



**Lynn B. Welborn**  
Director  
External Affairs

April 28, 2010

Heather D. Fennell  
Staff Attorney  
North Carolina General Assembly  
Research Division  
545 Legislative Office Building  
300 N. Salisbury Street  
Raleigh, NC 27603

RE: Revenue Laws Study Committee review of Article 42 of Chapter 66

Dear Ms. Fennell:

Pursuant to the Video Service Competition Act (S.L. 2006-151), North State Communications LLC, d/b/a North State Communications filed on December 11, 2008 with the North Carolina Secretary of State's office our Notice of Cable Franchise to offer video services within our franchised telephone service territory. The area covers portions of Davidson, Forsyth, Guilford and Randolph Counties.

The Video Service Competition Act was an integral part of our company's video offering decision. The Act streamlined the process of securing a statewide franchise which in turn eliminated the normal timelines and costs of obtaining franchise agreements with 10 city and county entities.

Both of these benefits provided to North State the ability to offer video services in direct competition with the dominant multichannel video distributor within our area in a timely fashion and with competitive pricing.

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Similar to other Multichannel Video Service Providers, our pricing structure is based on the quantity of channels provisioned as well as bundling the video portion with other telecommunications services. The video packages range from \$20 to \$105 depending on channel groupings and High Definition options.

North State Communications introduced to the market its full featured, commercially available video offering in August 2009 through extensive advertising and branding efforts. Most recently North State Communications introduced one of the highest symmetrical broadband service for home use than any competitor in our marketplace.

Both of these services are provisioned via our fiber to the premise (FTTP) infrastructure. In most cases, video services are being purchased in conjunction with our broadband and voice services. The passing of the Act allowed North State Communications to advance the pace of our ongoing infrastructure upgrade which will ultimately culminate in an all fiber network.

North State Communications appreciates the opportunity to share this information with you and if the Revenue Laws Study Committee requires any additional information, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Lynn Welborn".

Lynn Welborn