

CHAMBER OF COMMERCE

October 5, 2021

The Honorable Roy Cooper North Carolina Office of the Governor 20301 Mail Service Center Raleigh, NC 27699-0301

Dear Governor Cooper,

As you know, the U.S. Senate recently passed a bipartisan infrastructure bill that represents a <u>significant</u> <u>step</u> toward bridging our nation's digital divide. However, to ensure success, it's vital that we make every dollar count for unserved families in North Carolina, especially those living in disadvantaged and rural minority communities. Indeed, high-speed broadband remains unavailable in vast rural areas of the state, and African American, Latino, and rural communities are uniquely burdened by unevenly distributed broadband infrastructure.

That's why we are writing today to urge you to support proposed utility pole attachment reforms under consideration within the state budget plan currently working its way through the legislature. These provisions of the budget, backed by <u>House Democratic Leader Robert T. Reives, II (D-54)</u>, will more quickly facilitate broadband buildout by targeting the primary impediments to ensuring reliable, high speed connectivity in the communities with the greatest need.

The reforms set fair limits on fees charged to broadband and internet service providers when attaching new broadband equipment to municipal and electric member cooperative owned utility poles. The proposal also allocates \$100 million from federal broadband funds to help with the expense of replacing or preparing utility poles for attachment, which is often cost-prohibitive. It creates a mechanism for expedited dispute resolution by the North Carolina Utilities Commission, streamlining the process and reducing any unnecessary delays in attachment and expansion.

As several of the undersigned organizations <u>recently outlined</u> in a coalition letter to Congress, pole attachment costs are a major inhibitor to broadband buildout in rural minority communities and are driven substantially by the costs associated with replacing pole infrastructure, which can lead to time-consuming disputes that delay broadband deployment. Disputes and delays related to the pole process can sometimes even derail projects entirely. In fact, a recent <u>study</u> of investments in North Carolina under the federal Rural Digital Opportunity Fund found that for "each month of delayed expansion due to pole owner market power" North Carolinians forfeit "an estimated \$16 million, or \$186 million on an annualized basis."

The provisions under consideration within the state budget plan are <u>vital to meeting the digital inclusion</u> <u>goals</u> your administration has championed as part of an ongoing effort to fight digital inequity.

As legislators work toward a final budget compromise, we urge you to support the utility pole attachment reforms that will accelerate broadband deployment to the state's most vulnerable rural communities.

Respectfully,

Robert E. Brann

Robert E. Branson Multicultural Media, Telecom and Internet Council (MMTC)

League of United Latin American Citizens (LULAC) Hispanic Federation National Latino Farmers and Ranchers Trade Association (NLFRTA) Organization of Chinese Americans (OCA) Rainbow PUSH Coalition ALLvanza The National Puerto Rican Chamber of Commerce