

Community Broadband in Tennessee Fact Sheet

- **More than 700,000 Tennesseans have access to true high-speed broadband through fiber optics thanks to several municipal electric systems.**
 - Seven municipal broadband providers, who deliver fiber to the home, make-up *Tennessee Fiber Optic Communities*: Chattanooga, Morristown, Bristol, Tullahoma, Clarksville, Jackson, Pulaski.
 - **In addition, municipal fiber optic providers...**
 - **Support Job Creation and Education** - Community-based fiber networks serve local industrial parks and schools with affordable pricing that does not include exorbitant installation fees.
 - **Pay for themselves** - Infrastructure investments like roads typically offer an indirect return on investment through community growth. Community fiber networks pay for themselves through subscriber services. ***All of Tennessee municipal fiber optic providers are cash flow positive with net positive monthly income.*** In addition they are all paying off their debt on or ahead of schedule.
 - **Compete on a level playing field with other providers** - Municipal fiber optic providers are funded solely by customers who purchase fiber optic services. Municipal fiber optic providers do not receive any tax money from local governments (in fact they pay local taxes in the form of in-lieu-of tax payments). In some cases, municipal fiber optic providers have won federal infrastructure grants—the same kinds of grants private providers have received to incentivize them to build out infrastructure.
 - **Increase investment by other providers** – In a few places, legacy providers have announced plans to make the investments necessary to provide modern Internet speeds, but only where a non-traditional Internet provider (like a municipal utility or Google Fiber) had already created a competitive environment by offering Gig Internet and other fiber optic services.
 - **Comprehensively serve the community (even small towns and rural areas)** - Community-based fiber networks serve the whole area not just the most lucrative parts of town. In addition, municipal fiber optic providers have demonstrated a willingness to partner with other communities in comprehensively serving more rural areas as long as the greater expense of serving these areas is balanced by access to more densely populated areas.
 - **Increase market competition** - Communities with municipal fiber have seen legacy providers offer enhanced services typically available in only the largest markets. By creating a competitive environment, municipal fiber optic providers have also driven big telecom and cable to offer better pricing to consumers.
- **EPB pays more into local tax coffers than any other entity or private business in Hamilton County or the City of Chattanooga.** EPB's most recent in lieu of tax payment totaled more than \$19 million divided among the City of Chattanooga, Hamilton County, and 15 other local governments. This year's payment represents an increase of 49% since EPB began operating the community's fiber optic network in 2008.
- **Fiber optic technology is future proof.** The speeds that can be offered and communication capabilities of fiber technology is virtually limitless. Fiber optics is also capable of serving as a robust communication tool for the electric system of the future and smart grid capabilities, which

decreases outages saving communities significant amounts of money. This 21st century technology delivers ultra high-speed broadband internet capable of greatly improving access to education, healthcare, business, economic development and overall quality of life. This speed of light platform that is delivered directly to the home, and nothing less, is what the state deserves as a path to current needs, future innovations and economic development yet to be realized. A recent GAO report clearly demonstrates the future-proof technology of fiber optics and the speeds necessary to support telemedicine, teleworking and distance learning (refer specifically to page 6, <http://gao.gov/assets/670/662711.pdf>).

- **More than 400,000 Tennessee households don't have access to landline internet speeds that meet the new FCC benchmark of high speed broad of 25 mbps.**
<https://www.fcc.gov/document/fcc-finds-us-broadband-deployment-not-keeping-pace>
- **Private providers have had 15 years to serve more Tennesseans with adequate broadband speeds.** Some private providers are taking nearly \$179 million in federal dollars over the next 6 years to provide service to some rural Tennessee areas that will be long outdated based on the FCC's new benchmark of 25Mbps/3Mbps.
 - <https://www.fcc.gov/document/att-accepts-428-m-connect-america-fund-rural-broadband>
 - <https://www.fcc.gov/document/connect-america-fund-phase-ii-funding-carrier-state-and-county>
- **State law currently prohibits the municipal broadband providers from extending these broadband services outside of their electric service footprint.** With a significant number of Tennessee households still underserved and the continued lack of private carries to commit to providing adequate speeds for our future, it is time that additional options be made available by supporting the ability of municipal providers to extend outside of service territory when their neighbors request them to do so.