

February 5, 2015

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 Twelfth Street, NW
Washington, D.C., 20554

Re: *Notice of Ex Parte Communication*
WCB Nos. 14-115 (City of Wilson)

Dear Secretary Dortch:

On February 5, 2015, Jeff Wilson, the Information Technology Director of the Town of Holly Springs, North Carolina, and Joanne Hovis, President of Columbia Telecommunications Corporation (d/b/a CTC Technology & Energy), the Town's broadband planning advisor, participated in four *ex parte* meetings concerning this Docket with Deena Shetler and Randy Clarke of the Wireline Competition Bureau and Madeleine Findley and Matthew Dunne of the General Counsel's office; Matthew Berry of Commissioner Ajit Pai's office; Travis Litman of Commissioner Jessica Rosenworcel's office; and Commissioner Mignon Clyburn and Rebekah Goodheart. During these meetings, Mr. Wilson made the following main points:

- Holly Springs is a fast-growing Town of 30,000 residents in the Raleigh-Durham metropolitan area.
- Small and medium-sized businesses in Holly Springs frequently contact the Town to express frustration with the broadband options available to them—particularly that they cannot access or afford the high upload speeds that are required for such small businesses as print shops, architectural rendering firms, and small data centers.
- Town businesses also are concerned with lack of reliability, poor customer service, and lack of choice of carrier. They are unable to choose among competing options because the market is served only by an incumbent cable provider and an incumbent phone company, and not all parts of Holly Springs have access to both of these.
- Holly Springs has lost businesses because of lack of broadband. For example, one health care company moved its data center from the Town because it could not get the bandwidth that it needed to connect to its disaster recovery site.

Columbia Telecommunications Corporation

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- Large businesses in Holly Springs can buy and afford very high end products such as Dedicated Internet Access (DIA). However, even these companies cannot get redundant options from alternative carriers because of the lack of competition in the market.
- Small and medium-sized businesses cannot afford such high end products, which have, in any case, only recently become available. Pricing is in excess of \$1,000 per month, and sometimes significantly more, which the Town's small businesses have noted would require laying off an employee to pay for Internet service.
- The Town's small and medium-sized businesses particularly need higher upload speeds than are available to them over existing T-1, cable modem, and DSL products. Ideally, they would like best efforts fiber-based service, but no carrier offers such products in Holly Springs.
- In contrast, such products are becoming available in the neighboring communities in the Raleigh–Durham region, as Google Fiber deploys its network (which will likely offer comparable service at \$70 per month). AT&T is also deploying fiber-based services to businesses in areas where Google is planning to build. Neither company is planning to build in Holly Springs.
- Holly Springs is concerned that the lack of comparable options in the Town, relative to the neighboring Google Fiber and AT&T areas, will significantly disadvantage the Town as it tries to attract and retain businesses and residents who want to work from home or develop home-based businesses.
- The Town of Holly Springs currently offers excess dark fiber on its Town-owned fiber rings (which the Town uses for internal government communications) to any qualified private sector provider, but no providers are active in Holly Springs other than the incumbents. A regional provider with a diverse fiber plant had worked with the Town, utilizing the Town's fiber, to create an option for more affordable DIA service speed tiers of 50 Mbps to 100 Mbps for small businesses. However, those pricing tiers were dissolved when a large national incumbent purchased that provider and imposed its own pricing tiers on the products.
- To address the clear gaps in the market, Holly Springs is hoping to expand its fiber infrastructure over time to reach small and medium-sized businesses in the Town, and to partner with Internet Service Providers to provide service to businesses over Town fiber—thus meeting unmet market demand and enabling competition where none currently exists.

- Holly Springs has met with both incumbents, as well as with a number of regional and national competitive providers, to invite them to invest and provide service in the Town. However, none of the providers have indicated interest in offering the types of services the Town's businesses require.
- The Town has developed plans and policies to incent and attract private investment. It does not charge for access to Rights-of-Way, has an efficient permitting process, and offers carriers access both to its excess dark fiber and colocation space in its hardened data center. Despite all these efforts, the private market has not chosen to offer competitive services in Holly Springs.
- Holly Springs believes that addressing these unmet market needs is essential to its economic well-being and its ability to compete with neighboring communities in the region and other with communities nationally.
- The Holly Springs public has been extremely supportive of the Town's efforts to date, and Town leaders receive constant communications from residents and businesses asking when and how the Town will expand its fiber to meet local needs.

Sincerely,

A handwritten signature in cursive script that reads "Joanne S. Hovis".

Joanne S. Hovis
President