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Obama Announces Moves to Encourage Expansion of Public Broadband Networks.

CEDAR FALLS, Iowa — President Obama announced executive actions on Wednesday to expand high-speed Internet access and make it more affordable, including an effort to spur the creation of municipal broadband networks that could challenge the nation's large telecommunications companies.

"In too many places across America, some big companies are doing everything they can to keep out competitors," Mr. Obama said at Cedar Falls Utilities, a municipal service that provides one-gigabit broadband — 100 times the national average speed — to a city of 40,000. "We've got to change that — enough's enough."

Pointing to Cedar Falls as the "guinea pig" for unfettered expansion of broadband service, Mr. Obama called on the Federal Communications Commission to override state laws that keep communities from providing high-speed Internet.

The telecommunications industry reacted angrily to the president's move, saying that it was circumventing Congress and state legislatures. The industry is also opposed to Mr. Obama's proposal that the F.C.C. regulate the Internet as a public utility, which he announced in November.

"The private sector is much better at deploying capital efficiently than the government," said John E. Sununu, a former Republican senator from New Hampshire who is now co-chairman of Broadband for America, an industry coalition.

"Standing up in public and saying you're taking on the big guy always inspires some populist sentiment," said Mr. Sununu, who is also on Time Warner Cable's board of directors. "But I think what the president is doing here is giving up on Congress, undercutting state laws and pushing rhetoric that doesn't match the facts."

It is not clear how far Mr. Obama can go in clearing the obstacles to broadband competition. Nineteen states restrict cities' ability to provide high-speed data service.

Still, his advisers said, the president hoped the F.C.C. could "level the playing field." Two other cities that offer high-speed Internet service — Chattanooga, Tenn., and Wilson, N.C. — have petitioned the agency to override state laws that prohibit them from expanding their service.

Michael K. Powell, who served as F.C.C. chairman under President George W. Bush, said Mr. Obama was chasing "false solutions."

"While government-run networks may be appropriate in rare cases, many such enterprises have ended up in failure, saddling taxpayers with significant long-term financial liabilities and diverting scarce resources from other pressing local needs," said Mr. Powell, the president and chief executive of the National Cable & Telecommunications Association, an industry group.

In his speech on Wednesday, the president criticized large Internet providers that he said had a near monopoly in many markets around the country and often provided subpar service.

"You're stuck on hold, you're watching the loading icon spin, you're waiting and waiting and waiting," Mr. Obama told an audience of about 200 in a utility warehouse as he stood in front of a pegboard full of tools and shelves of router boxes and cable. "Meanwhile, you're wondering why your rates keep getting jacked up when your service doesn't seem to improve."

Mr. Obama's initiative includes an effort by the Commerce Department to help communities build broadband infrastructure. It would also provide Agriculture Department loans and grants to Internet providers in rural areas, and it would create an interagency council to speed up broadband deployment, White House officials said.

The president will also convene a meeting of mayors and local officials at the White House in June to discuss broadband expansion efforts.

The moves are in line with Mr. Obama's efforts to improve American competitiveness and spur innovation and with his recent emphasis on policies meant to ensure that the economic recovery is felt more broadly throughout the country.

"I'm going to focus on how we can build on the progress we've already made and help more Americans feel that resurgence in their lives," Mr. Obama said.

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