Broadband Access and Adoption in Tennessee: Four Years After the Broadband Accessibility Act of 2017

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Who We Are

➢ Established in 1978.

➢ Mission: Serve as a forum for the discussion and resolution of intergovernmental problems to better serve the citizens of the state.

➢ Members

   ❖ State Legislators (10)

   ❖ Local Officials (10)

   ❖ Executive Branch Representatives (2)

   ❖ Private Citizens (2)

   ❖ Comptroller of the Treasury (1)

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Prior Broadband Research

➢ Recognizing broadband's importance, TACIR initiated a study of broadband access and adoption in Tennessee in 2015.

➢ Report published in [2017](#).

➢ Recommendations

  ❖ Emphasized opportunities for government to work with the private sector to fill remaining coverage and adoption gaps in the manner least costly to taxpayers without expanding the role of government.

  ❖ Helped guide policy changes included in the Tennessee Broadband Accessibility Act (Public Chapter 228, Acts of 2017).

Tennessee Broadband Accessibility Act

➢ Investment

  ❖ Grants for expansion in unserved areas

  ❖ Tax credit—since repealed—for broadband investment

➢ Deregulation

  ❖ Authorization for electric cooperatives to provide broadband

  ❖ "Broadband Ready Community" designation (list)

➢ Education

  ❖ Grants for libraries for broadband adoption efforts

➢ TACIR report update (published report) (appendixes)

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Where Are We Four Years Later?

➤ Primary trends

  ❖ Both access and adoption continue to increase.

  ❖ Urban-rural divide in broadband access remains.

➤ Tennessee compared with other states

  ❖ 34th for broadband access (nationally)

  ❖ 31st for broadband adoption (nationally)

  ❖ 6th for access and adoption (southeast)

  ❖ Note: Data for rankings are from December 2018.

Who Has Broadband?

93.7%*
—Percentage of Tennesseans living in areas where providers report broadband is available (Dec. 2019)

58%
—Percentage of households with access that subscribe to service according to providers (Dec. 2018)

* *Maximum* extent of broadband access

➤ FCC standard for broadband

❖ 25 megabits per second download and 3 megabits per second upload (25/3)

❖ Separate standard for schools

➤ Data limitations

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Increasing Broadband Adoption

Barriers

➢ Lack of access (more on this later)

➢ Cost of service

➢ Cost of devices

➢ Lack of interest or need

Sample Resources

➢ Digital inclusion toolkit ([Dept. of Economic and Community Development](#))

➢ Provider-led programs

➢ Federal Lifeline program

➢ Libraries

➢ Schools

Getting Students Connected

➢ Ensuring access to devices that can be taken home

➢ Short-term solutions for broadband access

   ❖ Mobile wireless hotspots

   ❖ WiFi access points

➢ Community partnerships

➢ What stands in the way?

Expanding Coverage

➢ Tennessee broadband accessibility grant program

  ❖ Funded 39 projects in first three rounds.

  ❖ $44.3 million in state funding paired with $44.3 million in required matching funds.

  ❖ Buildout requirements total 26,300 homes and businesses.

  ❖ $15 million will be awarded in round four.

➢ Federal funding and programs

  ❖ Coronavirus Aid, Relief, and Economic Security (CARES) Act

  ❖ Federal Communications Commission

  ❖ US Department of Agriculture

  ❖ Appalachian Regional Commission

How Many Homes Are Left?
(A Rough Estimate)

	Housing Units	Cost to Expand Coverage		
		Cost Per Location Based on First Three Rounds of State Grant Program		
		Minimum ($877 per location)	**Median** ($4,028 per location)	**Maximum** ($9,589 per location)
Number of Housing Units Remaining in Census Blocks Where No Provider Reported 25/3 as of December 2019	194,407	$ 170,427,531	$ 783,035,142	$ 1,864,176,712
Number of Housing Units Remaining in Those Blocks After Accounting for State and Federal Programs	36,920	$ 32,366,038	$ 148,706,875	$ 354,027,397

Source: TACIR staff calculations based on data from state and federal broadband programs and December 2019 FCC Form 477 data.

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Recommendations in 2021 TACIR Report

➢ Better Data

 ❖ The state should develop its own broadband coverage maps.

➢ Support for Adoption

 ❖ Local governments and the state should continue to identify opportunities to increase funding for libraries and schools to assist their efforts at facilitating broadband adoption.

➢ Expanding Access

 ❖ See next slide

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Recommendations in 2021 TACIR Report
(continued)

➢ Expanding Access

❖ The state should continue funding the broadband grant program and could consider increasing its annual appropriations.

❖ Local governments and the state 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.

❖ 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.

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Question Time and Thank You!

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