

## SEATOA WORKS SUCCESSFULLY TO KILL PROPOSED NC MORATORIUM ON MUNICIPAL BROADBAND

The NC Anti-Municipal Broadband bill is dead – for another few months – marking the 4<sup>th</sup> unsuccessful attempt by the cable and telecommunications industry to pass new regulations hindering local community fiber operations in North Carolina.

SEATOA representatives were actively involved in stopping this bill, in essence, since last October, culminating in its demise in a dusk-to-dawn session between July 9 and July 10<sup>th</sup> 2010, when the NC House of Representatives effectively killed NC Senator David Hoyle's (D-Gastonia) attempt to force a moratorium on municipalities seeking to provide their communities broadband service. The proposed bill, S.1209, was stopped by the NC House adding an amendment to its Study Authorization Bill (H. 900). The amendment permits, but does not require, the NC Revenue Laws Study Committee to study the rules and circumstances surrounding municipalities providing broadband service to their communities, but dropped all other terms of S.1209 – mainly the proposed moratorium. The NC Senate later concurred with the House bill, and it was enrolled for review and signature by Governor Beverly Purdue.

Directly after this action, an unsuccessful attempt was made by NC Senator Daniel Clodfelter (D-Charlotte) to change the approach of H.900's proposed municipal broadband study with the introduction of H.455. His version of H.455 would have subtly mandated that the Revenue Laws Study Committee study municipal ownership of broadband systems by setting a deadline for a report and recommended legislation to be produced by March 2011. It would have also increased the subcommittee members for that study from 12 to 14, adding rural telephone membership cooperatives and the North Carolina County Association (NCACC) as delegated seats.

While Clodfelter's version of H.455 passed in the Senate, it was passed to and then died in the House around dawn on July 10. On NC Representative Paul Luebke's (D-Durham) motion, the House denied concurrence with H.455 (96 to deny, 1 to allow) and approved a Senate/House Conference Committee report for the purpose of keeping only one section of H.455. The Conference report provided state sales tax refund status for Davidson and Mooresville's MI-CONNECTION system, status the two towns would have if individually providing cable service but lost because they had joined together to provide broadband cable service. On a vote of 91 to 6, the House approved the Senate/House conference report, and later the Senate concurred with that report and it was enrolled for the Governor's attention.

There are MANY legislators who deserve SEATOA thanks for their outstanding efforts on the part of our local governments. Particularly House Representatives Hackney, Holliman, Luebke, Weiss, Faison and Bryant. And in the Senate - Senators Joe Sam Queen, Snow, Atwater, Vaughn, and the 11 others who voted down the idea of a moratorium against rural NC Broadband.

SEATOA's appreciation goes to Jim Baller and his "Group of 8" (Alcatel-Lucent, APPA, Atlantic-Engineering, Fiber to the Home Council, Google, Intel UTC and TIA) for their letter to the Governor and our NC House and Senate leadership condemning H.1252 and its moratorium as "Bad for the Private Sector." Also to Jay Ovittore, of Stop the Cap and Communities United for Broadband, for his inexhaustible lobbying, and to the Free Press and Progressive States Network for getting the word out for SEATOA that this bill could only be beaten if citizens spoke up and to their legislators. And a HUGE thank-you also goes to the North Carolina League of Municipalities, and Kelli Kukura, for tireless devotion to killing this bill.

Good work on the part of everyone involved – particularly those local government representatives – both SEATOA members and non-members – who worked to help us defeat this type of bill again.