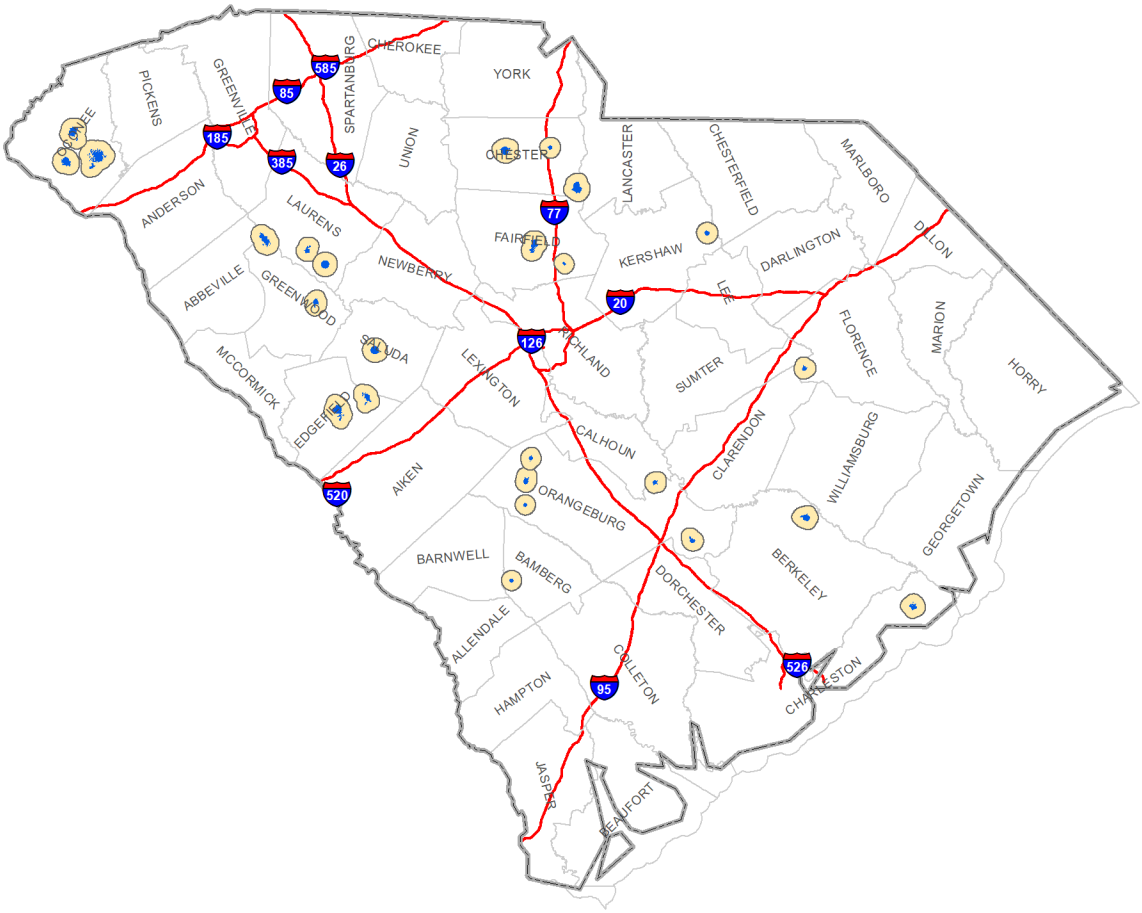
# THE NEXT, NEXT GREATEST THING

## Main Street, South Carolina




| | |
|---|---|
| **Federal Agency** | US Department of the Treasury |
| **Funding Opportunity Title** | Coronavirus Capital Projects Fund |
| **CFDA Number** | 21.029 |
| **FAI Number** | CPFFN0189 |
| **Submission Date** | September 22, 2022, **with US Treasury amendments through March 7, 2023** |
| **Principals** | Jim Stritzinger, Director, SC Broadband Office<br>Amy Marshall, Manager, Finance and Administration<br>SC Office of Regulatory Staff<br><br>Brian Gaines, Director<br>Executive Budget Office<br>SC Department of Administration |

# Capital Projects Fund Application

State of South Carolina

Use Code 1A – Broadband Infrastructure Projects

**Use Code 1A Questionnaire**

Program Identifier: **South Carolina – Broadband Infrastructure Project**

Program Title: **The Next, Next Greatest Thing | Main Street, South Carolina**

How will the recipient implement the Program? [selection] **"competitive sub-grant program"**

Will the Program deliver speeds of 100/100 or higher? [x] **yes**

Is the Program designed to deliver service to households lacking access to wireline service at speeds of 100/20? [x] **yes**

Will the Recipient ensure that the service provider for a completed Capital Projects Fund-funded Broadband Infrastructure Project participate in federal programs that provide low-income consumers with subsidies on broadband internet access services as required in the Guidance, including ensuring that completed service offerings funded by the Capital Projects Fund allow subscribers in the service area to utilize the Federal Communications Commission's (FCC) Emergency Broadband Benefit (EBB) program as well as other program(s) that Treasury identifies that service providers must participate in in accordance with the Guidance? [x] **yes**

Will CPF grant funds for this Program be used to cover costs incurred after March 15, 2021, but prior to execution of the Grant Agreement? [x] **no**

# PROGRAM NARRATIVE

## *Background*

## The Next Greatest Thing

Improvements to quality of life have a long history of trail-blazing leadership in the United States. On May 20, 1862, President Abraham Lincoln signed the **Homestead Act** which offered free land for those willing to journey westward and cultivate it.[1] In the early 1900s, it became clear that electricity was critical for the success of rural communities and that there were essentially two economic orders "… of two nations, two classes, and two centuries: one of light, one of darkness."[2]

Exactly seventy-four years after the Homestead Act, on May 20, 1936, Congress passed the **Rural Electrification Act** (REA)— one of the most important components of President Franklin D. Roosevelt's New Deal. This law allowed the federal government to make low-cost loans to farmers who had banded together to create nonprofit cooperatives to bring electricity to rural America.[3]

Both the Homestead and REA Acts were created for the same purpose — to provide everyone an affordable, "unfettered start, and a fair chance, in the race of life."[4] Electrification brought light to these rural communities and provided the power to deliver fresh water and modernize the mundane and labor-intensive activities necessary for survival.

Abundant rural electricity also created the foundation for the deployment of rural telephone systems. Like electricity, rural telephone service availability and quality was unreliable until long-term, low-interest loans for rural telephone companies became available as part of the REA loan program in 1949.[5]

Congress recognized that communication was critical to rural areas and enacted the 1934 Communications Act which created the Federal Communications Commission (FCC). The Communications Act included the critical concept of universal service — the policy that quality telephone service should be available to all Americans at affordable rates. This allowed rural telephone companies to deploy networks that connected rural communities to the world.

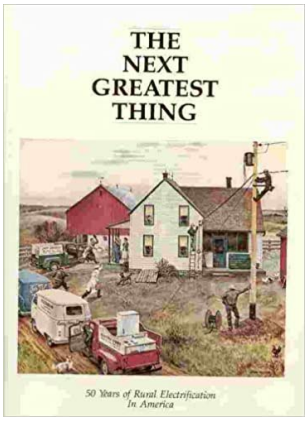
The REA was incredibly successful. By 1956, 927 rural electric cooperatives had been created and 2.5 million customers served. Rural electrification went from 33 percent in 1940 to 96 percent in 1956.[6] Like electricity, REA also increased farm telephone connectivity from 25 percent in 1940 to 65 percent in 1959.[7]

South Carolina's rural telephone companies have been instrumental in deploying networks — including telephone and advanced broadband services — for many years. With the support of the rural telephone companies and others, South Carolina was the first state in the Nation to connect all public schools with fiber in 1984.

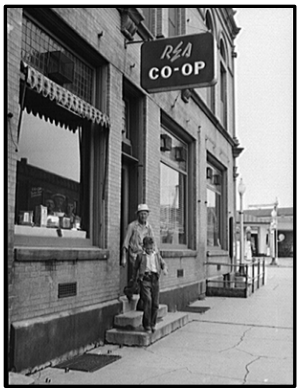
---

[1] (Basler, 1953)
[2] (Pence, 1984)
[3] (National Park Service, 2021)
[4] (Basler, 1953)
[5] (NTCA, 2021)
[6] (Ali, 2021)
[7] (Ali, 2021)

**The Next Greatest Thing**[8] was written in 1984 in celebration of the fifty-year anniversary of the REA and beautifully recounts the story of farm life before and after electricity and telephone.




Both the Homestead Act and the REA led to small towns and Main Streets popping up across the United States. Main Streets are the hub of commerce, and they are in the center of residential communities along primary roads. After the Great Depression, due to extensive bank closures, most Main Streets were largely vacant and in great decay.

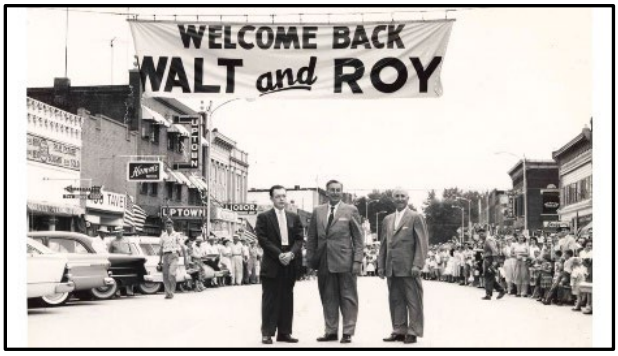



In 1936, the REA Co-Ops needed immediate office space to house technical and administrative operations. Strategically, most chose Main Streets, and the REA Co-Op sign became an iconic image in America. To no surprise, this trend propelled revitalization.

In addition to their central role in commerce, vibrant Main Streets serve as sources of community pride, inspiration, and innovation.

## Main Street USA

As a wonderful example, Walt Disney in 1906, at the age of five, moved to a small farm in Marceline, Missouri. Walt experienced all his childhood firsts in Marceline — attending his first school, catching his first fish, seeing his first motion picture, and attending "Peter Pan," his first live stage performance. His memories of Marceline would stay with him throughout his life and serve as his inspiration for great things to come.[9]




In 1946, Walt (and Roy Disney) returned to Marceline to refresh his memory of Main Street for a project he was planning.[10] Disneyland opened in 1955, and Walt's memories of Marceline inspired Main Street USA,[11] the entry point for all his creations; he intended for them to serve as a reminder of Main Streets and their importance to American life.

[8] (Pence, 1984)
[9] (City of Marceline, MO, 2021)
[10] (Walt Disney Musuem, 2021)
[11] (Walt Disney Musuem, 2021)

## *Description of the Program*

## The Next, Next Greatest Thing | Main Street, South Carolina

In 2022, the need for rural broadband is nearly identical to the need for rural electricity and telephone, and Main Streets are a critical component in reducing the Digital Divide in South Carolina.

The program – *The Next, Next Greatest Thing | Main Street, South Carolina* (MAIN ST) – is designed to emulate the extraordinary story of rural electrification and universal telephone deployment. It will utilize the US Treasury Coronavirus Capital Project Fund (CPF) to enhance the existing South Carolina American Rescue Plan Act (ARPA) Priority Area Grant Program to form a new competitive grant program that prioritizes Main Streets and their surrounding residential communities — in addition to — the existing priority census blocks – those with a high density of public K-12 students; or, those that are designated by US Housing and Urban Development as Difficult Development Areas; or, those that lack any Internet Service Provider (ISP).

This MAIN ST program will directly support South Carolina Act 244 (July 25, 2022) which authorizes the Office of Broadband Coordinator, an office within the Office of Regulatory Staff (ORS) that is more commonly known as the SC Broadband Office (SCBBO), to expand broadband infrastructure to households, businesses, and communities that are unserved or underserved by broadband services. By adding Main Street projects, the SCBBO is directly responding to the statutory requirement to expand broadband to communities.

In the MAIN ST program, each Main Street priority area will have an Eligible Service Area (ESA) that includes the core business district and every census block within an approximate two-mile buffer of the commercial area. ESAs will be eligible for inclusion in the MAIN ST grant program if more than 50% of the housing units are underserved (do not have reliable internet access service providing transmission speeds of at least 100 Mbps download and 20 Mbps upload (100/20) through fiber or high-speed cable technology).

South Carolina is blessed with a significant number of rural Main Streets (and other similarly situated economic districts) and, from an engineering perspective, they are perfect to become priority areas for CPF funds because they have enough residential and commercial density to justify building to the 100 Mbps symmetric (download/upload) requirement. Further, rural Main Street communities have been disproportionately impacted by the COVID-19 pandemic and they naturally enable work, education, and health monitoring.

To be clear, while the MAIN ST program adds an additional priority for Main Streets or other commercial areas, CPF funds will also be able to be used for any other unserved area of South Carolina if the other requirements of the CPF program are followed – including the 100 Mbps symmetric (download/upload) provisions.

In addition to broadband, Act 244 also allocates significant ARPA support for roads and water/wastewater systems. Since many of South Carolina's Main Streets need water system enhancements and road maintenance — in addition to broadband improvements — they provide an additional opportunity for "Dig Once" coordination, and the SCBBO will work to take advantage of this synergy whenever possible.

Two other state agencies — the SC Rural Infrastructure Authority (RIA) and SC Department of Transportation (SCDOT) — were allocated ARPA water/wastewater and roads respectively. RIA was allocated **$900M** and SCDOT was allocated **$453M**. Both agencies have expressed interest in Main Street Dig Once projects when engineering factors (e.g., time, budget, capability) align.

The SCBBO has developed broadband mapping capabilities and will work with the South Carolina Broadband Advisory Council (BBAC) and other stakeholders to identify potential Main Street priority areas by evaluating their 2020 census blocks and looking for those communities that are significantly underserved – while making sure that they do not have existing enforceable federal or state funding commitments for wireline service. When necessary, the SCBBO will consider applications that reflect an "additional identified need for broadband" as permitted by ARPA.

Once a Main Street is identified, the SCBBO will leverage its existing relationships with the SC Department of Commerce, SC Association of Counties, and the Municipal Association of South Carolina (MASC), and will leverage MASC's existing *Main Street South Carolina* program to streamline local stakeholder engagement.

Using March 31, 2022, eligibility information for illustrative purposes, the SCBBO identified 25 Main Street communities that could become priority areas if the MAIN ST program were launched today. This analysis is included in Appendix A for discussion purposes since CPF funding will not be available until early 2023.

The SCBBO estimates that the MAIN ST program will help connect more than 31,650 homes and businesses to affordable, high-speed internet.

On July 7, 2022, the SCBBO shared a conceptual draft of this MAIN ST program with the South Carolina Broadband Advisory Council (BBAC) and the details were discussed on July 12, 2022. BBAC and other stakeholder feedback have been reflected into this draft.

### *Program Objectives*

The ultimate objective of the MAIN ST grant program is to fund eligible broadband infrastructure projects that will add prioritization of key Main Streets (commercial corridors), through a competitive grant application process, that will deploy broadband internet service to prospective broadband recipients, including households, homes, businesses, educational facilities, healthcare facilities, community anchor institutions, agricultural operations, and agricultural processing facilities that are currently unserved or underserved (Main Street areas only).

Utilizing CPF funds in this fashion allows future Infrastructure Investment and Jobs Act (IIJA) funding to be utilized to bring broadband access to additional unserved households (< 25/3 Mbps download/upload), increase connectivity to underserved households (< 100/20 Mbps download/upload), and ensure anchor institution connectivity. Additionally, remaining IIJA funding can be used to place additional focus on, and provide innovative solutions, for access, affordability, and digital literacy.

### *Target Capital Assets*

The MAIN ST grant program will fund eligible broadband infrastructure projects in key priority areas that focus on fiber deployment that must meet or exceed transmission speed of 100 Mbps symmetric (download/upload) capability. The MAIN ST grant program will not fund fixed wireless or satellite technology infrastructure because those technologies cannot support scalable business needs or cellular backhaul.

### *Program History*

In March 2020, when the COVID-19 pandemic began, it became clear that South Carolina was lacking internet access, particularly in certain rural areas and among the most vulnerable populations. The pandemic brought to the forefront the greater need for internet service. Governor Henry McMaster signed **Act 142** on **June 24, 2020**, which authorized the South Carolina Office of Regulatory Staff (ORS) to expend up to $50 million to address broadband needs through federal funds disbursed to South Carolina pursuant to the federal "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act).

This effort to address broadband needs had three components: online learning, mapping, and infrastructure initiatives. Under the broadband portion of Act 142, the ORS was directed to do the following: 1) Secure a vendor for the development of a broadband statewide county-by-county mapping plan, 2) Create, in consultation with the South Carolina Department of Education (SCDOE) and the Commission on Higher Education, an online learning initiative by procuring mobile hotspots and monthly service through December 2020 for distribution to a minimum of 100,000 households, and 3) Invest up to $30 million in rural broadband infrastructure.

Within approximately six months, these three broadband initiatives under Act 142 were successfully deployed. Impressive results achieved by the end of 2020 included:

- The **Online Learning Initiative**: This initiative procured **over 100,000 mobile hotspots** and wired internet service for qualifying student households in school districts and institutions of higher learning statewide.
- **Mapping and Planning**: The ORS launched the state's Broadband Map in December 2020, creating an accessible platform for the public to see where broadband is – and is not – available in South Carolina.
- **The Infrastructure Program**: This initiative helped to expand broadband access to almost 20,000 structures in the state; specifically, **18,574 households were passed** under the program, meaning they were eligible to subscribe to services.

In March of 2021, the SC Joint Bond Review Committee approved the allocation of **$30 million** from the SC Department of Commerce to the ORS to administer an infrastructure grant program in 14 of the state's neediest counties (Eligible), and up to $7 million could be used in Adjacent Counties. With assistance from the SC Revenue and Fiscal Affairs Office, the ORS produced a map showing Areas of Need in the 14 Eligible Counties and 15 Adjacent Counties.

Known as the **Rural Broadband Grant Program** (RBGP), in collaboration with the SC Department of Commerce, on May 14, 2021, the ORS began accepting competitive grant applications for projects on a 1:1 matching basis. By July 2021, the ORS issued Notices to Proceed to 18 ISPSs in 19 counties for almost $30 million in projects to expand broadband availability in rural areas of need in South Carolina.

Projects were awarded in Allendale, Bamberg, Barnwell, Beaufort, Berkeley, Chester, Chesterfield, Clarendon, Fairfield, Georgetown, Hampton, Jasper, Lancaster, Lee, Marion, Marlboro, Newberry, Orangeburg, and Williamsburg counties. Further, all RBGP projects are scheduled to be completed by October 31, 2022. As of the date of the filing of this application, one ISP has withdrawn from three projects awarded in Allendale County due to the hurdles of delivering service in this area.

On July 1, 2021, approximately one year after the ORS began its work with broadband under Act 142, the **Office of Broadband Coordinator** (aka SC Broadband Office, SCBBO) opened at the ORS, giving the agency an initial budget and permanent responsibility for the expansion of internet in South Carolina. In addition, the SC General Assembly also approved an **additional $10 million** of state money for broadband infrastructure to complete the small set of CARES projects that ran out of construction time at the end of 2020. Those projects are now complete and created access for 6,116 new households at a cost of $7,873,282 in state funds for a total project cost of $17,628,070 when required match (1:1) is included. Approximately $1.3 million of the remaining funds have been allocated to a pilot Last Mile Grant Program launched in May, which upon completion by December 31, 2022, will result in at least 569 residential homes receiving service. The Last Mile Program was limited to areas currently identified as "served"; however, because of the rural nature of the location of the residential home or other impediment, this particular residential consumer does not have access. The SCBBO launched a "I Need Internet Survey" earlier this year that formed the basis of this grant. Any South Carolina consumer can complete the survey, effectively raising their hand as needing internet service at their address.

In anticipation of appropriating federal funds targeted for broadband and received through the Capital Projects Fund provision of ARPA, the South Carolina Legislature passed House Bill No. 4408, which, upon signature of the governor on May 13, 2022, directed the Office of Broadband Coordinator (aka SCBBO) to take all necessary action to secure any broadband funding made available to South Carolina pursuant to Section 604 of the Social Security Act, as added by Section 9901 of ARPA and to make appropriate grants from those funds. HB 4408, which became Act 244 on July 25, 2022, included $400 Million for broadband infrastructure which is a combination of $214 Million in State and Local Fiscal Recovery Funds (SLFRF) and the $185 Million in CPF funding.

On June 30, 2022, the SCBBO launched a competitive grant program focused on unserved high priority areas utilizing approximately $180M of the $214M in ARPA funding allocated by Act 244. By law, a high priority area is one that is (1) unserved; or, (2) has high density of residential homes with students based on location data provided by the SC Department of Education; or, (3) is in a Difficult Development Area (DDA) as defined by US Housing and Urban Development (USHUD). The grant application, guidelines (including scoring criteria), and the draft grant agreement (subject to final review by the consultant hired by the State for federal compliance) are all located here.

All competitive programs, including those that have been completed, are located here.

As of the filing of this application, the SCBBO has offered one webinar for the launch of the High Priority ARPA Competitive Grant program and grant applications are due August 31, 2022. In addition, the

SCBBO website provides materials as well as Frequently Asked Questions (FAQ) to assist the ISPs through all competitive grants.

All projects associated with SCBBO competitive grants are subject to inspection and must be completed prior to payment. The SCBBO undertakes significant effort to document and verify that, in fact, access is available — including but not limited to — site visits, speed test data, geotagged photos, and other documents submitted by the ISPs.

Based on the programs launched to date in South Carolina for broadband infrastructure deployment, this MAIN ST program is a natural complement to the completed and ongoing competitive grant programs supported by state as well as federal funding.

### *Recipient's Approach for Carrying Out the Program (Project Eligibility, Selection Criteria, & Application Process)*

An eligible project for the MAIN ST grant program will consist of a set of census blocks situated within the unserved or underserved (in the case of ESAs) areas within the State of South Carolina. Each project must contain 2020 census blocks with:

1) **More than 20 households with public K-12 students; or,**
2) **Difficult Development Areas as identified by US Housing and Urban Development (HUD); or,**
3) **A Main Street ESA; or,**
4) **No Internet Service Provider**

Each eligible project will provide broadband services to homes, households, businesses, educational facilities, healthcare facilities, and community anchor institutions that are not currently served.

A project that is primarily engaged in middle-mile, backhaul, or similar work will not be an eligible project. The inclusion of middle-mile, backhaul, or similar capacity is permissible in an eligible project, if sufficient capacity does not otherwise exist and is necessary for the project's last-mile broadband connectivity to end-users. An eligible project, among other requirements, must utilize wireline technology that is capable of meeting or exceeding 100/100 Mbps symmetric (download/upload) capability.

The MAIN ST grant program will utilize a competitive grant application process. Private ISPs, public ISPs, and ISPs working in partnership with electric cooperatives and local governments are the only eligible applicants for South Carolina broadband infrastructure grant programs.

The selection criteria for awarding grants is based on both qualitative and quantitative scoring criteria including a variety of scoring metrics that include Main St/commercial impact, geography, public K-12 student need, applicant experience, SCBBO's past experience with applicant and/or applicant's history of performance in prior SCBBO programs, technical ability, financial wherewithal, matching funds, local government support, estimated number of unserved households, percentage of total unserved households served, unserved businesses served, leverage of existing infrastructure, consumer price offered, local government in-kind contributions and matching funds.

All project areas will be scored individually, with the highest overall scored projects receiving priority for MAIN ST grant funding. There is no minimum or maximum limit on the geographical size or dollar amount requested for MAIN ST grant program applications; however, there will be a maximum construction window of two years. As incentive, projects that include a Main St ESA may have the ability to pledge in-kind match in their applications. This flexibility allows applicants to pursue communities in severe economic distress. Experience has taught the SCBBO that certain areas will require additional support and a dollar-for-dollar match will not always be successful.

The MAIN ST program will utilize the SCBBO-proven grant process that consists of:

- Freshly published broadband maps and the ability to challenge SCBBO information
- A multi-month application period that allows ISPs to have sufficient engineering and planning time before application submission
- Public visibility of all applications and a one-month comment or protest period
- Six weeks for review and selection of finalists
- Time for funding agreement dissemination and collection
- Two full years for project construction

Applicants will apply for the MAIN ST program by submitting required documents — signed forms, GIS shapefiles, and supporting attachments — through a personalized, secure online application portal made available by the SCBBO. The application consists of the following components: applicant information, statement of qualifications and partnerships; project area(s) and locations to be served; a technical report; a project budget, matching fund requirements including in-kind matches, cost estimates, and proof of funding availability, proposed services, marketing, adoption, and community support.

Creative approaches to increasing deployment of internet services (both access and adoption) are encouraged. As illustrative examples: one ISP partnered with a library to create a telehealth clinic within the library for Veterans. Another ISP has partnered with technical colleges, and in several cases, ISPs have made commitments to providing public Wi-Fi at no additional charge for a period of time. For the MAIN ST projects, we would like to see applicants partner with the local municipality to ensure that public Wi-Fi is available.

Following the close of the application period, the SCBBO will post all applications on the ORS website in their raw form (redacting only sensitive financial and other so-marked confidential documents), will invite public comment, and will then begin the application and review process — which includes comprehensive GIS evaluation of census block impact, overall project area, household locations, and proposed fiber routes. Application review and selection is performed by the SCBBO with input solicited from other public agencies (SC Dept. of Commerce, SC Dept. of Education, among others).

At the conclusion of the evaluation period, funding agreements are sent to grant recipients and then, when all signed documents are received, a Notice to Proceed (NTP) is issued.

Once a NTP is in hand by the ISP, construction, in accordance with the funding agreement may officially begin and project expenses from that point forward are eligible for reimbursement. The SCBBO requires formal quarterly construction reports from all grant recipients until the project is complete. To the extent allowable, SCBBO would permit an awarded application to recoup a portion of the expenses for

engineering, fiber, or supplies that are utilized as part of the awarded project and consistent with the terms of the grant.

The SCBBO does not reimburse for any project expenses until the project or project milestones (if any) are verified to be complete with photographic evidence and independent network speed test verification.

The SCBBO recognizes that progress towards the goal of extending broadband to unserved areas of the State must be continually evaluated, and that ongoing private investment and funding from various state and federal broadband programs are likely to change the landscape on a continuous basis. It is important to be flexible to avoid wasting public resources and duplicating broadband facilities.

SCBBO understands that ARPA Application Guidelines may need to be modified to consider any necessary changes. For example, SCBBO anticipates that there will be less need to address "Priority Areas", including Main Streets, in subsequent rounds of funding and, therefore, it may be advisable to adjust the scoring matrix accordingly. SCBBO requests that it be allowed the flexibility to modify the guidelines as needed to ensure broadband is extended as quickly as possible to all unserved and underserved areas of the State.

SCBBO's goal is to ensure high-speed Internet access for all South Carolina citizens as quickly as possible, so that all can enjoy the benefits, including eLearning, telehealth, and telecommuting.

### *Program Timeline*

The SCBBO expects and intends to commit all Capital Projects Fund allocations by year-end, 2024 with projects completed before December 31, 2026.

The anticipated MAIN ST grant program timeline is as follows:

**MAIN ST Grant Round 1 ($100,000,000)**

| | |
|---|---|
| May 1, 2023 | Eligibility Map Posted |
| **May 15, 2023** | **Application Period Opens** |
| **Jul. 14, 2023** | **Application Period Closes** |
| Jul. 17, 2023 | Applications Posted / Comment Period Begins |
| Aug. 18, 2023 | Comment Period Closes |
| Jul. 17 – Aug. 31, 2023 | Application Review & Selection |
| Sep. 1 – Nov. 16, 2023 | Funding Agreements Perfected |
| Nov. 17, 2023 | Notices to Proceed Issued |
| Nov. 20, 2023 – Nov. 28, 2025 | Construction Window |

The SCBBO will allocate approximately $100 million to the first MAIN ST grant round, leaving approximately $85 million for MAIN ST Round 2. If the SCBBO is unable to deploy all $100 million in the first round, remaining assets will be shifted to MAIN ST Round 2. If the SCBBO identifies more than $100 million of worthy projects, we will not hesitate to fund those projects due to the time restrictions of ARPA. Obviously, that will reduce the amount available for Round 2.

The Comment Period allows other public agencies or interested stakeholders to essentially vote or voice their support for specific applications. Because this program coordinates with other public entities — counties, municipalities, and others — a thirty-day Comment Period is important. An ISP may protest another application, but the SCBBO encourages ISPs to challenge the eligibility maps if they believe an area is already served or is subject to another valid objection rather than focusing on another ISP's application. The SCBBO discourages blocking or arbitrary tactics designed to monopolize control of a service area.

**MAIN ST Grant Round 2 ($84,521,661)**

| | |
|---|---|
| Jan. 15, 2024 | Eligibility Map Posted |
| **Feb. 1, 2024** | **Application Period Opens** |
| **Mar. 29, 2024** | **Application Period Closes** |
| Apr. 4, 2024 | Applications Posted / Comment Period Begins |
| Apr. 30, 2024 | Comment Period Closes |
| Apr. 1 – May 15, 2024 | Application Review & Selection |
| May 16 – Jul. 30, 2024 | Funding Agreements Perfected |
| Jul. 31, 2024 | Notices to Proceed Issued |
| Aug. 1, 2024 – Jun. 30, 2026 | Construction Window |

The SCBBO will allocate approximately $84.5 million plus the remainder of MAIN ST Grant Round 1 (if any) to the second MAIN ST grant round. If the SCBBO is unable to deploy all CPF assets in MAIN ST Round 2, a third Grant Round will be created prior to 12/31/2024 to meet the ARPA commitment guidelines.

Typically, if a project is not completed, payment will not be made. Awards that are withdrawn are subject to being reallocated to remaining qualified applicants subject to necessary approvals. Through the application scoring criteria, points are awarded for projects completed within an 18-24 month construction window.

### *Eligibility*

The communities identified to be served by the MAIN ST grant program have a critical need for funded broadband infrastructure projects as it relates to access. An eligible project for the MAIN ST grant program will consist of a set of census blocks situated within the unserved or underserved (in the case of Main Streets) areas of the State of South Carolina. Each project must contain 2020 census blocks with:

1) **More than 20 households with public K-12 students; or,**
2) **Difficult Development Areas as identified by US Housing and Urban Development (HUD); or,**
3) **A Main Street ESA; or,**
4) **No Internet Service Provider**

The program is designed to deploy broadband service to homes, households, businesses, educational facilities, healthcare facilities, and community anchor institutions that are not currently served.

The SCBBO has developed sophisticated broadband mapping capability that blends the most recent provider-reported FCC information with millions of Ookla® Speedtest® records. Our March 2022

broadband maps include over 9 million speed tests from all over South Carolina. In this way, the SCBBO verifies provider-reported information with consumer-generated data whenever possible.

Pursuant to state law, all South Carolina ISPs are required to provide their most recent data to the SCBBO in order to participate in any grant programs. ISPs submit their data twice per year, in lock step with the Federal Communications Commission reporting cycles. By following this structure, the SCBBO creates new broadband maps for South Carolina — including all 46 counties — every six months. New maps are completed in late June and December each year. In June 2022, the SCBBO released a comprehensive set of March 31, 2022, broadband maps.

The SC broadband map archive is located at www.scdigitaldrive.org.

To better inform the program, the SCBBO has a BBAC consisting of 21 members representing different facets of the economy and places a priority on community and stakeholder engagement throughout the State of South Carolina.

Once the complete list of Main Streets and their ESAs are mapped, we will present the list to the SC Broadband Advisory Committee (BBAC) for further scrutiny. On paper, a Main Street ESA may qualify; however, there can easily be other factors or concerns which would eliminate one from consideration.

With feedback from the BBAC, the SCBBO will include this list of Main Streets ESAs, together with the other three priority sets of census blocks (K-12, DDA, no ISP), to form the first CPF Eligibility map which we anticipate producing by May 1, 2023.

In addition, the SCBBO has designed a **Broadband Community Champion Training** program that delivers instructor-led content through a series of three, two-hour webinars to existing community leaders. It is a train-the-trainer program and the three sessions — *Understanding Internet Infrastructure*, *Eliminating Gaps in K-12 Education*, and *Identifying Healthcare Opportunities* — are designed to take an existing community leader (i.e., school superintendent, hospital administrator, county administrator, sheriff, elected official) from novice to fully aware of key terms and concepts for successful broadband deployment in their local area. The SCBBO collaborates with nonprofits to perform classroom administration, and the SCBBO Director personally instructs each class. The benefits of the personal relationships are tangible and work to streamline deployment in rural areas. To date, over 150 community leaders in 11 different counties have completed training and become Broadband Community Champions.

Affordability of broadband is a major consideration for the MAIN ST program and all applicants, at the time of application, are required to be eligible to offer the FCC's Affordable Connectivity Program (ACP) as well as have an offering that is affordably priced for that geographic location for those that do not qualify as low or low/moderate income levels. Through the competitive grant process, the SCBBO includes as part of the scoring criteria, the identification of the pricing that will be offered and requires the applicant to specify the length of time that such pricing will be kept available. Higher scores are associated with pricing plans that are affordable to the area and the applicants are required to provide a description of the support utilized to identify the pricing as affordable for the area proposed. The SCBBO will require affordability and pricing protections within any grants awarded under this program. A clawback provision shall be included in every grant agreement to hold the grantee accountable for any affirmations made by the ISP or grantee and relied upon by the SCBBO as a result of the award.

As it relates to ensuring against duplicative investments from enforceable federal or state funding commitments for reliable wireline services that meet or exceed speeds of at least 100/100 Mbps symmetric (download/upload) service, the MAIN ST program will allow ISPs to update the Funded Project Register (FPR), which allows the SCBBO to maintain an accurate ledger of fully funded broadband projects around the state. The FPR allows for providers investing private capital, receiving FCC Rural Digital Opportunity Fund (RDOF), or USDA ReConnect (RECONNECT) to qualify those designated areas for consideration of protection from MAIN ST grant funding as long as they will be construction-complete within the upcoming twelve-month period. The SCBBO will, as permitted by ARPA, take into consideration those unserved areas that have an "additional identified need for broadband."

Through the BBAC, which has met quarterly since July 2021, and through the Broadband Community Champion Training program, the SCBBO has received significant stakeholder input. With the investment made in mapping broadband access, the SCBBO can confidently direct future investment where it is most needed.

### *Program Administration*

To ensure compliance with award requirements, including performance management and subrecipient monitoring, the MAIN ST grant program will dictate that awardees submit, at least annually for three years, reports indicating the awardee is providing speeds meeting or exceeding the speeds contained in the grant agreement and pricing. Awardees will also be required to submit reports including, but not limited to, expenditures, project status, subawards, civil rights compliance, equity indicators, community engagement efforts, geospatial data, workforce plans and practices, subcontracted entities, outputs, outcomes, the number of residential and commercial locations that have broadband access as a result of the project, the percentage of households in the project area that have access to broadband service, the percentage of subscribers in the project area to the broadband service, the average monthly subscription rate for residential and commercial broadband service in the project area, any right-of-way fees or permit fees paid to local government, state government, railroad, private entity or person during the fulfillment of the grant awarded, and any delays encountered when obtaining a right-of-way permission.

Aside from these reporting requirements, the SCBBO will conduct on-site performance and compliance inspections, at least annually, of all funded projects.

With respect to the SCBBO's institutional, managerial, and financial capability necessary to ensure proper planning, management, and completion of any project, the office has access to one percent of the Capital Projects Fund allocation for administrative needs, in addition to state funding for full-time staff and expenses.

The SCBBO is housed within ORS, a state agency that represents the public interest before the Public Service Commission of South Carolina in matters related to public utility regulation. As a result, the SCBBO has access to persons with ten plus years of telecommunications experience and personnel that currently administer federal Department of Energy (DOE) funding for the state energy office.

With this support, the BBAC, and input from other stakeholders, the SCBBO is well positioned to administer the MAIN ST competitive grant program.

***Program Budget***

| PROGRAM BUDGET | | | | | | |
|---|---|---|---|---|---|---|
| **Program Administrative Costs** | | | | | | |
| | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** |
| 2a. Administering the CPF funds (by the Recipient) | $0 | $0 | $0 | $0 | $0 | $0 |
| 2b. Technical assistance to potential sub-recipients | $0 | $0 | $0 | $0 | $0 | $0 |
| 2c. Complying with grant administration and audit requirements | $0 | $0 | $150,000 | $150,000 | $150,000 | $150,000 |
| 2d. Community Engagement | $0 | $0 | $0 | $250,000 | $250,000 | $0 |
| 2e. Research and Data Collection | $0 | $143,994 | $0 | $0 | $0 | $0 |
| **2. Total Program Administrative Costs (not to exceed amounts listed in source of funding)** | **$0** | **$143,994** | **$150,000** | **$400,000** | **$400,000** | **$150,000** |
| | | | | | | |
| **Project Costs** | | | | | | |
| 3a. MAIN ST Rd 1 & 2 | $0 | $0 | $0 | $25,000,000 | $75,000,000 | $84,521,661 |
| **3. Total Project Costs** | **$0** | **$0** | **$0** | **$25,000,000** | **$75,000,000** | **$84,521,661** |

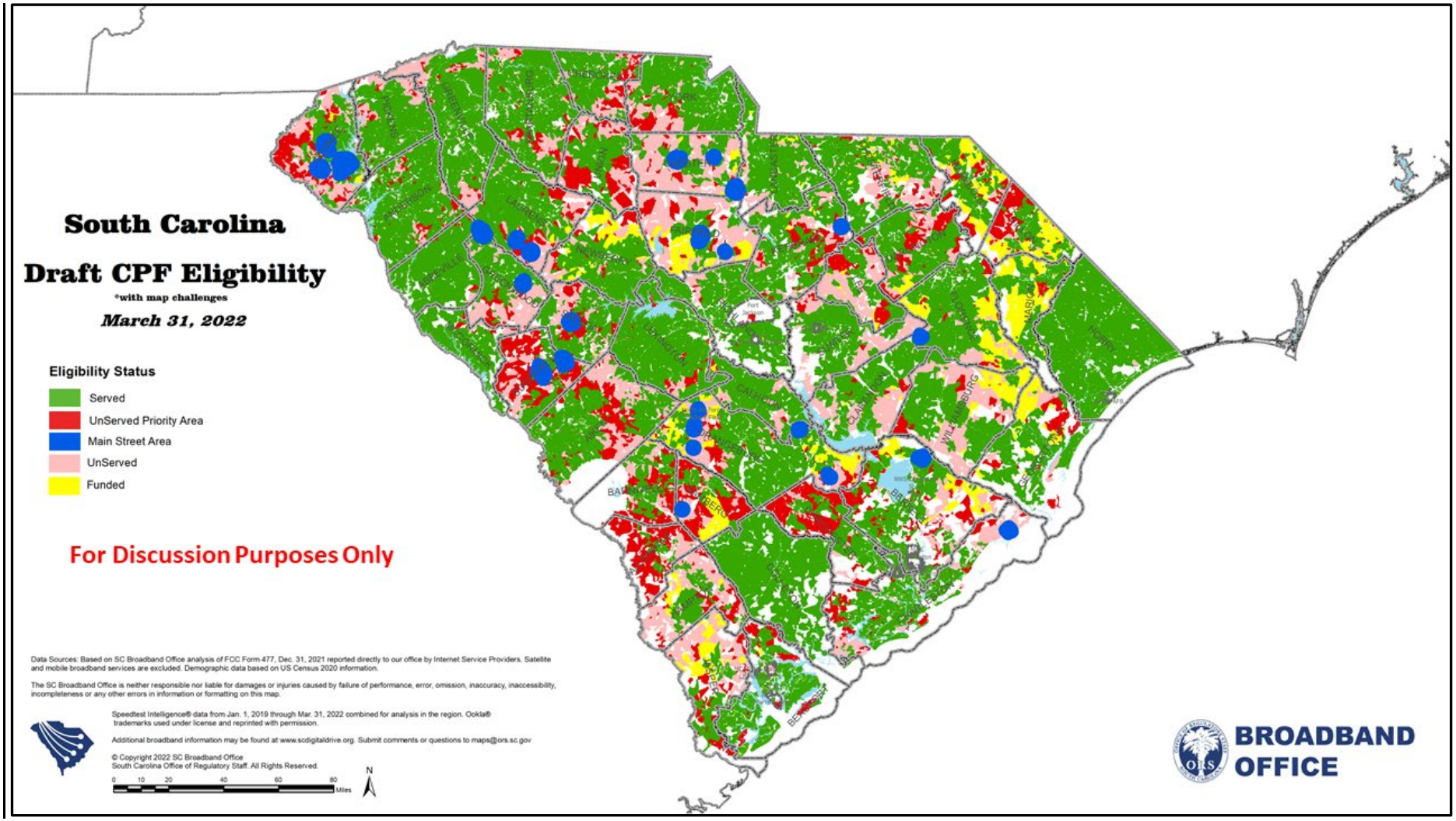
***Pre-Award Cost Annex***

Does the applicant provide reasonable assurance that the intended source of funds for the Pre-Award Costs was the CPF Grant? [x] **N/A**

| **PRE-AWARD COSTS** | **Amount ($s)** |
|---|---|
| *3a. Recipient Project Costs (Total)* | $0 |

# APPENDIX

## DRAFT MAIN ST ANALYSIS


South Carolina
Draft CPF Eligibility
*with map challenges
March 31, 2022
Eligibility Status
Served
UnServed Priority Area
Main Street Area
UnServed
Funded
For Discussion Purposes Only
Data Sources: Based on SC Broadband Office analysis of FCC Form 477, Dec. 31, 2021 reported directly to our office by Internet Service Providers. Satellite and mobile broadband services are excluded. Demographic data based on US Census 2020 information.
The SC Broadband Office is neither responsible nor liable for damages or injuries caused by failure of performance, error, omission, inaccuracy, inaccessibility, incompleteness or any other errors in information or formatting on this map.
Speedtest Intelligence® data from Jan. 1, 2019 through Mar. 31, 2022 combined for analysis in the region. Ookla® trademarks used under license and reprinted with permission.
Additional broadband information may be found at www.scdigitaldrive.org. Submit comments or questions to maps@ors.sc.gov
© Copyright 2022 SC Broadband Office
South Carolina Office of Regulatory Staff. All Rights Reserved.
0 10 20 40 60 80 Miles
N
BROADBAND OFFICE