



4/17/2009

The Honorable Bev Perdue
Governor
State of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Dear Governor Perdue:

On behalf of Atlantic Engineering and the many North Carolina communities who wish to ensure a future in the local, national and international economy, I ask you to strongly oppose North Carolina Senate Bill 1004/House Bill 1252. This bill would prevent municipalities from delivering the promise of next generation broadband to the residents of North Carolina. Through burdensome financial regulations and a restrictive competitive policy, this bill would keep North Carolinians lagging behind in the benefits of next generation broadband, and the basic infrastructure needed to deploy it.

Atlantic Engineering is a 'design and build' firm specializing in the construction of this critical infrastructure. Thus far, we have deployed 17 Fiber to the Home networks across the United States for municipalities in areas where private broadband companies were unable or unwilling to make the investment to serve these towns and communities. We have seen with great success the net result of this infrastructure which enhances the everyday lives of its citizens through greater employment opportunities, enhanced safety through more efficient public safety services, better tools for education, and infinite possibilities for the progression of health care services.

Atlantic Engineering is currently working with the leadership of Salisbury, NC in Rowan County to build a FTTH network that the citizens have been anxiously awaiting. Not only will the build of this fiber optic network employ over 100 North Carolinians, it will also serve to make Salisbury an attractive place for businesses and industry to locate to in the future. Other local communities across North Carolina deserve the same right to access necessary communications and public safety services provided by high-speed broadband systems. It is vital to economic development and job growth.

Atlantic Engineering supports a level playing field between public and private service providers. HB1252, however, only serves to endanger the ability of municipalities to offer next generation broadband services where private service providers have not made next generation broadband investments or are not providing next generation broadband service. As we have seen in other states, this bill seems to be an attempt by underperforming telecommunications incumbents to obstruct competition that will ultimately benefit the citizens of North Carolina.

For example, HB 1252 includes exemptions that appear to allow for municipal broadband in markets underserved by the private sector. The issue, however, is that these exemptions fail to distinguish current generation broadband (DSL or cable modem service), from next generation broadband (Fiber to the Home and Fiber to the Node). Is a community truly 'served' if a municipality is prepared to offer next generation broadband FTTH networks enabling speeds of 50 to 100 Megabits per second downstream?

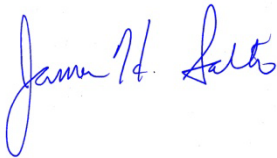
Atlantic Engineering also strongly objects to HB 1252 on the grounds that it would create extraordinary financial accounting and administrative burdens on municipal broadband providers that would render their existence fiscally difficult, if not impossible. The bill also subjects municipalities to the new jurisdiction of the North Carolina Utilities Commission, while not requiring the same of private providers. This certainly does not sound like a "Level Playing Field" bill as it has been referred to. HB1252 threatens to destroy public-private partnerships for economic development, educational opportunity, and advancements in local government public safety systems.

Finally, in these tough economic times, Atlantic Engineering can testify that the cost of building these next generation broadband networks is largely (50-70%) labor related. Bringing next generation broadband to these communities stimulates immediate job growth.

The United States is rapidly losing ground to other countries in per capita broadband deployment, access to high-capacity networks, cost per unit of bandwidth, and growth of new broadband users. As such, the American Recovery and Reinvestment Act (ARRA) included \$4.7 billion in Broadband Stimulus Grants directly for local communities. **SB1004/HB1252 could prevent North Carolina communities from applying for any of these funds.**

Atlantic Engineering respectfully requests your withdrawal of support for HB 1252. We hope you will give the citizens of the great state of North Carolina the same benefits that an increasing number of Americans are currently experiencing from their local governments.

Sincerely



James H. Salter, P.E.
Chairman

CC:

J. Keith Crisco
Secretary
Dept. of Commerce,

House Leadership

Joe Hackney
Speaker

William Wainwright
Speaker Pro Tempore

Hugh Holliman
Majority Leader
NC House of Representatives

Paul Stam
Minority Leader
NC House of Representatives

Senate Leadership

Senator Marc Basnight
President Pro Tempore

Senator Tony Rand
Majority Leader

Senator Katie Dorsett
Majority Whip

Senator Phil Berger

House Committee on Science & Technology - HB 1252

Representative Ty Harrell
Chair, Science and Technology Committee

Representative Marilyn Avila
Vice Chair, Science and Technology Committee

Representative Jim Gulley
Vice Chair, Science and Technology Committee

Representative Earl Jones
Vice Chair, Science and Technology Committee

Representative Joe Tolson
Vice Chair, Science and Technology Committee

Members Science & Technology:

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Representative Bob England

Representative Phillip Haire

Representative Larry Hall

Representative Linda Johnson

Representative Sarah Stevens

Representative Thom Tillis

Senate Committee on Commerce - SB 1004

Senator R.C. Soles, Jr.
Chair, Senate Commerce Committee

Floyd McKissick
Vice Chair, Senate Commerce Committee

Senator David Hoyle
Vice Chair, Senate Commerce Committee

Senator Tony Rand
Vice Chair, Senate Commerce Committee

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Senator Doug Berger

Senator Harris Blake

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