

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**H**

**1**

**HOUSE BILL 1497**

Short Title: e-NC Funds.

(Public)

---

Sponsors: Representatives Goforth, J. Harrell (Primary Sponsors); Alexander, Faison, Glazier, McComas, Moore, Pierce, Rapp, Spear, Thomas, Wainwright, and Wray.

---

Referred to: Appropriations.

---

April 17, 2007

A BILL TO BE ENTITLED

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

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

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

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

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

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

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

12 The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

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

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

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