
From: Jonathan Szucs <js@asiwheels.com>
Sent: Saturday, May 16, 2015 8:39 PM
To: BOCrhc2015
Subject: Broadband Opportunity Council

Dear Broadband Opportunity Council,

I am writing in regards to the request for comment on broadband deployment in rural areas. As a manufacturer in rural Western North Carolina, I can tell you this is an issue that we have fought over for the past decade. ASI manufactures several products and sell those products to over 26 countries worldwide. Our current internet service is coaxial cable and our shared speed is only 3MB upload and download. It makes it very difficult for ASI to communicate worldwide with customers and distributors. We have a difficult time in using cost mitigating services such as Voice Over IP and Net Meeting. This week I tried to view a webinar by ACT on Certified Workforce Areas and was unable to because of our internet connection. Currently, we are hoping to receive grant from NC Commerce under their BizConnect Grant program. This program will pay for the installation of broadband services such as fiber. I can tell you that this process is very time consuming and frustrating. A small company like ASI, does not have extra funding that we can spend on fiber internet. All our capital is used in growing the business. We invest in people including hiring new employees and training all employees. We pay 100% of our employees Health Insurance premium. We invest in new equipment to add new product lines. I think our money is best served on these items that grow jobs versus what I would consider a basic infrastructure need. Broadband should be reclassified as a basic infrastructure in the same lines as Water, Sewer, and Roads. The world demands that all businesses work in some capacity online. It is becoming increasingly difficult for companies like ASI to be competitive without this basic infrastructure. Therefore, I am writing this email to hopefully make a difference and help not only ASI but small companies around the United States that are located in Rural America. Please find a numbered list of ideas that I have below.

1. The Federal Government does not properly promote Broadband assets currently. Most small businesses or rural communities do not have a clue what is available. I think that each rural area should be compartmentalized. There should be regions and then smaller compartments overseen by a larger central agency in Washington. An example is having a Rural Broadband Commission and have office in four to seven regions. Northeast, Southeast, Midwest, Central, Northwest and Southwest regions. Then have a several officials working out of each of those offices that work with local Non-Profit Agencies. Another example is an office in Atlanta for the Southeast Region that works with Land of Sky in Asheville. The regional offices can promote Broadband assets and pass this information on to the Non-Profit Organizations who would then pass this information on to local companies and residents.
2. The regulatory barriers that we see in our area are the Stimulus funds and other grants are often only for use by educational, governmental and/or residential customers only. In Madison County, where we are located, the Electrical Co-Operative received Stimulus Grants to cover a fiber buildout but told all local companies that this would not benefit them. We were told that these funds could not be used to help for profit companies. This regulation and rule should be changed to cover Small Businesses immediately. Any company that is designated a small business by the SBA should be eligible to receive funds from these initiatives. There should be a waiver for larger companies if the Broadband would save jobs or increase jobs.
3. I can not speak on the regulations that restrict competition but I can tell you that rural America can benefit from increased competition. There should be an incentive for multiple companies to compete in a rural area. All too often carriers in a rural area charge as much as four times the competitive rate in non-rural

areas. This means that companies that afford the least pay the most for the same services. I think that Co-Operatives or other agencies that have a monopoly in an area either should be regulated on this service or there should be at least two other competitors to bring prices down to a normal level.

4. I believe the incentive for companies to offer broadband services is to pay for the infrastructure cost. If a company pays a minimal cost to receive a customer or customers, they are more likely to offer services. The cost of fiber or even wireless infrastructure has dropped considerably and should not be a barrier for regions to pay to install this infrastructure. This would insure that the service provider would have a shorter route to their Return on Investment. Something all companies prefer. This payment could be in the government installing and paying for the infrastructure upfront or through tax incentives for all costs incurred by the service provider for the installation of the infrastructure.

5. The Federal, State and Local Governments need to make access to broadband funds more easily accessible. An easier grant process with regional specific grant cycles would be a first step. Currently, North Carolina uses the promise of jobs as the collateral for awarding Broadband grants. This approach is not always feasible. Small businesses move at the speed of business and can not delay hiring of employees to receive a grant. Large companies can delay hiring employees and that is why most large companies beat small companies to grants and awards. Rural Areas need jobs and it is unfair to keep a person from receiving a job because he or she must wait for the government to make a decision on whether or not a company should get a grant to receive infrastructure it should already have. The grant process should be easy enough that it is online and any company could apply. I had a conference call with NC Commerce for our grant proposal and several meetings regarding the grant in general. A company should not have to hire a grant writer as we did in order to receive a grant for this infrastructure. The regional offices mentioned in number one idea should have the capability to help companies fill out the grant application with a real chance of success.

It is my humble opinion that Rural America can help with job creation if allowed to work on the same level playing field as Metropolitan areas. All too often, rural manufacturers and service providers live with higher costs for most basic infrastructure services. ASI currently pays a higher rate for electricity than metropolitan areas yet is still expected to compete with not only these companies in the United States but companies Worldwide. It is the staff at ASI that makes this possible. We have grown every year since 2009 despite the roadblocks in front of us. It would be amazing to see what ASI could be if we did not have these roadblocks.

I ask that you take my ideas and comments as a beginning to the solution to a large problem. I am willing to help in any way possible and would be willing to speak to someone in person or over the phone. I would even be willing to travel to Washington, DC in order to express my opinion if you feel that would be warranted.

I appreciate your time.

Sincerely,

Jonathan Szucs
General Manager
Advanced Superabrasives Inc.
PO Box 1390
1270 N. Main St.
Mars Hill, NC 28754
828-689-3200
js@asiwheels.com

