

Legislation allowing municipalities to build broadband networks...

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Legislation allowing municipalities to build broadband networks would "chill private investment," telecom groups said in letters to House Telecom Subcommittee leaders Tuesday. Legislation that would enable such investment could encourage "cherry picking the easier-to-serve areas within town limits, diminishing the feasibility of broadband service in the more costly to serve outlying areas," said the letter, signed by USTelecom, Independent Telephone & Telecommunications Alliance, National Telecommunications Cooperative Association, **Western Telecommunications Alliance**, and OPASTCO. The letter said some municipal broadband network investments have gone sour, while other plans are "being scaled back drastically or abandoned outright, due to the rising costs, complex technological hurdles, and underwhelming consumer demand." The legislation should be modified to limit its effect to areas without existing broadband service, the letter said.

The bills also should include language "to prevent municipal broadband networks from being cross subsidized and thus able to offer cut-rate prices that cannot be matched by private firms."