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May 3, 2001

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MAY - 3 2001

VIA HAND DELIVERY

Magalie Roman Salas, Esq.
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Notice of *Ex Parte* Presentation by Carolina BroadBand, Inc. in WT Docket No. 99-217, CC Docket Nos. 96-98, 88-57, CS Docket No. 95-184, MM Docket No 92-260.

Dear Secretary Salas:

Pursuant to sections 1.1206(b)(1) and (2) of the Commission's Rules, Carolina BroadBand, Inc., by its attorneys, submits this notice of an *ex parte* presentation in the above-captioned dockets on May 2, 2001. The Commission attendees of the meeting were David Furth, Jeffrey Steinberg, Lauren Maxim Van Wazer, and Leon Jackler of the Wireless Telecommunications Bureau and Cheryl Kornegay of the Cable Services Bureau. The presentation was made by Christopher J. Rozycki, Vice President - Regulatory Affairs of Carolina BroadBand and Charles Rohe and D. Anthony Mastando of Swidler Berlin Shereff Friedman, LLP.

The presentation introduced Carolina BroadBand as a provider of telecommunications, high-speed data and video services to residential customers in the State of North Carolina. Carolina Broadband urged the Commission to extend its current ban on exclusive contracts to residential markets. Attached hereto is a copy of the materials distributed at the presentation.

Pursuant to sections 1.1206(b)(1) and (2), an original and two copies of this *ex parte* notice (with enclosures) are provided for inclusion in the public record for each of the above-referenced dockets. Please direct any questions concerning this filing to the undersigned.

Respectfully submitted,



Charles A. Rohe
D. Anthony Mastando
Counsel for Carolina Broadband, Inc.

Enclosures

cc: FCC Attendees (w/out enclosures)
International Transcription Service
Christopher J. Rozycki (w/out enclosures)

The logo for Carolina Broadband features three curved, parallel lines on the left side, resembling a stylized signal or a road curving into the distance. The lines are white and set against a dark, textured background that looks like a night sky or a road at night.

CAROLINA BROADBAND

Company Overview

Presented to the FCC by

Christopher J. Rozycki

May 2, 2001



Building a Strategic Asset

Carolina BroadBand is a Broadband Service Provider (BSP) building an advanced, state-of-the-art, "last-mile" Greenfield network delivering compelling bundles of video, voice and high-speed data/Internet services directly to homes in the Carolinas over a single wire enabling packaged discounts.

Product Suite

Video Entertainment

- Over 250 channels of digital & analog cable
- Video-on-Demand
- Interactive services & Internet via the TV
- CD-quality digital music
- Clear pictures and crisp sound

High-Speed Data/Internet

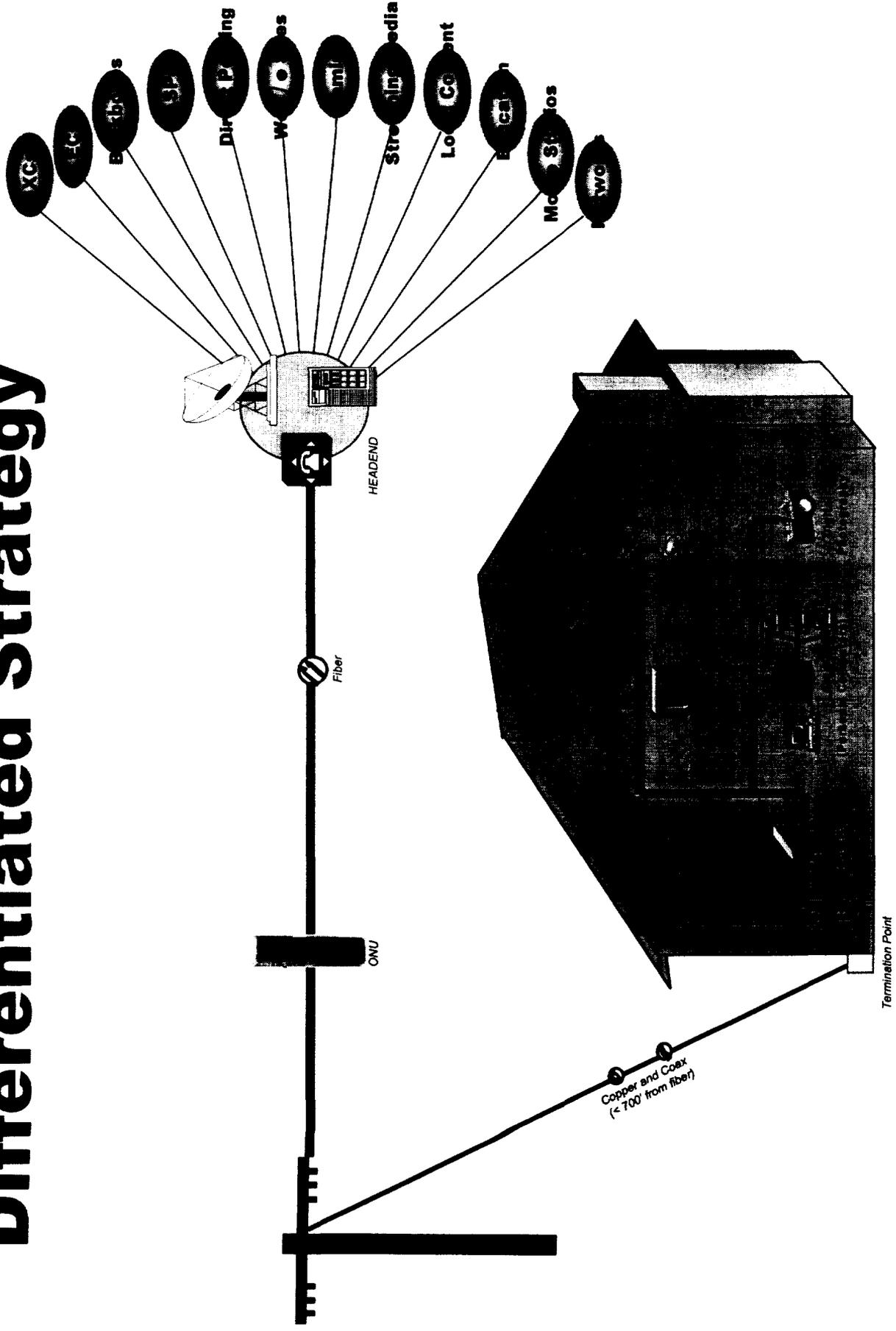
- Unlimited Internet access and always-on
- Over 52Mbps potential per home passed
- Robust committed information rates
- Value-added options (VPN, QoS, Static IP, Speed)
- Direct peering and connection

All-Distance Telephony

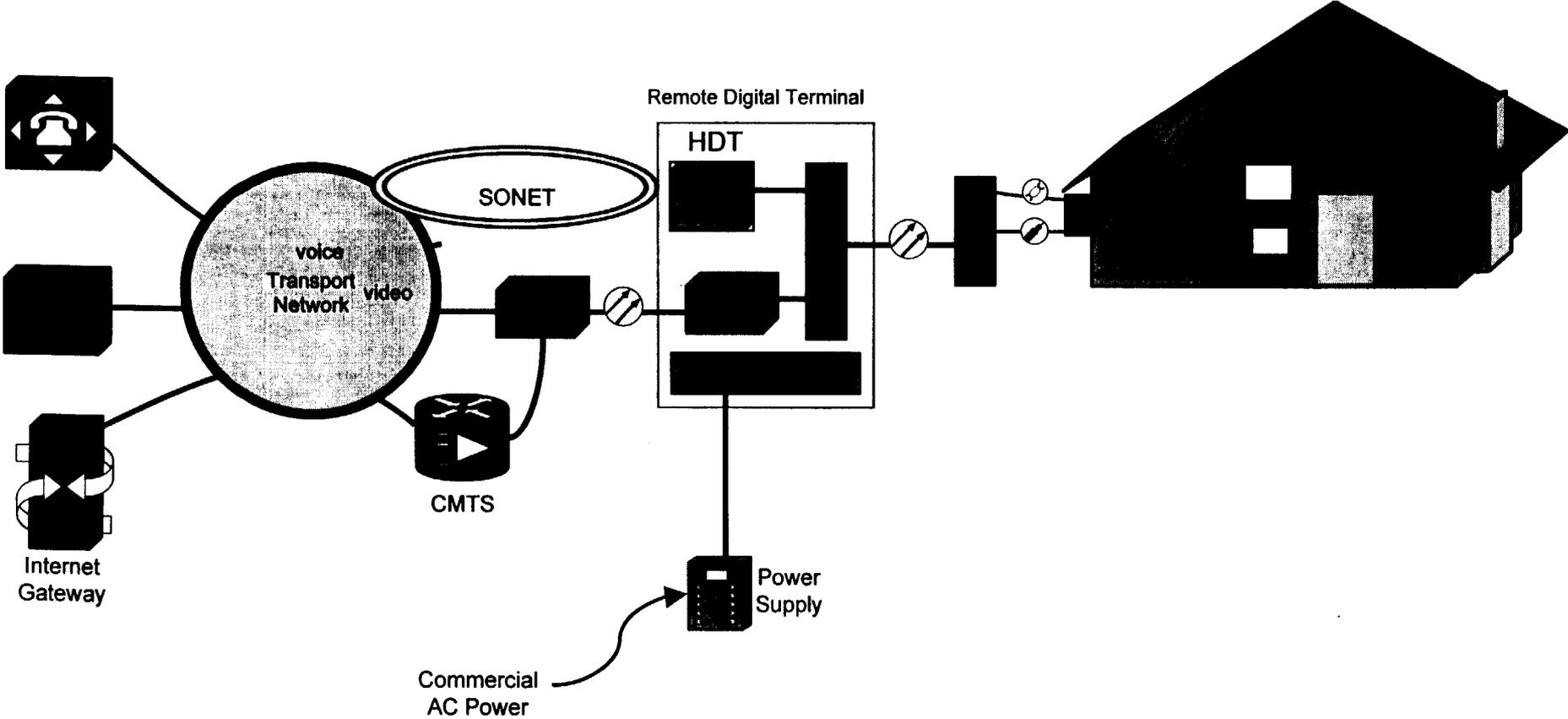
- Simple packaging
- Robust offering of calling features & enhanced messaging (Voice mail, Caller ID, etc.)
- 24/7 Monitored network
- Bundled and affordable Long Distance



Differentiated Strategy



Fiber to the Curb Design



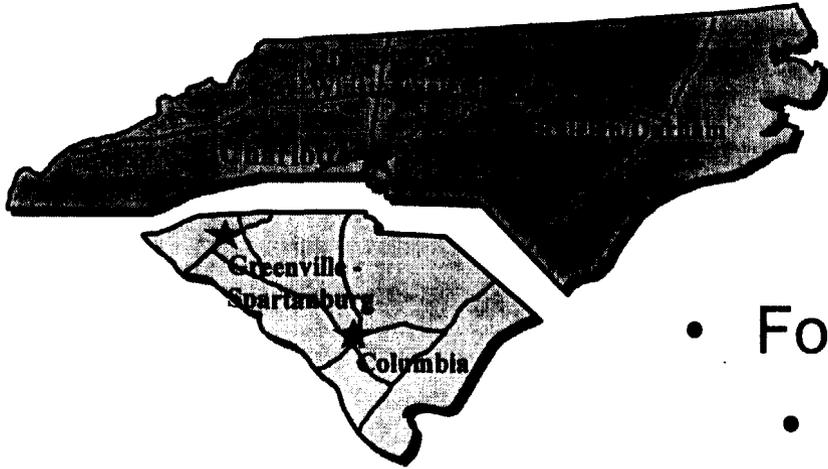


CAROLINA BROADBAND

Strategic Assets - Markets

The network Carolina BroadBand is building will deliver advanced broadband services to residential consumers throughout the Carolinas.

Target Markets



- Focused regional corridor
 - Attractive demographics
 - High growth
 - Accommodating franchises
- Residential
 - Urban & suburban areas
 - Single-family units
 - Multi-dwelling units (MDUs)
- Small & medium size business



CAROLINA BROADBAND

Ingredients for Success

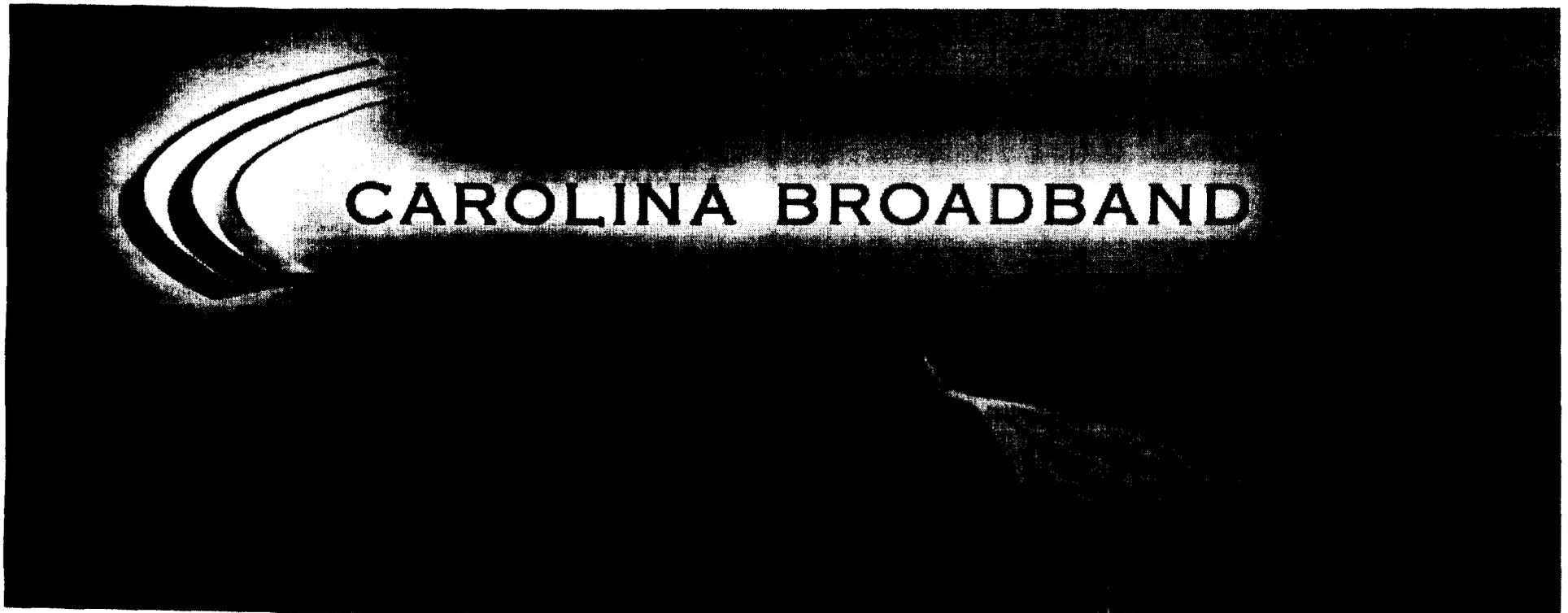
Carolina BroadBand is backed by a world-class group of equity investors and an experienced management team of professionals with a successful track record of launching new services in telecommunications, cable TV, high-speed data and Internet services.

Experienced Management Team

- **William A. Schuler.** CEO and Founder. Seasoned cable television entrepreneur and senior executive with 21 years of related experience. Incubated the Carolina BroadBand idea with M/C Ventures. Partner at Global Cable TV (a suburban Buffalo) and founding General Partner at Nashoba Communications (a Massachusetts start-up).
- **Phillip Klein.** Chief Technical Officer. Formerly VP of Engineering, Western Region, AT&T Broadband (MediaOne) and former VP of Operations and Engineering, Time Warner Cable Los Angeles Division.
- **Richard Shea.** Chief Information Officer. Chief Executive Officer of Broadband Applications Management, LLC and former VP of Information Technology, MediaOne.
- **Robert Calgi.** VP of Marketing. Former VP of Marketing & Sales, Gemini Networks and former Regional Director of Marketing, Sales & New Business, Comcast and Director of Market Development, NYNEX Business Network Solutions.
- **Kathleen Davis.** VP of Government Relations. Former Director of Business Development at Nashoba Communications.
- **Phillip Emer.** VP of Data Networking. Former Director of Data Network Services for North Carolina State University and former Senior Engineer, IBM Networking Systems Division.
- **Russell Ridgeway.** Regional VP, Operations. Former Regional Manager, Technical Operations for Intermedia Communications and former Director of Advanced Video Services for MediaOne (Continental Cablevision).
- **Thomas Ringkamp.** VP/General Manager. Former Regional VP, High Speed Access Corp. and former Broadband Services Manager, Cox Communications and Senior Internet Architect, Digital Equipment Corporation.
- **Jim Romanelli.** VP of Broadband Engineering. Former Director of Engineering at Precision Valley Communications and former Regional Director of Engineering for FrontierVision Partners.
- **Christopher Rozycki.** VP of Regulatory Affairs. Former Director, Regulatory Affairs for ITC^DeltaCom and former Director, Regulatory Affairs for Hyperion Telecommunications.
- **Michael Stone.** Regional VP, Operations. Former VP of Technical Operations at UPC and former National Technical Services Manager, Optus Vision Ltd.

Strong Financial Backing

- M/C Venture Partners
- Morgan Stanley Dean Witter
- Bank of America Capital Investors
- First Union Capital Partners
- Spectrum Equity
- JP Morgan Partners
- Navis Partners
- Providence Equity Partners
- Whitney & Company
- HarbourVest Partners LLC
- Carousel Capital
- California State Teachers Retirement Association
- Wachovia Capital Associates



Opening Multi-Family Dwelling Units to Broadband Competition

Christopher J. Rozycki
Vice President of Regulatory Affairs

FCC Presentation

May 2, 2001

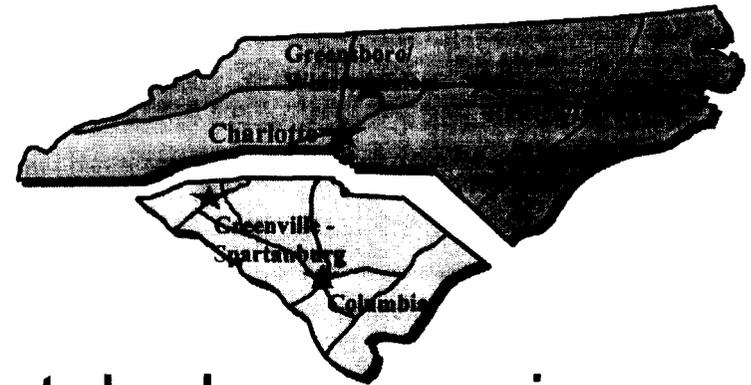
Competition in Broadband



- Telecommunications Competitive Market
 - 95% directed toward business
 - 5% directed toward residential SFUs
 - 0% directed toward residential MDUs



North Carolina Residential Market



- No significant competition in telephone services
- Limited broadband availability
- No wired cable TV competition

MARKET STATISTICS

- 70 – 75% Single Family Homes
- 25 – 30% Multi-family Dwelling Units
 - Low cost to serve
 - High density
 - Cable ca\$h cow\$
 - 80 –100% of MDUs have signed exclusive agreements



Residential Competition



THE ELEMENTS OF SUCCESS

- Last-mile Network
- Bundled Service
 - Cable, Broadband Data & Telephone Service
- Access to MDUs

SHOW STOPPERS

- Exclusive MDU Agreements
 - Drive up cost of network build
- Prohibitive ROW cost



MDUs - The Cable Mini-Monopoly

Exclusive Agreement

- Denies consumers the right to choose
 - No choice of services, price or quality
- Stifles competition
 - Locks up 25 – 30% of the market
 - 150,000 monopoly-controlled MDU homes in Raleigh & Charlotte
 - Drives up average network cost per subscriber
- Places choice in the hands of the landlord
- Distorts supply-demand relationship



Why Exclusive Contracts?

HISTORY

- Satellite Master Antenna TV (SMATV) providers needed them

TODAY

- SMATV providers are nearly all gone
- Time Warner controls virtually all MDUs in North Carolina
- Time Warner uses exclusives to prevent competition



Exclusive Contract Myth

- Myth
 - Exclusives - necessary to recover investment
- Reality
 - No exclusive required to build to single-family homes where network is far more expensive
 - MDU network is much less expensive than SFU network
 - Cost recovery occurs in 5 years or less
 - Time Warner (or its predecessor) has been in these markets for over 20 years



FCC Action Requested

- Enforce the Act
- Expand Exclusive Franchise Prohibition
 - Future market hindering contracts
 - Existing market hindering contracts

