



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 11 December 2019

SUBJECT: Public Chapter 228, Acts of 2017 (Status of Broadband Internet
Deployment, Availability, and Adoption)—Panel

The Tennessee Broadband Accessibility Act (Public Chapter 228, Acts of 2017) directs the Commission to update its 2017 report on broadband deployment, availability, and adoption in Tennessee. Consistent with the recommendations in the Commission's 2017 report, the Act also

- created a state grant program that has awarded grants to
 - broadband providers to expand coverage in unserved areas and to
 - libraries to support broadband adoption,
- authorized electric cooperatives to provide broadband so long as electric ratepayer revenue is not used to subsidize the cost of service,
- established a process to designate communities that adopt a checklist of permitting and zoning procedures as “broadband ready communities” to signal providers that they have removed regulatory barriers to broadband investment, and
- enacted a credit—since eliminated—against franchise and excise taxes for providers that invest in broadband infrastructure in underdeveloped areas of the state.

Although progress continues to be made to close coverage gaps and increase rates of broadband adoption, some communities in Tennessee still lack access to service that meets the Federal Communications Commission's (FCC) minimum benchmark of 25

megabits per second download and three megabits per second upload (25/3), while in others adoption remains low. At least 9% of Tennesseans—including at least 23% of those in rural areas—lack access to wireline or fixed wireless broadband that meets the 25/3 benchmark, according to FCC data from December 2017. This is an improvement from the 11% statewide figure—34% in rural areas—cited in the Commission’s initial broadband report, which relied on the FCC’s December 2015 data. Broadband adoption has also increased during this period, as 53% of Tennesseans with access to service meeting the 25/3 benchmark subscribe to plans that at least meet it, an improvement on the 40% adoption rate cited in the Commission’s initial report.

The Commission’s update to its 2017 report will assess changes in broadband availability and adoption in Tennessee that have occurred since the initial report; analyze remaining barriers, including issues raised during research for its report on cord cutting and local government revenue; and identify alternatives for overcoming those barriers.

Today you will hear presentations from

- James Stegeman, president of CostQuest Associates, who will provide information on the economic barriers to expanding broadband access, and
- Crystal Ivey, broadband director for the Tennessee Department of Economic and Community Development, who will provide an update on the state’s broadband accessibility grant program.

The Act directs the Commission to transmit the update of its 2017 report to the General Assembly by January 15, 2021.