

THE IMPERATIVE

Expanding access to high-speed, affordable broadband internet is the rural economic development issue of our time.

For too long, our public conversations have framed broadband as a commodity for personal or recreational use, when in fact it is the primary factor of community success in a rapidly changing economy. Our rural communities must have access to quality broadband infrastructure if we are to educate our children, take care of our health, start new businesses, and ensure public safety. Communities without future-proof connectivity will not be competitive in retaining or recruiting businesses, physicians, teachers, or a new generation of citizens and leaders.

North Carolina was once a leader in broadband deployment. It can be again.

Our state has one of the most robust middle-mile fiber networks in the nation. Our anchor institutions—schools, colleges, libraries, hospitals, local governments—are connected to a strong backbone of high-speed connectivity. Yet, providing last mile fiber to the home or business remains a persistent challenge, due to low population density, high construction costs, and rapidly advancing technologies.

It is time for the State of North Carolina to define its role in incentivizing competition among internet service providers to deploy the digital infrastructure necessary for our state and its people to thrive.

It is not the state's role to build and operate such infrastructure itself. Nor it is wise for every municipality to take on the role of an internet service provider (ISP). There are, however, several policy options the state could take to drive the competition among existing and potential ISPs that will improve access, affordability, and adoption of internet services in rural areas. The solutions include:

- Rural Broadband Deployment Grant Program
- Statewide Dig Once Policy
- Internet Adoption Initiative
- Homework Gap Program
- Telehealth Report Implementation

These options have been tested and proven in other states and should be implemented in North Carolina as best practices in a coordinated effort to lessen our state's rural/urban divide and prepare our rural areas to compete in the global economy.

The solutions for rural broadband are multipronged, but in all cases they involve cultivating the private-public relationships that will make sure our homes, schools, health systems, and businesses are equipped with the broadband infrastructure necessary for them to thrive.

THE SOLUTIONS

The State of North Carolina, through legislative and executive actions, should implement the following options:

1. Rural Broadband Deployment Grant Program

Expanding access to the state's most rural and underserved areas incurs high costs that burden smaller providers. In many areas, only one provider (or no providers) exists, so competition is needed to increase both quality and affordability of services. Other states have implemented successful grant programs that have targeted underserved rural areas and made real progress in getting broadband to the last mile. Characteristics of a state broadband program include:

- Administration by the Broadband Infrastructure Office (BIO) and deployment on a regional basis, via Prosperity Zones or Regional Councils of Government
- Reverse auction process that allows competition for funds among all internet service providers, including large and small companies, cooperatives, nonprofits, and associations
- Requirement for providers to invest along with state in infrastructure development.
- Technology-neutral, to allow for innovative approaches for last-mile access
- Speed minimum of 25Mbps download & scalable to 100Mbps–1Gbps
- Affordable service for low-income consumers (under \$60/month)
- Inclusion of a clawback provision for grant recipients

2. Dig Once Policy

The Governor's administration should explore the creation of a dig once policy that coordinates efforts among state and local offices to reduce costs incurred by installing infrastructure. Such a provision would lower capital costs for providers and create efficiencies in both the permitting and installing of new infrastructure. Several states have adopted such a policy, and the practice is recommended by the USDOT Federal Highway Administration. Characteristics of a dig once policy include:

- Cost-based recovery for NCDOT
- Uniform, statewide policy
- Focuses on "path creation," does not favor who owns the infrastructure
- Focuses on remote secondary roads currently unserved or underserved by broadband technology

3. Digital Literacy and Internet Adoption Initiative

Even in areas of the state with greater access to broadband, many citizens do not yet fully understand the broad impacts high-speed internet can have on their lives, health, education, and careers. More education is needed to inform citizens on the wide-ranging benefits of home internet access. Low income families face many competing demands for limited dollars and need internet options to be eminently affordable. A successful adoption initiative would include:

- Funding for digital literacy programs aimed at senior citizens, parents, and low-income families
- Incentives for internet service providers to offer low-cost service options in targeted areas
- Explore options for vouchers or other subsidies for citizens in underserved areas

4. Homework Gap Program

North Carolina has made great progress in using E-rate to connect all public schools in the state. Now, with new provisions for online textbooks and the rapid increase in internet-based education at all levels, we need to expand that connection to close the homework gap for students without home access. School districts across the state have implemented various types of pilot programs, including WiFi on school buses and take-home hotspots, but have had trouble sustaining pilots without a dedicated, consistent source of funding.

The state should explore a fund to ensure all students have access to internet at and away from school. Such a fund would not only bolster the education of our children but would also help catalyze adoption rates in households across the state. A homework gap program should include:

- Attention to all underserved areas—both rural and urban
- Low-cost, low-bandwidth options
- Partnership with internet service providers to share costs
- Pair access program with digital literacy initiatives for parents to encourage permanent home internet adoption

5. Telehealth Report Implementation

Session Law 2017-133, Section 2, required the Department of Health and Human Services to prepare and present a report to the Joint Legislative Oversight Committee on Health and Human Services on findings and recommendations for telehealth policy. We encourage lawmakers to implement DHHS's recommendations in that report, which include more clearly defining:

- The definition and scope of services of "telemedicine"
- Acceptable communication & data transfer speeds necessary to ensure information privacy
- Informed consent standards
- Provider licensing standards
- Reimbursement standards

The report also recommends—and the Rural Center supports—joining the national Psychology Interjurisdictional Compact (PSYPACT), to address behavioral health workforce shortages by allowing providers to practice across state lines.