

# City-owned broadband networks fighting corporate telecom

By Brian Bergstein  
 THE ASSOCIATED PRESS

If you ever winced after opening your cable bill, you're not going to like this: The good folks in Glasgow, Ky., pay \$19 a month for 70 cable channels, and for an additional \$25 they can get blazing fast Internet access.

How do they get prices nearly half the national average? Because the city-owned electric utility provides cable TV and Internet access over wires that also monitor power usage in the town of 14,000. The utility isn't trying to profit from the service — just recover its costs.

Utility superintendent William Ray estimates that since Glasgow began offering cable in 1989, \$32 million of residents' money has stayed in town that otherwise might have been vacuumed by giant telecommunications companies — which often don't offer advanced services in rural areas like Glasgow anyway.

"It's like an armored car wrecking in the streets once a year and spreading money in the streets for people to grab for themselves," Ray says.

Frustrated with the high cost and slow pace of broadband deployment in much of the country, 511 publicly owned utilities now provide telecom services for residents, schools, city agencies and their internal operations, up nearly 14 percent from a year ago, according to the American Public Power Association.

Some utilities built networks from scratch. Others extended infrastructure they already had, such as fiber-optic lines and networking equipment needed to monitor power flow or remote substations.

Not surprisingly, big phone and cable companies hate this, and have fought with some success to block public gas, water and electric utilities from providing telecom services. Eleven states bar or restrict the practice, sometimes by imposing artificial costs on municipal telecoms so the prices they charge end up closer to what private companies offer.

But things may be looking up for municipal

telecoms — thanks to recent favorable court rulings, weakness in the private telecom industry and a technological breakthrough that lets data be transmitted over power lines.

"A very large number of communities across the country are beginning to realize this is like the history of electrification all over again, and if they don't help themselves, they're not going to get advanced communications services any time in the foreseeable future," said Jim Baller, an attorney who has represented municipal telecoms in several cases. "Recognition of that is forcing legislatures to take a second look — even ones that had enacted barriers."

City-owned utilities — which generally buy their cable programming from a cooperative in Kansas and connect to the Internet by leasing facilities from big data carriers — don't have to be rivals of telecom companies.

For example, in Washington state, which prohibits utilities from selling retail telecom services, several public power providers are becoming "carriers' carriers" — building fiber networks that private Internet and phone providers can lease.

But generally, private companies say municipal telecoms create unfair competition because they have no need to make profits or pay off debts quickly, have preferential access to digging streets and other "rights of way" and are owned by cities that have regulatory power over the industry.

"The mere existence of the competition is not really an issue for us," said Rob Stoddard, spokesman for the National Cable & Telecommunications Association. "The issue is more that the competitive playing field seems tilted in favor of municipalities."

The industry's arguments also stray into other realms.

In Palo Alto, Calif., where the public utility is considering spending \$50 million building fiber-optic connections to every home, a SBC Pacific Bell executive gave officials "MuniToons," a memo describing municipal telecoms as "folly."

Among its contentions: Municipal telecoms hurt a town's tax base and may violate the First Amendment by placing the distribution of media content under government ownership.

Baller, the utilities lawyer, believes nearly every sentence in MuniToons is "incorrect or misleading or a half-truth." Even SBC spokesman Kevin Belgrade said the document doesn't exactly reflect the company's position.

Richard Carlson, chairman of Palo Alto's utility advisory committee, wasn't swayed by MuniToons. Nevertheless, he worries that a civic fiber network might lose out to private competition or become obsolete in a few years.

Ultimately, the municipal telecom fight boils down to two words: "any" and "entity."

The 1996 Telecommunications Act — meant to usher the nation into the digital age — said no state or city could prohibit "any entity" from providing "any" telecom service.

With that in mind, officials in Abilene, Texas, asked the Federal Communications Commission to let them wire their own broadband network despite a 1995 Texas law banning municipal telecoms.

But the FCC agreed with phone and cable companies that Congress wasn't absolutely clear whether it meant for utilities to be "entities" protected by the law. The agency declined to overrule Texas.

A federal appeals court in Washington, D.C., let the decision stand.

Since then, a federal district court in Virginia and the Nebraska Supreme Court have seen things differently, ruling in favor of municipal telecoms. Most importantly, so has a federal appeals court in Missouri.

In hopes of getting clarity on the issue, Missouri's attorney general plans to appeal to the U.S. Supreme Court.

**"It's like an armored car wrecking in the streets once a year and spreading money...for people to grab for themselves."**

—William Ray  
 Utility superintendent

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**Wednesday, January 29, 2003**  
 • Bible Study  
 • 7:30 pm in All Faith's Chapel  
 • Church Attire  
 • Optional: Coffee & Chat Time  
 • 6:00 pm in Bernie's Espresso (next to Sbsa)

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 • Friday, January 31, 2003  
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IM Orientation Clinics	Date/Time/Location
OUTDOOR SOCCER	Jan. 27/7:00 p.m./281 Rec
SLOW PITCH SOFTBALL	Jan. 27/7:00 p.m./281 Rec
Sand Volleyball	Feb. 10/7:00 p.m./281 Rec
4/4 Flag Football	Feb. 17/7:00 p.m./281 Rec

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Program	Registration	Cost
Basic SCUBA	Jan. 13-March 31	\$225/\$245
Adult Learn to Swim	Jan. 13-March 31	\$25/\$35
Lifeguard Training	Jan. 13-March 24	\$110/\$130

• Join the Masters Swimming Program. Workouts are tailored to meet the individual's goals, whether you seek to increase your fitness, improve your stroke or have a desire to compete. Classes are Mon.-Thurs. at 6:00p.m.

**LIVE THE EXCITEMENT WITH SPORTS CLUBS**

- M. Rugby vs. SWT, Feb. 1, 2:00p.m. @ Rugby Pitch
- W. Rugby vs. TTU, Feb. 1, 4:00p.m. @ Rugby Pitch
- W. Rugby, LSU vs. TTU, Feb. 2, 12:00p.m. @ Rugby Pitch
- W. Lacrosse, HS Tournament, Feb. 1-2, all day @ Penberthy

**PLAY EVERYDAY WITH INTRAMURALS**

Sports CLOSING:	Registration ends	Cost
Program		
Pre-Season Basketball	January 28	\$10/team
Basketball	January 28	\$40/team

  

Sports OPENING:	Registration	Cost
Program		
Outdoor Soccer	Jan. 27-Feb. 4	\$40/team
Slow Pitch Softball (M&W)	Jan. 27-Feb. 4	\$40/team
Wallyball	Jan. 27-Feb. 4	\$10/team
Table Tennis	Jan. 27-Feb. 4	FREE

**GET GOING WITH TAMU OUTDOORS**

Upcoming Events	Registration	Event Date
Lead Climbing Clinic	Jan. 13-Jan. 27	Jan. 28
Rock Climbing 101	Jan. 21-Jan. 28	Feb. 1
Lead Climbing Clinic	Jan. 21-Feb. 17	Feb. 18
Rock Climbing 101	Jan. 21-Feb. 18	Feb. 22
Women's Rock 101	Jan. 21-Feb. 18	Feb. 23
Backpacking Trip	Jan. 21-Feb. 18	Feb. 22-23
SEA KAYAK ALASKA	Jan. 21-April 1	May 25-31
SAIL & SCUBA Bahamas	Jan. 21-June 9	Aug. 16-22

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