For the millions of people who cannot afford high-speed Internet access, some local officials think they've hit on the answer: Build government-owned networks to provide service at rates below what big telecommunications companies charge.

From San Francisco to St. Cloud, Fla., an estimated 200 communities are toying with community-owned networks, sparking a battle with cable and telephone companies over how public, or private, access to the Internet should be.

The companies are lobbying furiously to block such plans, fearful that their businesses would be hurt. Their efforts most recently paid off Tuesday night in Pennsylvania, where a new law bans local governments from creating their own networks without first giving the primary local phone company the chance to provide service.

Consumer advocates denounce the new Pennsylvania law. They say it amounts to governments now needing a permission slip from entrenched monopolies to put a vital economic and educational tool within everyone's reach.

For them, government has a long history of providing essential public services, such as national highways or electricity in rural areas.

"The Internet . . . is a true global public utility," said Jeffrey Chester, director of the Center for Digital Democracy, an advocate for consumer rights online. "We should be trying to provide it for free."

At least, they argue, community networks should be able to give the large companies some competition. In a February survey conducted by the Pew Internet and American Life Project, 24 percent of U.S. adults said they had high-speed Internet access at home. About half of those had incomes of more than $75,000 a year.

Harold J. Feld, associate director of the Media Access Project, a consumer-media advocacy group, said a phone or cable company could always come in and provide a wireless network, competing on price and service with any municipal offering.

"But who gets to decide what municipalities can do?" Feld said. "Will it be corporations?"

In some cases, governments acted out of concern that spotty service from commercial providers in rural areas might be inhibiting economic growth. Allegany County in western Maryland is building a high-speed wireless network that will be available for homes and businesses.

Companies such as Verizon Communications Inc., which helped shape the Pennsylvania law, argue that telecommunications firms would have little incentive to build networks if they have to compete with government-subsidized service.
Verizon spokesman Eric Rabe noted that the company is under state mandate to deploy high-speed access to customers in all of its Pennsylvania territory by 2015.

"If we should be asked to do that, we should be able to make a business of it," he said, and not compete with governments that can borrow money to build out a system more cheaply and can tax residents to pay for the service.

The new law forces local governments to give the local phone carrier first shot at providing wireless service if a locality intends to charge for it. If the service is going to be free, the law does not apply.

But Beth McConnell, director of the Pennsylvania Public Interest Research Group, said it is unreasonable to think that a government would be able to offer service for nothing.

In last-minute negotiations before the bill was signed late Tuesday by Gov. Edward G. Rendell (D), the law was changed to allow systems operating before January 2006 to proceed.

That language, and a separate deal with Verizon, will enable Philadelphia to move forward with plans for a citywide wireless network, the largest such experiment in the country.

"Just like roads and transportation were keys to our past, a digital infrastructure and wireless technology are keys to our future," Philadelphia Mayor John F. Street said in September when he announced the plan.

Although residents would still have to own computers, the typical $30 to $50 monthly cost of high-speed Internet access from commercial services would be reduced. No details have been decided.

In the borough of Kutztown, Pa., local officials built a fiber-optic network in 2000, following the path of the power lines that also are owned by the town.

Today, Internet service at speeds faster than those generally provided by phone and cable companies is available to residents and businesses beginning at $15 a month. The system also provides cable television service. More than 500 residents take advantage of the system.

Frank P. Caruso, the town's director of information technology, said he feels sorry for communities that will not be able to meet the 2006 deadline and thus be forced to deal with Verizon first.

"They don't realize that their throats have just been cut," Caruso said. "It's almost like Verizon is Big Brother." Caruso said that after the town began offering cable television service, the private provider dropped its price by 40 percent to compete.

In signing the legislation, Rendell said that he was concerned about the new restrictions on public networks but that other parts of the bill involving telecommunications were too important to derail.

Among them are financial incentives for Verizon to accelerate plans to expand broadband access around the state.

The law will be closely watched around the country, where phone and cable companies are pressuring state legislatures to limit what municipalities can do. According to MuniWireless.com, an online newsletter that tracks community-based wireless projects, 14 states have passed some type of legislation limiting what municipalities can do.

In Illinois, meanwhile, SBC Communications Inc. and Comcast Corp. teamed up twice to defeat ballot measures that would have allowed three towns to create a fiber-optic network to provide
telecommunications and cable television services.

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