

## Legislators: Broadband bill lacking

Rural lawmakers say AT&T omits build-out requirement

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By Richard Locker

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NASHVILLE -- Rural lawmakers say that state legislation proposed by AT&T to ease its entry into the cable TV business could set back efforts to improve rural access to high-speed Internet service in Tennessee unless it is altered to address their concerns.

The bill was written by AT&T to revise current laws that its executives say are an economic barrier to its plans to start selling video services like cable programming and higher speed broadband service. The bill set off a high-stakes legislative battle between AT&T on one side and the cable industry and local governments on the other.

AT&T's push for the bill coincides with a separate effort by rural legislators and state regulators to improve access to high speed broadband Internet services in rural areas, small towns and other underserved areas.

A state Broadband Task Force concluded in January that high-speed Internet service is not available to all Tennesseans, especially those in rural areas, and that access is "essential to the future of Tennessee's economy, the health of our citizens and the education of our children."

The 14-member commission of elected officials, regulators, and representatives of the cable and telecommunications industries recommended that the state establish a public-private partnership similar to one in Kentucky that promotes access to broadband in every home and business, and to enact policies to promote competition.

AT&T Tennessee President Marty Dickens says the bill will usher in a new era of competition for cable and broadband services. Even without the bill, "by the end of this year 100 percent of the customers we serve will have access to broadband" -- via the company's DSL lines, he said. In some remote areas, that service may be provided by small satellite dishes.

But state Sen. Roy Herron and Rep. Mark Maddox, democrats from Dresden who co-chaired the task force, both said last week that the AT&T-drafted bill does not meet the needs of rural and other underserved areas.

The bill expressly prohibits the state or local governments from mandating service anywhere in Tennessee -- by banning what are called "build-out" requirements on the industry.

"Right now the AT&T bill appears to be a step in the wrong direction, by deleting build-out requirements," Herron said. "I'm not going to support the bill until there's protection for and benefit to people in the underserved areas in this state.

"To compete for the jobs of the future and to retain our most talented young people, we've got to have the information infrastructure -- the broadband highways -- that are simply essential."

Maddox, House Finance Committee chairman Craig Fitzhugh, D-Ripley, and others also questioned whether consumers are represented at all in the bill and in talks coming up this week to try to reach a compromise. Lawmakers sponsoring the bill agree that it won't pass as it is now written. They invited AT&T, the Tennessee Cable Telecommunications Association and associations representing city and county governments to negotiate.

"I have not been comfortable with either side representing rural interests in this bill and I think it's very necessary for this state that we make sure that in this bill there are some provisions for broadband access to every citizen in this state," Maddox said.

"These are the folks that provide broadband access -- both AT&T and the cable companies -- and we need to see some provision for that to happen in rural areas as well as urban areas."

Fitzhugh said that delaying legislative action on the bill might be a good idea because the Federal Communications Commission required AT&T to provide a higher level of broadband access in rural and underserved areas by the end of this year, as part of the FCC's approval of AT&T's acquisition of BellSouth last December.

"There's been a lot of rhetoric about rural broadband but we've not seen anything at all. The second half of this session is next year. In a year a lot of improvement can be made in rural broadband and then we'd be in a lot better position to see who's really in good faith saying that's what we want to do," Fitzhugh said Thursday.

"Once this bill is passed, I'd say there's no leverage" by the state legislature to require any broadband access improvements, he said.

AT&T is now a 22-state company. Deployment of the new video service, called "U-verse," has begun on a limited basis in 10 states. Seven other states are expected to approve legislation this year.

Dickens said that if Tennessee doesn't act, Tennessee's share of the \$3.2 billion that AT&T has committed to the project across its 22 states will be delayed.

The Broadband Task Force, which plans to meet soon to discuss the legislation, likened the need for Internet services capable of exchanging huge amounts of data quickly to the need for rural electricity 80 years ago. Cities had electric service but private power companies didn't want to string power lines into the sparsely populated countryside. But policies enacted in the 1930s led to rural electric cooperatives and public-private efforts.

In addition to economic development, the study group said quality broadband can enable residents of small towns and rural areas to confer with medical specialists, take college courses and have access to the vast sources of information urban residents enjoy.

**More info:**

Tennessee Broadband Task Force FINDINGS & recommendations

Tennessee ranks 37th among the states in broadband usage. Only 1 in 4 households have service.

The study could not determine specifically where broadband service is deployed because its providers consider that information proprietary.

Broadband service is essential to the future of Tennessee's economy, health of its citizens and education of its children. Every Tennessee home and business should have access.

Competition can spur additional deployment and result in better service. Policies to promote competition should be expanded.

A public-private partnership like "ConnectKentucky" should be established to expand broadband, and other state initiatives should be identified and coordinated.

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State Sen. Roy Herron

Task force co-chairman

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