



This Bill Analysis reflects the contents of the bill as it was presented in committee.

# HOUSE BILL 398: Growing GREAT-Rural Broadband Funding.

2019-2020 General Assembly

**Committee:** House Energy and Public Utilities. **Date:** April 9, 2019  
If favorable, re-refer to Appropriations, Information Technology. If favorable, re-refer to Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House

**Introduced by:** Reps. Arp, Szoka, Saine, Barnes **Prepared by:** Chris Saunders  
**Analysis of:** First Edition **Committee Counsel**

**OVERVIEW:** House Bill 398 would appropriate \$15,000,000 per year, until the 2028-29 fiscal year, from the State Capital and Infrastructure Fund to the Growing Rural Economies with Access to Technology (GREAT) program, and make various changes to the program's application process.

**CURRENT LAW:** The Growing Rural Economies with Access to Technology (GREAT) program was established in the 2018 Appropriations Act to increase the availability of terrestrially deployed broadband at connection speeds exceeding 10 megabits per second (Mbps) download and one Mbps upload (10:1). Through the program, the Broadband Infrastructure Office (Office) of the Department of Information Technology (DIT) provides grants to broadband providers and cooperatives for projects designed to extend broadband service to unserved areas in economically distressed counties of the State.

Grant applicants must submit an application that provides certain information about the proposed project, including, among other things, the total project cost and duration, an estimate of the number of end users, a description of the services to be provided, a plan to encourage connection by end users, and evidence of support from the community. Project areas comprised of census blocks within which a broadband provider is receiving federal funds to deploy technologically neutral scalable broadband service within the next 18 months are ineligible for the program.

Applications are scored by the Office based on certain established criteria. Projects receive higher scores for:

- Utilizing partnerships or affiliations with other entities that will lower costs and facilitate broadband deployment;
- Locating the project in counties with higher numbers of unserved households;
- Providing service to greater numbers of unserved households and businesses;
- Minimizing deployment costs per household; and
- Providing faster connection speeds to end users.

## BILL ANALYSIS:

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# House Bill 398

Page 2

**Section 1** of House Bill 398 would appropriate \$15,000,000 annually, until the 2028-29 fiscal year, from the State Capital and Infrastructure Fund to the Growing Rural Economies with Access to Technology Fund in DIT to be used for administration of the GREAT program.

**Section 2** would do all of the following:

- Clarify that if a project area for an eligible project is located in more than one county, it is deemed to be located in the county where the greatest number of unserved households will be served.
- Require private providers receiving State or federal matching funds to deploy broadband service, at the end of the 18 month period in which the project area is ineligible for the GREAT program, to submit to the Office written documentation that broadband deployment has begun or been completed in the census blocks that have been deemed ineligible for the program due to the existence of a federally funded project area.
- Require grant applications to provide publicly available addressees for homes, businesses, or other customers who will have access to broadband at the end of the project.
- Require wireless providers submitting a grant application to prove that the proposed area to be served can be served using wireless technology while meeting the minimum upload and download speeds indicated in the application.
- Allow the Office to amend an application to reduce the number of unserved households in a proposed project area if it finds that the proposed project area includes households with a minimum upload and download speed of 10:1.
- Add a new score multiplier of 1.55x for projects with a minimum download and upload speed of 100:10. Under current law, the maximum score multiplier is 1.35x for projects with a minimum download and upload speed of 25:3.

**Section 3** would allow money in the State Capital and Infrastructure Fund to be used for broadband infrastructure projects funded through appropriations to the GREAT program.

**EFFECTIVE DATE:** This act would be effective when it becomes law.