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Rep. Sessions Lends A Hand To SBC

By David Hatch

Texas-based SBC Communications has plenty at stake with its telecommunications business these days: The Bell company is seeking approval to merge with AT&T, and is planning to deploy a nationwide Internet-based television service to compete with cable.

The company also is fighting efforts by cities to build their own high-speed Internet networks. On that front, SBC has a friend in Rep. Pete Sessions, a Texas Republican with professional and political ties to the firm.

In late May, Sessions introduced legislation that would ban municipal broadband networks in areas where companies such as SBC offer similar services. SBC supports the bill, but spokesman Kevin Belgrade said the issue goes beyond any one company.

Sessions, a House Rules Committee member, does not sit on any panels that regulate communications -- but his ties to SBC are as thick as Texas sagebrush. He was an executive with Southwestern Bell Telephone, SBC's precursor, for 16 years, and his wife, Juanita (Nete) Sessions, is a vice president for billing with SBC.

During the 2003-2004 election cycle, individuals and political action committees associated with SBC were Sessions' third largest donor, contributing \$23,750, according to the watchdog Center for Responsive Politics.

PACs operated by Verizon Communications -- another Bell firm that opposes most municipal networks but that has not taken a stance on Sessions' measure -- also gave Sessions \$9,000, according to the Federal Election Commission. And the U.S. Telecom Association, whose members include the Bells, gave another \$2,000.

Sessions also revealed in a 2003 financial disclosure that he owned between \$1,001 and \$15,000 in SBC assets at the end of 2003. He held the same amount of assets in Verizon and BellSouth, and up to \$1,000 in AT&T, SBC's merger partner. Sessions' calendar year 2004 disclosure will be released Wednesday.

Juanita Sessions, meanwhile, held SBC stock options valued between \$500,001 and \$1 million through the end of 2003, and additional assets in BellSouth and SBC valued from \$1,001 to \$15,000 each. She also had an investment worth up to \$1,000 in WorldCom, since renamed MCI.

Supporters of government broadband say localities simply want to offer inexpensive connectivity to low-income and inner-city residents who cannot otherwise afford it -- or who might get bypassed by other providers. Harold Feld, a senior vice president at the Media Access Project, a public-interest law firm, said municipalities make investments "all the time" to improve citizens' lives.

"Let local people decide how to spend local dollars," he said.

Sessions spokeswoman Gina Vaughn said municipal networks discourage competition by forcing companies to compete with the government. She said Sessions wants localities to spend taxpayer dollars on more urgent needs.

Sessions' bill was referred to the House Energy and Commerce Committee, which is chaired by Rep. Joe Barton, another Texas Republican. According to the Center for Responsive Politics, PACs and individuals associated with SBC were the fifth biggest contributor to Barton's 2004 campaign, giving a total of \$15,000.