

THE QUESTIONS THAT NEED TO BE ASKED ABOUT HOYLE'S ANTI-MUNI BBND BILL
SAY "NO" TO SB 1209:
"The No Competing System Act"

Why are you calling this the "No Competing System" Act?

Because the purpose of the bill is block competition to Time Warner Cable and AT&T. This is an industry-sponsored bill.

Are the cable and telephone industry really interested in the welfare of taxpayers?

NO. The industry does not care about local taxpayers; they care about profit.

Isn't the purpose of this bill just to ensure that local residents have the right to vote for public broadband systems before they happen?

NO. The purpose of this bill is to stop competition. Time Warner Cable and AT&T are sponsoring this bill because they know it will stop municipalities from deploying superior, and more affordable broadband systems in North Carolina. The incumbents know that without such competition, there is no need to upgrade their networks but they can raise their rates.

How do we ensure public accountability on public broadband projects without Hoyle's bill?

Local governments are subject to numerous state and local laws requiring public accountability and scrutiny of infrastructure projects. The General Assembly established The Local Government Commission to exercise fiscal control over, and approve all, local government public enterprise projects. Local laws require local governments to hold public hearings. All public documents are subject to public disclosure ("sunshine laws"), a device actually used by the industry to obtain access to municipal financial and strategic planning decisions. In contrast, North Carolina's telephone and cable companies are not required to reveal their finance and marketing decisions to anyone. The industry is not accountable to the public – they are accountable to shareholders for short-term profits. Local governments are accountable to the public - their decisions are driven by the need to improve the quality of life, and the environment for local businesses..

Is it true that this bill is bad for the private sector?

YES. It harms all the private companies who supply, support and need access to high capacity broadband systems. **Google**, Intel, Alcatel-Lucent, Fiber to the Home Council (representing more than 211 broadband industry companies, 14 with significant operations in NC), TIA among other private companies, wrote our House and Senate leaders on May 21 that Hoyle's bill would significantly hurt the private sector. Hoyle's bill will prevent competition and public-private partnerships, (like **GOOGLE Fiber**) and therein "stifle economic growth, prevent the creation or retention of thousands of jobs, hamstringing the private sector's ability to sell good in NC, interfere with workforce development and stifle creativity and innovation" at a time when we continue to suffer one the most serious economic crises in decades.

Is it true that this bill will prevent North Carolina communities from receiving Federal Broadband Stimulus Grants?

YES. It limits borrowing to pay the costs of operating or repairing municipal broadband systems to General Obligation Bonds. This means that any NC community who is awarded federal broadband money will have to turn it down because it will have no ability to finance system operations or future improvements.

Is it true that this bill will shut down public safety networks? YES. Under federal law, Public Safety networks must connect to various critical private institutions (energy companies, hospitals). Under Hoyle's bill, that means these systems can only be financed, operated, or repaired with G.O. bonds, which first require a public referendum. That will shut our public safety networks down, which currently operate and are funded by COPS financing.

Will S1209 prevent the deployment smart grid technologies? YES. Municipal utilities will be severely hampered from adding any smart grid improvements to current energy networks because these only will be financable through G.O. bonds. Ironically, this **will harm the cellular phone carriers**, whose wireless networks are used to transmit the household energy data.

So, why is the industry pushing so hard for public referendums? Time Warner and AT&T have very deep pockets \$\$ to defeat referendum. Municipalities by law are prevented from spending a dime.

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