

Bowing to Political Pressure, UW pulls the plug on WiscNet

Posted on Jul 08, Posted by [Kathleen Vinehout, State Senator 31st District](#) Category [Wisconsin](#)



This week, State Senator Kathleen Vinehout talks about the future of WiscNet, the University of Wisconsin's successful internet service, and the lobbyists from GOP allied commercial telecommunications companies who want to eliminate it from bid competitions.

MADISON - "It's a sad day when political pressures from telephone company lobbyists keep us from working together? It's frustrating, yet fascinating," read a recent statement from WiscNet officials.

At issue is the decades old relationship between the University of Wisconsin and WiscNet and whether, despite separating from UW, WiscNet will be allowed to contract with the University to provide internet services.

The internet was developed by researchers and education institutions. The Department of Defense and many universities contributed to its creation. To this day universities share data on super-fast connections created and maintained through cooperative efforts of the universities themselves.

WiscNet was a natural outgrowth of work at the UW and its desire to share the internet with public and nonprofit entities. At least 38 other states have similar research and education networks. Many networks operate under the auspices of the state universities and today continue to provide services to local county and municipal governments, health care institutions, libraries and schools.

The thinking is: sharing services lowers the cost of government.

WiscNet evolved into a nonprofit that served 500 members including three quarters of public schools, all libraries, technical colleges, state agencies, the legislature and the court system.

A 2012 Legislative Audit Bureau report showed WiscNet accomplished its goal to bring low-cost internet to public entities. WiscNet fees were substantially lower than published commercial prices especially for high bandwidth users. The audit also showed the network functioned in ways that revealed its UW parentage – sharing staff and using the UW personnel, benefits and accounting systems.

WiscNet's success attracted the attention of commercial telecommunications companies, especially AT&T. The telecommunications giant is a big player. AT&T spent almost \$1 million lobbying state legislators in the last session with 21 lobbyists working on their behalf - more than half were employees. According to the Center for Responsive Politics, last year the company spent \$17 million nationwide and ranked 10th out of over 4,000 organizations that lobbied in 2012.

Lobbyists found fertile ground in the State Capitol for germinating their argument that the public sector should not compete with the private sector. Slipped into the 2011-13 budget was a provision that stopped the UW from being a partner in WiscNet. But internet services provided to the UW could still be competitively bid and – presumably- if WiscNet won the bid in open competition they could be awarded a contract like any other company.

This is exactly what happened this spring - in an open and competitively bid process, WiscNet was awarded a contract to provide services for the UW Madison. Part of the justification for this selection was that WiscNet's initial equipment cost was 85% less than AT&T's bid. The university claimed it was following the Supreme Court decision that "insures[s] that the public receives the best work or supplies at the most reasonable price".

In June, AT&T threatened the University in a letter. The UW responded noting they followed the letter of the law in the procuring services from WiscNet; but would be withdrawing their

award to WiscNet citing “business and political considerations—including the potential for ongoing appeals, litigation and legislative changes”.

Instead of competitively bidding services, UW Madison will now “begin transitioning to the operation of our own network.” This action prompted the Senate and Assembly higher education-related committees to call a public hearing to further delve into operations at the UW.

All the uncertainty surrounding WiscNet concerns many local superintendents. I spoke with a few local schools districts and learned some schools are ending their relationship with WiscNet and others are leery about the future and looking for options.

One local Instructional Technology Director said he was watching carefully and wondering if his job truly was to bring the lowest cost, best service to his school district.

People complain about the cost of government and encourage schools and local governments to work together. But when the 8,000 pound gorilla shows up in the Capitol and complains they can't win a bid, often legislators are too eager to change the rules.

Things have gone too far when big companies threaten the state because they've lost a bid.

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