NC Department of Information Technology

**Performance Report**

**Capital Projects Fund**

2024 Report

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## **Executive Summary**

The **Completing Access to Broadband (CAB) Program** provides an opportunity for individual N.C. counties to partner with NCDIT to fund broadband deployment projects in unserved areas of each county. [N.C. Session Law 2021-180](https://www.ncleg.gov/EnactedLegislation/SessionLaws/PDF/2021-2022/SL2021-180.pdf) appropriated $400 million from the American Rescue Plan Act for this program.  The NCDIT Division of Broadband & Digital Equity, in partnership with counties, developed a competitive process for broadband providers to bid on broadband infrastructure deployments.

Participating counties work with the Broadband Infrastructure Office to mutually identify eligible project areas and develop a scope of work for the procurement of construction, installation and operation of broadband infrastructure in the targeted project areas. NCDIT provides customizable procurement templates and processes for use with each county. Projects require matching investments from counties and the selected broadband service providers.

**Program Objectives:**

* To fund broadband infrastructure deployments to unserved and underserved locations within a participating county, with a combination of funding from the State, the county, and the selected broadband service provider.
* To develop coordination between the state and the counties to mutually identify eligible areas for the CAB Program.
* To provide the opportunity for counties to prioritize selection criteria elements within the competitive bid process, such as highlighting particular project areas or digital equity goals and metrics.

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## **Uses of Funds**

The division released Part I of the Program Guidance for CAB in June 2022. This Guidance document covered the basic program parameters for use by county governments and broadband providers as they began their initial program planning. In January 2024, the division released an updated Program Guidance document with more information about the competitive bidding process and implementation of the program . As outlined in the guidance document, a county wishing to participate in the CAB Program may request funding for either:

* a defined eligible project area that is mutually identified by the county and the division, or
* for a GREAT Grant project that was not awarded a grant through the GREAT Grant Program.

For the 2021-2022 GREAT Grant Program, applications received by the Office in May 2022 exceeded the $350 million available for funding. The Office completed review of the GREAT applications, including vetting for eligibility, completeness, eligible areas including the protest process, and scoring; and projects with the highest scores received awards from the $350 million available. Eligible projects that did not receive GREAT grant awards due to lack of available funding may be considered for funding under the CAB Program.

Because these projects were part of a competitive grants process, passed eligibility requirements for the GREAT Program, were vetted for eligible areas, and were part of a protest process for eligible locations, the remaining viable projects may be considered under CAB. (Note that some of these unfunded projects may be ineligible for consideration because of duplication with funded GREAT projects, making the remaining project infeasible.) Counties then determine whether they wish to fund an eligible GREAT grant project that did not receive prior funding.

In September 2023, Governor Roy Cooper announced the state’s first Completing Access to Broadband (CAB) program awards totaling $22 million that will connect 6,012 households and 164 businesses in 14 counties to high-speed internet. These 14 counties chose to fund internet infrastructure projects not funded by the GREAT grant under the CAB program per [N.C. Session Law 2021-180](https://www.ncleg.gov/EnactedLegislation/SessionLaws/PDF/2021-2022/SL2021-180.pdf). CAB program grantees must participate in the [Affordable Connectivity Program (ACP)](https://www.getinternet.gov/) or provide access to a comparable low-cost program. CAB program applicants must also agree to provide high-speed service, defined as a minimum of 100 Megabits per second (Mbps) download and 20 Mbps upload, scalable to 100 Mbps download and 100 Mbps upload on or before Dec. 31, 2026. State and Local Fiscal Recovery Funds provided funding for these awards.

For projects other-than unfunded Eligible GREAT Grant Projects, counties work with the Broadband Infrastructure Office to mutually identify eligible project areas and develop a scope of work for the deployment of broadband infrastructure in targeted project areas. The Office utilizes customizable forms and procedures developed by NCDIT for the purpose of these competitive bids.

The N.C. Department of Information Technology’s (NCDIT) Division of Broadband and Digital Equity [posted a request for proposals](https://www.ncbroadband.gov/documents/broadband-expansion-access-rfp/download?attachment) to prequalify internet service providers to participate in multiple broadband expansion programs, beginning with the $400 million [Completing Access to Broadband (CAB)](https://www.ncbroadband.gov/grants/cab-grant) program. The division collected feedback on the draft request for proposals from broadband stakeholders, including unserved communities across North Carolina and internet providers in May 2023. Vendors could submit proposals via the State of North Carolina Interactive Purchasing System at <https://www.ips.state.nc.us/ips/> until August 14, 2023.

Internet service providers awarded a state convenience contract through this process are eligible to reply to counties’ requests for service expansion in unserved and underserved areas mutually defined by the counties and the division. Following a competitive bid process in a county, the broadband service provider selected for a project shall enter into an agreement with the Office that includes the project description, timelines, benchmarks, proposed broadband speeds, and any other information and documentation the Office deems necessary. The Office will provide project oversight, and, upon completion of established benchmarks in the project agreement, the Office will disburse funds from the project account to the broadband service provider on a reimbursement basis.

In February 2024, the division announced the internet service providers that prequalified to participate in multiple state broadband expansion programs, including the [Completing Access to Broadband (CAB)](https://www.ncbroadband.gov/CAB), [Broadband Pole Replacement](https://www.ncbroadband.gov/polereplacement) and [Stop-Gap Solutions](https://www.ncbroadband.gov/grants/stop-gap-solutions) programs. The following providers prequalified:

* AccessOn Networks, Inc.
* Atlantic Telephone Membership Cooperative (FOCUS Broadband)
* BellSouth Telecommunications, LLC (AT&T North Carolina)
* BalsamWest FiberNET, LLC
* Blue Ridge Mountain Electric Membership Corporation (BRMEMC)
* Carolina West Wireless, Inc.
* Cebridge Acquisition, L.P. (NC CSC, LLC)
* Cherokee Cablevision, Inc.
* Citizens Telephone Company (Comporium Communications)
* CloudWyze, Inc.
* CND Acquisition Corporation (The Cable Company)
* Comcast Cable Communications, LLC (Comcast)
* Comporium, Inc. (Comporium Communications)
* Connect Holding II, LLC (Brightspeed)
* Conterra Ultra Broadband, LLC (Conterra Networks)
* ERC Broadband, LLC
* Foothills Broadband, LLC
* French Broad Electric Membership Corporation
* Frontier Communications of the Carolinas, LLC
* HarvestBeam, Inc.
* LREMC Technologies, LLC
* MCNC
* NfinityLink Communications, Inc. (InfinityLink Communications)
* Northland Cable Television, Inc. (Vyve Broadband)
* North State Communications Advanced Services, LLC (Lumos)
* Open Broadband, LLC
* Open Fiber USA, LLC
* Randolph Telephone Membership Corporation (Randolph Communications)
* Wilkes Telephone Membership Corporation (RiverStreet Networks (RSN))
* Roanoke Connect Holdings, LLC (Fybe)
* SkyBest Communications, Inc.
* Skyrunner, Inc.
* Spectrum Southeast, LLC
* Star Telephone Membership Corp (Star Communications)
* StarVision Inc. (Star Communications)
* Surry Telephone Membership Corporation (Surry Communications)
* Ting Fiber, LLC (Ting Internet)
* Windstream North Carolina, LLC
* Yadkin Valley Telephone Membership Corporation (Zirrus)
* ZiTEL
* Zito West Holding, LLC (Zito Media)

Internet providers maintain their prequalified status by satisfactorily making progress on and completing all current and previously awarded broadband expansion projects funded through NCDIT awards as well as meeting other contract requirements. The selection of providers for specific projects will be determined by the providers’ submissions of detailed proposals and application materials.

In March 2024, the division began posting Completing Access to Broadband (CAB) program scopes of work to expand high-speed internet access to unserved and underserved homes and businesses in 34 counties. Internet service providers that [prequalified](https://www.ncbroadband.gov/news/press-releases/2024/02/07/nc-broadband-division-prequalifies-internet-service-providers-multiple-state-broadband-expansion) to participate in state broadband expansion programs may submit proposals to provide broadband to all or a portion of eligible locations within each county.

Each county’s scope of work remains posted for 45 days at [ncbroadband.gov/active-cab-proposals](https://www.ncbroadband.gov/active-cab-proposals) and includes the evaluation criteria by which an internet service provider will be chosen and the instructions for submitting proposals. A map of each county’s eligible locations is located on the NC One Map [CAB Planning Tool](https://www.arcgis.com/apps/dashboards/0968e0d6753b4eb59b0b70ebb361f2cb). During the first 10 days of the posting period, internet service providers may submit protests to identify locations they already serve as described in the [CAB Program Guidance](https://www.ncbroadband.gov/documents/american-rescue-plan/completing-access-broadband-cab-program-guidance/download?attachment).

In June 2024, the division made 45 awards in 34 counties that will connect 41,738 homes and businesses across the state to high-speed internet. The Capital Projects Fund provided $95,878,226 for these awards. Counties contributed $40,856,726 of local match for these projects and internet service providers committed $41,809,591 for the projects. The division will continue making CAB awards for the remainder of 2024.

The Start Date for the CAB Program is July 1, 2022. The Estimated Substantial Completion Date is December 31, 2026.

**Milestones:**

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| --- | --- |
| **2022** | Release of CAB Program Guidance Part I/Program Parameters  |
| **2023** | Solicitation to pre-qualify internet service providers for CABAward CAB Projects that are Unfunded GREAT Projects Release of CAB Program Guidance Part II/Program Implementation  |
| **2024** | Selection of prequalified internet service providers for CABRelease of Procurement/Bid templatesCompetitive Bids collected and evaluated for participating countiesProjects contracted and underwayAll funds obligated by December 31, 2024 |
| **2025** | Projects continue to be deployed and monitored |
| **2026** | All projects completed by December 31, 2026. Additional monitoring may occur after 2026. |

**Promoting Equitable Outcomes**

Building digital equity is the top priority of the NCDIT Division of Broadband and Digital Equity, which houses the Broadband Infrastructure Office and the Office of Digital Equity and Literacy. NCDIT builds equity into its broadband infrastructure projects at every opportunity. In addition to supporting deployment of high-speed internet infrastructure in unserved and underserved parts of the state, the Division’s mission includes addressing the high costs of internet subscriptions, building digital literacy by creating skills opportunities and tools for low-income households, and addressing inequities in historically underserved communities.

NCDIT incorporates criteria in county scopes of work and response decision rubrics to address equity issues. The Broadband Infrastructure Office and Office of Digital Equity and Literacy work together to address these issues, including affordability, minority-owned business opportunities, device support, and adoption efforts within the parameters of the authorizing legislation and guidelines.

## **Labor**

As a recipient of federal funding, NCDIT is required to comply with the rules, laws, and regulations of Title VI of the Civil Rights Act of 1964. Compliance with Title VI is contingent upon employees’ and contractors’, sub-contractors’ and sub-recipients’ adherence to Title VI and all applicable laws, regulations, and rules.

NCDIT is committed to ensuring all management staff, contractors and service beneficiaries are aware of the provisions of and responsibilities associated with Title VI of the Civil Rights Act of 1964.

## **Community Engagement**

NCDIT’s Broadband Infrastructure Office has dedicated staff who work with county representatives to communicate about this program. The Office published a nationally recognized [Community Broadband Planning Playbook](https://www.ncbroadband.gov/technical-assistance/playbook) that specifically addresses communication and active participation from referenced organizations. These dedicated staff actively engage and communicate with stakeholders. They communicated with all 100 counties about the CAB program and other broadband and digital equity opportunities to help them prepare for participation.

The division hosted webinars for counties and interested stakeholders to educate them about the program and its processes, including some with a focus on mapping, in December 2023 and January 2024. Recordings of these webinars are available on the division’s website. The division posts many other resources on its website as well, such as answers to frequently asked questions, document templates and instructions, a county commitment tracker, and the CAB Match Calculator Tool.

The division also engages with internet service providers because they are eligible respondents for the competitive bid process. Staff communicate with the providers about any questions related to the program.  The division hosted webinars for internet service providers to educate them about the program and its processes, including some with a focus on mapping, in December 2023 and January 2024. Recordings of these webinars are available on the division’s website. The division has a webpage designed specifically for prequalified internet service providers with resources they may find most helpful.

All scopes of work and awards made are posted online and the division issues press releases when scopes are posted, and awards are made. The division also communicates frequently with stakeholders by email and posts announcements on its social media platforms. The Office of Digital Equity and Literacy also works with local governments and stakeholders to make sure NCDIT receives feedback from a broad range of constituencies and maintains communication with community-based organizations of all types.

In 2024, the division launched dashboards at [ncbroadband.gov/dashboards](https://www.ncbroadband.gov/dashboards) that display details and progress on programs funded by the federal American Rescue Plan Act as part of Governor Cooper’s plan to close the digital divide.