

Testimony of Suzanne Coker Craig to Subcommittee on Communication and Technology

July 17, 2018

My name is Suzanne Coker Craig and I am a small business owner and former Commissioner in the Town of Pinetops, North Carolina. Our little town is 65 miles east of Raleigh and centrally located between Greenville, Wilson and Rocky Mount. We have a population of around 1300, and a significant number of our residents live well below the poverty level. We are located in Edgecombe County, which is one of the poorest counties in North Carolina. Unlike much of our state, our local population has declined over the last 20 years and we struggle to attract and keep college-educated people as well as businesses and small industry in our area.

Even with all of these challenges, Pinetops is a wonderful community in what I consider to be the best part of North Carolina. We have all the benefits of small town life, but are an easy drive to small and large cities. Our residents are friendly, welcoming and generous, and our little downtown business district is fairly healthy compared to the small towns around us. We are a great place to live and raise a family -- and in March of 2016 we got symmetrical gigabit speed broadband internet service that made my 25 year-old nephew in Raleigh jealous. But our own state legislature has constantly fought to disconnect us and take away the best economic, educational, and lifestyle benefit we have had in 50 years.

Like most small, rural areas, we got left way behind in the technology boom. As the internet exploded, we struggled to get much more than a dial-up connection. Our only provider, CenturyLink, showed little interest in upgrading their antiquated services beyond what they billed as "high speed internet" defined as "up to" 10 mbps. Speed tests commonly showed between 4 and 6 mbps download, with less than 1 mbps upload -- and that was within a quarter-mile of their hub. This would have been great service in 2000, but in 2015 it was a serious challenge to running a business and providing access to modern education or healthcare. Other providers served nearby towns in the area, but were not at all interested in serving Pinetops even when their lines were only 3 miles outside of town. Our population is small, our residents tend to be older and poorer, so there was simply no profit to be made. None of those companies wanted to challenge CenturyLink for our business and CenturyLink had no

incentive to update or improve.

Around 2008, the City of Wilson, 17 miles west of Pinetops in neighboring Wilson County, began providing gigabit speed fiber-to-the-premises internet service to their citizens. They borrowed money from private investors and have repaid them with revenues from the network without using taxpayer dollars. The City of Wilson has provided electric service to the Town of Pinetops for at least 40 years and has been a great partner for our town. So we asked Wilson if they could bring that fantastic internet, cable and phone service our way. We didn't have the resources to build our own system and we couldn't get other providers to serve us, so why not go to a trusted partner that was a long-time utilities provider?

Because in 2011, the North Carolina General Assembly passed a law that not only put significant restrictions on building municipal broadband networks, but also specified that Wilson could not take their network beyond the Wilson County line. Pinetops is 6 miles east of that line and sentenced by our own legislature to being 6 short miles away from technology that could

help us help ourselves. Why would legislators deny our struggling small town an economic lifeline that wouldn't take a dime out of the state budget? It just didn't make any sense.

In 2015, the FCC preempted the state law restricting municipal broadband service, opening a window for Pinetops to invite Wilson to bring their gigabit internet service ("Greenlight") to us. The town supplied the utility poles for the installation (as is usually the case with any utility provider) and in March of 2016, Pinetops residents eagerly began signing on as Greenlight customers. Not only was our internet faster and much more reliable, but if there were any problems we had the distinct advantage of calling the customer service department and speaking with people who knew where Pinetops was and could usually get technical support to us that same day.

I spoke with several people in town who telecommute or have small businesses in their homes and the difference in service was amazing. One neighbor who works for a large banking operation described downloading and uploading her daily work files in 15 minutes instead of the hours it had taken with the fastest service CenturyLink could provide. Another was only able to keep her job at home because she had access to Greenlight's internet speed. A small furniture

manufacturer in town reported downloading large files from international customers in an hour or two, rather than the 12+ hours it had taken earlier. A local fire chief was able to use online video training resources for the first time. Families with multiple children no longer had to use “time-sharing” to finish their online assignments. The service was fantastic and we on the town board were working on ideas to promote Pinetops as the little town with gigabit internet. As economic announcements were being made about large tire manufacturing operations and a CSX rail hub coming to the region, Pinetops was going to be well positioned to attract new families and ancillary businesses coming in with those operations.

But once again, our own legislature betrayed us. The State sued to overturn the FCC’s ruling and won. Greenlight would be forced to leave Pinetops and we would be forced to take 10 giant steps back economically. About that same time, our area was hit with major flooding from Hurricane Matthew. Even though they were being forced to leave Pinetops, Wilson’s Greenlight technicians were in our town as soon as the roads were open, hooking up essential communications for emergency shelters and a disaster response operation from Samaritan’s Purse. People who had been brought out of their homes in boats were able to get word to their families that they were okay because of the quick response from Greenlight.

Our town board, with the enthusiastic backing of our residents and businesses, were eager to fight to keep Greenlight services. So, as a last resort to keep us connected, the Wilson City Council opted to provide existing Pinetops customers their Greenlight phone and internet services at no charge while we explored a legislative solution. It was the only way to legally keep Pinetops connected. We generated electronic and paper petitions to the General Assembly demanding an exemption allowing Pinetops to keep Greenlight. We contacted the governor’s office, the governor-elect, legislative leadership, local media and anyone who would listen to enlist their help. It was incredible to all of us that our own state would force us to lose

great internet service, especially given all the reports and lip-service being given to the urban-rural divide and the desperate need to expand internet service to rural areas. But it was a very difficult fight against the well-financed lobbyists from the telecom industry. Suddenly, all of those companies that weren’t interested in serving Pinetops paid us quite a bit of attention. We had bills introduced in the state House and Senate, but they stalled in committee.

Pinetops representatives appeared before a committee to plead our case. The best we could get was an exemption for Pinetops until another provider offered fiber-to-the-premises internet service in town, and at that point, Greenlight would have to disconnect us. We could not include language that specified the service had to be comparable to Greenlight or that it would have to be provided to the entire town.

A Suddenlink representative came to our town board meeting during this time to announce that his company was now interested in bringing their premier fiber internet service to Pinetops. When board members asked if the service was symmetrical (as Greenlight is), he had to answer that it was not. But, this man -- who had never been to Pinetops and knew nothing about our town -- said we didn't need that level of service. He was asked why his company had refused for years to bring even their basic services to Pinetops, but now were willing to run fiber. He got quite upset when we expressed our support for Greenlight and he made it clear that Suddenlink would refuse to compete with Greenlight. He left the meeting very unhappy with the reception he had received from the town board.

In the last day of the legislative session, the bill exempting Pinetops was passed with the conditions noted. Pinetops residents celebrated the tenuous victory, hoping no other providers would go to the considerable expense of bringing fiber to our town that was so well served by Greenlight. Sadly, we were wrong.

Suddenlink has spent a small fortune running underground fiber from 25 miles away, solely to force Greenlight to disconnect from Pinetops. Their installation crews broke water lines, destroyed yards and made very few friends over the last several months, but we received notice from Greenlight that they would be forced to disconnect services to Pinetops on July 12 -- this past Thursday. Suddenlink sales reps swamped our little town, approaching people at gas pumps and the grocery store and knocking on every door to sign people up. They were not met with many friendly faces, but what choice did we have?

A private company has made an offer to Wilson to buy their Pinetops fiber network and that sale is now in process. The new owner plans to continue to serve Pinetops and will hopefully eventually expand the service into neighboring areas. That's great news for us, but it is beyond ridiculous the obstacles we have faced in just trying to give ourselves a desperately needed economic tool.

Good internet service in today's economy is as essential as electric power was in the 1940s and 50s. Rural areas and small towns then had to be creative and resourceful and rely on municipalities and co-ops to provide electricity in areas private providers weren't willing to serve.

If not for the forward-thinking leaders of that time, it's hard to imagine how small town America would have survived. Small town and rural leaders still have to be creative and resourceful in keeping our towns alive. We have to be given the freedom to use all the tools we have.

I need to emphasize that while Pinetops now has modern broadband internet access, that great service is limited to our one-mile square town limits. People living just outside town can't even get DSL and neighboring small towns struggle to survive with 20th century technology. Wilson would be connecting those homes, small towns, farms and outlying businesses if the state barriers didn't exist. I get asked most every day why they can't get connected and I tell them the blame lies squarely on the shoulders of our state legislative leaders.

The solution to getting rural communities connected will not come from one-size fits all legislation. It will not come from waiting for large providers to come to our communities. It will certainly not happen if state legislators continue to limit creative local interventions. The solution will come from the resilient local business and municipal government leaders who know their communities and know how to find creative pathways to solve difficult problems.