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## **F.C.C. Chief Wants to Override State Laws Curbing Community Net Services.**

Tom Wheeler, chairman of the Federal Communications Commission, will propose an order to preempt state laws that limit the build-out of municipal broadband Internet services, senior F.C.C. officials said on Monday.

The proposal focuses on laws in two states, North Carolina and Tennessee, but it would create a policy framework for other states. About 21 states, by the F.C.C.'s count, have laws that restrict the activities of community broadband services. The initiative by Mr. Wheeler, if endorsed by the full commission, would be the first time the F.C.C. has tried to override such state laws.

Mr. Wheeler is expected to circulate his plan to the other commissioners on Thursday, and the full commission is scheduled to vote on Feb. 26.

His community broadband proposal is separate from the larger Internet policy issue Mr. Wheeler is to address this week — rules to ensure an open Internet, or net neutrality. In that proposal, Mr. Wheeler is expected to propose regulating Internet service as a public utility, but without getting involved in pricing and other corporate decisions.

Mr. Wheeler's community broadband proposal is in step with the recent recommendations of the White House, as his net neutrality plan is likely to be.

The chairman's plan to invalidate the two state laws comes in response to petitions from two municipal Internet service providers: the Electric Power Board in Chattanooga, Tenn., and Greenlight, a community-owned broadband service in Wilson, N.C. In both cases, state laws prohibit the community Internet services from expanding into neighboring areas and counties. Their broadband services, they say, are far faster than those offered by nearby private-sector Internet service providers.

Proponents of the state laws, which are typically supported by cable television and telecommunications companies, say the municipal Internet service providers often enjoy tax and low-cost financing advantages not available to private companies. They also say states have the legal right to regulate local markets as they see fit.

The senior F.C.C. officials counter that the state laws deter broadband investment and competition, undermining consumer welfare. The municipal Internet providers, the F.C.C. officials said, are not competing unfairly but investing for the public good, providing high-speed service where the private sector does not.

Overriding the restrictive state laws, they added, conforms to the F.C.C.'s legal mandate to "remove barriers to infrastructure investment" and to "promote competition in telecommunications markets."

If approved by the full commission, the F.C.C. order to invalidate the two state laws would almost certainly be challenged in court.

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By STEVE LOHR

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