

Rural Texas: unwired and without a lot of options

Here's a tale that involves high-tech Austin in its boomtown years, some struggling rural Texas communities, a publishing mogul and the Texas Legislature.

In 1994 and 1995, Austin was considering an innovative plan for wiring the entire city with a high-speed, broadband telecommunications network, a plan that would have made the city an equity partner in this new, public-private venture. This plan was not unique in the United States, but Austin's size made the project unusually ambitious. Local government leaders throughout the country and even overseas were watching with great interest as this project unfolded. Cities such as Seattle, San Diego and Anaheim, Calif., developed similar plans based on Austin's blueprint.

Enter Michael Levy, publisher of Texas Monthly magazine. Levy objected to the city's telecom plan and unleashed one of his by-now famous personal lobbying campaigns to defeat it. Levy has a fat Rolodex and a big list of e-mail addresses, which he uses to pound his message that the city should focus nearly all its attention on basic services, particularly fire, police and emergency services. In other words, Levy's objection to the city of Austin's networking plan had little or nothing to do with the advantages or disadvantages of municipal telecommunications services, but was instead a product of Levy's determination to keep the city focused on his preferred public services.

As it happened, in 1995 the Texas Legislature was taking up a massive telecommunications deregulation bill. The Public Utility Regulatory Act, also known as House Bill 2128, opened Texas to competition in telephone service and set the stage for the state's transition to digital communications.

State legislators at that time were considerably more open to Levy's ideas about the city of Austin than were officials of the city. The Legislature was amenable to any proposals that prevented Austin from doing something unusual and un-Texan, such as building its own high-speed network to serve citizens. SBC, the parent company of Southwestern Bell, which had essentially drafted HB 2128, welcomed a revision of the bill that would prevent this kind of thing in the future. Near the end of the 74th legislative session, HB 2128 was revised to include a prohibition on any local government in Texas becoming an equity partner in any telecommunications service. This blocked Austin's plan and killed another project in San Antonio.

Now, fast-forward this story to today. Over the past two years, telecommunications companies have lost mountains of money. Some have gone under — in fact, Enron's broadband business was one of the reasons for its collapse. The survivors in this industry have cut back on their plans to offer high-speed networks to many

communities. SBC has even announced that it will not offer digital subscriber line service, or DSL, to so-called tier-two cities and will instead focus all its DSL services on the largest urban markets.

This leaves hundreds of rural communities without access to broadband networks. And increasingly, a high-speed network is essential to economic development, to keeping or attracting jobs and hanging on to residents, especially young people. These small communities are stuck — they can't get private firms to build fast networks, and, because of HB 2128, they can't do it themselves. In many if not most of these communities, the local or county governments are the only sources of capital and management expertise. But these resources cannot be deployed for broadband networking because of Texas law.

Meanwhile, in other states some of the most interesting experiments in high-speed network deployment have been efforts launched by the public sector in rural areas. Harlan, Iowa, for example, a town of

5,000 people, is possibly the most wired town on Earth, with a fiber-optic network that goes to every home and business. In Grant County, in eastern Washington state, the public power company is building its own ultra-fast network to serve every house and every business in its rural service area.

But Texas communities can't do any of this, because of what Austin tried to do some seven years ago.

Mike Levy has done some good things for the people of Texas. Here's his chance to add to that list. When the Legislature reconvenes next year, he should lead a campaign to repeal the law that prohibits local governments from building telecommunications networks. There's no chance now Austin will resurrect its 1995 plan. But a repeal could boost some rural Texas communities that today are desperate for help.

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