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Spokane (WA) may be dipping its toe into the high-speed internet industry.

City lawmakers approved last month the creation of a working group to explore a publicly owned municipal broadband network. City Councilmember Breean Beggs, the sponsor of the plan, cautioned against an expectation that all citizens would soon be able to cut the cord with private internet companies. Instead he envisions a system where Spokane would lay the groundwork for other service providers. The councilman pointed to examples of cities in Idaho and elsewhere where public investments in fiber lines have led to lower prices for consumers.

"I do think it's a public good," Beggs said. "There's a huge digital divide between the haves, and the have nots. I think we're just now beginning to understand what can be accomplished with broadband." Eric Finch, the city's IT director, said the time was right to take stock of the city's existing network and determine where it might make sense for new access, while being cautious about stepping on the toes of private industry. "Part of this is, we have to decide what we're going to be when we grow up," Finch said.

The creation of the working group follows efforts in 2015 by then-city Councilmembers Michael Allen and Jon Snyder to explore the possibility of the service in Spokane. Their group met for about a month and a half and determined the city would need to commit to laying significant amounts of new fiber underground to make it viable, Allen said. "Most of what we did have is kind of in the downtown area," he said. "There is just not enough existing infrastructure."

The city has been inching toward laying that infrastructure, with several examples — some successful, others not — to follow throughout the country. Other communities have invested millions of dollars in the technology, with mixed results. While Chattanooga, Tennessee, has been held up as a shining example of a public broadband network, generating millions in tax revenue and creating thousands of new tech jobs in a former railroad town, others have proved to be cautionary tales.

Provo, Utah, spent $39 million to build a network, then turned around in 2013 and sold it to Google for a dollar in an effort to escape loan debt that was projected to exceed revenue totals from the system. Beggs said he prefers an approach that doesn't saddle taxpayers with additional debt, pointing to the recent creation of a public network in Ammon, Idaho, as a potential model for Spokane. In that city of roughly 15,000 people outside Idaho Falls, planners extended fiber lines to sections of town that

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opted for hook up. The infrastructure is owned by the city, but different private companies compete to provide internet access directly to consumers. "At this point, we're not imagining this is a new city utility," Beggs said.

The Ammon system probably makes the most sense for a city the size of Spokane, said Christopher Mitchell, director of the public network advocacy group the Community Broadband Networks Initiative. "Spokane would probably want a model in which the system paid for itself," Mitchell said. "Really that's the only way. They're not just going to raise taxes and build a network." Allen's group recommended the city lay what's known as "conduit," or the piping that can be filled with the fiber optics necessary to transmit high-speed signals, under streets the road department is tearing up anyway as part of routine maintenance.

That's what the city's done over the past decade, said Marlene Feist, director of strategic development for the public works and utilities department. "It's not ingrained in every project, but different departments have gotten better about asking, 'You're doing 37th (Avenue), can you drop some fiber in there?'" Feist said.

Crews have focused on extending fiber optic lines to areas of the city where they'll want connectivity in the future, including to the massive subterranean tanks being built around town to capture stormwater runoff, Feist said. Beggs said the intent was not a massive infrastructure investment, but to bring communities online as it becomes technically feasible to do so. "At this point, it's on such a small scale compared to other areas," Beggs said. "Full connectivity might happen someday, but with the current status quo it will never happen."

City officials could not produce a map of where piping and so-called "dark fiber," or lines that haven't yet been activated to transmit a signal, have been buried in town. Beggs said he'd received word from the city's IT Department that 30 miles of such infrastructure exist in town, but neither Finch nor Feist could confirm that figure. Allen remembered seeing a map during their discussion three years ago. A publicly owned broadband network in Spokane wouldn't be unique to the region. The city of Cheney and public utility districts in Grant and Pend Oreille counties have already established systems with varying degrees of connectivity for individual residents.

The Grant County Public Utility District provides high-speed connectivity to roughly 70 percent of county residents, said Christine Pratt, a spokeswoman for the utility. The district's commissioners recently elected to invest another $7 million to continue extending service to far-flung areas, she said. "Just like probably any business, we tried to build out first to the area where we have the most takers," Pratt said. "Over the years, we've continued to build out."

Grant County has spent $256 million to build out its network. Full coverage of the final 30 percent of county residents is expected to cost up to an additional $76 million, Pratt said. Grant County's system works similar to Ammon's, because state law prevents public utility districts from selling internet services directly to the customer. Private companies use the publicly owned fiber optic network and compete with each other to provide internet service directly to retail customers. Expansion of the network has been funded by electric rate fees, a situation that wouldn't be possible in Spokane because electric services are provided by private companies, the largest being Avista.

The city of Cheney has also laid some fiber optic lines, with costs shared by Eastern Washington University, said Stephen Boorman, director of the city's Light Department. But the city hasn't taken the extra step of selling connectivity via retail or wholesale to consumers, despite rumblings in the early 2000s that was the direction Cheney was headed.

The promise of competition for consumers' attention, and an expected fall in the price of high-speed internet service, is fueling the current calls for Spokane to get into the broadband game. Users of the popular online message board website Reddit organized a meetup to lobby members of the City Council to establish the working group, and celebrated its unanimous approval Feb. 26. "The way I see it, we kind of have a market failure here in Spokane," said Mike McBride, a South Hill resident who put out the initial call online for people to lobby the council for the working group.

Nathan Hinish is also pushing the City Council to pursue a publicly owned network. He's worked on the board of Volunteers of America and said extending affordable high-speed internet would be key to helping those in poverty have access to job training and recruitment. – ***Seattle Times***

A victory for the Department of Justice over AT&T in their bitter antitrust battle creates a far more interesting—and far more uncertain—situation in the media and telecom industries, and for deal-making in general, than if AT&T wins.

Such a ruling would reset the rules for mergers broadly. The government has historically challenged horizontal mergers, which combine similar businesses in an industry, rather than vertical mergers, where businesses within the supply chain merge. If the DOJ wins, its most immediate move could be to threaten the current wave of deals in the drug industry, where insurers are buying up middlemen. In the media industry, the verdict would leave the 2011 Comcast-NBC deal as an outlier. The government might find reason to revisit it.

The judge only approved the deal after Comcast **agreed to conditions**, and those are set to expire in September. In the eyes of antitrust regulators, it will look awfully inconsistent if AT&T-Time Warner is blocked but Comcast-NBC is able to exist without restrictions. The DOJ could seek to both modify and extend the restrictions. "I don't think anyone saw seven years ago exactly how online video would develop as a competitor to cable," says Gene Kimmelman, who was involved in approving the deal when he was at the DOJ. He suggests that Comcast-NBC has slowed the potential development of online innovation. "There are numerous reasons to think the DOJ might want adjustments to the consent decree, if not a more severe structural remedy."

That would fit with the current view at the DOJ, which doesn't want to play the role of industry regulator. To avoid that role, the DOJ could take the more radical step of challenging the company's structure. And what, then, of content firms? If distribution firms like AT&T can't own content, are content firms allowed to own distribution platforms? That question is on the table right now in the pending deal between 21st Century Fox and Disney , which would leave Disney in control of streaming service Hulu.

That is broadly a horizontal merger of like businesses. Yet if AT&T-Time Warner is found to be bad for consumers, regulators could also say that a combination of the two big content providers gives Disney the **power to raise the prices** it charges to distribution companies. If the DOJ approves a deal involving Fox, which Donald Trump likes, while AT&T-Time Warner, which he has criticized, is blocked, that would raise questions of political meddling.

Finally, a ruling for the government could also lead regulators to start looking at tech firms that are creating their own content. That would be consistent with a larger interest in **regulating big tech**. The companies would argue that they are creating content and not buying content producers, which would almost certainly be off the table. A victory by the DOJ would redraw the lines around mergers, especially in media. But where exactly regulators draw them is unclear. – ***Wall Street Journal***

Like a moth that flies too close to a flame, a state constitutional amendment to reduce the size of Pennsylvania's House apparently got too close to actually reaching the people. Hopes earlier this year that a statewide referendum would appear on the fall ballot got dashed when the amendment, itself, got amended.

Now the lengthy process begins anew — if not with a few winks and nods from those lawmakers who want no part of reduction for the nation's second-largest state legislature. As of last month, an amendment to reduce the House from 203 to 151 members was on pace to reach voters this year. But rather than pass it as is, the House revised the amendment to include a provision to reduce the Senate from 50 to 38 seats. And because the measure was changed, last year's vote on it doesn't count. Per Pennsylvania's Constitution, any constitutional amendment must be approved in two consecutive sessions of the Legislature, then be submitted for a statewide referendum.

That pushes a public referendum back to 2020 — if then. Pundits point out that Pennsylvania senators are less likely than House representatives to go along with reducing their number. And why should they, when members of Pennsylvania's General Assembly are the second-highest paid state lawmakers in the nation? So for now it remains business as usual for the bloated, ineffectual state Legislature that more often than not can't even fulfill its most fundamental responsibility: passing an annual state budget on time. – ***Pittsburgh Tribune-Review* editorial**

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