

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
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BEVERLY EAVES PERDUE
GOVERNOR

October 14, 2009

Assistant Secretary Larry Strickling
Broadband Telecommunications and Information
Administration
U.S. Department of Commerce
HCHB, Room 4812
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Assistant Secretary Strickling:

As Governor I would like to thank you for giving me the opportunity to make comments and provide my input on the NTIA's Broadband Technology Opportunities Program. North Carolina has a long and impressive history in fostering the development, early adoption and utilization of high speed internet for educational and economic development purposes. I feel the Broadband Technology Opportunities Program can provide high value to North Carolina both in immediate economic impact to the state and long-term development of our online economy.

Our overriding goal is to get North Carolina's economy moving through projects that will create jobs from the mountains to the coast. The MCNC application provides immediate economic benefit through job creation, and provides the state with a cost-effective, high quality network to train the workforce of the 21st century. In addition, it fosters a climate where underserved North Carolinians will have faster, cheaper access to high-speed internet. This program will ensure that North Carolina maintains its top-ranked research, technology and entrepreneurial climate as well as work aggressively to create jobs, train and retrain our workforce, and lay the foundation for a strong and sustainable economic future.

To assist my review, I appointed a committee inclusive of various public groups involved in rural broadband implementation across the state. The BTOP Review Committee reviewed all applications that had a self-identified North Carolina service area and provided me with feedback on those applications in advance of my comments to you. The BTOP Committee divided itself into two subcommittees; the Subcommittee on Infrastructure and the Subcommittee



on Sustainable Broadband Adoption and Public Computer Centers. The Subcommittees made the following recommendations, in descending order of economic and programmatic impact to North Carolina:

1. The Subcommittee on Infrastructure recommended:
 - a. MCNC (Middle Mile Application)
 - b. ERC of the Western Carolinas (Middle Mile/Last Mile Application)
 - c. French Broad Co-op (Last Mile Application)
2. The Subcommittee on SBA/PCC recommended:
 - a. For Public Computer Center applications:
 - i. Mitchell County Historic Courthouse Foundation
 - ii. Olive Hill Community Economic Development Corporation
 - iii. City of High Point
 - iv. Housing Authority of the City of Wilson
 - b. For Sustainable Broadband Adoption Programs: McDowell County Schools

Please find attached the full report from the BTOP Review Committee. The report includes information regarding the committee discussion of the recommended projects, and a number of 'honorable mention' projects that the Committee felt were interesting. The report reflects the priorities which I would recommend for your consideration.

I would like to highlight one of the above programs that has the highest value to North Carolina, MCNC's middle mile application. MCNC's application would extend NCREN (North Carolina Research and Educational Network) in rural North Carolina. The project is important for the immediate economic impact of jobs in high unemployment areas that it would create. MCNC estimates that the design, construction, and operation of the network will create over 230 engineering and construction jobs. There are twelve counties in MCNC's proposed project where the entire county is classified as underserved. Six are in southeast North Carolina: Beaufort, Bladen, Columbus, Edgecombe, Green and Harnett, and six are in western North Carolina: Davie, Jackson, McDowell, Polk, Rutherford and Transylvania. In addition there are at least twelve other counties that will be served that contain unserved census blocks: Carteret, Craven, Johnston, Onslow, Pender and Roberson in the southeast; and Buncombe, Catawba, Cleveland, Haywood, Iredell and Lincoln in the west. North Carolina is suffering from a historically high unemployment rate of 10.8%, higher than the national average. The additions to the NCREN network proposed by the MCNC BTOP proposal would be targeted to rural areas hit the hardest by the economic downturn.

The MCNC application will have a transformative, long-term economic impact as the high-speed, non-profit network would bring together educational, governmental, health care anchor institutions, public utilities, and private providers. MCNC's portion of the network will connect community anchor institutions (schools, community colleges, other institutions of higher education, and community support organizations) in rural North Carolina to the existing


Page Three

NCREN. MCNC's plan will also provide a portion of the network to be leased to private-sector groups, satisfying the Last Mile connectivity goals of BTOP. High-speed internet capacity and other middle-mile services will be offered to ILECs, CLECs, MSOs, wireless ISPs, energy cooperatives, and independent and cooperative telecom companies.

Finally, MCNC has effectively run NCREN for more than 25 years and is an experienced handler of private and federal grant awards. The application has the support of numerous North Carolina institutions, and was endorsed by myself and the entire North Carolina congressional delegation when it was submitted in August. It is my belief that the MCNC BTOP application best serves the needs of North Carolina.

Once again, I thank you for this opportunity to have input on this important program.

Sincerely,

A handwritten signature in black ink, appearing to read "Beverly Perdue". The signature is fluid and cursive, with the first name "Beverly" written in a larger, more prominent script than the last name "Perdue".

Beverly Perdue

cc: Ian Martinez

Attachment