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Jackson telecom foes seek referendum

By Mark Watson
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Opponents of a proposed public telecommunications network for Jackson, Tenn., filed petitions Wednesday calling for a referendum on the project.

Voting 8-1 on May 7, the Jackson City Council approved a resolution guaranteeing \$60 million in revenue bonds for the Jackson Energy Authority's entrance into the local telecom market.

Shortly thereafter, Dale Wilson, who teaches public speaking and communications at Dyersburg State Community College, started circulating a petition to have the decision put to a vote of the people.

Wilson maintains that the city charter requires the signatures of 10 percent of the number who voted in the most recent general election, which would equal 667 signatures. But state law requires the signature of 10 percent of the registered voters, which would increase the minimum to about 3,300, he said.

As of Wednesday afternoon, Wilson had more than 3,061 signatures. Authorities must verify that they represent registered voters.

"We have (enough) to put it into the courts, if nothing else," Wilson said. "There may be some duplicates . . . We're under the opinion that it's going to require only 667, based on the reading of the city charter."

The JEA Web site states that "customers have repeatedly told us through the years that they would like JEA to get into new telecommunications ventures, like cable television, because they have come to know, trust and depend on JEA for superior customer service and reasonable prices."

Jackson Mayor Charles Farmer supports JEA's telecom venture because he expects it will enhance industrial recruiting.

"It puts us a step ahead of other communities our size," he said.

JEA officials appear "convinced" that the telecom unit will generate more net revenue for the utility, which will help keep other utility

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rates down, Farmer said.

The venture is in process while a number of large telecom companies, such as Adelphia, XO Communications, Global Crossing and WorldCom, have experienced serious financial trouble in the past year.

"The American economic landscape is littered with telecom failures," said Jonathan Harlan, chief executive officer of Jackson-based Aeneas Internet & Telephone.

"In everything we do, there is risk," Farmer said. He believes the JEA executives have "done their homework."

"I don't know of any time they have been in error in matters of finance," Farmer said.

Kenny Holt, the lone city council member who opposed the revenue bond resolution, questioned the assumptions of the venture's business plan.

"They're assuming . . . they will have 50 percent of the cable customers as soon as they begin," said Holt, a Union University professor of economics and management. "That has not been the experience of other cable companies as they enter a market."

Holt's initial concern stemmed from his opposition to a government-owned entity competing with private enterprise.

Aeneas's Harlan said his company can compete with other companies, but he worries that the JEA venture could afford to offer telecom services below cost. Also, the JEA would not have to pay taxes as private competitors do.

John Williams, JEA president and chief executive officer, did not return phone calls Wednesday.

Wilson says the \$60 million bond resolution was approved without sufficient public input.

The JEA Web site states that its board conducted a public hearing about the venture on Feb. 12.

- Mark Watson: 529 -5874

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