

**Comments Before North Carolina General Assembly Revenue Laws Committee**  
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**North Carolina League of Municipalities**  
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Mr. Chairman and members of the committee,

- I am Kelli Kukura and I represent the 547 cities and towns across North Carolina on issues before the General Assembly. We are excited to speak to you today about the positive economic, employment and educational impact of municipal broadband in our unserved and underserved North Carolina communities, and discuss the current regulatory structure in which we already operate. Our focus is to put jobs and our local and state economy first, not somehow consider this a competition. The only losers will be our citizens.
- As you will quickly see today, setting in place broadband infrastructure for our towns that need it is a fundamentally different goal than that of the private entertainment cable providers. When the private providers are unwilling or unable, due to slower, older technology, to provide what is needed for our citizens and our business community, our municipal leaders have a duty to analyze and carefully consider how to address such a critically important need for the community's future. Many of you have served at the local government level and know the importance of that. In the two municipal broadband projects that are most advanced in North Carolina, both Wilson and Salisbury FIRST requested the private provider to address their needs. They were told no and met with extreme resistance and attacks. Our towns are asking: Who then fills the economic development need? Who then keeps these towns attractive for future economic investment? How do they address the need for jobs? Who addresses the educational, health, smart grid opportunities, and emergency/police and fire needs that technology can provide? Who tells BB&T in Wilson, with thousands of jobs, that they can't serve their needs?
- According to U.S. Census figures, NC dropped from 35th out of 50 states in broadband adoption in 2007, to 41st out of 50 states in 2008. We don't have time today for a discussion of our status internationally, as we look at

competing globally for corporate investment, but suffice it to say we are significantly behind.

- Cities and towns **across the country** are building broadband infrastructure because it is a **necessity**. I'm sure you all agree that fiber technology is the next generation/currently needed infrastructure, offering far faster speeds and greater capacities over any other technology. That is certainly proven by what I hear are the over 30 applications made from entities in North Carolina to become a Google community. Twice now, the private provider has tried to stop municipal broadband and each time, Google has written letters to our leadership in opposition of such legislation for the stated reason that it stimulates economic development. I hope Google doesn't see North Carolina as less than receptive, particularly now. Our focus today will not be on the **need** for high-speed broadband---we all know it is needed in our cities, towns and rural areas across the state. What we would like to share with you is the positive economic impact and job creation high-speed municipal broadband can have on the state to fill the major gaps, to extend the positive impact of the work of the E-NC and of MCNC. Significant studies have shown that communities offering high-speed broadband saw employment growth 6.4 % higher than other areas. And these studies show a direct, significant correlation between broadband increases and job creation. Towns across the country are successfully doing this. I would ask you to spend a minute reading the Bristol, VA story, for example. And we will hear from Chattanooga today.
- We have heard of the allegation that one of the private provider's makes that somehow North Carolina will lose tax revenue because of municipal broadband. Not only is this short-sighted but completely unsubstantiated, and inconsistent with the outcomes we have researched in other states. In your package you have a short list of towns that, even against tremendous opposition from the cable industry, have focused on what was right for their citizens and businesses, with terrific results in job-creation.
- So today, your cities and towns are asking you to maintain the authority North Carolina cities and towns already have to put broadband infrastructure in place for their citizens and businesses, and to simply enhance that process. Please don't put up roadblocks designed to kill it.

This committee has the ability to truly look at this as an economic development and jobs creation opportunity for our citizens.

- We were asked to speak to the regulatory structure we already follow for municipal broadband. We currently follow the same regulations at the federal level under the Federal Communications Commission as those followed by the private providers. Also, we had some very exciting news from the Federal Communications Commission in the last few weeks related to their direction to expand municipal broadband. That information is in your package. As you know, at the state level, municipalities are under the financial oversight of the Local Government Commission. The cities and towns now considering a decision on broadband do extensive analysis. The Local Government Comm is nationally recognized for its effectiveness in assuring that our local governments operate in a financially sound manner. As you know, the key element of that is the statutory requirement that the LGC must approve any significant local government borrowing.
- This was certainly true of Wilson. I would draw your attention to the Wilson broadband analysis timeline included in your package. Your Local Government Commission requires no less, and they must approve such municipal debt as I mentioned, so the state clearly already has oversight. And, by the way, the City of Wilson is fairly well ahead of that business plan that was approved.

Mr. Chairman--We have two distinguished speakers with us today, Mr. Brad Walser, the owner of businesses in Salisbury who will speak to his experience .

We also have a nationally-known *municipal* broadband expert with us, now based in Tennessee –Mr. Colman Keane. He will share his experience with a municipal system in Chattanooga.

Thank you.