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UTOPIA claims bill would hinder debt repayment

Tech • HB 60 sponsor says it would protect Internet customers outside network's member cities.

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Lawmakers are considering a bill that would prohibit municipally owned Internet networks such as UTOPIA from operating outside their cities, a change some say would interfere with UTOPIA's ability to get out of debt.

HB 60, the Interlocal Entity Service Prohibition, would prevent a city or consortium of cities running any telecommunications service through a fiber-optic network from operating outside the boundaries of its member cities.

That means a network such as UTOPIA, a high-speed Internet network owned by 11 northern Utah cities, could not build into or operate in a new city unless that city became a member of the consortium.

Some businesses and government agencies such as the Utah Education Network, Utah Transit Authority and the Utah Department of Transportation now use UTOPIA but do not operate in any of the network's 11 member cities.

UTOPIA's member cities extend from Tremonton to Payson but do not include Salt Lake City, for example. Because UTOPIA is an open network, the Internet service providers who sign up customers can hook up any resident or business with access to the network, even if they aren't in a member city.

HB 60 is designed to stop that, and that would prevent UTOPIA from making money to help member cities pay off the hundreds of millions of dollars they are in debt for the network, said Gary Crane, Layton city attorney and a UTOPIA legislative policy adviser.

"The more [customers] UTOPIA has to its system, the closer we come to meeting operations costs and covering" the debt, he said.

To build and operate UTOPIA, member cities have accrued as much as \$500 million in debt, which they must repay through various sales and franchise taxes over the next three decades.

Rep. Curt Webb, R-Logan, said he is sponsoring the bill as a way to protect customers outside member cities if something goes wrong with the service or prices increase.

But Pete Ashdown, president of the ISP XMission, which signs up UTOPIA customers, believes HB 60 is designed to help UTOPIA competitors such as Comcast and CenturyLink.

"It's not serving any good purpose. It's restricting UTOPIA from possible profitable opportunities," he said.

On Thursday, HB 60 was awaiting discussion before a House committee. Webb said he would meet with UTOPIA to hear its concerns.

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