

per month," Bowen said. "That's three or four times as much as somebody in Charlotte would pay. Western North Carolina needs a comprehensive technology "backbone" of fiber optic cable and microwave towers to deliver highspeed bandwidth throughout the region, Bowen added. "Bandwidth for our day and time is what water and power and other natural resources were for an earlier time," he said. "It is the energy of economic development. If you don't have it, that's going to put you at a competitive disadvantage." MAIN's firsthand experience of the need for building out the region's telecommunications infrastructure is the reason we are so supportive of Congressman Charles Taylor's middle-mile infrastructure project. We are delighted that this effort has already garnered \$15 million in federal funds, and we are encouraged to learn that Appalachian Access is an integral part of this effort.

But we need to be very clear about the consequences resulting from how the RIAA allocates the \$2 million earmarked for the west. If the RIAA money goes entirely to a "middle mile" solution, it means that "last mile" relief -- for homes and businesses -- will be delayed for three or more years in our rural counties. The reason for this delay is as follows:

1. At best, it will take 2-3 years for fiber loops to be deployed given the time and expense of negotiating right-of-ways and laying or stringing fiber over such a large, mountainous area. Even middle-mile advocates acknowledge this.
2. The eventual savings from a middle-mile build-out will not be sufficient to fund last-mile access. For example, MAIN currently pays about \$900 a month for a T-1 line in our rural counties (we currently have seven T-1 lines for the 14 counties we serve). A middle-mile build-out would reduce this cost to \$400-500 a month. This amounts to an annual savings of roughly \$42,000 ( $7 \times \$500 = \$3,500 \times 12 = \$42,000$ ) for ALL of our 14 counties.

These savings would certainly be welcome. However, the up-front cost of deploying last-mile wireless broadband is roughly \$200,000 per county, or \$2.8 million for 14 counties (and this is unquestionably the most cost-effective last mile solution currently available). Even if a middle-mile solution were to reduce our \$900 a month T-1 costs to, say, \$200 a month, the savings (\$58,000 a year) would be insufficient to capitalize a last-mile solution across our 14-county service area.

In effect, we have already achieved some middle-mile relief by "demand aggregation." For example, in the last 2-3 years, we have negotiated our T-1 pricing down from roughly \$2,000 a month to \$900 a month by aggregating our demand over a 14-county area. The Verizon switch in Sylva (circa 2000) and the "dot-com" collapse also helped bring prices down.

Would we like even lower T-1 pricing via a middle-mile fiber buildout? Absolutely! But, this is NOT the most critical need for our rural counties. The critical need is for last-mile broadband to homes and businesses.

With RIAA funding, we are ready to address that problem immediately. PLEASE NOTE: It should be stressed that MAIN is requesting only half of the \$2 million allocated for WNC for our six-county proposal.