connectkentucky.org/research.asp>

²¹ <http://www.citeinc.com/history.asp>, <http://www.connectkentucky.org/about.html>

²² http://www.citeinc.com/rural_broadband.asp

²³ *connectkentucky* 2003 report, <http://www.connectkentucky.org/Report2003/lookingforward.html>

²⁴ Link Michigan Project - Michigan Statewide Broadband Network for Education and State Government:

- Identify and define service capabilities of the private and public telecommunications providers within the state.
- Develop feasibility study and cost models to create a statewide, broadband network for education, government, libraries, and rural healthcare.

<http://www.linkmichigan.org/>

²⁵ STATE OF MICHIGAN, 91ST LEGISLATURE, REGULAR SESSION OF 2002, Introduced by Senator Stille, ENROLLED SENATE BILL No. 881, <http://www.michiganlegislature.org/documents/2001-2002/billenrolled/senate/txt/2001-SNB-0881.txt>

²⁶ Michigan Broadband Authority, http://www.michigan.gov/documents/365-Broadband_Brochure_20994_7.pdf

²⁷ Rural Internet Access Authority, <http://www.ncruralcenter.org/internet/>

²⁸ e-NC, <http://www.e-nc.org/Webpage.asp?page=10>

²⁹ GENERAL ASSEMBLY OF NORTH CAROLINA, SESSION 1999, SESSION LAW 2000-149, SENATE BILL 1343, <http://www.e-nc.org/pdf/SB1343.pdf>

³⁰ e-NC Board Voting Members, <http://www.e-nc.org/Webpage.asp?page=14>

³¹ Grants Funded by the RIAA, <http://www.e-nc.org/Grantsfunded.asp>