

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10459-MQa-113

Short Title: The G.R.E.A.T. Broadband Expansion Act. (Public)

Sponsors: Representative Arp.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE COMPLETING ACCESS TO BROADBAND PROGRAM,
TO CREATE A FIXED WIRELESS AND SATELLITE BROADBAND GRANT
PROGRAM WITHIN THE G.R.E.A.T. PROGRAM, AND TO MAKE CHANGES TO THE
GROWING RURAL ECONOMIES WITH ACCESS TO TECHNOLOGY (G.R.E.A.T.)
PROGRAM.

The General Assembly of North Carolina enacts:

PART I. COMPLETING ACCESS TO BROADBAND PROGRAM

SECTION 1.1. Article 15 of Chapter 143B of the General Statutes is amended by
adding a new section to read:

"§ 143B-1373.2. Completing Access to Broadband program.

(a) As used in this section, the following definitions apply:

- (1) Broadband service. – Terrestrially deployed internet access service with transmission speeds of at least 25 megabits per second (Mbps) download and at least three megabits per second upload (25:3).
- (2) Eligible area. – An area that is unserved or underserved in a county designated as a development tier one or tier two area, as defined in G.S. 143B-437.08, or a rural census tract, as defined in G.S. 143B-472.127, in any other county with total employment of less than 500,000, as of January 1, 2020, as measured pursuant to G.S. 143B-437.52(c)(3).
- (3) Federal funds. – Funds provided directly to a county from the federal American Rescue Plan (P.L. 117-2) that are eligible to be used for the purpose of deploying broadband service.
- (4) Project area. – An eligible area that is jointly determined by a requesting county and the Broadband Infrastructure Office within the Department of Information Technology as requiring project funding under this section to further complete the deployment of broadband service in the county.
- (5) Unserved or underserved. – A location within a county that has no deployment of broadband service or that has internet access service that does not meet the definition of broadband service.

(b) The Completing Access to Broadband Fund (CAB Fund) is established as a special revenue fund in the Department of Information Technology. The Secretary may award grants from the CAB Fund projects meeting the criteria established under this section. State funds appropriated to this Fund shall be considered an information technology project within the meaning of G.S. 143C-1-2. The Office shall establish procedures in accordance with this section



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that allow every county in the State to participate in the Completing Access to Broadband program. The State shall not be obligated for funds committed for project costs from the CAB Fund in excess of those sums appropriated by the General Assembly to the CAB Fund.

(c) In collaboration with the Broadband Infrastructure Office, a county may request funding under this section for either a defined eligible project area that is mutually identified by the county and the Office or for a project that was not awarded a grant in the most recent round of grant awards under G.S. 143B-1373. In selecting project areas to receive funding, the Office shall give priority to eligible areas that a county has requested funding for based upon utilizing the Office's Community Broadband Planning Playbook and those counties that meet the criteria established in subsection (e) of this section. Notwithstanding Article 8 of Chapter 143 of the General Statutes, or any other provision of law to the contrary, the Office may delegate to a county the bid process to select a provider for the project area in accordance with Part 4 of this Article. The Office shall develop and administer any agreement entered into pursuant to this section.

(d) A broadband service provider selected for a project under this section shall be required to provide at least thirty-five percent (35%) of the total estimated project cost. The Office may commit up to thirty-five percent (35%) of the total estimated project cost from monies in the CAB Fund. The county requesting the project shall be responsible for thirty percent (30%) of the total estimated project cost and shall utilize federal funds for that purpose. In the event CAB Fund monies are insufficient to fund a project, a county may increase its share of the total estimated project cost, or the Office may adjust the scope of the project to meet the level of available funding. A county shall use unrestricted general funds or federal funds for its portion of the total estimated project costs. No single project shall receive an amount greater than two million dollars (\$2,000,000) from the CAB Fund, and no county may receive more than five million dollars (\$5,000,000) in aggregate funding from the CAB Fund in any single fiscal year.

(e) Notwithstanding the project cost responsibility allocations in subsection (d) of this section, for a county receiving from the federal government less than eight million dollars (\$8,000,000) in federal funds, a broadband service provider selected for a project shall be required to provide at least thirty percent (30%) of the total estimated project cost. The following cost responsibility allocations for counties and the State apply:

<u>Direct Federal Funds Received</u>	<u>County Responsibility</u>	<u>State Responsibility</u>
Up to \$2,000,000	10%	60%
\$2,000,000, up to \$2,750,000	15%	55%
\$2,750,000, up to \$3,250,000	20%	50%
\$3,250,000, up to \$3,750,000	25%	45%

(f) A broadband service provider selected for a project under this section shall enter into an agreement with the Office that shall include the project description, time lines, benchmarks, proposed broadband speeds, and any other information and documentation the Office deems necessary. Upon execution of an agreement, the county shall provide its portion of the total estimated project costs to the Office to be combined with CAB Funds awarded for the project and placed in a separate project account. The Office shall provide project oversight and, upon completion of established benchmarks in the project agreement, the Office shall disburse funds from the project account to the broadband service provider."

PART II. EXPANSION OF G.R.E.A.T. PROGRAM FOR FIXED WIRELESS AND SATELLITE BROADBAND GRANTS

SECTION 2.1. Article 15 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-1373.1. G.R.E.A.T. program fixed wireless and satellite broadband grants.

(a) The following definitions apply in this section:

- (1) Broadband service. – Internet access service provided by low-orbit geostationary satellites or fixed wireless networks with (i) a latency of 500 milliseconds or less and (ii) transmission speeds that are equal to or greater than the requirements for the minimum performance tier, as provided by the Federal Communications Commission in Paragraph 39 of the report and order adopted January 30, 2020, and released February 7, 2020.
- (2) Equipment. – The antenna and any necessary hardware provided by a broadband service provider to a subscriber that enables the subscriber to connect to the broadband service. The term does not include a modem.
- (3) Fixed wireless provider. – A broadband service provider that provides internet access to a subscriber via fixed antenna that receives a radio link from the provider's network to the subscriber.
- (4) Grantee. – A broadband provider that has been awarded a grant pursuant to this section.
- (5) Office. – The Broadband Infrastructure Office in the Department of Information Technology.
- (6) Satellite broadband provider. – A broadband service provider that provides internet access directly to consumers via satellite technology.
- (7) Secretary. – The Secretary of the Department of Information Technology.
- (8) Unserved household. – A household located in this State that does not have access to broadband service from a wireline or wireless service provider. A household that is included in an area where a grant from the Growing Rural Economies with Access to Technology (G.R.E.A.T.) program pursuant to G.S. 143B-1373 has been awarded is not eligible for a grant under this section.

(b) Applications for grants will be submitted at times designated by and on forms prescribed by the Secretary. Notwithstanding any other provision of law, if the Secretary deems some of the information in an application to contain proprietary information, the Secretary may provide that such information is not a public record, as that term is defined in G.S. 132-1, subject to public records or other laws requiring the disclosure of such information and have that portion of the application redacted. An application shall include, at a minimum, the following information:

- (1) The identity of the applicant.
- (2) The specific address of the subscriber.
- (3) A description of the services provided, including the upstream and downstream broadband speeds delivered, latency metrics, and any applicable data caps. Any applicant proposing a data cap below 150 Gigabytes of usage per month shall also provide justification to the satisfaction of the Office that the proposed cap is in the public interest and consistent with industry standards.
- (4) The cost to be charged to the unserved household for the equipment needed to connect to the broadband service for the next two years.
- (5) Evidence of a contract with the subscriber, including the amount charged for the equipment and the installation of the equipment, necessary for providing broadband service to the subscriber.
- (6) The terms and conditions imposed upon the subscriber, including restrictions on use and possession of equipment used for broadband service connection.
- (7) Any other information or supplementary documentation requested by the Office.

(c) The Office shall determine eligibility for a grant pursuant to this section based upon the information provided in the application of a broadband service provider, and any other information or supplementary documentation requested by the Office, and shall award grants to

1 applicants that demonstrate the provision of broadband service via a subscription from an
2 unserved household. The Office shall provide grants to eligible broadband service providers for
3 subscriptions to unserved households as follows:

- 4 (1) Up to one thousand one hundred dollars (\$1,100) for each satellite broadband
5 subscription, or up to seven hundred dollars (\$700.00) for each fixed wireless
6 subscription, providing broadband speeds of 50 megabits per second
7 download and 3 megabits per second upload, or greater.
8 (2) Up to seven hundred dollars (\$700.00) for each satellite broadband
9 subscription, or up to five hundred dollars (\$500.00) for each fixed wireless
10 subscription, providing less than 50 megabits per second download and 3
11 megabits per second upload.

12 The grants awarded by the Office shall not exceed the cost of the broadband provider's
13 equipment, including any installation costs, necessary to provide broadband service to the
14 household that has been provided to a subscriber.

15 (d) Eligibility for a grant award is dependent upon the household maintaining broadband
16 service with the grantee for at least 24 consecutive months. No grant shall be awarded for a
17 subscription at an address that the Office has previously awarded a grant under this section. A
18 grantee shall submit documentation to the Office annually that will provide information sufficient
19 for the Office to verify eligibility of subscriptions, including that the household was unserved.
20 Payment of grant funds is subject to documentation showing eligibility of subscriptions.

21 (e) The Office shall require a grantee to enter into an agreement. The agreement shall
22 contain at least all of the following:

- 23 (1) An address of the household subscribing for broadband service for which the
24 grant is sought.
25 (2) A provision that requires the grantee to maintain its service for the subscriber
26 for at least 24 consecutive months.
27 (3) A provision establishing the conditions under which the grant agreement may
28 be terminated and under which grant funds may be recaptured by the Office.
29 (4) A provision stating that unless the agreement is terminated pursuant to its
30 terms, the agreement is binding and constitutes a continuing contractual
31 obligation of the State and the grantee.
32 (5) A provision that establishes any allowed variation in the terms of the
33 agreement that will not subject the grantee to grant reduction, amendment, or
34 termination of the agreement.
35 (6) A provision describing the manner in which the amount of the grant will be
36 measured and administered to ensure compliance with the agreement and this
37 section.
38 (7) A provision stating that any recapture of a grant and any reduction in the
39 amount of the grant or the term of the agreement must, at a minimum, be
40 proportional to the failure to comply measured relative to the condition or
41 criterion with respect to which the failure occurred.
42 (8) A provision describing the methodology the Office will use to verify
43 subscriptions and the types of information required to be submitted by the
44 grantee.
45 (9) A provision stating that the grantee may not impose data caps upon any
46 eligible subscription for the term of the agreement.
47 (10) A provision stating that the equipment necessary for a subscriber to receive
48 broadband service from the grantee shall be deemed a fixed asset upon the
49 property of the eligible subscription and shall transfer with the property to any
50 successors.
51 (11) Any other provision the Office deems necessary.

(f) If the grantee fails to meet or comply with any condition or requirement set forth in an agreement, the Office shall reduce the amount of the grant or the term of the agreement, may terminate the agreement, or both. The reduction in the amount of the grant or the term must, at a minimum, be proportional to the failure to comply measured relative to the condition with respect to which the failure occurred. If the Office finds that the grantee has manipulated or attempted to manipulate data with the purpose of increasing the amount of a grant, the Office shall immediately terminate the agreement and take action to recapture any grant funds disbursed in any year in which the Office finds the grantee manipulated or attempted to manipulate data with the purpose of increasing the amount of a grant.

(g) The grantee shall certify and provide to the Office evidence consistent with a Federal Communications Commission attestation that the proposed minimum upstream and minimum downstream broadband speeds and latency metrics identified in the application guidelines are and will be available throughout the project area during the term of the agreement prior to any end user connections. A grantee may receive a disbursement of a grant only after the Office has certified that the grantee has met the terms and conditions of the agreement. A grantee shall submit a certification of compliance with the agreement to the Office. The Office shall require the grantee to provide any necessary evidence of compliance to verify that the terms of the agreement have been met.

(h) The Office shall require that a grantee offer the proposed advertised minimum download and minimum upload speeds and subscription cost identified in the application for the duration of the 24 consecutive months provided in the agreement. Upon request, a grantee shall provide to the Office evidence consistent with a Federal Communications Commission attestation that the grantee is making available the proposed advertised speed, or a faster speed, as contained in the grant agreement."

PART III. VARIOUS CHANGES TO THE G.R.E.A.T. PROGRAM

SECTION 3.1. G.S. 143B-1373 reads as rewritten:

"§ 143B-1373. Growing Rural Economies with Access to Technology (GREAT) program.

(a) As used in this section, the following definitions apply:

...

(5) Eligible economically distressed county. – A county designated as a development tier one or tier two area, and rural census tracts located in development tier three areas, as defined in G.S. 143B-473.08. For the purposes of this subdivision, the term "rural census tract" has the same meaning as contained in G.S. 143B-472.127(a)(2). Counties with total employment of 500,000 or more, as of January 1, 2020, as measured pursuant to G.S. 143B-437.52(c)(3), are not eligible.

(6) Eligible project. – An eligible project is a discrete and specific project located in an unserved area of an economically distressed county seeking to provide broadband service to homes, businesses, and community anchor points not currently served. Eligible projects do not include middle mile, backhaul, and other similar projects not directed at broadband service to end users. If a contiguous project area crosses from one eligible county into one or more eligible adjacent counties, for the purposes of this section, the project shall be deemed to be located in the county where the greatest number of unserved households are proposed to be served. ~~To qualify for an award under this section, no more than an incidental number of households or businesses, not to exceed ten percent (10%) of the total households or businesses within the boundaries of the project area submitted by the applicant, may have terrestrially deployed Internet access service with transmission speeds greater than 10 Mbps download and 1 Mbps upload.~~

...

(14) Unserved area. – A designated geographic area that is presently without access to broadband service, as defined in this section, offered by a wireline or fixed wireless provider. Areas where a private provider has been designated to receive funds through other State or federally funded programs designed specifically for broadband deployment shall be considered served if such funding is intended to result in construction of broadband in the area within 18 months.

(b) The Growing Rural Economies with Access to Technology Fund is established as a special revenue fund in the Department of Information Technology. State funds appropriated to this Fund shall be considered an information technology project within the meaning of G.S. 143C-1-2. The Secretary may award grants from the Growing Rural Economies with Access to Technology Fund ~~to eligible recipients for eligible projects. The funds shall be used by the recipient to pay for infrastructure costs associated with an eligible project. State funds appropriated to this Fund shall be considered an information technology project within the meaning of G.S. 143C-1-2.~~ as follows:

(1) For eligible projects awarded funds under this section to be used by a recipient to pay for infrastructure costs associated with an eligible project.

(2) For awards to grantees providing fixed wireless or satellite broadband service pursuant to G.S. 143B-1373.1.

Monies appropriated to the Fund for fixed wireless or satellite broadband grants under G.S. 143B-1373.1 shall be held separately to be awarded as grants under that section.

(c) Project areas comprised of census blocks, or portions thereof, within which a broadband provider is receiving ~~matching~~ funds to deploy terrestrial broadband service within the next 18 months are ineligible for the GREAT program. It is essential for the Office to know the location of census blocks, or portions thereof, comprising these areas so it can determine project eligibility. A private provider receiving ~~Universal Service or Connect America Phase II, federal~~ or nonfederal funds to deploy terrestrial broadband service may qualify such area for protection by submitting within 60 days of the application period a listing of the census blocks, or portions thereof, comprising the federally funded project areas meeting this requirement and nothing more to the Office. In future program years, the cutoff date for submitting this census block data shall be established by the Office, but shall be not less than 60 days prior to the beginning date of the application period. This will enable the office to update maps and advise applicants as to the unserved areas of the State that are eligible for consideration in that program year. The Office shall only utilize this data to update maps of census blocks to reflect these census blocks, or portions thereof, as being served. Failure on the part of a provider to submit the listing of census blocks by the cutoff date shall result in those areas being eligible for inclusion under this program during the upcoming program year. The Office shall use the census block data provided only for mapping of unserved areas. Upon expiration of the 18-month reservation period described in this subsection, a private provider that has received a reservation of census blocks shall submit written documentation by April 30 of the year following the program year that broadband deployment has begun or been completed in the census blocks, or portions thereof, that have been deemed ineligible by the Office due to the existence of a federally funded project area. Information provided to the Office pursuant to this subsection is not a public record, as that term is defined in G.S. 132-1. Nothing in this subsection shall be deemed to make ineligible a project area in an area where a federal Rural Digital Opportunity Fund grant was awarded to a satellite broadband provider.

...

(d1) An application submitted pursuant to this section shall include a project area map using the State broadband maps maintained by the Department. The project area map shall depict that the project boundary does not conflict with served areas as shown on the State broadband

maps. To further assist with defining the project area, the project map shall provide street addresses and road names for areas on the map where public roads intersect project boundary lines. Served areas include those areas known to have existing broadband service, areas with an ongoing broadband project funded under this section, areas with projected FCC funded projects, and any other data the Department has included to differentiate between served and unserved areas. To submit a protest under subsection (e) of this section, a broadband provider shall provide data sufficient for the Office to conclude that any areas being challenged have broadband service as defined in this section. A provider submitting an application pursuant to this section shall bear the burden of proof that the proposed area to be served can, in fact, be served using the proposed technology. The burden of proof may be satisfied by the submission of data, maps, and any other information satisfactory to the Office, demonstrating that the area and number of prospective broadband recipients proposed to be served can be provided the minimum upload and download speeds indicated in the application.

(e) Applications shall be made publicly available by posting on the Web site of the Department of Information Technology for a period of at least ~~30~~20 days prior to award. During the ~~30-day~~20-day period, any interested party may submit comments to the Secretary concerning any pending application. A provider of broadband services may submit a protest of any application on the grounds the proposed project covers an area that is not an eligible area under this section. Protests shall be submitted in writing, accompanied by all relevant supporting documentation, and shall be considered by the Office in connection with the review of the application. Upon submission of evidence satisfactory to the Office that the proposed project area includes prospective broadband recipients that are served, as measured using a methodology satisfactory to the Office, the Office may work with an applicant to amend an application to reduce the number of unserved prospective broadband recipients in the project area to reflect an accurate level of current broadband service. The Office may revise application scores in accordance with amended applications; however, the Office may reject any amended application resulting in a lower application score to the extent that the lower score would have impacted the ranking of the application in the initial scoring process. For applications with filed protests, the Secretary shall issue a written decision to the protesting party at least 15 days prior to the approval of that application. Following a protest that is granted for a portion of the application, the Office may release to an applicant the locations or areas declared ineligible. The information released to the applicant is not a public record, as that term is defined under G.S. 132-1, and shall remain confidential. Any provider submitting a protest shall verify that the information in the protest is accurate and that the protest is submitted in good faith. The Office may deny any protest or application that contains inaccurate information.

As a means of resolving a protest, the Office may utilize speed tests to determine if the protested area or individual households or businesses currently have access to broadband service as defined in this section. The Department shall publish the speed test methodology it uses to assess speed levels pursuant to this section. All decisions regarding the speed test to be utilized and the manner by which the speed tests are applied shall be made by the Secretary or the Secretary's designee.

...

(g) Applications shall be scored based upon a system that awards a single point for criteria considered to be the minimum level for the provision of broadband service with additional points awarded to criteria that exceed minimum levels. The Office shall score project applications in accordance with the following:

(1) Partnership. – Projects ~~involving~~proposing a partnership shall be given points in their application score. A proposed partnership shall (i) be in writing, (ii) provide the specific terms and conditions of the partnership, and (iii) be signed and attested to by the parties. A county or nonprofit may enter into proposed agreements with more than one applicant. For the purposes of scoring under

~~this subdivision, a county that provides a portion of the match required by this section or that has entered into an agreement with the applicant to one point shall be given for a proposed partnership that will make available its existing infrastructure that has been installed for the county's partner's enterprise, nonconsumer broadband purposes, or any other property, buildings, or structures owned by the county, partner, for a proposed project under this section shall be considered a partnership. section. A county may provide a portion of the or nonprofit entity that proposes to provide a financial match required by this section pursuant to G.S. 153A-349.60. Projects involving partnerships shall be given six points in their application score. shall be given one point. Notwithstanding Article 8 of Chapter 143 of the General Statutes, or any provision of law to the contrary, a county may use unrestricted general funds or federal funding allocated to it for the purpose of improving broadband infrastructure for a financial match. An applicant shall receive two additional points for a proposed partnership where the county's financial match is comprised entirely from federal American Rescue Plan (P.L. 117-2) funds intended for broadband infrastructure. Nothing in this subdivision shall be deemed to authorize a county to provide broadband service.~~

- (2) Unserved households. – The Office shall give additional points to projects based upon the estimated number of unserved households within the eligible economically distressed county, as determined by the most recent data published by the Federal Communications Commission or any other information available to the Office. Points shall be given to projects that will be located in counties with estimated unserved households as follows:

Unserved Households	Points Given
500 or less	1
501-1400	2
Over 1400	3

- (3) Unserved households to be served. – The Office shall give additional points to projects that will provide broadband service based upon the percentage of the total unserved households within the eligible economically distressed county that the project will serve. The number of unserved households shall be determined using the most recent data published by the Federal Communications Commission or any other information available to the Office. Points shall be given to projects that will serve a percentage of unserved households within the project area as follows:

% Unserved Households To Be Served	Points Given
Under Less than 15%	1
15% to 25%	2
Over 25%	3

- (4) Unserved businesses. – The Office shall give additional points to projects that will provide broadband service to unserved businesses located within the eligible economically distressed county, as determined by the most recent data published by the Federal Communications Commission or any other information available to the Office. Points shall be given to projects that serve unserved businesses within the project area as follows:

- a. Projects proposing to serve between 1 and 4 businesses shall receive 1 point.
- b. Projects proposing to serve between 5 and 10 businesses shall receive 2 points.

c. Projects proposing to serve either (i) more than 10 businesses or (ii) an agricultural operation, agricultural processing facility, or a business with 31 or more full-time employees shall receive 3 points.

(5) Cost per household or business. – The Office shall give additional points to projects that minimize the infrastructure cost of the proposed project per household or business, based upon information available to the Office. Points shall be given to projects based upon the estimated cost per household or business as follows:

a. For projects proposed in the Piedmont or Coastal Plain Regions:

Est. Cost per Household/Business	Partnership Using Infrastructure	Private Provider Only
Up to \$1,700	4	9
\$1,701-2,200	3	8
\$2,201-2,700	2	7
\$2,701-3,200	1	6

b. For projects located in the Mountain Region:

Est. Cost per Household/Business	Partnership Using Infrastructure	Private Provider Only
Up to \$2,500	4	9
\$2,501-3,300	3	8
\$3,301-3,800	2	7
\$3,801-4,300	1	6

(6) Base speed multiplier. – Projects that will provide minimum download and minimum upload speeds shall have the aggregate points given under subdivisions (1) through (5) of this subsection multiplied by a factor at the level indicated in the table below:

Minimum Download:

Minimum Upload

Score Multiplier

25:3 Mbps. Up to 100:10 Mbps.	1.35
100:10 Mbps. up to 200:20 Mbps.	1.75
200:20 Mbps. or greater.	2.00
<u>Symmetrical.</u>	<u>3.00</u>

...

(h) The Office shall score applications based upon the metrics provided in subsection (g) of this section. In awarding grants based upon the scoring metrics, the Office shall also award an additional point to projects where a county has a Community Broadband Planning Playbook that meets the guidelines established by the Office.

(h1) Additional points shall be awarded to counties providing a portion of a project's matching funds entirely from federal American Rescue Plan (P.L. 117-2) funds the county received directly from the federal government. For counties that received eight million dollars (\$8,000,000) or more directly from the federal government, the following points shall be added to the application score:

<u>County Match</u>	<u>Points</u>
<u>Up to \$2,000,000</u>	<u>1</u>
<u>\$2,000,000, up to \$4,000,000</u>	<u>2</u>
<u>\$4,000,000, up to \$6,000,000</u>	<u>3</u>
<u>\$6,000,000, up to \$8,000,000</u>	<u>4</u>
<u>\$8,000,000, or greater</u>	<u>5</u>

For counties that (i) received less than eight million dollars (\$8,000,000) directly from the federal government from the American Rescue Plan (P.L. 117-2) and (ii) are providing a portion of a project's matching funds using the entirety of the federal funds the county received, together

with any other unrestricted general fund monies, if needed, the following points shall be added to the application score:

<u>County Match</u>	<u>Points</u>
Up to \$6,000,000	<u>6</u>
\$6,000,000, up to \$8,000,000	<u>7</u>

(i) **(Effective July 1, 2021)** Applications receiving the highest score shall receive priority status for the awarding of grants pursuant this section. As a means of breaking a tie for applications receiving the same score, the Office shall give priority to the application proposing to serve the highest number of new households at the lowest cost per household or business. Applicants awarded grants pursuant to this section shall enter into an agreement with the Office. The agreement shall contain all of the elements outlined in subsection (d) of this section and any other provisions the Office may require. The agreement shall contain a provision governing the time line and minimum requirements and thresholds for disbursement of grant funds measured by the progress of the project. For projects where the application includes a proposed partnership, the agreement shall contain a provision requiring a certification of the existence of the partnership prior to disbursement of grant funds. Grant funds shall be disbursed only upon verification by the Office that the terms of the agreement have been fulfilled according to the progress milestones contained in the agreement. At project completion, the grant recipient shall certify and provide to the Office evidence consistent with Federal Communications Commission attestation that either speeds greater than those identified in the application guidelines or the proposed upstream and downstream broadband speeds identified in the application guidelines, and for which a base speed multiplier was awarded pursuant to subdivision (6) of subsection (g) of this section, are available throughout the project area prior to any end user connections. A single grant award shall not exceed ~~two~~ four million dollars ~~(\$2,000,000)~~. ~~No more than one grant may be awarded per fiscal year for a project in any one eligible economically distressed county; except that if (\$4,000,000).~~ No combination of grant awards under this section involving any single county may exceed eight million dollars (\$8,000,000) in a fiscal year. If funds remain available after all top scoring projects have been awarded a grant, then the next highest scoring projects may be awarded a grant even if the project is located in a county where a grant has been awarded in that fiscal year provided the total award associated with that county does not exceed ~~two~~ six million dollars ~~(\$2,000,000)~~ ~~(\$6,000,000)~~ in that fiscal year.

No more than one-half of the funds appropriated to the fund established in subsection (b) of this section shall be disbursed for eligible projects located in a development tier two or tier three county. If the Office has not received enough grant applications for projects located in a development tier one county to disburse one-half of the funds appropriated to the fund established in subsection (b) of this section as of March 1 of each year, then the Office may allocate any unencumbered funds in the fund for eligible projects located in a development tier two or tier three county.

Any project that is applied for and not funded in an award round under this section shall be eligible for funding under the Completing Access to Broadband program pursuant to G.S. 143B-1373.2.

(j) Grant recipients are required to provide matching funds based upon the application scoring pursuant to this section in the following minimum amounts:

Score	Matching Requirement
12.0 points or less	55% <u>50%</u>
Greater than 12.0 points, but less than 17.5 points	50% <u>45%</u>
17.5 points, up to 22.0 points	45% <u>40%</u>
Greater than 22.0 points	35% <u>30%</u>

Up to fifty percent (50%) of matching funds paid by the grant recipient may be comprised of third-party funding including funds from other grant programs. Funds from the Universal Service Fund shall not be used for any portion of the required matching funds. Any other current or future

1 federal funds may be used, including any future phase of the Connect America Fund, for the
2 required matching funds within the parameters of this program. A grant recipient receiving a
3 portion of matching funds from a county, where the county portion of matching funds is partially
4 comprised of federal American Rescue Plan (P.L. 117-2) funding, may have the matching
5 requirement imposed under this subsection reduced to a maximum of twenty-five percent (25%).
6 A grant recipient receiving a portion of matching funds from a county, where the county portion
7 of matching funds is entirely comprised of federal American Rescue Plan (P.L. 117-2) funding,
8 may have the matching requirement imposed under this subsection reduced to a maximum of
9 fifteen percent (15%).

10 ...

11 (p) The Department may use up to one percent (1.0%) of ~~the State funds~~ appropriated
12 ~~funds each fiscal year~~ to administer the ~~GREAT program~~ program established under this
13 ~~section.~~"

14 15 **PART IV. APPROPRIATIONS**

16 **SECTION 4.1.** There is appropriated from the funds received by the State of North
17 Carolina pursuant to the American Rescue Plan Act of 2021, P.L. 117-2, to the Completing
18 Access to Broadband Fund in the Department of Information Technology the sum of four
19 hundred million dollars (\$400,000,000) for the 2021-2022 fiscal year to be used pursuant to
20 G.S. 143B-1373.2.

21 **SECTION 4.2.** There is appropriated from the funds received by the State of North
22 Carolina pursuant to the American Rescue Plan Act of 2021, P.L. 117-2, to the Growing Rural
23 Economies with Access to Technology Fund the sum of twelve million dollars (\$12,000,000) for
24 the 2021-2022 fiscal year for fixed wireless and satellite broadband grants to be awarded pursuant
25 to G.S. 143B-1373.1.

26 **SECTION 4.3.** There is appropriated from the funds received by the State of North
27 Carolina pursuant to the American Rescue Plan Act of 2021, P.L. 117-2, to the Growing Rural
28 Economies with Access to Technology Fund the sum of three hundred forty million dollars
29 (\$340,000,000) for the 2021-2022 fiscal year for broadband infrastructure grants awarded
30 pursuant to G.S. 143B-1373.

31 **SECTION 4.4.** Subject to applicable federal guidelines, of the funds appropriated in
32 this act, the Department of Information Technology may use up to one percent (1%) for
33 administration of broadband grant programs receiving American Rescue Plan Act (P.L. 117-2)
34 funds in this act.

35 36 **PART V. DEVELOPMENT TIER FREEZE AND EFFECTIVE DATE**

37 **SECTION 5.1.** For grant applications submitted through the 2024-2025 fiscal year
38 pursuant to G.S. 143B-1373, 143B-1373.1, and 143B-1373.2, the Office of Broadband
39 Infrastructure shall utilize the development tier status in the annual ranking performed by the
40 Department of Commerce pursuant to G.S. 143B-437.08 for the 2020 calendar year to offset any
41 disparate economic impacts of the COVID-19 pandemic that may be reflected in current and
42 subsequent development tier rankings.

43 **SECTION 5.2.** This act becomes effective July 1, 2021.