BROADBAND UPDATE

NC BROADBAND MATTERS

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Approximately 1.1 million North Carolina households lack access to high-speed internet in their homes[2] and cannot afford it. Many residents also lack the skills to effectively use it. We can achieve digital equity in North Carolina by addressing the following factors:

INFRASTRUCTURE

At least 266,000 North Carolina households, likely much higher, currently do not have access to high-speed internet of 100/10+ due to lack of infrastructure.[3]
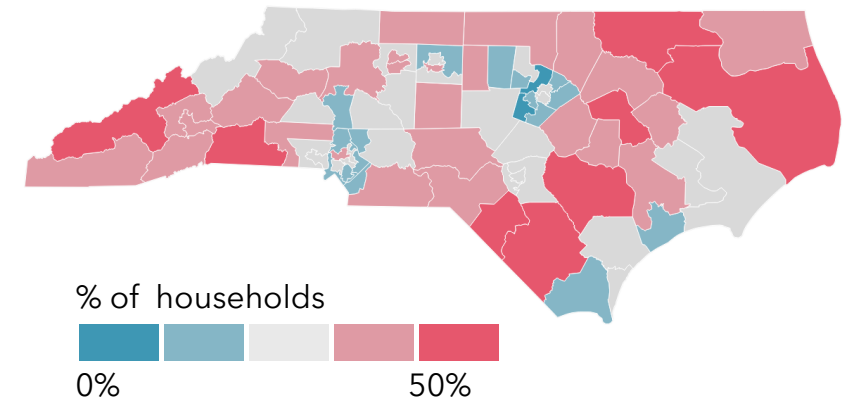
AFFORDABILITY

Approximately 1.3 million households would have to pay more than 2% of their annual income to afford a broadband cost of $60/month.[4]

DIGITAL LITERACY AND ENABLEMENT

An estimated 430,000 households are without a home laptop or desktop computer. Of those, approximately 180,000 do not have a smartphone.[5] As many as 1.2 million adults may lack the digital literacy required to begin taking advantage of digital services.[6]

Percent of Households Without a High-Speed Internet Subscription (2019)[7]

% of households

0%   50%

1. Data on this slide is based on a 2021 study by McKinsey & Company. | 2. U.S. Census Bureau, 2019 American Community Survey (ACS) Microdata | 3. FCC Form 477, FCC 2019 block demographic estimates | 4. U.S. Census Bureau, 2019 American Community Survey (ACS) Microdata | 5. U.S. Census Bureau, 2019 American Community Survey (ACS) Microdata; 2021 Census Pulse Survey | 6. National Center for Education Statistics | 7. U.S. Census Bureau, 2019 American Community Survey (ASC) Microdata, for respondents who don't have an internet subscription or that only have cellular data or only have dial-up, satellite or other.

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Key Success Metrics

	N.C. Today	N.C. 2025
Households with broadband internet access	"95.5%"	98%
Households with broadband internet subscriptions	73%	80%
Households with children with broadband internet subscriptions	81%	100%
Adoption rates across racial subgroups		
• Native American	57%	80%
• Black	64%	80%
• Latinx	68%	80%
• White	76%	80%

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Governor Cooper's plan invests about $1 billion of American Rescue Plan funds (and $30 million of state funds) in the following areas to achieve digital equity in North Carolina. We will also leverage significant private sector investment.

INFRASTRUCTURE

| $971M | Ensure availability of internet service at speeds of at least 100/20 Mbps for more than 98% of North Carolina households. |

- **$380M** • GREAT Grant

- **$400M** • Completing Access to Broadband (CAB)

- **$90M** • Stop Gap Solutions

- **$100M** • Broadband Make Ready Accelerator (Pole Replacement Fund)

- **$1M** • Broadband Mapping

AWARENESS AND DIGITAL LITERACY

| $50M | Improve awareness and enable North Carolinians to realize the benefits of high-speed internet through digital literacy and upskilling aimed at accessing the digital economy. |

ADMINISTRATIVE

| $15M | Supplement existing state administrative capacity to support high-speed internet efforts. |

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Additional federal funding

Infrastructure Investment & Jobs Act (IIJA)

Program	Funding
FCC Affordable Connectivity Program • Transitioned from Emergency Broadband Benefit Program on Dec. 31 • Reduces subsidy from $50 to $30 per month for qualifying households • Up to $75 subsidy for households on Tribal lands • One-time discount of up to $100 for a laptop, tablet or desktop computer (with a co-payment of more than $10 but less than $50)	$14.2 billion
Broadband Equity, Access, and Deployment (BEAD) Program • High-cost areas ($4.245B), Formula grants ($37.356B) • Initial minimum allocation of $100M per state or territory • Must include affordability component; prohibits exclusion of municipal networks	$42.45 billion
Enabling Middle Mile Broadband Infrastructure Program	$1 billion
Tribal Broadband Connectivity Program	$2 billion
State Digital Equity Planning Grant Program	$60 million
State Digital Equity Capacity Grant Program	$1.44 billion
Digital Equity Competitive Grant Program	$1.25 billion

American Rescue Plan Dollars

- **State Fiscal Recovery Funds**
  - Funds: CAB, Stop Gap, Pole Replacement Fund, portion of GREAT
    - Interim Final Rule from US Treasury released in May 2021
    - Purpose: broadband service to un/underserved households & businesses
    - Eligible Areas: households or businesses with no wireline of at least 25:3 Mpbs
    - Infrastructure requirements: 100 symmetrical, or 100:20 scalable to 100 symmetrical

- **Capital Project Funds**
  - Funds: portion of GREAT
    - US Treasury Guidance released 9/20/21
    - Purpose: Funds to State to carry out critical capital projects directly
      enabling work, education and health monitoring in response to COVID
    - Eligible Areas (federal): location with no wireline of at least 100:20 Mbps
    - Infrastructure requirements: 100 symmetrical or 100:20 scalable to 100 symmetrical

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Initial Infrastructure Opportunities for Counties

- **GREAT Grant**
  - Applicants are broadband providers
  - "Partnerships" with grant applicants, possible matching funds to applicants

- **Completing Access to Broadband (CAB) Program**
  - Partnership between each county and NCDIT – for a competitive bidding process to build infrastructure and provide service to unserved/underserved areas within each county
  - Mutually identify eligible areas
  - Develop RFP template and process
  - Award would utilize county and state funds

- **Stop Gap Solutions**

- **Broadband Pole Replacement Program**

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