

GEORGIA EMCS: Correcting the Record on Rural Broadband

Taking on big challenges is nothing new for Georgia’s Electric Membership Cooperatives (EMCs) whose founding 80 years ago was rooted in the need to electrify rural areas. Our mission was to make sure no Georgian was literally left in the dark. As lights flickered on and communities grew, the local EMCs became cornerstones of economic and community growth in their territories.

In recent years, the EMCs have been intently focused on finding solutions to another challenge for rural Georgia – expanding reliable high-speed internet access. The lack of broadband in rural communities has been critical for years – exacerbated by COVID-19 and the closure of classrooms and businesses.

While EMCs have been working in our communities to improve broadband access, the cable industry has used this issue to create a false narrative. They claim that pole attachment rates are a barrier to rural broadband. The cable industry has pushed legislation to lower these rates, at the expense of the member-owners of not-for-profit EMCs.

Cable companies have been pushing misinformation for years. This is simply an attempt to hide their true goal: to avoid paying their fair share of costs to attach their equipment to the power poles that EMC member-owners have paid to acquire, install and maintain. Cable companies say that if their infrastructure expenses are lowered by the Public Service Commission (PSC), which is currently considering pole attachment rates, they will provide rural broadband in exchange. History has shown this is just not true.

THE REST OF THE STORY

While cable’s claims may sound good to rural areas that are starved for internet, these promises ring hollow. Facts are facts.

- The real reason cable has not moved into rural areas has nothing to do with pole attachment rental rates and everything to do with the lack of population density in rural communities and the low “take rate” resulting from consumers’ inability to afford cable’s high monthly fees.
- Pole attachment rates represent a tiny fraction of broadband expansion costs. Current EMC pole attachment rental rates already subsidize cable and have for many years... yet, rural communities still lack high-speed internet access.
- The cable industry has repeatedly asked the Georgia General Assembly to lower EMC pole attachment rates to the artificially low and heavily subsidized “FCC rate.” They’ve claimed that reducing the rate will remove the barrier prohibiting their expansion of broadband into rural Georgia. The FCC rate has applied to Georgia Power for decades. Despite this, large portions of Georgia Power’s territory remain unserved by high-speed internet. If pole attachment rental rates really were a barrier to broadband, cable would have already expanded into these rural areas where they have a lower rate. They haven’t, because pole attachment rates are not a barrier to broadband expansion. It’s an excuse.
- In their effort not to pay a fair share, for-profit national cable companies do not care about hurting member-owned, not-for-profit EMC members who will pay the price. If the rent is reduced for cable attachments to EMC poles across the state, EMCs will have to absorb the cost. This money must come from somewhere. The only “somewhere” is the pockets of more than 4 million EMC member-owners.
- Cable companies have made precious few investments in rural Georgia. The few investments they make often turn out to be upgrades in already profitable areas that do not benefit unserved families or businesses. EMCs support all new broadband projects, but we especially want to partner with broadband providers to expand internet access where there is the greatest need.

Bottom line: Is the artificially low, consumer-subsidized FCC rate fair to EMC member-owners who pay for the cost of pole infrastructure? No. States like Delaware, Louisiana, Indiana, Washington, Maine and Arkansas, and the federal regulators at the Tennessee Valley Authority who set the pole attachment rate for cooperatives in portions of Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia considered the same issue that is now before the Georgia PSC. The outcome? Each of these states rejected the FCC rate that results in EMC member-owners subsidizing cable in favor of a cost allocation formula that treats consumers and EMC member-owners fairly.

GEORGIA’S EMCS IN ACTION

EMCs are aggressively pursuing real solutions throughout the state such as partnering with telecom companies to bring internet to unserved areas and making it easier for those companies to access their poles. In fact:

- Some EMCs have already created affiliates, built the necessary infrastructure and are providing broadband service to their members, including Blue Ridge Mountain EMC, Diverse Power and Habersham EMC.
- 20 EMCs are exploring or are in existing partnerships with broadband providers, and eight others are evaluating opportunities.
- Just this year, partnerships were announced by Carroll EMC and Colquitt EMC that represent an investment of almost \$9 million to expand access for thousands of Georgia households. On the heels of this news, other EMCs are poised to announce their own partnership agreements in the near future.

Georgia’s EMCs owe it to their member-owners to correct cable’s misinformation with the truth. We stand ready to roll out the red carpet for any qualified broadband providers that are truly interested in partnering to make the long-held dream of high-speed internet a reality in rural Georgia.

PRESENTED BY GEORGIA’S ELECTRIC MEMBERSHIP COOPERATIVES WHICH SERVE MORE THAN FOUR MILLION RESIDENTS

