



# TACIR INSIGHT

TENNESSEE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

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## **BROADBAND INTERNET DEPLOYMENT, AVAILABILITY, AND ADOPTION IN TENNESSEE FOUR YEARS AFTER THE BROADBAND ACCESSIBILITY ACT (PUBLIC CHAPTER 228, ACTS OF 2017)**

### **Background**

Recognizing broadband's importance to Tennesseans, the Commission initiated a study of broadband access and adoption in Tennessee in 2015. The Commission's report—released in 2017—identified existing public- and private-sector initiatives for expanding coverage and increasing broadband adoption in the state. It also made several recommendations, which emphasized opportunities for government to work with the private sector—both for-profit and non-profit—to fill remaining coverage and adoption gaps in the manner least costly to taxpayers without expanding the role of government. The Commission's recommendations helped guide policy changes included in the Tennessee Broadband Accessibility Act. The Act further directed the Commission to prepare an update to its 2017 broadband report.

### **Findings and Recommendations**

The Commission finds that broadband remains a critical need, without which individuals and communities risk being left behind; and awareness of broadband's importance has only been heightened by the COVID-19 pandemic. The good news is that Tennessee continues to make progress toward eliminating coverage gaps and increasing rates of broadband adoption through a combination of public- and private-sector initiatives, including several recommended in the Commission's 2017 report and authorized under the 2017 Act. Although gaps remain, Tennessee is well placed to address them based on existing initiatives and the policies the state has adopted so far. Further, lessons learned from policies implemented in 2017 can help inform future changes or new policies to help maximize their effectiveness at improving broadband access and adoption.

Based on its findings, the Commission makes five recommendations for improving broadband access and adoption in Tennessee.

One recommendation relates to improved broadband coverage data and maps:

- Because of the benefit to state and local officials of having more precise data for determining broadband access and assessing Tennessee's progress at filling coverage gaps without having to rely on data released by the Federal Communications Commission (FCC) even if that data is improved, **the Commission recommends that the Tennessee Department of Economic and Community Development (ECD) should develop its own broadband coverage maps for the state, updated annually based on address-level data reported to it under agreements with broadband providers. As is done in Georgia, to encourage providers to report this data, the General Assembly should mandate that data reported to ECD for the state's broadband coverage map is protected and cannot be publicly shared in ways that would reveal business-sensitive information.**



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One recommendation relates to support for broadband adoption:

- Because of the role libraries and schools play in their communities and the importance of tailoring broadband adoption efforts to meet local needs, **the Commission recommends that the state and local governments should continue to identify opportunities to increase funding for libraries and schools to assist their efforts to facilitate broadband adoption and short-term access in their communities—including support for digital literacy classes, devices, hotspots, and other efforts to make broadband available to those who either don't have or cannot afford service. For libraries, in particular, the state should continue to provide funding for broadband adoption efforts through the state's broadband grant program.**

Three recommendations relate to expanding broadband access in unserved areas:

- Because of the challenging economics of providing broadband in some unserved areas, filling the remaining coverage gaps will likely require a combination of public and private resources. **The Commission recommends that the state should keep supporting efforts to expand broadband access in Tennessee by continuing to fund the broadband grant program and could consider increasing its annual appropriations to accelerate broadband expansion to more unserved areas.**
- In its discussion of other potential government incentives for broadband providers, the Commission emphasizes that while the exact structure of requirements included in the state grant program that help protect the state if projects fail and cap the state's share of project costs might not be transferrable to every state or local incentive, the goal of reducing risk to taxpayers is. **The Commission recommends that the state and local governments should consider tying any new incentives for broadband providers directly to coverage expansions, while limiting the overall share of project costs that those incentives pay for.**
- Electric cooperatives and municipal electric systems remain subject to territorial restrictions that, with limited exceptions, prevent them from providing broadband outside of their electric service areas. Weighing the risks involved in broadband projects against the potential for electric cooperatives and municipal electric systems to expand access to unserved communities outside of their electric service areas if legal barriers were removed, **the state should consider eliminating or easing existing territorial restrictions on electric cooperatives and municipal electric systems, and in doing so, the state should also consider ways it can protect electric ratepayers, for example, by prohibiting these cooperatives and utilities from pledging, loaning, or otherwise using electric system assets or revenues to finance broadband projects outside their electric service areas.**

See TACIR's full report at the following link for additional information: <https://www.tn.gov/tacir/tacir-publications.html>.