
From: Debra Henzey <debra.henzey@chathamnc.org>
Sent: Wednesday, May 20, 2015 11:20 AM
To: BOCrhc2015
Cc: Charlie Horne; Darlene Yudell; Wilkins, Cindy
Subject: Chatham County NC Comments on Federal Broadband Funding & Support
Attachments: Chatham County Letter on Broadband Issues May 2015 2.pdf

Thank you so much for soliciting I am attaching our official public comments on the concerns of rural local governments who have very limited access to broadband. I have pasted in better the letter from our County Manager Charlie Horne and also provide a signed copy on letterhead for your records. I believe we have included some excellent suggestions for your consideration. Let me know if you have any questions.

May 18, 2015

To the United States Departments of Agriculture and Commerce:

Thank you so much for seeking comments from communities on specific broadband challenges. In our case, much of our county lacks the density to attract broadband providers, even though we are surrounded by urban areas with substantial coverage. In some cases, cost of service also can be a major deterrent, but, overall, the bigger issue is lack of service or very slow service. Based on a study done for our county four years ago, we estimate that over 53% of our households are either underserved or not served at all, with the western part of the county most impacted. This means that rural areas are unable to compete in the arenas of economic development, education and health care. Rural economies, including farms, will not survive without broadband access. Our students are not on equal footing with their more urban counterparts because they can't always access textbooks and other homework resources. Those who need online jobs skills training also find it almost impossible to do so in many parts of Chatham County. Finally, with limited access to medical care in rural areas, online medical services are the wave of the future, but not if you can't access them. Our responses to your questions are below.

How can the federal government best promote coordination and use of federally-funded broadband assets?

It is important that all of the agencies work together to develop a coordinated plan of action based on what is and is not working with the current funding system and identify priority needs to be applied to grants. For example, we know that too many recipient utilities have not been sticking to the plan they submit for grants. If they get money to serve a very rural underserved area, they should not be allowed to change the use of grant funds to upgrade equipment for an area already served.

What regulatory barriers exist within the agencies of the Executive Branch to the deployment of broadband infrastructure or that impede or restrict competition for broadband?

1. The extremely difficult reporting requirements can be a huge barrier for smaller utilities who WANT to expand service, especially given that some pots of grant funding are fairly small. In reading the requirements, they do seem onerous and have not always stopped some recipients from using the funds for other purposes. As an example, we have a local telephone cooperative and a local wireless company who are eager to expand faster but the reporting requirements would be very challenging for them. This also means that it is harder for these smaller entities to compete with the big utilities which have the resources to complete and file complex reports.
2. Many of the grants are focused too much on serving broad areas of low-income residents, while it is just as important to serve underserved and unserved rural areas with farms, businesses and pockets of low-income. Our county's per capita income is skewed by a small percentage of residents with very high incomes. This puts the rest of the county at a disadvantage in competing for income-based grants. This is a huge barrier for economic developing and our agricultural economy.
3. Hold the big providers accountable for accurate reporting of service areas. Our larger providers often misrepresent their coverage area so that it looks like they are reaching more households than they are. On any given day, if you call

them about an address, you get a different answer as to whether it will soon be served. Even areas very close to Chapel Hill (home of UNC-Chapel Hill) are not served by either the phone company or cable. Both AT&T and Time Warner will tell you by phone that this area will soon be served, but follow up with the companies' administration, however, reveals that neither have any intent to serve these areas in the near future. The utilities usually use "propriety information" as their excuse for sloppy representative of coverage areas. This needs to stop.

How can communities and regions incentivize service providers to offer broadband services, either wired or wireless, in rural and remote areas?

1. One option that should be pursued is helping communities form local or regional broadband cooperatives that could be modeled after the very effective phone and electric cooperatives, which were vital to getting utilities into rural areas in the 1900s. Local governments lack the expertise and the funding to do this on our own. We also may have state legislation that would make this difficult and those barriers need to be removed.
2. We also need help with state legislative and regulatory barriers that restrict competition and limit service expansion in rural areas. North Carolina's General Assembly has passed a series of laws that prevent local governments from getting directly involved in funding public broadband efforts. For example, the State of NC is now suing the City of Wilson to stop them from expanding its fiber network to other areas that no one else wants to serve. Other laws severely limit how fast smaller utilities, such as Randolph Telephone, can expand its fiber network, even when we have areas that the existing phone provider (CenturyLink) is not interested in serving. **This barrier HAS to be removed.** County governments in North Carolina are especially limited and have no state authority to partner with providers, except in very limited ways. If these barriers are removed, then local governments could start to work more with broadband providers to create pilot projects, such as leasing existing towers to these providers and developing broadband fiber hubs at schools, parks and other public facilities located in underserved areas of the county.

What can the federal government do to make it easier for state, local, and tribal governments or organizations to access funding for broadband?

- Simplify the grant application and reporting process, which can be done without sacrificing accountability and effectiveness.
- Focus grant targets on unserved and underserved as much as income level. Given that the big utilities will not give us specific service area details, we need some leeway in identifying areas in our county that are underserved or unserved. A home-by-home survey is cost prohibitive and many households will not respond.
- Give priority consideration to providers that partner with local governments and community nonprofits in their grant applications. This needs to be a strong partnership where we have a voice in service areas and development of the project action plan. Similarly, they should also get bonus points if they partner with other providers, such as a phone company working with a wireless company to build on each other's infrastructure.
- Support and promote the concept of including fiber lines with other infrastructure work, such as water, sewer and road work. With trenchers, backhoes and bulldozers already on site, the cost of adding conduit and fiber would be much less than doing all of this later.
- Support and promote the fairness and recognition of the need for fast internet to everyone, including incentives for state governments remove related barriers. Too often, existing carriers will not install or upgrade old systems due to their reason that 'those people don't need it'. This is just not the case. Fast broadband, fiber to the home at reasonable cost for everyone should be accepted.

Thank you so much for asking for our input. Much of Chatham County feels very much left behind in the technology world. This is an economic issue and a community quality of life issue. Feel free to contact Debra Henzey at 919-542-8258 for more information.

Sincerely,

Charlie Horne
Chatham County Manager

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Debra Henzey

Chatham County Director of Community Relations

919-542-8258

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COUNTY COMMISSIONERS

Jim Crawford, Chair
Mike Cross, Vice Chair
Diana Hales
Karen Howard
Walter Petty

COUNTY MANAGER: Charlie Horne

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