

**HOUSE SELECT COMMITTEE
ON
HIGH SPEED INTERNET ACCESS IN RURAL AREAS**



**REPORT TO THE
NORTH CAROLINA
HOUSE OF REPRESENTATIVES**

January 2009

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HOUSE SELECT COMMITTEE ON HIGH SPEED INTERNET IN RURAL AREAS



January 27, 2009

TO THE SPEAKER AND MEMBERS OF THE HOUSE OF
REPRESENTATIVES:

Attached for your consideration is the report of the House Select Committee on High Speed Internet in Rural Areas established by the Speaker of the House of Representatives pursuant to G.S. 120-19.6(a1) and Rule 26(a) of the Rules of the House of Representatives of the 2007 General Assembly.

Respectfully submitted,

Representative Bill Faison

Chair

House Select Committee on High Speed Internet in Rural Areas

PREFACE

The House Select Committee on High Speed Internet in Rural Areas was authorized by the Speaker of the House of Representatives on January 17, 2008. The charge of the committee was to study the availability of high speed internet access in rural areas. The committee was also authorized to:

1. Consider whether rural areas have adequate access to high speed internet and offer proposals to assure access to high speed internet in rural areas.
2. Examine the impact of high speed internet access on education, small businesses, and agriculture.
3. Evaluate the economic impact of high speed internet access for individuals, counties, and the State of North Carolina.
4. Identify technical issues associated with providing high speed internet access, including the availability of necessary equipment.
5. Identify the potential costs to internet providers.
6. Examine rate considerations, including whether customers will pay the total costs or whether the costs will be spread through the rate-making process.
7. Explore the impact of recent legislation allowing phone companies to provide cable service and high speed internet access.

The letter of authorization, which includes a listing of the full membership of the Committee, is included in Appendix A of this report.

Representative Bill Faison was appointed to chair the Committee. A committee notebook containing the committee minutes and all information presented to the committee will be placed on file in the Legislative Library.

COMMITTEE PROCEEDINGS

The House Select Committee on High Speed Internet in Rural Areas held seven meetings from March 2008 through January 2009. At each meeting the Committee provided interested parties an opportunity to be heard on the issues and received additional comments from the public. Among the parties presenting testimony were broadband services providers, representatives of the e-NC Authority, Windows on the World, MCNC, the State Library, Connected Nation, various education and business organizations, public officials, concerned citizens, and citizen advocacy groups. All the parties acknowledged the critical importance of high speed internet access. Service providers view high speed internet as an important part of their future business plan, while citizens see it as a necessity for educating their children, conducting their small businesses, and participating in the culture of the information age. Universally available high speed internet deployment is essential for North Carolina's economic growth and prosperity.

March 18, 2008 Meeting Summary

The Committee held its first meeting on March 18, 2008. The Chairman gave a brief overview of the Committee's charge to examine the availability of high speed internet in the State, and to consider the feasibility of legislation that would facilitate joint efforts to ensure that citizens in our State have access to high speed internet. The availability of high speed internet may become the new backbone of our economical and educational growth.

Jane Smith Patterson (Executive Director, e-NC Authority) and Joanna Wright (Senior Program Director for Intelligence, Communications and Outreach) presented information concerning e-NC and its efforts to increase broadband connectivity in this State.

Myra Best (Executive Director, Business Education Technology Alliance) provided information concerning a joint report on information technology presented to the General Assembly in January of 2008. The report focused on the use of technology in the State's public schools and how it can impact educational instruction in the 21st century.

Mark Johnson (CTO and VP, Operations and Infrastructure, MCNC) reviewed the history of MCNC and the role of the North Carolina Research and Education Network (NCREN) in the connectivity of public schools within the state. When first funded by the General Assembly in 1980, the Microelectronics Center of North Carolina (now known as MCNC) was

to be a catalyst for technology-based economic development throughout the state. Since that time, MCNC, a non-profit organization, has been committed to building partnerships among academic, research, government and business communities. NCREN provides Internet, video, audio, data and computing network services to all 16 of North Carolina's public institutions that grant baccalaureate degrees, as well as the NC School of Science and Math. Currently, MCNC is teaming with North Carolina education, government and business communities to implement a plan to provide network services to K-12 schools and community colleges throughout the State.

April 8, 2008 Meeting Summary

The Committee held its second meeting on April 8, 2008.

Chairman Faison began the meeting by reading a letter from a constituent in his district stressing the need for high speed internet in Caldwell and expressing appreciation for provider investments in that area.

Charlie Pittman (Senior Program Director, Telecom & Technologies Convergence) presented information on the technical aspects of broadband transmission. Pittman explained the technology involved in high-speed service, the difference between copper wire and fiber, cable modem access to the Internet versus DSL/ADSL service and how companies are beginning to deploy fiber to homes.

The Committee heard additional presentations from representatives of various service providers across the State. The presenters described the technology that is being used to provide access to the Internet in their respective service areas. They each talked about their customer base and how those customers are served. The speakers were:

- **Dwight Allen** (Executive Vice President, NC Telephone Cooperatives Coalition/Carolina Link)
- **Jon Hamm** (Mgr. Community Development and Public Affairs, Embarq)
- **Stan Pace** (VP Public Policy and External Affairs, Verizon South)
- **Rob Smith** (AT&T North Carolina)
- **Marcus Trathen** (Brook, Pierce, McLendon, Humphrey & Leonard, LLP, Cable Association)
- **Robert Wells** (Executive Director, NC Alliance of Independent Telephone Companies)

May 12, 2008 Meeting Summary

The third meeting of the Committee was held on Monday May 12, 2008.

The committee heard a presentation on broadband technology from Mr. Jim Baller, of the Baller Herbst Law Group. Mr. Baller described what will be at stake if the United States does not keep pace with 21st century broadband technology. He also pointed out where the United States

stands in comparison to leading nations in the world with regard to the deployment of broadband technology, and where the United States and North Carolina are heading with regard to broadband deployment. Baller recommended strategic efforts to foster the deployment of broadband technology.

The committee approved three legislative proposals for introduction in the 2008 Regular Session of the General Assembly:

- A House Resolution in support of the e-NC Authority in its convening of digital broadband summits in select areas of the State.
- An act to expand the authority of the North Carolina Department of Transportation to locate and acquire right-of-way for the location, above or below ground, of fiber optic cable.
- An act requiring providers offering broadband internet services to annually provide reports and mapping information to the General Assembly regarding service areas and availability of broadband services within those areas.

October 22, 2008 Meeting Summary

The fourth meeting of the Committee was held on Wednesday, October 22, 2008.

Two of the three legislative proposals approved by the Committee prior to the 2008 Short Session passed the House of Representatives. The resolution in support of the e-NC Broadband Summits was adopted by the House (HR 2411, Adopted 7/2/08). The proposal intended to permit broadband cable in DOT rights-of-way (HB 2412) received a favorable vote in the House. Although House Bill 2412 was not acted upon by the Senate, its provisions were enacted in House Bill 2314 (SL 2008-180). The act requiring that providers offering broadband internet services provide annual reports and mapping information to the General Assembly (HB 2453) was favorably reported from the House Agribusiness Committee and re-referred to the House Committee on Utilities; no further action was taken on the bill.

Jane Smith Patterson (Executive Director, E-NC Authority) reported on the *Broadband Summits* that were held in eight locations across the State (Caswell, Pasquotank, Jackson, Edgecombe, Bladen, Mecklenburg, Chatham, and Alleghany Counties). The message apparent from all the meetings is that citizens want access to high speed broadband services. The lack of broadband availability affects the standard of living, education, and business growth. Patterson presented information on two reports, *2007 High-Speed Internet Report*, and the *2008 Citizen Survey*. She told the Committee that of the approximately 3 million households in North Carolina, it is estimated that some 2 million have internet access, and approximately 500,000 households do not have access. According to the survey 25% of Americans earning less than

\$20,000 subscribe to the Internet, however, in North Carolina the figure is 49%. Nationally, 60% of Americans in the middle class subscribe to the Internet; however, in North Carolina the number is 79%. Of Americans earning over \$100,000 a year, 85% subscribe to the Internet; in North Carolina that number is at 91%.

Joe Freddoso (President and CEO, MCNC) presented information about the North Carolina School Connectivity Program, known as the K20 Connectivity Initiative. The program is MCNC's three-year plan to work with the State's 115 Local Education Agencies (LEAs) that were not connected to a common backbone and were using commercial internet services. According to Freddoso, by connecting the LEAs to the NCREN network, the schools were taken off a congested highway and put onto a fast-moving high occupancy vehicle lane that only runs North Carolina education traffic. Now, the education traffic moves freely and things can be done simultaneously without constant interruption and clutter.

November 14, 2008 Meeting Summary

The fifth meeting of the Committee was held on November 14, 2008.

Joe Freddoso (President and CEO, MCNC) returned to the Committee to provide an update on the LEA connectivity project, indicating that all 115 of North Carolina's K-12 Local Education Agencies (LEAs) were expected to be connected to the North Carolina Research and Education Network (NCREN) by the end of the 2008 calendar year.

Herb Crenshaw (Director, External Affairs, AT&T) informed the Committee that broadband services providers were in the final stages of negotiating a contract with Connected Nation, a non-profit organization that works in multiple states to engage community stakeholders, state leaders and technology providers to develop and implement technology expansion programs. After some discussion, the Committee endorsed the efforts of the service providers and Connected Nation to more clearly identify where broadband services are available/not available in the State.

Bill Craigle (Alltel Wireless) presented information concerning the availability of mobile broadband technology in North Carolina. The technology allows for internet access with speeds up to 1.3 mbps, averaging 500 to 800kbps. According to Craigle, North Carolina ranks 10th in deployment. Mobile 3G would cost the state \$321,226,500 with the growth of 107 new cell sites and 2,007 augmented cell sites. For clarification it was explained that Pre-3G is equivalent to

dial-up, 3G is equivalent to 3 times the amount of dial-up but less than DSL, and 4G will be close to DSL.

Professor Kenneth Wilson (East Carolina University) presented survey findings tracking the use and availability of home computers and internet access.

Jane Smith Patterson (Executive Director, e-NC Authority) explained how the e-NC Authority uses information collected from service providers as well as actual subscriber survey information to pinpoint internet access. According to Patterson, 83.33% of composite households have some sort of access to the Internet.

December 18, 2008 Meeting Summary

The sixth meeting of the Committee was held on December 18, 2008.

Jane Smith Patterson (Executive Director, e-NC Authority) reported on the results of the 2008 Broadband Summits endorsed by the Committee.

Representative Winkie Wilkins introduced constituents from Person County to explain to the Committee their frustration at not having access to broadband internet services and their desire to have the service made available to their community. Additional comments were heard from Chatham County constituents of Speaker Joe Hackney, expressing the same concern about the lack of access to broadband internet services.

Bunny Sanders expressed the concerns of the Windows on the World organization, stating that their findings on broadband availability in rural areas are not consistent with the findings of the e-NC Authority. Windows on the World numbers on availability indicate much lower availability. Sanders expressed the need for broadband access in rural areas and stressed its importance in the economic and educational development of citizens in those areas.

Mary Boone (State Librarian) described the technology used by the State Library and spoke about the library's commitment to providing information to the citizens of the State. Boone stressed how vital it is that all citizens have access to the information that is available from the State Library via the Internet.

Joe Mefford (Senior Broadband Consultant, Connected Nation) explained the history of Connected Nation and described its role in mapping the availability of broadband access in various states. Mefford demonstrated the ways in which Connected Nation will use its technology in conjunction with North Carolina's broadband services providers to map the availability of broadband access in this State.

Dwight Allen (Executive Vice President, NC Telephone Cooperatives Coalition/Carolina Link) proposed that the Committee consider legislation that would specify that any broadband services provider that provides voice grade communication services within a defined service territory or franchise area, and elects to provide broadband services outside its service territory or franchise area, may provide voice grade service as an incident to broadband service without violating its service territory restrictions or franchise agreement.

January 27, 2009 Meeting Summary

The House Select Committee on High Speed Internet in Rural Areas met on January 27, 2009 to adopt its findings and recommendations and approve its final report to the Speaker and members of the House of Representatives.

A subsequent update from MCNC on the North Carolina Research and Education Network (NCREN), indicated that The University of North Carolina System has requested funding to complete the build-out of NCREN through the acquisition of Indefeasible Rights of Use (IRU) or other form of ownership in rural areas of the State. This ownership of NCREN is said to be necessary due to the rapidly increasing bandwidth needs of research and education entities served by NCREN. This growth is apparently most evident in rural areas where bandwidth use for education and research has begun to exceed existing capacity. Leasing additional capacity in these areas is an inefficient and costly way for the State to scale to the increasing need. Funding of the request to build out NCREN should be given a high priority. MCNC, the operator of NCREN, should work with the e-NC Authority and other entities to make certain that the investment in the build-out of NCREN serves as the foundation for other investments in broadband infrastructure in rural areas.

FINDINGS AND RECOMMENDATIONS

Findings

1. The Committee finds that within the last decade North Carolina has made significant progress towards having high speed broadband internet access for its citizens. However large areas of North Carolina, both rural and otherwise, still lack high speed broadband access. Functional use of the Internet requires high speed broadband access.
2. The Committee finds that data currently made available by broadband services providers lacks sufficient specificity to permit an independent third party assessment of the State's broadband deployment status and needs. It is imperative that the State develop the precise knowledge of where high speed broadband access is unavailable, at the granular census block level and in a publicly verifiable manner, to ensure that the State has the information necessary to meet federal criteria and to direct federal economic stimulus funding to unserved or underserved rural areas. Broadband services providers have committed to providing street address high speed broadband internet availability data to Connected Nation for mapping to be made available to the public, and the Committee acknowledges their positive efforts in this regard.
3. The Committee finds that high-speed broadband internet access is vital to the education of both children and adults, and that it serves to facilitate economic development and to provide for the health and welfare of all the citizens of our State.
4. The Committee finds that great strides have been made in school connectivity. By April 2009, all North Carolina LEAs are expected to have connectivity through the North Carolina Education and Research Network (NCREN). However, available technology still varies from school to school and from county to county.
5. The Committee finds that MCNC, in cooperation with the Committee and with educators and broadband services providers, has volunteered to fund a pilot project that will pay for a home high speed broadband connection for students in two to three select counties. The pilot projects will be designed to assess student and family home computer use and to encourage and foster family computer use. The pilot projects will be set up in areas where high speed broadband internet access is available and where students are provided laptops by their schools.

6. The Committee finds that some publicly traded vendors are moving forward with new technologies in broadband deployment. However, the focus is generally on densely populated city and urban areas; the vendors' business model makes deployment to rural areas in the foreseeable future unlikely.
7. The Committee finds that telephone cooperatives have a business model for providing high speed broadband internet access to rural communities that allows the cooperatives to provide fiber (very high speed broadband connectivity) to the home on a customer base that would not motivate publicly traded vendors to provide high speed broadband internet access.
8. The Committee finds that current State telephone franchise borders have a chilling effect on the deployment of high speed broadband internet services. Although both State and federal law permit any service provider to deploy high speed broadband internet services in any location, the ability of a broadband services provider to bundle telephone services with high speed broadband internet services promotes high speed broadband internet deployment.
9. The Committee finds that current law permits the deployment of utilities such as electricity, telephone, water and sewer lines in Department of Transportation (DOT) rights of way. However, high speed broadband internet is not a utility and current law does not authorize deployment of exclusively high speed broadband internet fiber/cable in DOT rights of way. Lack of statutory authorization to install exclusively high speed internet cables in the highway right of way has impeded high speed broadband internet deployment, in some instances preventing connection of communities and/or households to broadband internet access.
10. The Committee finds that high speed broadband internet access is both an information age public highway and public utility necessary to provide access to 21st Century technology for meeting 21st Century challenges. High speed broadband internet access has not yet been established as a public utility under State law, although the public thinks of broadband service as a public utility and uses it in the same manner.
11. The Committee finds that where high speed broadband internet access is available, the number of subscribers (“take rate”) is generally less than 40%. Higher “take rates” would motivate private companies to expand the high speed broadband internet infrastructure.
12. The Committee finds that access to a broadband infrastructure must be made both universally available and universally affordable.

13. The Committee finds, based upon public testimony in its meetings, that there is both a great need and a great desire for high speed broadband internet access in rural areas.

Recommendations

1. The Committee recommends legislation that will allow access to DOT rights of way for the installation of high speed broadband internet cable. (Legislative Proposal I)
2. The Committee recommends that the General Assembly amend State law pertaining to utility franchises to allow certain broadband services providers to provide voice grade communication service as an incident to such broadband service without violating otherwise applicable service territory restrictions or franchise agreements. (Legislative Proposal II)
3. The Committee recommends the appointment of an interim study committee to continue its focus on issues that impact the availability of high speed broadband internet access in rural areas. (Legislative Proposal III)
4. The Committee recommends that the State continue to form public-private partnerships, working with:
 - **Local and county governments and entities, private institutions, educational institution and service providers** to ensure that all aspects of high speed broadband internet access are developed and deployed to the greatest public advantage.
 - **Broadband services providers and others** to address the problem in the “take rate.” for high speed internet access.
5. The Committee recommends that the State consider matching any federal or private funding that may be made available in the effort to deploy high speed broadband internet access to underserved rural areas of our State.
6. The Committee recommends that the State continue to provide money in the form of matching grants not only to the e-NC Authority but to other entities that work toward deployment of high speed internet broadband service in rural areas.
7. The Committee recommends that the e-NC Authority work with other organizations to verify the availability of high speed broadband internet access in rural areas.

8. The Committee recommends that the e-NC Authority consider all types of service providers when issuing grant money.
9. The Committee recommends that the State take appropriate steps to see that the necessary level of detail on high speed internet access in rural and underserved areas is available, as a means of ensuring the receipt of all funding made available as part of the federal economic stimulus package and to enhance the ability of policy makers to target those funds to the areas of highest need.

LEGISLATIVE PROPOSAL I

BILL DRAFT 2009-RFz-3

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE AUTHORITY OF THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION TO LOCATE AND ACQUIRE RIGHT-OF-WAY FOR THE LOCATION, ABOVE OR BELOW GROUND, OF FIBER OPTIC CABLE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-18(2) reads as rewritten:

"§ 136-18. Powers of Department of Transportation.

The said Department of Transportation is vested with the following powers:

...

- (2) To take over and assume exclusive control for the benefit of the State of any existing county or township roads, and to locate and acquire rights-of-way for any new roads that may be necessary for a State highway system, and subject to the provisions of G.S. 136-19.5(a) and (b) also locate and acquire such additional rights-of-way as may be necessary for the present or future relocation or initial location, above or below ground, of telephone, telegraph, broadband communications, electric and other lines, as well as gas, water, sewerage, oil and other pipelines, to be operated by public utilities as defined in G.S. 62-3(23) and which are regulated under Chapter 62 of the General Statutes, by providers of broadband service as defined in G.S. 62-3, or by municipalities, counties, any entity created by one or more political subdivisions for the purpose of supplying any such utility services, electric membership corporations, telephone membership corporations, or any combination thereof, with full power to widen, relocate, change or alter the grade or location thereof and to change or relocate any existing roads that the Department of Transportation may now own or may acquire; to acquire by gift, purchase, or otherwise, any road or highway, or tract of land or other property whatsoever that may be necessary for a State highway system and adjacent utility rights-of-way: Provided, all changes or alterations authorized by this subdivision shall be subject to the provisions of G.S. 136-54 to 136-63, to the extent that said sections are applicable: Provided, that nothing in this Chapter shall be construed to authorize or permit the Department of Transportation to allow or pay anything to any county, township, city or town, or to any board of commissioners or governing body thereof, for any existing road or part of any road heretofore constructed by any such county, township, city or town, unless a contract has already been entered into with the Department of Transportation."

...

SECTION 2. This act is effective when it becomes law.

LEGISLATIVE PROPOSAL II

BILL DRAFT 2009-RVz-1

A BILL TO BE ENTITLED

AN ACT PERMITTING CERTAIN BROADBAND SERVICES PROVIDERS THAT PROVIDE VOICE GRADE COMMUNICATIONS SERVICES WITHIN A DEFINED SERVICE TERRITORY OR FRANCHISE AREA TO OFFER SUCH VOICE GRADE SERVICE AS AN INCIDENT TO BROADBAND SERVICE OUTSIDE THE PROVIDERS SERVICE TERRITORY OR FRANCHISE AREA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-113 is amended by adding a new subsection (c) to read:

"(c) Any broadband services provider that provides voice grade communication services within a defined service territory or franchise area, and elects to provide broadband services outside its service territory or franchise area, may provide such voice grade service as an incident to such broadband service without violating its service territory restrictions or franchise agreement."

SECTION 2. This act is effective when it becomes law.

LEGISLATIVE PROPOSAL III

BILL DRAFT 2009-RFz-4

A BILL TO BE ENTITLED

AN ACT TO CREATE THE JOINT LEGISLATIVE STUDY COMMITTEE ON HIGH SPEED INTERNET IN RURAL AREAS.

The General Assembly of North Carolina enacts:

SECTION 1. There is created the Joint Legislative Study Committee on High Speed Internet in Rural Areas. The Committee shall consist of 16 members, 8 of whom shall be appointed by the Speaker of the House of Representatives and 8 of whom shall be appointed by the President Pro Tempore of the Senate. The Speaker of the House of Representative shall designate one Representative as Cochair and the President Pro Tempore of the Senate shall designate one Senator as Cochair. Vacancies of the Committee shall be filled by the same appointing authority that made the initial appointment. The Committee shall meet on the call of its House and Senate Cochairs. A quorum of the Committee shall be a majority of its members.

SECTION 2. The Committee shall examine the availability of high speed internet access in rural areas. In conducting its study the Committee may:

1. Consider whether rural areas have adequate access to high speed internet and offer proposals to assure access to high speed internet in rural areas.
2. Examine the impact of high speed internet access on education, small businesses, and agriculture.
3. Evaluate the economic impact of high speed internet access for individuals, counties, and the State of North Carolina.
4. Identify technical issues associated with providing high speed internet access, including the availability of necessary equipment.
5. Identify the potential costs to internet providers.
6. Examine rate considerations, including whether customers will pay the total costs or whether the costs will be spread through the rate-making process.
7. Explore the impact of recent legislation allowing phone companies to provide cable service and high speed internet access.
8. Study any other issue the Committee deems relevant.

SECTION 3. While in the discharge of its official duties, the Committee may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1, G.S. 138-5 or G.S. 138.6, as appropriate. With the prior approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The House of Representatives' and Senate's Directors of Legislative Assistants shall assign clerical staff to the Committee. The Committee may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Committee may meet in the Legislative Building or Legislative Office Building and may meet at various locations around the State in order to promote greater public participation in its deliberations.

SECTION 4. The Committee shall submit a final report to the 2011 Session of the General Assembly and may submit interim reports as it deems necessary. The Committee shall terminate upon filing its final report or upon the convening of the 2011 General Assembly, whichever comes first.

SECTION 5. This act is effective when it becomes law.

APPENDIX A



Office of the Speaker
North Carolina House of Representatives
Raleigh, North Carolina 27601-1096

HOUSE SELECT COMMITTEE ON HIGH SPEED INTERNET IN RURAL AREAS

TO THE HONORABLE MEMBERS OF THE NORTH CAROLINA HOUSE OF REPRESENTATIVES

Section 1. The House Select Committee on High Speed Internet in Rural Areas (hereinafter "Committee") is established by the Speaker of the House of Representatives pursuant to G.S. 120-19.6(a1) and Rule 26(a) of the Rules of the House of Representatives of the 2007 General Assembly.

Section 2. The Committee consists of the 8 members listed below, appointed by the Speaker of the House of Representatives. Members serve at the pleasure of the Speaker of the House of Representatives. The Speaker of the House of Representatives may dissolve the Committee at any time.

Representative Bill Faison, Chair
Representative Angela Bryant
Representative Jim Gulley
Representative Phillip Haire
Representative James Harrell, III
Representative Thom Tillis
Representative Joe Tolson
Representative Roger West

Section 3. The Committee may examine the availability of high speed internet access in rural areas. The Committee may:

9. Consider whether rural areas have adequate access to high speed internet and offer proposals to assure access to high speed internet in rural areas.
10. Examine the impact of high speed internet access on education, small businesses, and agriculture.
11. Evaluate the economic impact of high speed internet access for individuals, counties, and the State of North Carolina.
12. Identify technical issues associated with providing high speed internet access, including the availability of necessary equipment.
13. Identify the potential costs to internet providers.
14. Examine rate considerations, including whether customers will pay the total costs or whether the costs will be spread through the rate-making process.
15. Explore the impact of recent legislation allowing phone companies to provide cable service and high speed internet access.
16. Study any other issue the Committee deems relevant.

Section 4. The Committee shall meet upon the call of its Chair. A quorum of the Committee shall be a majority of its members.

Section 5. The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes.

Section 6. Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1.

Section 7. The expenses of the Committee including per diem, subsistence, travel allowances for Committee members, and contracts for professional or consultant services shall be paid upon the written approval of the Speaker of the House of Representatives pursuant to G.S. 120-32.02(c) and G.S. 120-35 from funds available to the House of Representatives for its operations. Individual expenses of \$5,000 or less, including per diem, travel, and subsistence expenses of members of the Committee, and clerical expenses shall be paid upon the authorization of the Chair of the Committee. Individual expenses in excess of \$5,000 shall be paid upon the written approval of the Speaker of the House of Representatives.

Section 8. The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives shall assign clerical support staff to the Committee.

Section 9. The Committee may meet at various locations around the State in order to promote greater public participation in its deliberations.

Section 10. The Committee may submit an interim report on the results of the study, including any proposed legislation, on or before May 1, 2008, by filing a copy of the report with the Office of the Speaker of the House of Representatives, the House Principal Clerk, and the Legislative Library. The Committee shall submit a final report on the results of its study, including any proposed legislation, to the members of the House of Representatives on or before December 31, 2008, by filing the final report with the Office of the Speaker of the House of Representatives, the House Principal Clerk, and the Legislative Library. The Committee terminates on December 31, 2008, or upon the filing of its final report, whichever occurs first.

Effective this 17th day of January, 2008.



Joe Hackney
Speaker of the House of Representatives

1/17/2008 6:58 PM

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