LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION



Headquarters: Post Office Box 830 – Red Springs, North Carolina 28377-0830 Telephone: (910) 843-4131 – Fax: (910) 843-2079

SUMMARY OF TESTIMONY JUNE 28, 2010 RANDALL JONES, PRESIDENT & CEO LUMBEE RIVER EMC

Good morning. My name is Randall Jones and I am the CEO for Lumbee River Electric Membership Corporation located in Red Springs. Also, I am a resident of Robeson County.

As you may know, Lumbee River EMC is an electric cooperative that provides electric service to some 46,000 members living in Cumberland, Hoke, Robeson, and Scotland counties. We have been a part of our communities since 1940. From the very beginning, we have been committed to providing electric and other value-added services that improve the quality of life in the communities we serve.

Over the last two years there has been much conversation on the national level about the need for a network across the entire country that can bring broadband access to all Americans. In many respects, this need to expand broadband access across America is very similar to the experience we all had related to electricity back in the late '30s and early '40s. At that time, electricity was quickly becoming

available in most urban areas of the United States. Unfortunately, rural America was unable to fully participate in the economic benefits that having electricity available could bring. Just like back in the late 1930s and early 1940s when Lumbee River EMC, along with other cooperatives across this country, came together to bring electricity, and as the resulting economic prosperity to rural America, we are here to support this effort.

To this end, Lumbee River EMC has put together a proposal that would provide advance fiber-to-the-home (FTTH) broadband services via a high speed fiber optic network to end users in our rural service area. Our last mile infrastructure project will provide high speed broadband services that are urgently needed in rural communities by directly connecting homes, businesses, public service agencies and key community institutions.

To put this in perspective, once approved, this advanced fiber-to-the-home network will provide broadband access to over 11,000 homes as well as 95 critical community facilities and public safety entities. This includes everything from health care facilities to libraries and schools. In addition, it is anticipated that more than 50 new jobs will be created as a direct result of this effort.

We feel that cooperatives are uniquely positioned to help lead this effort. First, we have vast experience in providing cost effective services to rural America that require significant financial investments. Lumbee River EMC has for years balanced improving the electrical infrastructure in rural southeastern North Carolina while controlling the cost that our membership has to pay. Secondly, we have certain components of the necessary infrastructure already in place. By taking advantage of the poles that are in place to provide electric service, we can minimize the duplication of facilities and more efficiently manage them. Thirdly, in the case of Lumbee River EMC, we already have some experience with fiber optics. We are currently using a much smaller network to connect our substations to help facilitate various technologies that we are implementing.

We are certain that everyone agrees that the need for expanding broadband networks into rural America is the only way we can insure the future economic health of these regions. This will not happened without the commitment of our federal government. In addition, we believe that electric cooperatives are uniquely positioned to participate as a significant contributor to this implementation. We at Lumbee River EMC would appreciate any support you can provide our efforts to bring this critical service to our membership. Thank you.