The Business Journal
Readers Guide

Read us online
There are four ways you can get news from us electronically:

Twitter
The Business Journal is on Twitter. Get breaking news and other information by following us at twitter.com/triadbizjournal

Digital edition
Subscribers to our weekly print edition can access an online version every Friday morning. This material is exclusive to our paid subscribers and is in addition to the breaking news stories posted on our website throughout the week. Access the digital edition at triadbizjournal.com under the News tab.

Breaking news
Breaking news is posted as it happens on our website Monday through Friday. It is offered at no charge, but does not include the exclusive material found in our print edition.

E-mail updates
Each weekday at about 3:30 p.m., Publisher Doug Copeland will e-mail you a summary of all the breaking news posted on our website that day. To sign up for this free service, visit triadbizjournal.com, and enter your e-mail address in the Daily Update Box found in the center of the opening page.

Departments and services

News tips — Editor Mark Sutter at (336) 370-2895 or at msutter@triadbizjournal.com.

Letters, column submissions — Executive Editor Justin Catanoso at (336) 370-2896 or jcatanoso@bizjournals.com.

People on the Move, calendar items and Top 25 Lists — Research Director Stephanie Nickell at (336) 370-2915 or snickell@triadbizjournal.com.

Coming soon in The Business Journal

Upcoming Business Journal events

• Healthiest Employers nominations deadline — April 22. Visit www2.bizjournals.com/triad/nomination/.
• Green Awards — Deadline to be determined. Contact Associate Editor Lloyd Whittington at lwhittington@triadbizjournal.com or (336) 370-2914.

Special publications
• Women in Business — April 29
• Location Matters — May 27

Special news reports
• Law — April 1
• Money (Banking and Financial Services) — April 8
• Health Care — April 15
• Commercial Real Estate & Construction — April 22

For more information on any of these special sections, contact Associate Editor Lloyd Whittington at (336) 370-2914 or lwhittington@triadbizjournal.com.

THE BUSINESS JOURNAL

Publisher
Douglas W. Copeland Jr.

Editorial
Mark Sutter

Executive Editor
Justin Catanoso

Associate Editor
Lloyd Whittington

Design Editor
Deidre Edwards

Reporters
Katie Arceneaux

Special reports
Catherine Carlack

Senior Account Manager
Bill Ingram

Advertising Account Managers
Kathy Caton

Dee Wilson

Administration
Business Manager/Circulation
Pat Trenner

Business Assistant
Donna Takase

Circulation Assistant
Pat Taylor

Circulation Sales
Gary Mansell

Production
Production Director
Debbie Forrest O’Connor

Greensboro Office
100 S. Elm St., Suite 400
Greensboro, NC 27401
Phone: (336) 215-9504
Fax: (336) 370-2893

Washington Office
555 14th St. N.W., Suite 200
Washington, DC 20045
Phone: (202) 433-3400
Fax: (202) 433-3410

E-mail: info@bizjournals.com

The Business Journal is a publication of American City Business Journals Inc.; 120 W. Monument St., Charlotte, NC 28202
Whitney Shaw president and CEO
Rip Shaw chairman (1989-2009)

Reprints
(800) 787-3463, ext. 307

March 25 - 31, 2011
triadbizjournal.com
The Business Journal

OPINION

BUSINESS PULSE SURVEY
Who is mainly at fault for the National Football League’s labor impasse?

Next week’s question: Would you buy a home within 10 miles of a nuclear power plant?

They are both equally at fault 44%

Players 28%

Owners 23%

Other 4%

Based on 146 responses. Numbers may not total 100 due to rounding.

When government and business compete

House Bill 129 has an unarguably titles “Level Playing Field/Legal Government Competition.” The bill, which is being debated in Raleigh, would restrict the ability of local governments to provide their own broadband Internet service. Supporters of the bill claim that government-established broadband networks have an unfair advantage over the private sector.

HB 129 would not do enough to be a handful of companies such as Time Warner Inc. and AT&T Inc. But it could work against the long-term interests of the business community and against rural North Carolinians in particular.

It makes sense to prevent governments from competing unfairly with the private sector. North Carolina’s Umnstead Act does just that, making it illegal for the state government to “engage in the sale of goods, wares or merchandise in competition with citizens of the State” or “maintain service establishments for the rendering of services ordinarily tendered by private enterprises.”

But this sensible principle immediately creates the need for exceptions, a long list of which is also included in the Umnstead Act. It exempts university-owned shops that sell university merchandise, state-run cafeterias in certain buildings and the N.C. State Fair. It allows the sale of vaccines by the state and the provision of certain services by schools in the UNC system. With the Umnstead Act, one size clearly does not fit all.

The act also exempts local governments, no doubt because the goods they sell and the services they render are a big part of their reason for being. Cities and counties collect trash, supply water, maintain roads, run schools and on and on. All of these activities can be done by private companies, and they are all infrastructural in nature. But high-speed Internet networks are part of the infrastructure of the New Economy. As a matter of economics, broadband access is very different from what local governments already do.

HB 129 isn’t an outright ban, but opponents claim that it might as well be. The bill would force local governments to pay the same taxes paid by private providers and to stop using other revenues to subsidize Internet service. HB 129 would also restrict the way municipal systems advertise their services and define their service areas.

The restrictions on advertising and service areas actually tilt the playing field in favor of private providers. As for taxes, cities don’t pay them when they sell water or collect trash, so it’s not clear why broadband should be singled out. And although internal subsidies might sound nefarious, the fact is that businesses use them, too. Companies rarely isolate their ventures in financial absolutes. Private Internet providers can use profits from densely populated and wired markets to reduce prices in underserved rural markets.

Those underserved markets are a key part of this issue. Where private providers have been slow to invest, local governments want the option to step in and make broadband available. Extending high-speed Internet service across the state can extend opportunities for growth to rural areas and some underserved urban communities. That shouldn’t affect objective more than protecting certain well-placed companies.

It’s hardly unreasonable for government to provide and maintain infrastructure, or to offset the private sector’s reluctance to operate in certain areas. And there’s no reason to artificially hobble governments as they attempt to do this. Let’s find out if high-speed Internet is best provided by the private sector or by local government.

HB 129 is a bill whose time has not come. If anything, it would be a step backward.

Andrew Brod is a senior research fellow in UNCG’s Center for Business and Economic Research and a member of The Business Journal’s Editorial Board of Contributors. Reach him at (336) 707-6439 or AndrewBrod@uncg.edu. An archive of his columns is available at http://chrobng.edu.