Executive Summary

EXECUTIVE SUMMARY The Williamsburg County Development Corporation, in partnership with the Williamsburg Enterprise Community Commission, Inc. seeks $6,000,000 (six million U.S. dollars) in grant assistance through the Broadband Technology Opportunities Program, to support the launch of the Hedzup sustainable broadband device and to provide free broadband access and training for Williamsburg County residents currently without access to broadband. This project responds to three of the five Recovery Act overall purposes. To preserve and create jobs and promote economic recovery; to assist those most impacted by the recession; and to provide investments needed to increase economic efficiency by spurring technological advances in science and health. The Williamsburg County Development Corporation (WCDC) is a private nonprofit 501 (c) (3) corporation that was formed in 1995 under the laws of the State of South Carolina. The purpose of the organization is increasing employment opportunities and the expansion of business and industry, promoting and assisting the growth and development of business concerns, including small and neighborhood businesses within Williamsburg County. The organization has successfully managed more than $7,000,000 (seven million dollars) in public and private investments since its inception. They are poised to successfully manage this project to benefit the citizens of Williamsburg County. The Williamsburg Enterprise Community Commission is also a 501 (c) (3) community development corporation that was created under the auspices of the Federal Empowerment Zones/Enterprise Communities Program. Williamsburg County is located in Congressional House District SC006 currently represented by The Honorable James E. Clyburn (South Carolina). Geography and Demographics Williamsburg County, South Carolina is located in the southern tip of the Pee Dee. Williamsburg County in close proximity to the business districts of Columbia, S.C. It is well positioned for economic prosperity and growth. A critical gap in employment opportunities has occurred since the passage of the North American Free Trade Agreement (NAFTA), resulting in the demise of the textile industry and the loss of a major employer. More recently, the result has been the substantial downsizing of several industries in the county. Such business retractions continue to plague our rural county and underscore the crucial need for ongoing job creation and economic growth activities. Williamsburg County is a rural distressed community of color with a Black-American population of more than 67 percent. In 1994, Williamsburg County was designated as an "Enterprise Community" by the United States Department of Agriculture. This designation expresses the high level of need accorded the County by the federal government. In addition, Williamsburg County is one of twelve counties designated by the State of South Carolina as distressed. Williamsburg County has a history of high unemployment, persistent poverty and low educational attainment. The county has had double-digit unemployment for many years. The rate is consistently one and one half times the rate for both the
State of South Carolina and the nation. In 1997, unemployment in Williamsburg County stood at over 22 percent, according to the South Carolina Employment Security Commission. The poverty rate in Williamsburg County has exceeded both the state and national rates for more than 20 years. In 2004, the population below poverty in Williamsburg County was 25.8 percent as compared to 15.0% for the state and 12.7% for the nation. In 1999, per capita income for the nation was $21,587 and in South Carolina it was $18,795. However in Williamsburg County it was only $12,794. Project Objective: To Create Hi-Tech Light Assembly Jobs and Free Broadband Access for Rural, Economically-disadvantaged Residents The objective of this project is for the WCDC to bring well paying hi-tech light assembly jobs to Williamsburg County by facilitating a $6,000,000 grant to WCDC who will, in turn, extend a $5,500,000 (five million five hundred thousand dollar) loan to Hedzup Technologies, Inc. (Hedzup) in order to allow them to begin production of a hi-tech cellular telephone device. This technology represents an innovative and sustainable use of current technology and can easily be brought to market. Hedzup shall, in the first 90-120 days produce 15 full time jobs, and thereafter approximately 100 manufacturing jobs in rural Williamsburg County and depending upon sales and market condition perhaps substantially more. These jobs would pay $15 (fifteen) U.S. dollars per hour or $30,000 (thirty thousand dollars) per year. The jobs created would increase the Local, State, and Federal tax base as well as creating additional supply and support jobs in the community. Included in the $5,500,000 loan to Hedzup is a $500,000 (five hundred thousand dollar) interest reserve which will be paid by Hedzup directly to WCDC, on a sliding rate of 1-3% interest. The WCDC and WECC will also receive and share the remaining balance of $500,000 as an administrative fee. These funds will be used to finance the free Public Computer Centers broadband access program for economically-disadvantaged families throughout Williamsburg County, thereby meeting the rural access aspects of the NTIA initiative. As previously mentioned, this proposal meets the objectives of the Recovery Act and BTOP for funding. The WCDC shall fund approximately 20 (twenty) Public Broadband Computer Centers over two years at an approximate cost of $25,000 (twenty thousand dollars) per facility along with a trainer to increase computer and broadband education and awareness in the County from the loan proceeds and administrative fee. These centers are expected to provide for an average of 50 client visits per month or 12000 client visits over a two year period. We believe the creation of these hi-tech jobs, combined with the education and opportunity provided by the Public Broadband Computer Centers will attract other industry and business to locate in the County. Ten Williamsburg County Broadband Computer Centers would be created during the first year in various areas of this rural county and include an average of 6 (six) computers per center with and ten additional centers in the second year providing broadband access as well as on site instructors trained by a Trainer to be hired. These centers would be located in churches, libraries, and nonprofit community sites, with the potential to expand to local area schools when sufficient resources have been repaid from the loan. Description and Proposed Service Offering: Hedzup Technologies, Inc. is a phase two start-up company based in California poised to manufacture a "patent-pending", portable "Heads-Up" display device enabling drivers to maintain eye contact with the road while legally utilizing normal cellular telephone functions. Hedzup Technologies, Inc would establish its primary manufacturing, research, and design (R&D) facility in Williamsburg County, thereby bringing increasingly scarce hi-tech, light assembly manufacturing jobs to this economically depressed area, while directly participating in free broadband access through this unusual public-private approach. At funding, Hedzup would begin hiring immediately with 15 jobs paying $15 (fifteen dollars) per hour,
with planned expansion to as many as 100 jobs within two to three years, depending upon market conditions. The Hedzup Solution for Cellular Phones in Vehicles Hedzup is the only device which does not require the user to "take his hands off the steering wheel or his eyes off the road" to either take incoming calls, and this is where Hedzup is unique, or legally make out-going calls while driving. At present 40 of the 50 states have passed or are in the process of passing legislation designed to prohibit the use of hand-held cellular telephones while driving in order to increase safety. Moreover, Hedzup avoids issues of RF radiation-namely, the proximity of a transmitter/antenna near the human brain. According to a Meta-analysis, which included the United States, published in March of 2008 in the International Journal of Oncology, "These Results Are Most Likely of Biological Relevance and Further Strengthen the Hypothesis of a Carcinogenic Effect from Microwave Emissions from Mobile Phones." Hedzup does not subject its users to these emissions, or require callers to look away from the road. Other hand-held devices do expose users to harmful emissions. Current FCC exams include questions on the harmful effects of RF emissions. Also, the Australian Government has recently warned its citizens of the danger of RF emissions from cell phones. The United States government has recently said that "it is more dangerous to talk on a cell phone than to drive drunk." The press is currently characterizing driving while using a cellular telephone as "the new DUI