

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**IN RE: AT&T OF THE SOUTH CENTRAL
STATES, LLC'S TARIFF TO INCREASE
DIRECTORY ASSISTANCE RATES**

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DOCKET NO. 08-00076

MOTION TO RECONSIDER THE HEARING PANEL'S ORDER OF JULY 14, 2008

Pursuant to Tenn Code Ann. § 4-5-317(a) and Rule 1220-1-2-.20, the Attorney General and Reporter for the State of Tennessee, through the Consumer Advocate and Protection Division of the Office of Attorney General (hereinafter "Consumer Advocate"), respectfully moves the Hearing Panel in this matter to reconsider the majority's decision of June 23, 2008 and the Order of July 14, 2008 declining to grant the Consumer Advocate's *Complaint & Petition to Intervene*.¹ In urging the Hearing Panel to reconsider the decision in this docket, the Consumer Advocate respectfully requests a contested case be convened. The purpose of the contested case would be to allow the development of a record including appropriate discovery permitting the Consumer Advocate the opportunity to develop a record supporting changes in the current directory assistance ("D.A.") tariff and practices of BellSouth Telecommunications, Inc. d/b/a AT&T Tennessee ("AT&T") so that D.A. state policy may better serve the public interest.

The Consumer Advocate submits that its asserted D.A. claims are ripe, that the rate increase

¹ Director Ron Jones, whose appointment to the TRA expired July 1, dissented from the majority opinion denying the Consumer Advocate's *Complaint & Petition to Intervene*.

granted in this docket actually adds greater weight to the ripeness of this matter and that new evidence recently developed in a recent docket supports the Consumer Advocate's position that this docket should move forward as a contested case.

I. The Consumer Advocate's Claims are Ripe

In moving to deny the Consumer Advocate's *Complaint & Petition to Intervene*, the majority concluded that the concerns of the Consumer Advocate were not ripe as the proposed tariff did not change the terms of the local directory assistance ("D.A.") call allowances or the conditions for D.A. exemptions for those with disabilities and those age 65 and older. The Consumer Advocate must respectfully disagree that its claims are not ripe. When a claim is not "ripe", it is because there is no on-going controversy or justiciable issue at hand for which relief can be granted. As it currently stands, the vast majority of Tennessee's wireline telecommunications consumers are paying more for a service today that was traditionally free while the D.A. call allowance intended as a safeguard for consumers has been reduced to one call. The Consumer Advocate seeks the opportunity to raise the call allowance due to several factors, including the rate increase approved in this docket.

Issues that are continuous or on-going are ripe for review. *The Wilderness Society v. Kane County Utah*, 470 F.Supp. 1300, 1308, footnote 2 (D.Utah, 2006); *Natural Gas Pipeline Company of America v. Energy Gathering, Inc.*, 99 F.3d 1134 (C.A.5, 1996); *Daniels v. Bursey*, 313 F.Supp. 790, 802 (N.D.Ill, 2004); and *C.H. v. Sullivan*, 718 F.Supp. 726, 733, footnote 9 (D.Minn. 1989). The Consumer Advocate further submits that the proceedings in Docket 07-00269 and Docket 08-00021 illustrate that there is a matter of controversy at hand in regards to determining D.A. public

policy.²

The decision of the majority in this docket implies that AT&T's one call allowance and tariffed exemptions are set in stone until the day the company elects to file a tariff to eliminate the sole remaining call allowance or the exemptions. In other words, AT&T's D.A. policy will not be subject to Authority review, notwithstanding the complaint of another party, until the company determines to file a tariff to change it. It must be noted that even when AT&T has filed tariffs to reduce its call allowance in the past the Consumer Advocate has been denied the opportunity to propose changes to the tariff supported by a record.³

Simply because the company chose not to propose the elimination of the D.A. call allowance in this docket does not render the claims of the Consumer Advocate premature. Given that when AT&T attempted to eliminate the D.A. call allowance in Docket 07-00188, a contested case was unanimously convened and AT&T subsequently withdrew the tariff. It may be some time before the company attempts to modify the call allowance portion of the tariff again. The practical matter is the Consumer Advocate has sought the opportunity in this docket in which the rate for D.A. was raised in order to discover relevant information and propose changes to AT&T's directory assistance tariff, including the raising of the call allowance, so that D.A. policy will better serve the public

² The Consumer Advocate understands Director Sara Kyle's comments made at the June 23, 2008 conference in regards to an approach that potentially looks to the outcomes or further development of Docket 07-00269 and Docket 08-00021 before looking to AT&T's D.A. tariff. However, a contested case with regard to AT&T would aid those dockets as it would remove any shred of credibility of arguments that have been made by Embarq about "unfair" or disparate treatment in these matters by the TRA between AT&T, Embarq and Citizens Telecom.

³ In Docket 04-00416, the Consumer Advocate's *Complaint & Petition to Intervene* was denied while AT&T's reduction in call allowances and rate increase was granted. In Docket 07-00188, the Consumer Advocate's *Complaint & Petition to Intervene* was granted when AT&T increased its D.A. rates while seeking to eliminate the free call allowance. However, the docket was closed when AT&T withdrew the portion of the tariff eliminating the call allowance. The docket was closed the same day the tariff was withdrawn prior to discovery.

interest.⁴

Specifically, the Consumer Advocate seeks to discover information held by the company within the procedural confines of a contested case. Further, the contested case forum allows the presentation of evidence and expert testimony proposing changes in the company's directory assistance tariff so that it may better serve the public interest. Churn data, the number of D.A. calls made per month, and the number of exemptions made available to those with disabilities or age 65 and older are examples of some of the substantive information held by the company that is not readily available to the Consumer Advocate.⁵

II. The Rate Increase Approved in this Docket Adds Additional Weight to the Claims of the Consumer Advocate

It has been and remains the Consumer Advocate's position that there is a relationship between the rates being charged for D.A. and the appropriate number of free calls required to serve consumers. The rate charged by AT&T for directory assistance is relevant and impacts the number and value of allowed call allowances which are required to serve the public interest. The Consumer Advocate submits that the TRA may raise the D.A. call allowance in relation to the rate charged by AT&T along with other factors. In balancing the interest of consumers and the interest of AT&T, the TRA should take into account the ever increasing rates consumers must pay to use D.A., a

⁴ The Consumer Advocate has not yet proposed a specific number of free D.A. calls with regard to AT&T that it believes is required to serve the public interest without an evidentiary record. However, it is the position of the Consumer Advocate that in light of several factors discussed within this Petition for Reconsideration, the call allowance must be raised.

⁵ To illustrate the difficulty in obtaining related information, the Consumer Advocate has been unable to access information on file at the TRA concerning the number of Life-line participants AT&T serves as the company deems that information 'proprietary'. Life-line is a public program funded through the Universal Service program which under a federal mandate is funded by monthly consumer surcharges on Tennessee consumers.

service that was formerly considered free.⁶

Since 1999, AT&T's rate for D.A. has risen from \$0.29 to the current \$1.50 while the call allowance required by the Authority has declined from six calls to one. In an era in which advances in technology have lead to the cost of service for most traditional telephone services to decline, consumers are paying more for traditional services. For illustrative purposes, between 1987 and 1994, prior to price cap regulation, the cost of providing telephone service for AT&T had declined to the extent that the former Tennessee Public Service Commission had reduced AT&T's earnings by an average of \$29.1 million per year. Beginning in 1995, price cap regulation was instituted. Under price cap regulation, AT&T has discretion to set rates without regard to the cost of service as part of an effort to foster competition. Yet, the competitive market has not prevented tariffed rates from going up.

The Authority cannot set the rate for AT&T's D.A. service and the Consumer Advocate has not suggested otherwise. However, in setting the call allowance under Tenn.Code Ann. § 65-4-117(3), the Authority may take the rate AT&T deems appropriate for D.A. into consideration as a relevant factor in order to safeguard the interests of consumers. While the TRA has not made a final decision in setting a call allowance that formally considers the rate as a factor, the Authority has recognized that the rates charged for D.A. may be a relevant factor in these matters.⁷ Such action is in line with the mission of the agency, Tennessee's Telecommunications Policy in Tenn. Code

⁶ Under rate of return regulation, there was no charge on a per call basis to D.A., however the cost of service for providing the service was incorporated into the rates of consumers.

⁷ Docket 07-00269, *Initial Order of the Hearing Officer*, February 14, 2008, p. 4-5; Docket 08-00021, *Order Suspending Tariff and Appointing a Hearing Officer*, March 19, 2008, p.5; Docket 07-00269 *Order Denying in Part and Granting in Part Motion to Reconsider*, May 12, 2008 p. 5.

Ann. § 65-4-123 in maintaining affordable rates for essential telecommunications services and the “just and reasonable” standard expressly provided in Tenn.Code Ann. § 65-4-117(3).

III. New Information Developed in Docket 07-00269 Supports the Consumer Advocate’s Claim that a Review of AT&T’s Directory Assistance Policy Is Needed

In the past, when AT&T has been allowed to reduce its call allowance, the TRA has concluded that such reductions were appropriate in light of the alternatives available in the communications environment.⁸ Examples that have been cited include Internet search engines and cellular telephones.⁹ However, unlike traditional D.A. service provided by phone companies, access to these alternatives are not necessarily free. As technology has advanced, it cannot be taken assumed that everyone has these alternative means at their disposal.

On July 1, 2008, the Consumer Advocate submitted pre-filed testimony regarding the D.A. policy of United Telephone-Southeast, LLC d/b/a Embarq Corporation (“Embarq”) in Docket 07-00269. Among the facts underlying the conclusions of Michael Chrysler’s direct testimony is data collected by Connected Tennessee, a non-profit organization that develops and implements strategies for technology deployment. Data based on surveys of Tennesseans from the 2007 Technology Assessment of Tennessee Residential Consumers illustrates a correlation in terms of access to technology (*i.e.*, computer ownership and internet subscriber status) and the level of a household’s income.¹⁰ In essence, the lower the income of a household the less likely one is to find a computer,

⁸ Docket 06-00232, Order Granting BellSouth Tariff No. 2006-00431, p. 5.

⁹ Another example of an alternative to D.A. are free 1-800 services that provide directory information. However, the advertisement efforts of these services appear to be limited to the internet, which many Tennesseans do not have access to.

¹⁰ See attached excerpts in Attachment “A” of the 2007 Technology Assessment of Tennessee Residential Consumers, pp. 104-107. A full copy can be found on Connected Tennessee’s website and also attached to Mike Chrysler’s direct testimony at MDC-1 filed in Docket 07-00269 on July 1, 2008. Mr. Chrysler discusses the

much less Internet subscriber status, in the home. Naturally, the opposite is true for those households with greater incomes. With the rates for D.A. calls climbing and the number of call allowances shrinking, it is the households not so abundantly blessed financially that must pay for an essential service that was formerly free.

Income is not the only variable that figures into the correlation between those with access to technology and those without. The level of education a household has obtained is also a factor.¹¹ The less education one has, the less likely they have a computer and access to the Internet. The 2007 surveys also reveal that race is a factor. For example, African-Americans statistically lag behind the state average in terms of computer ownership and Internet access at home.¹² Where a household is located is also a factor. Rural areas lag behind the state average.¹³ All of these factors are particularly relevant in regard to AT&T's D.A. tariff in that the company's vast service area touches upon all recordable demographics. Unlike Embarq and Citizens Telecom which are in essence confined in specific regions of the state, AT&T is a company that stretches across the entire state encompassing both the most populous areas within Tennessee, such as Davidson and Shelby Counties, and some of the least populated, such as Moore County.

In addition, the Consumer Advocate has developed an additional issue related to the exemptions for D.A. charges for those with disabilities and/or age 65 and older in Docket 07-00269 that merits examination with AT&T as well. AT&T has argued that the exemptions for seniors and

Connected Tennessee data and the correlation between access to technology and income in his testimony.

¹¹ *Id.*, p. 85-102.

¹² *Id.* p. 123-131.

¹³ Connected Tennessee also released a very brief 2008 follow-up report to the 2007 report that concludes a 4% gap still exists between urban and rural communities in terms of internet access.

those with disabilities are sufficient enough of a public benefit for the TRA to decline to convene a contested case on these issues.¹⁴ In granting reductions to the D.A. call allowance, TRA orders refer to the continued existence of the exemptions for seniors and the disabled as a continuing public benefit. However, there has never been a contested case that tests the effectiveness of the exemptions policy until recently in Docket 07-00269. The results, as asserted by the Consumer Advocate, have shown that much work remains in order to make the exemptions more effective. In Docket 07-00269, it is the position of the Consumer Advocate that not enough has been done by Embarq to promote the existence of the exemptions to the public. Discovery revealed that a relatively low number of potentially eligible Tennesseans in Embarq's service territory had availed themselves of the exemptions and that there had been very few efforts to publicize the existence of the exemptions.

A public benefit is of little use if the public is unaware of its existence. It was only through discovery in a contested case that the Consumer Advocate gained access to the needed information to realize a problem existed. The Consumer Advocate is concerned a similar problem may exist with respect to AT&T. If in fact AT&T's efforts to promote the existence of the exemptions to seniors and those with disabilities have been successful, such information would offer guidance and perhaps be instructive to both Embarq and Citizens Telecom.¹⁵ However, neither the Authority nor the Consumer Advocate will be able to make an assessment until AT&T produces evidence as to the number of exemptions that have been granted and the promotion efforts the company has engaged

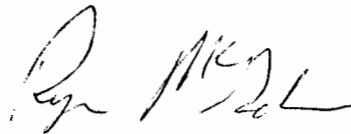
¹⁴ Docket 07-00188, AT&T's Response to the CAPD, August 15, 2007 p.3.

¹⁵ In Docket 08-00021, Citizens Telecom is introducing D.A. charges for the first time. At this time the company's proposed tariff does not provide an exemption for those age 65 and older.

in. This is a very important issue considering that many people with disabilities and/or age 65 and older must live on fixed incomes at a time when prices for essentials are climbing.

WHEREFORE, the Consumer Advocate prays that the Tennessee Regulatory Authority reconsider the Order of July 14, 2008 and convene a contested case for the purpose of evaluating the issues in this matter so that the Consumer Advocate may propose changes to the D.A. tariff based upon a record.

RESPECTFULLY SUBMITTED,

A handwritten signature in dark ink, appearing to read "Ryan L. McGehee", is positioned above a horizontal line.

Ryan L. McGehee, B.P.R. # 025559
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Consumer Advocate and Protection Division
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(615) 532-5512 (phone)
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Complaint and Petition to Intervene was served on the party below via facsimile, U.S. Mail, hand delivery, commercial delivery, or e-mail, on the 29 day of July, 2008.

Guy M. Hicks, Esquire
Joelle J. Phillips, Esquire
AT&T of the South Central States, LLC
333 Commerce Street, Suite 2101
Nashville, Tennessee 37201-3300

A handwritten signature in black ink, appearing to read "R. McGehee", is written over a horizontal line.

Ryan L. McGehee
Assistant Attorney General

Attachment A



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Technology Assessment of Tennessee Residential Consumers September 2007



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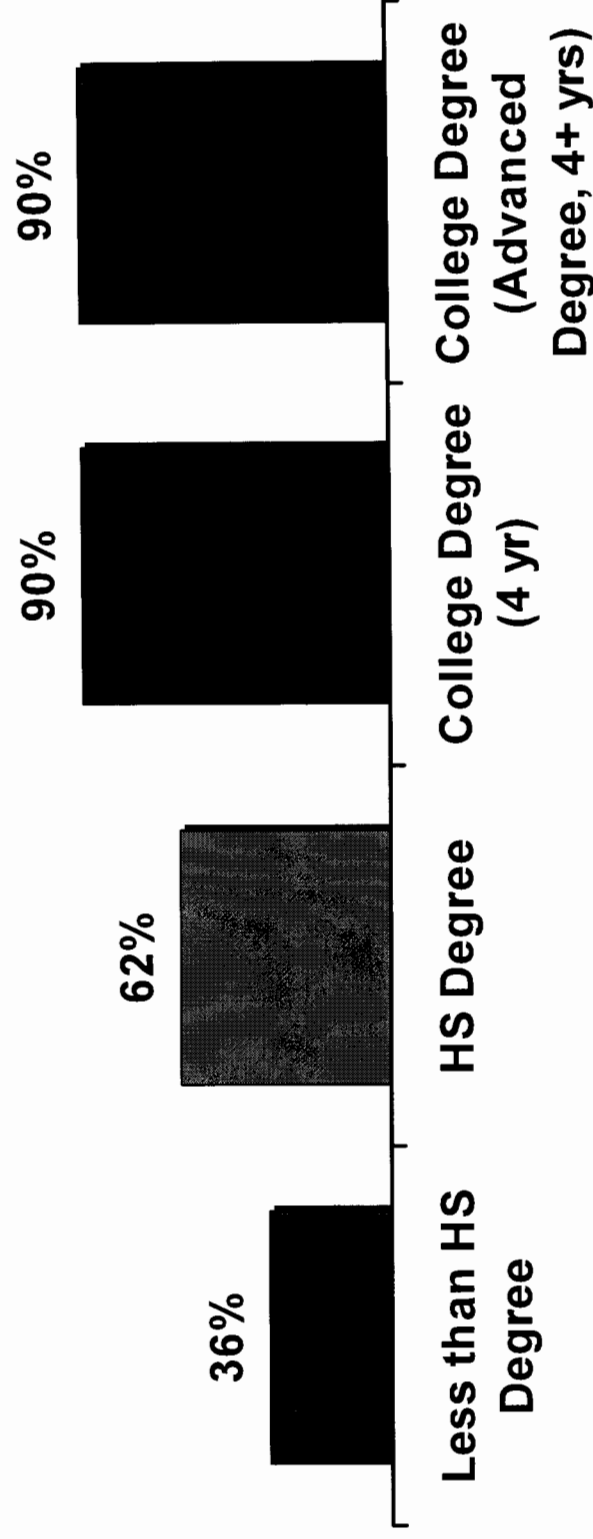
Residential Technology Assessment by Educational Attainment



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Tennessee Residents with a Computer at Home

Percent of Tennessee residents who have a computer at home:



Statewide Average: 71% of Tennessee residents report having a personal computer at home.

Q: Does your household have a computer?

(n = 9,513 TN residents)

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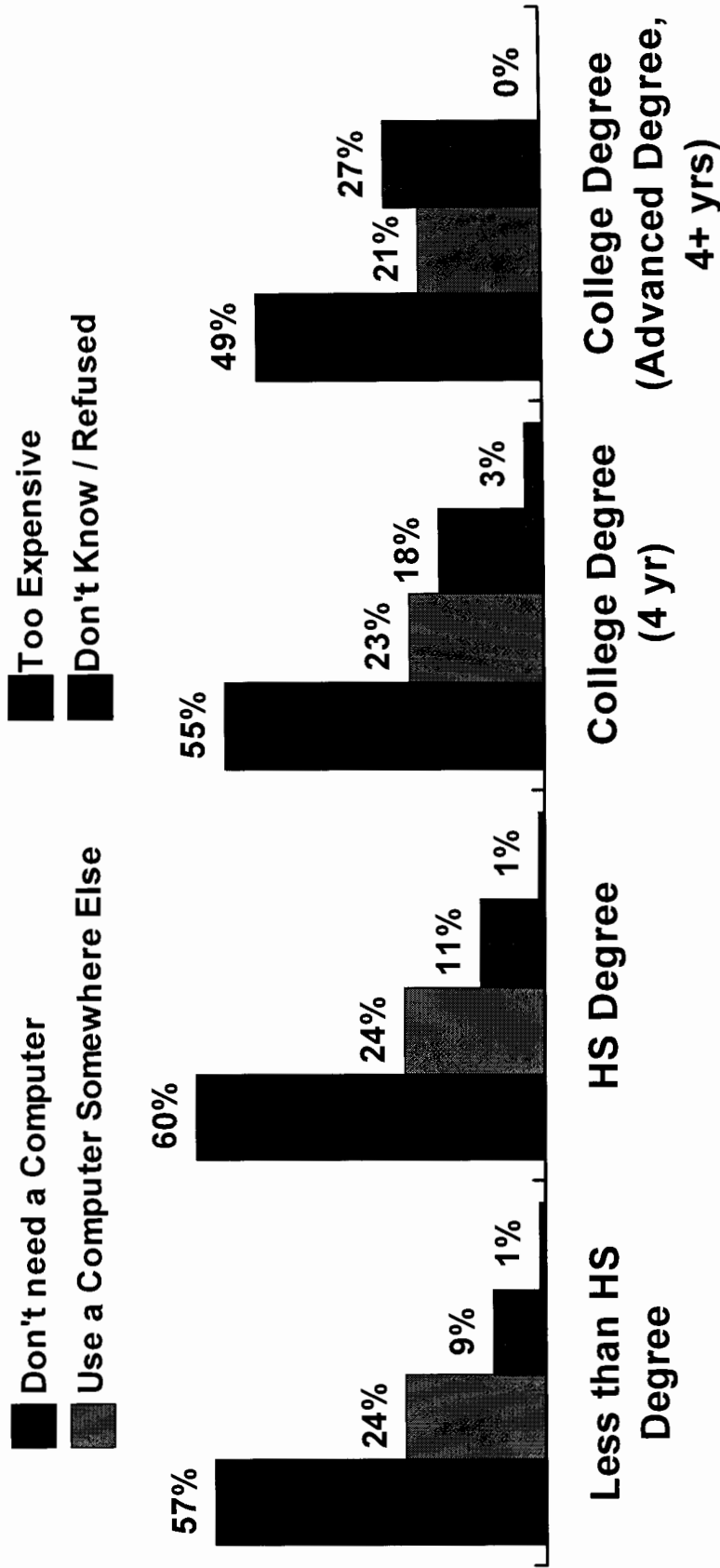
Source: 2007 Connected Tennessee Residential Technology Assessment



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Barriers to Computer Ownership

Top responses given when asked why Tennessee residents do not own a computer:



Q: Why don't you have a computer at home?

(n = 2,735 TN residents with no computer in their household)

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Source: 2007 Connected Tennessee Residential Technology Assessment

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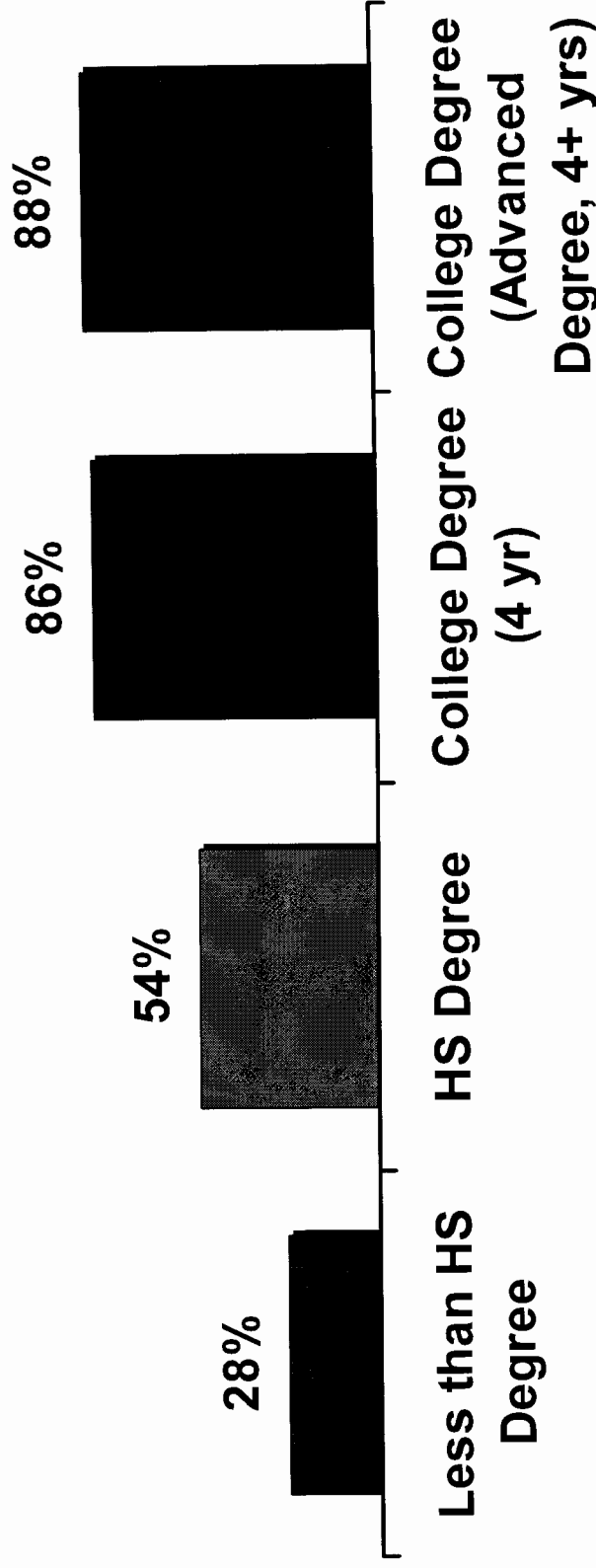
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Tennessee Residents with an Internet Connection at Home

Percent of Tennessee residents who have an Internet connection at home:



Statewide Average: 65% of Tennessee residents report having an Internet connection at home.

Q: Do you have an Internet connection at home?

(n = 9,513 TN residents)

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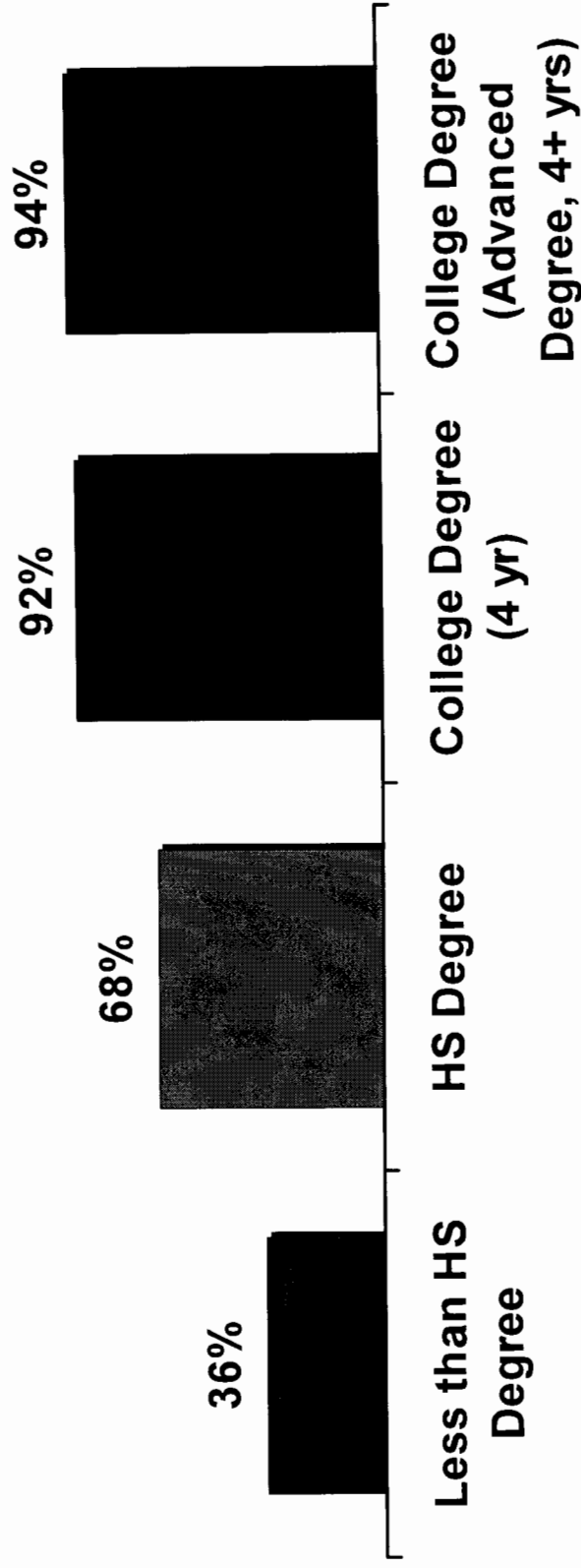
Source: 2007 Connected Tennessee Residential Technology Assessment



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Tennessee Residents Who Access the Internet from Home or Some Other Place

Percent of Tennessee residents who access the Internet from home or some other place:



Statewide Average: 75% of Tennessee residents report accessing Internet from home or someplace else.

Q: At what locations do you have access to the Internet?

(n = 9,513 TN residents)

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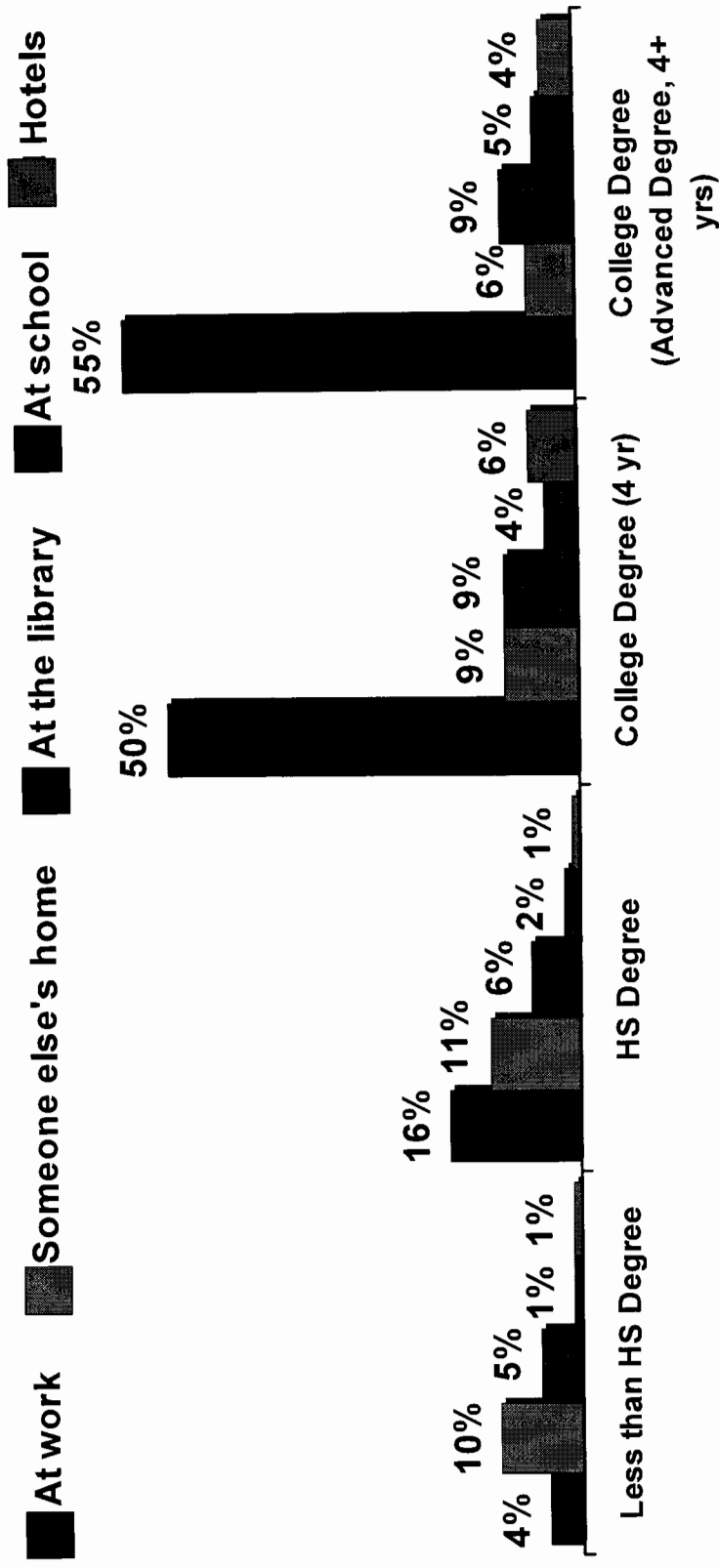
Source: 2007 Connected Tennessee Residential Technology Assessment



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Most Popular Places For Tennessee Residents to Access the Internet

Percent of Tennessee residents who access the Internet someplace other than home:



Q: At what locations do you have access to the Internet?

(n = 9,513 TN residents)

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Source: 2007 Connected Tennessee Residential Technology Assessment



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Top Ten Internet Applications

No H.S. Diploma

1. Sending e-mail
2. Purchasing a product online
3. Using a search engine
4. Researching a product online
5. Sending or receiving photos
6. Playing games online
7. Sending instant messages
8. Downloading music
9. Reading online newspapers or other news sources
10. Research for schoolwork

Q: Which of the following activities do you conduct on the Internet?

(n = 7,167 TN residents with Internet service at home)

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H.S. Diploma

1. Sending e-mail
2. Researching a product online
3. Purchasing a product online
4. Using a search engine
5. Sending or receiving photos
6. Searching for health or medical information
7. Reading news online
8. Playing games online
9. Researching or booking travel
10. Searching for community event information

Source: 2007 Connected Tennessee Residential Technology Assessment



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Top Ten Internet Applications (continued)

College (4 Yrs)

1. Sending e-mail
2. Using a search engine
3. Researching a product online
4. Researching or booking travel
5. Purchasing a product online
6. Reading news online
7. Sending or receiving photos
8. Searching for health or medical information
9. Online Banking
10. Searching for community event information

College (Advanced Deg.)

1. Sending e-mail
2. Using a search engine
3. Researching a product online
4. Researching or booking travel
5. Purchasing a product online
6. Sending or receiving photos
7. Reading news online
8. Searching for health or medical information
9. Searching for community event info
10. Online Banking

Q: Which of the following activities do you conduct on the Internet?

(n = 7,167 TN residents with Internet service at home)

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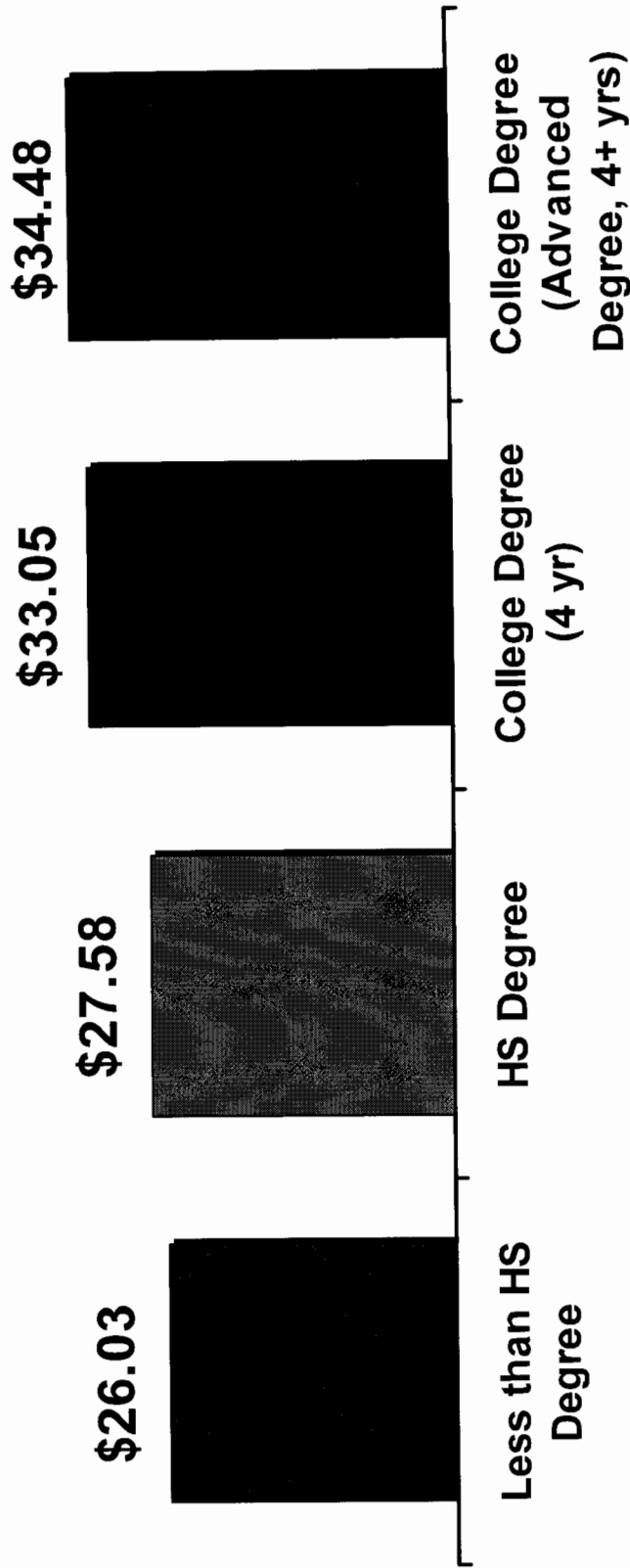
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How Much Tennessee Residents Pay for their Internet Service

Average monthly price Tennessee residents pay for home Internet service:



Statewide Average: Tennessee residents report paying an average of \$30.61 per month.

Q: What do you pay each month for your Internet service?

(n = 6,191 TN residents with Internet service at home)

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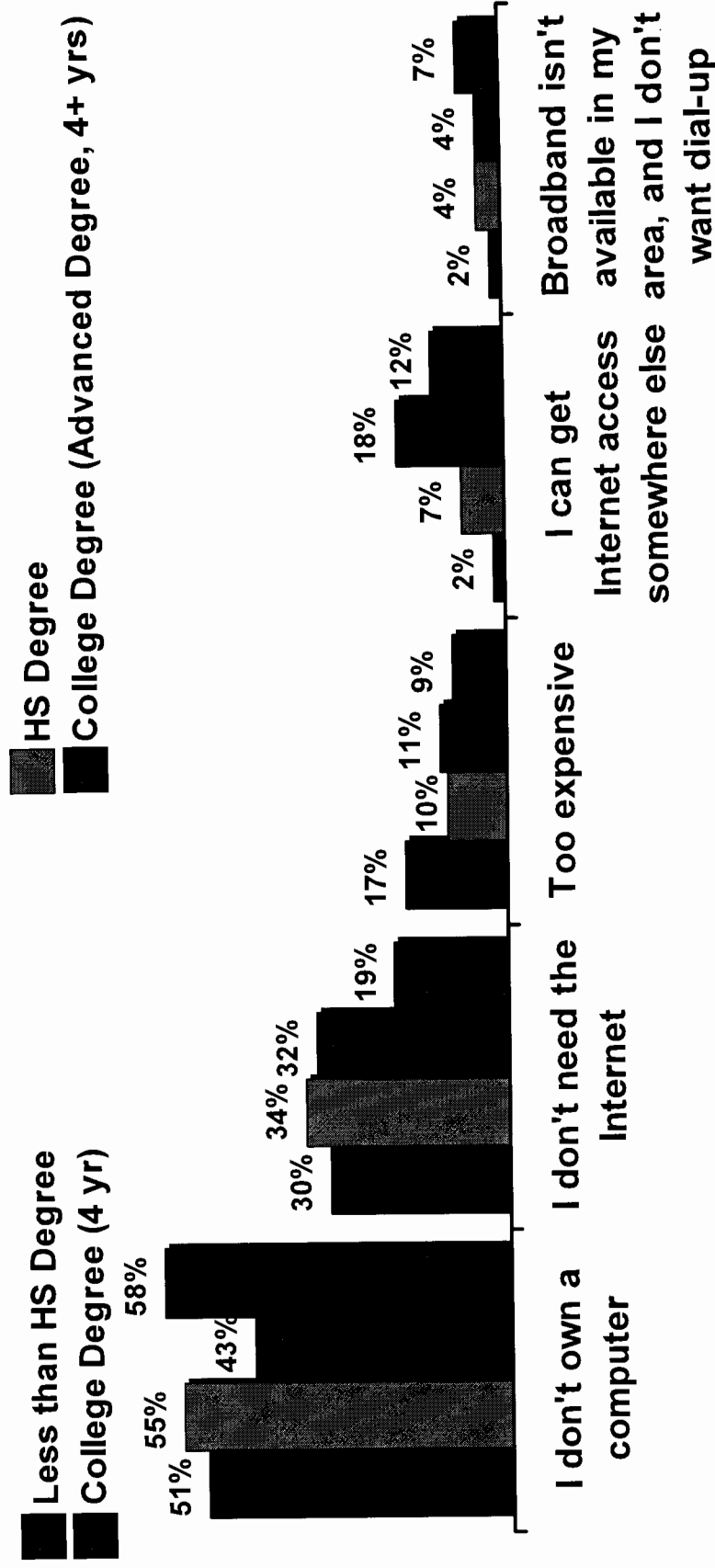
Source: 2007 Connected Tennessee Residential Technology Assessment



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Barriers to Internet Adoption

Percent of Tennessee residents who do not have an Internet connection at home for the following reasons:



Q: Why don't you subscribe to the Internet at home?

(n = 3,237 TN residents without Internet service at home)

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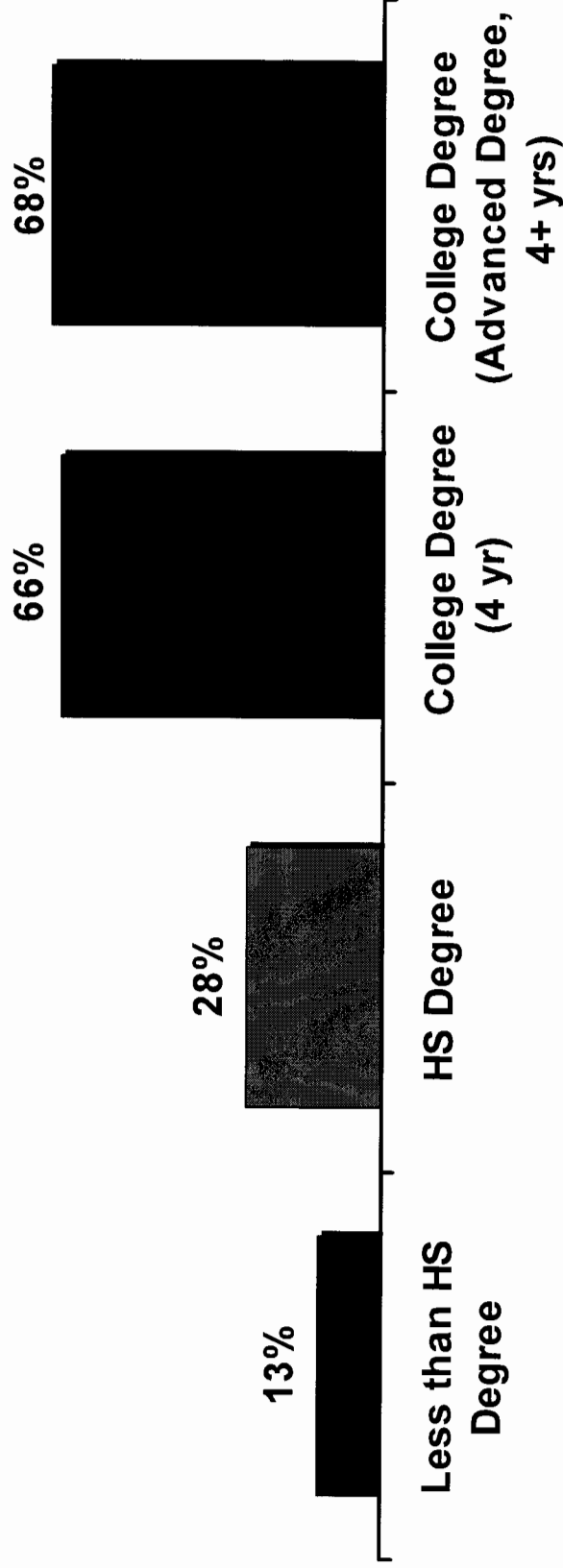
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Tennessee Residents That Have Broadband in their Household

Percent of Tennessee residents who have a broadband connection at home:



Statewide Average: 43% of all Tennessee residents have a broadband connection at home.

Q: Which of the following describe the type of Internet service you have at home?

(n = 9,513 TN residents)

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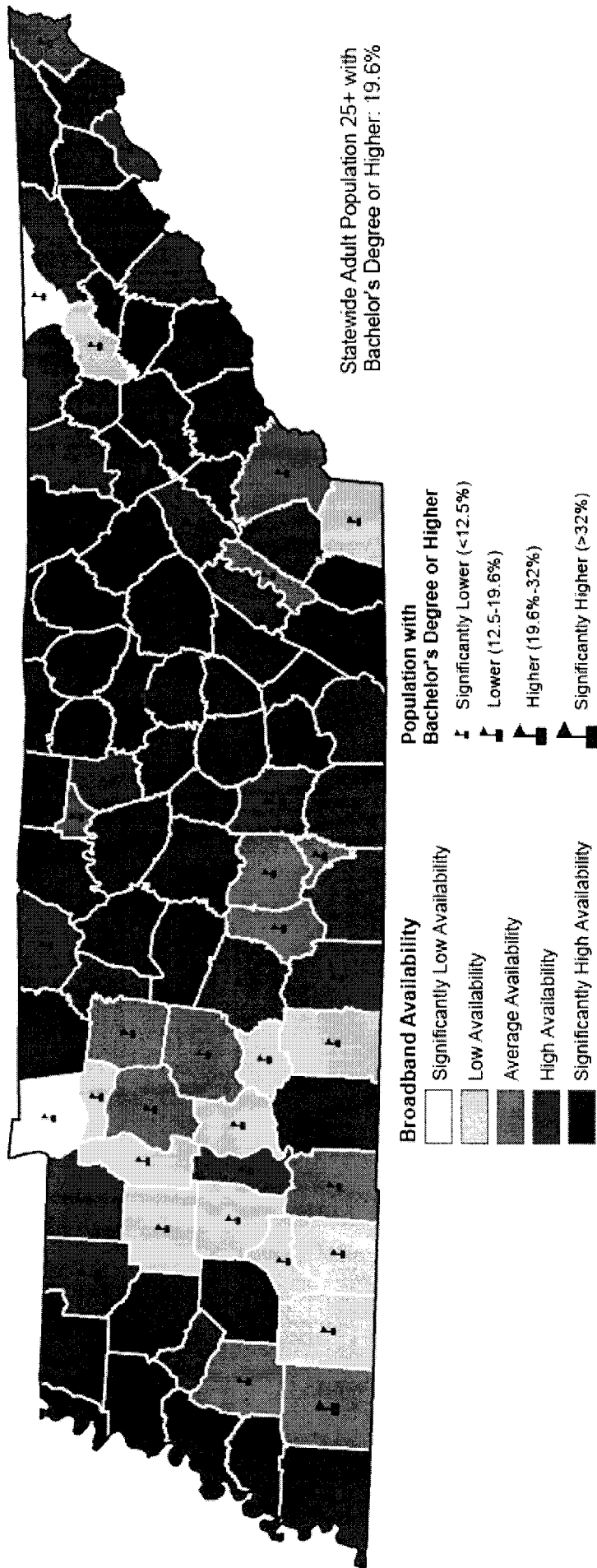
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Broadband Availability vs. Educational Attainment by County

BROADBAND AVAILABILITY VS. EDUCATIONAL ATTAINMENT



Q: Which of the following describe the type of Internet service you have at home?

(n = 9,513 TN residents)

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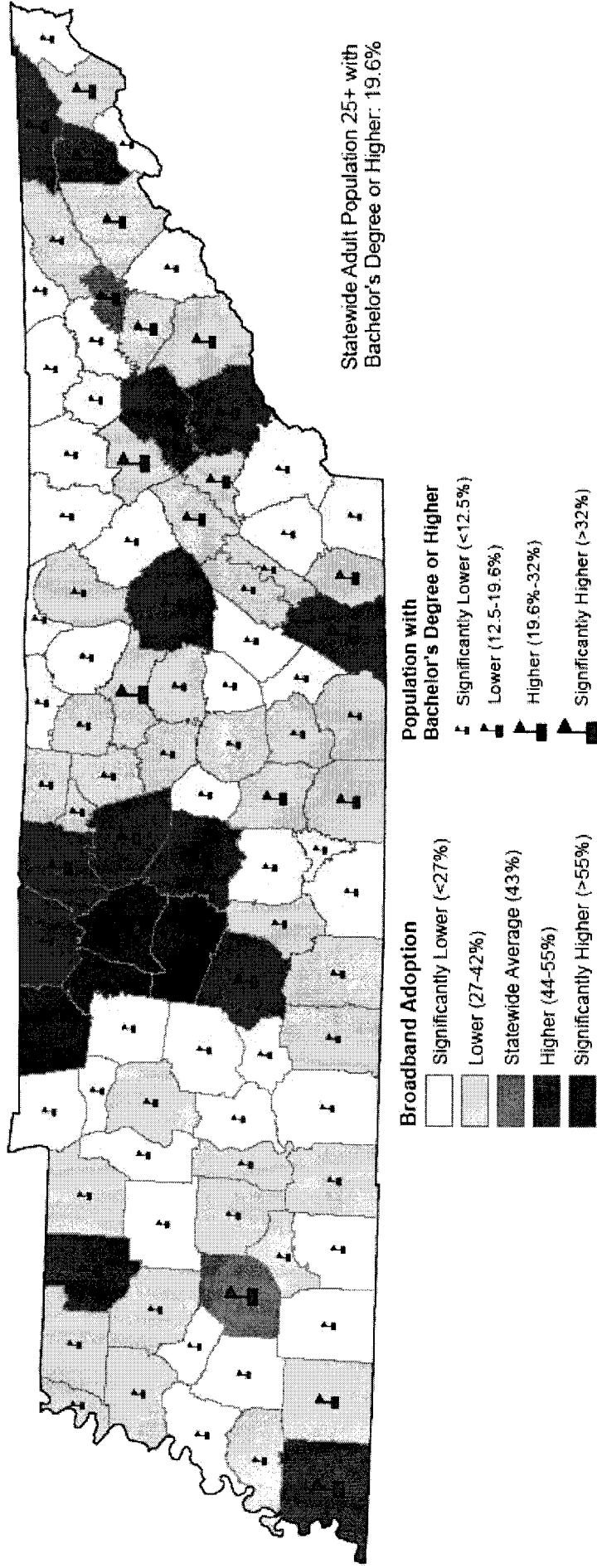
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Broadband Adoption vs. Educational Attainment by County

BROADBAND ADOPTION VS. EDUCATIONAL ATTAINMENT



Q: Which of the following describe the type of Internet service you have at home?

(n = 9,513 TN residents)

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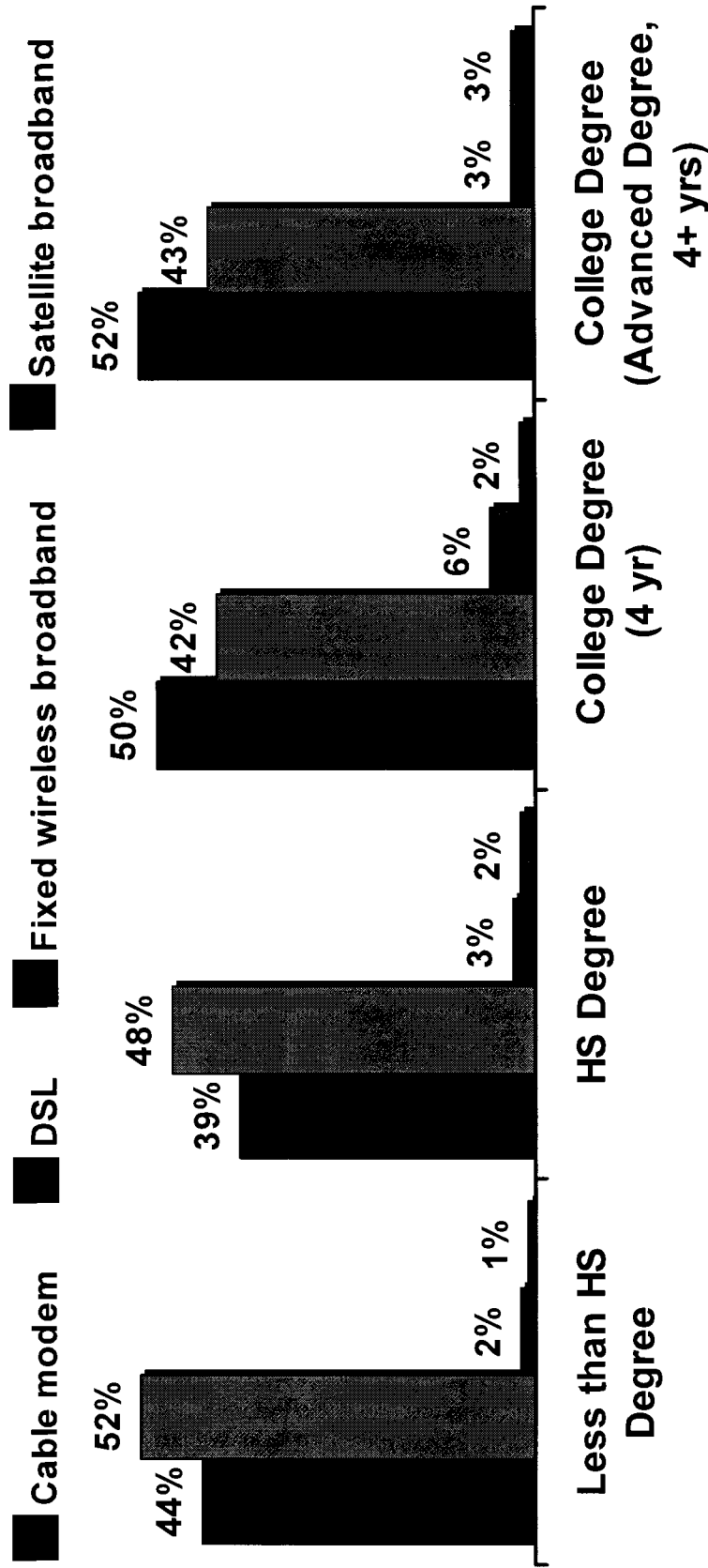
Source: 2007 Connected Tennessee Residential Technology Assessment



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Top Methods of Broadband Access

Percent of Tennessee residents with a broadband connection at home:



Q: Which of the following describes the broadband service you have at home?

(n = 4,035 TN residents with broadband service at home)

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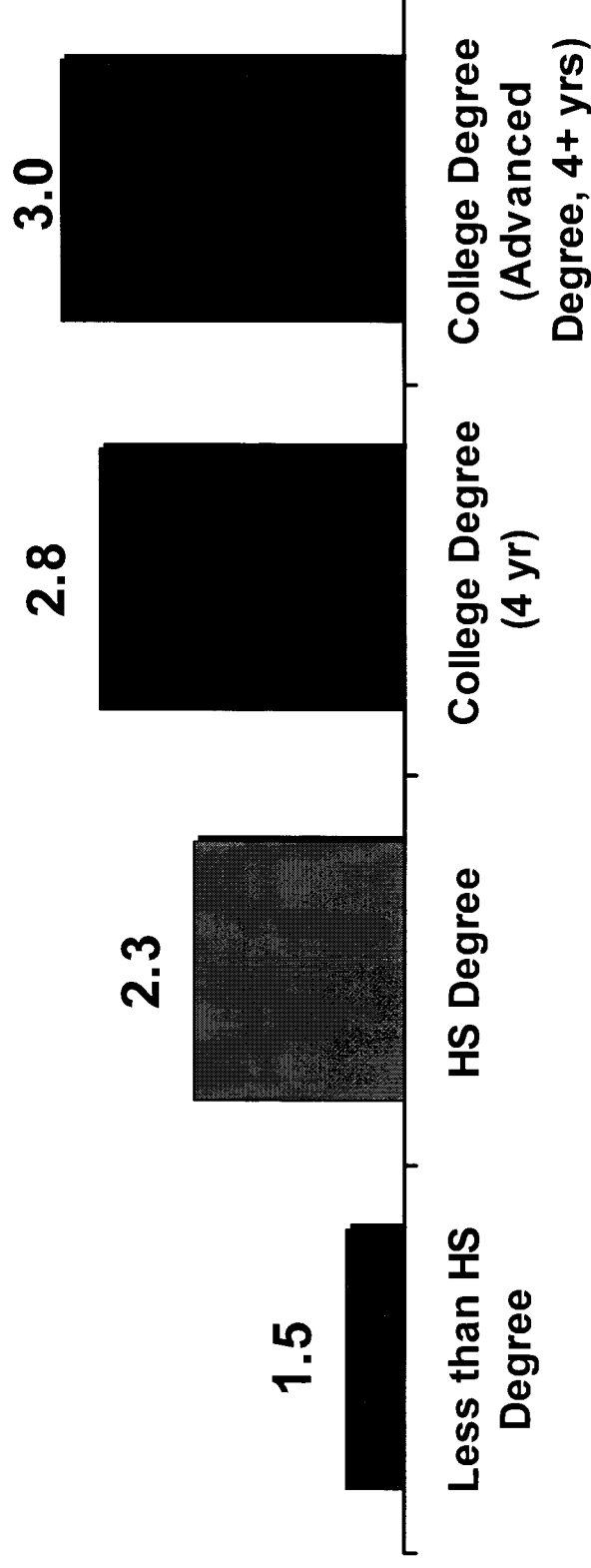
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How Long Tennessee Residents Have Had Broadband in their Household

Average number of years Tennessee residents have accessed broadband from home:



Statewide Average: Tennessee residents adopted broadband 2.6 years ago on average.

Q: When did you subscribe to broadband service?

(n = 4,053 TN residents with broadband service at home)

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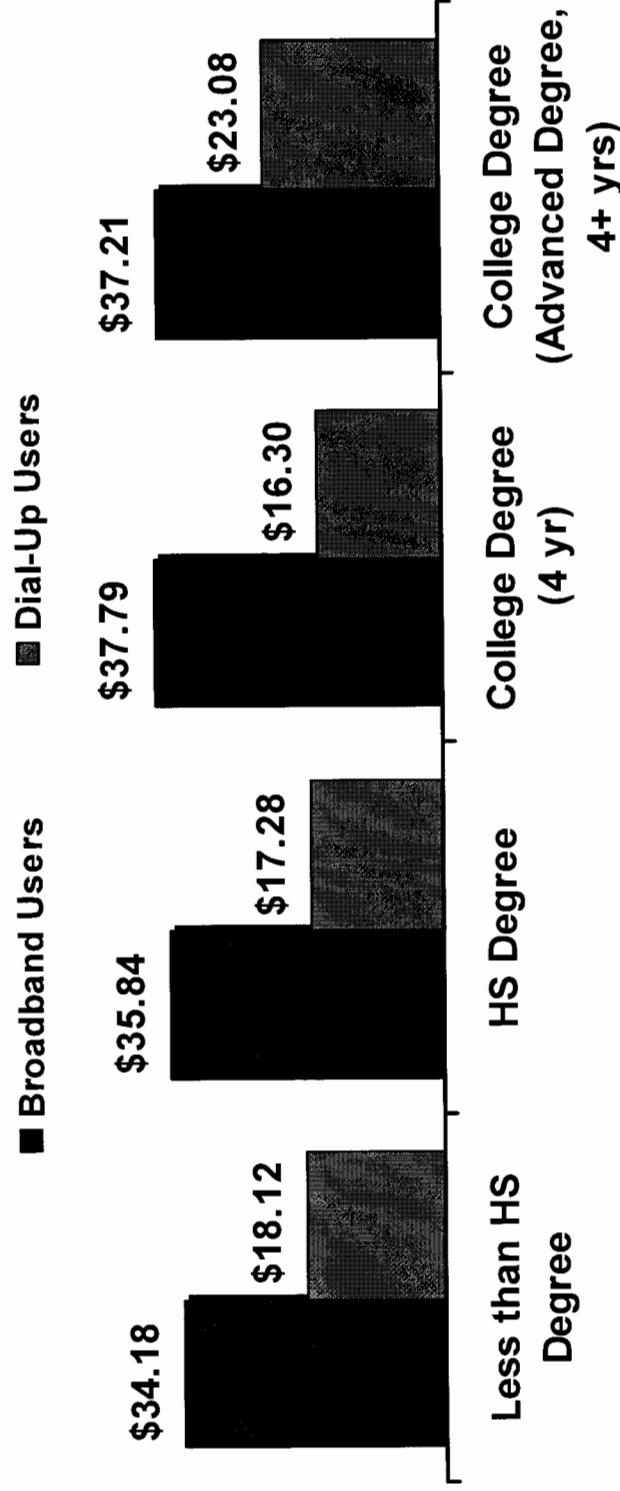
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How Much Tennessee Residents Pay for Internet

Average monthly cost that Tennessee residents pay for broadband and dial-up connections from home:



Statewide Average: Tennessee residents pay an average of \$36.65 per month for home broadband access and \$17.82 for dial-up.

Q: What do you pay each month for your Internet service?

(n = 4,053 TN residents with broadband service at home)

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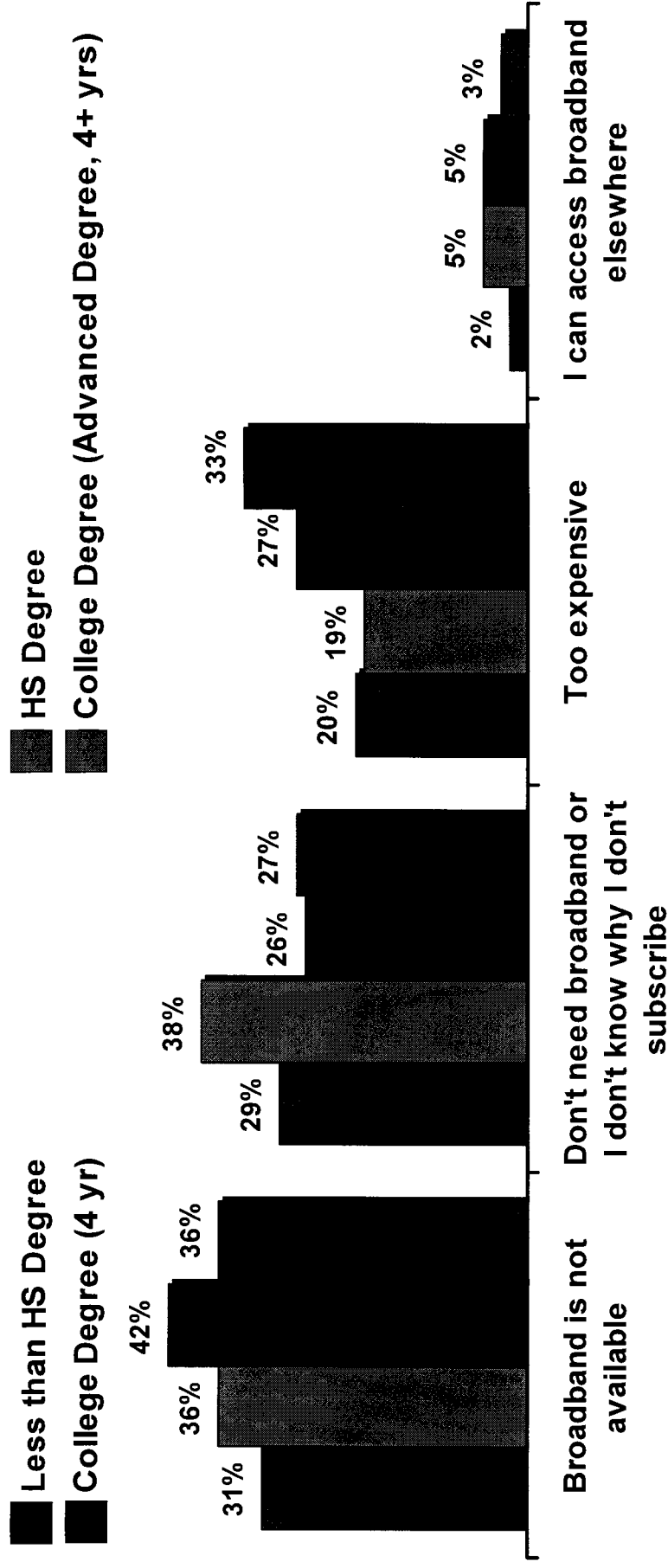
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Top Barriers to Broadband Adoption

Percent of Tennessee residents with dial-up service at home:



Q: Why don't you subscribe to broadband at home?

(n = 1,787 TN residents who rely on dial-up for Internet service at home)

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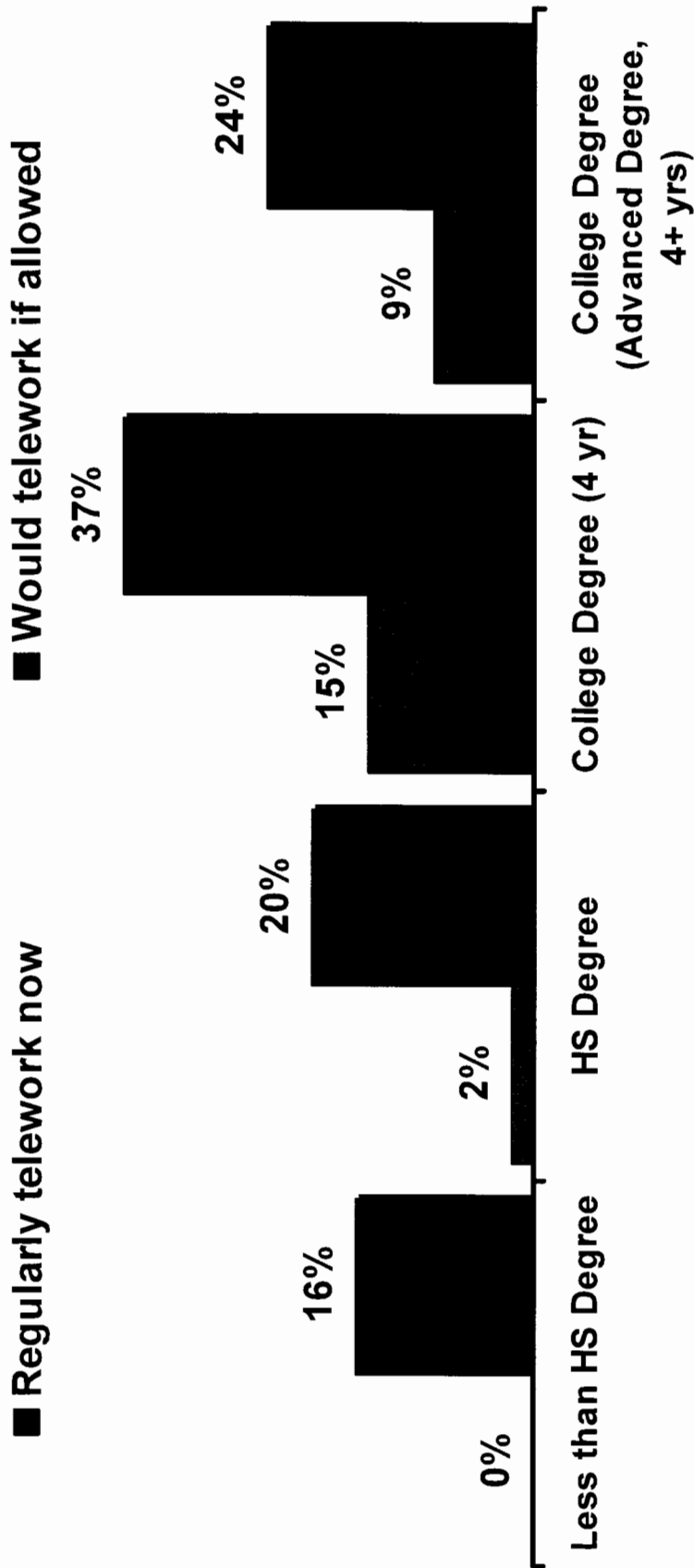
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Tennessee Residents and Telework

Percent of Tennessee residents employed full or part time who:



Q: Do you regularly work from home through a broadband connection, commonly known as teleworking?

(n = 5,487 TN residents employed full or part time)

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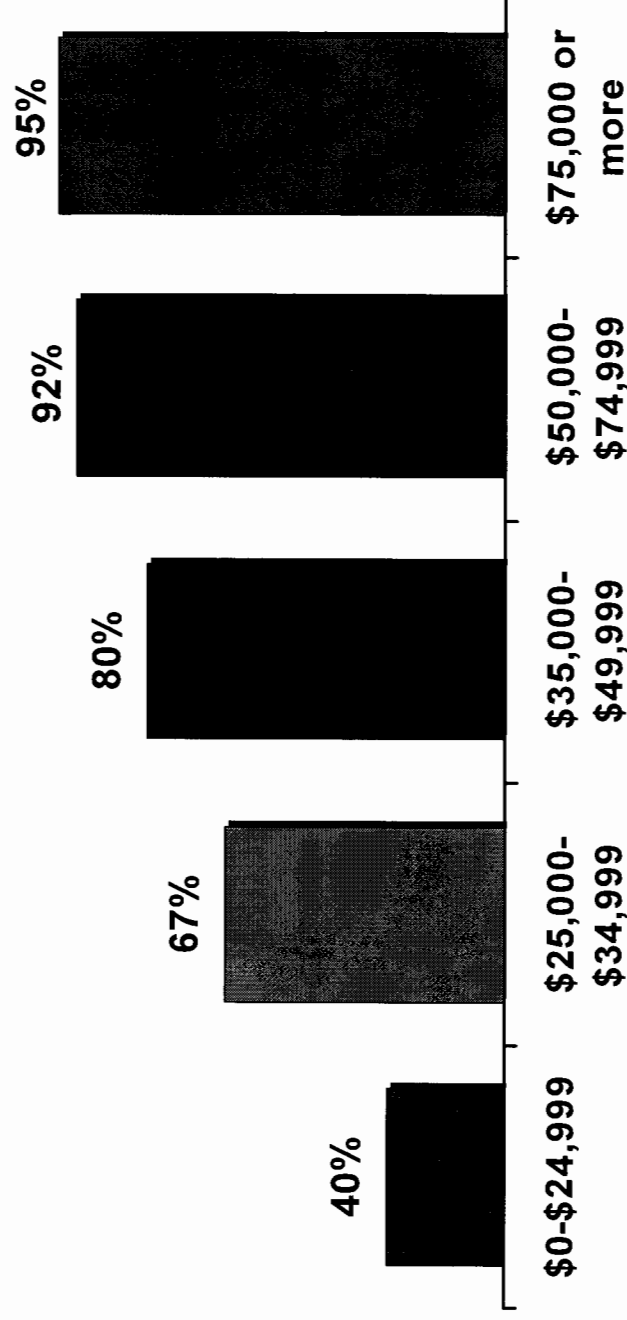
Residential Technology Assessment by Income



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Tennessee Residents with a Computer at Home

Percent of Tennessee residents who have a computer at home:



Annual Household Income

Statewide Average: 71% of Tennessee residents report having a personal computer at home.

Q: Does your household have a computer?

(n = 9,513 TN residents)

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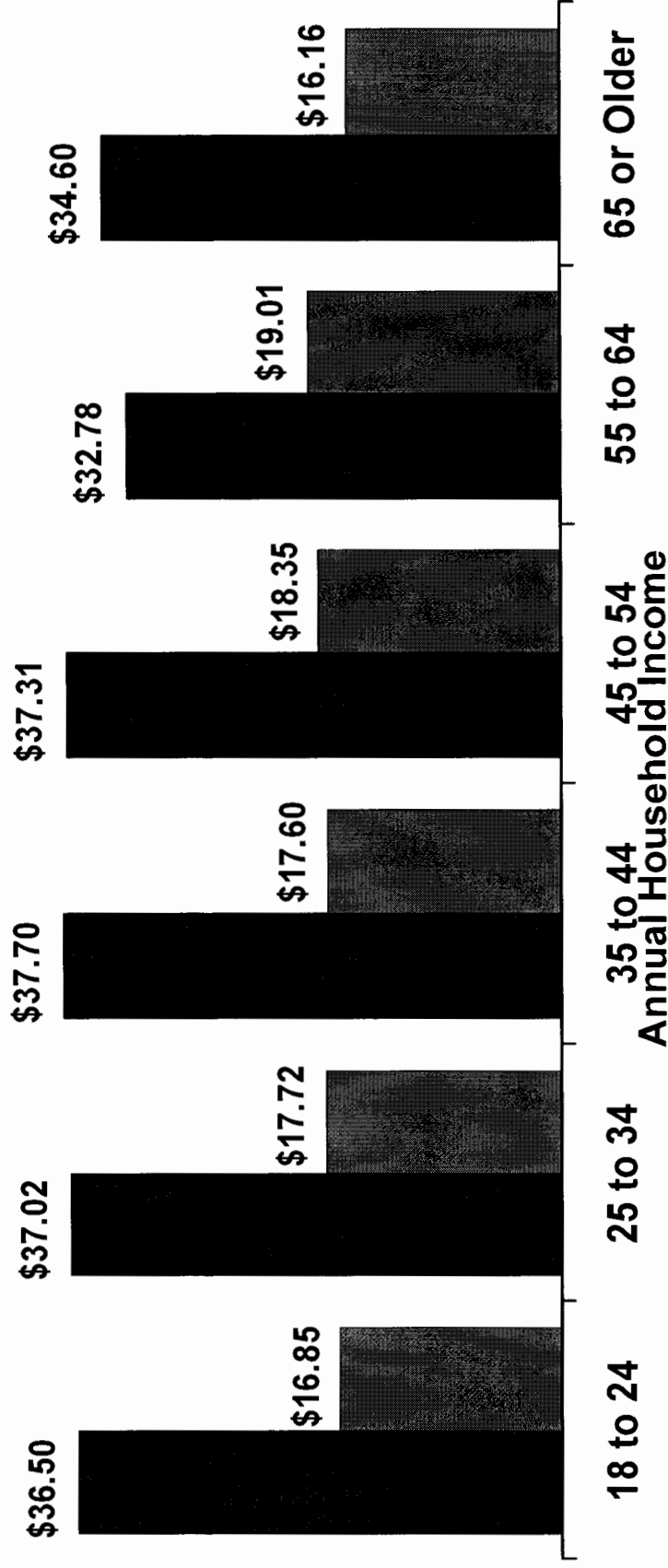


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Barriers to Computer Ownership

Top responses given when asked why Tennessee residents do not own a computer:

■ Broadband Users ■ Dial-Up Users



Q: Why don't you have a computer at home?

(n = 2,735 TN residents with no computer in their household)

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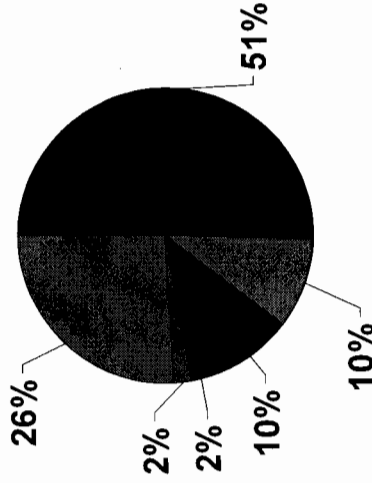


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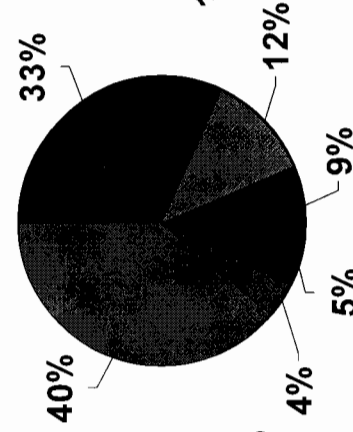
Barriers to Computer Ownership

Income distribution of the top barriers to computer ownership:

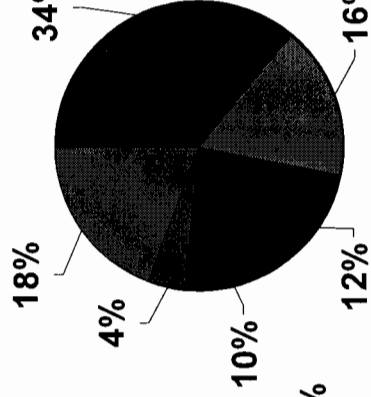
Computers are too expensive:



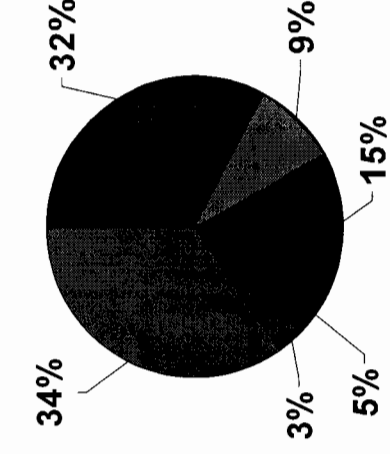
I do not need a computer:



I use a computer somewhere else:



Something other:



Less than \$25,000

\$25,000-\$34,999

\$35,000-\$49,999

\$50,000-\$74,999

\$75,000 or more

Income not specified

Q: Why don't you have a computer at home?

(n = 2,735 TN residents with no computer in their household)

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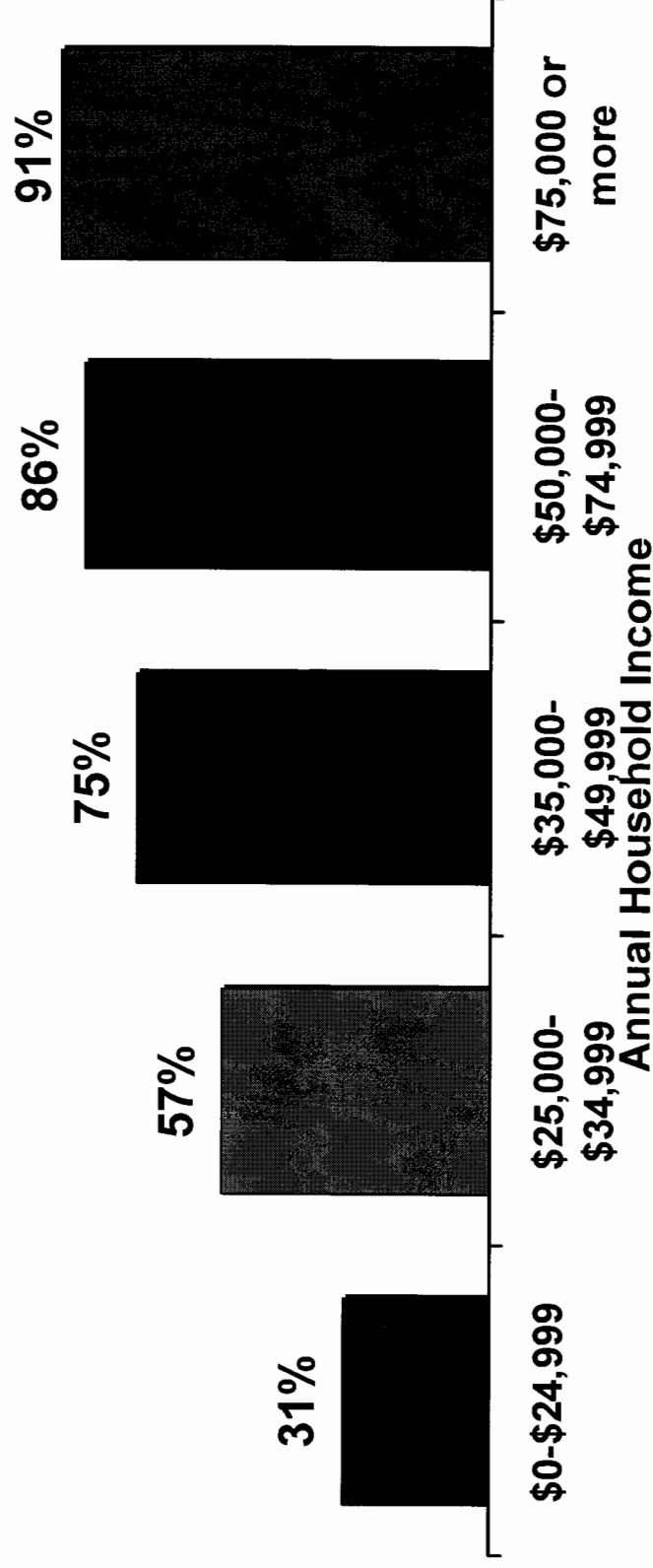
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Tennessee Residents with an Internet Connection at Home

Percent of Tennessee residents who access the Internet at home:



**Statewide Average: 65% of Tennessee residents report having an
Internet connection at home.**

Q: Do you have an Internet connection at home?

(n = 9,513 TN residents)

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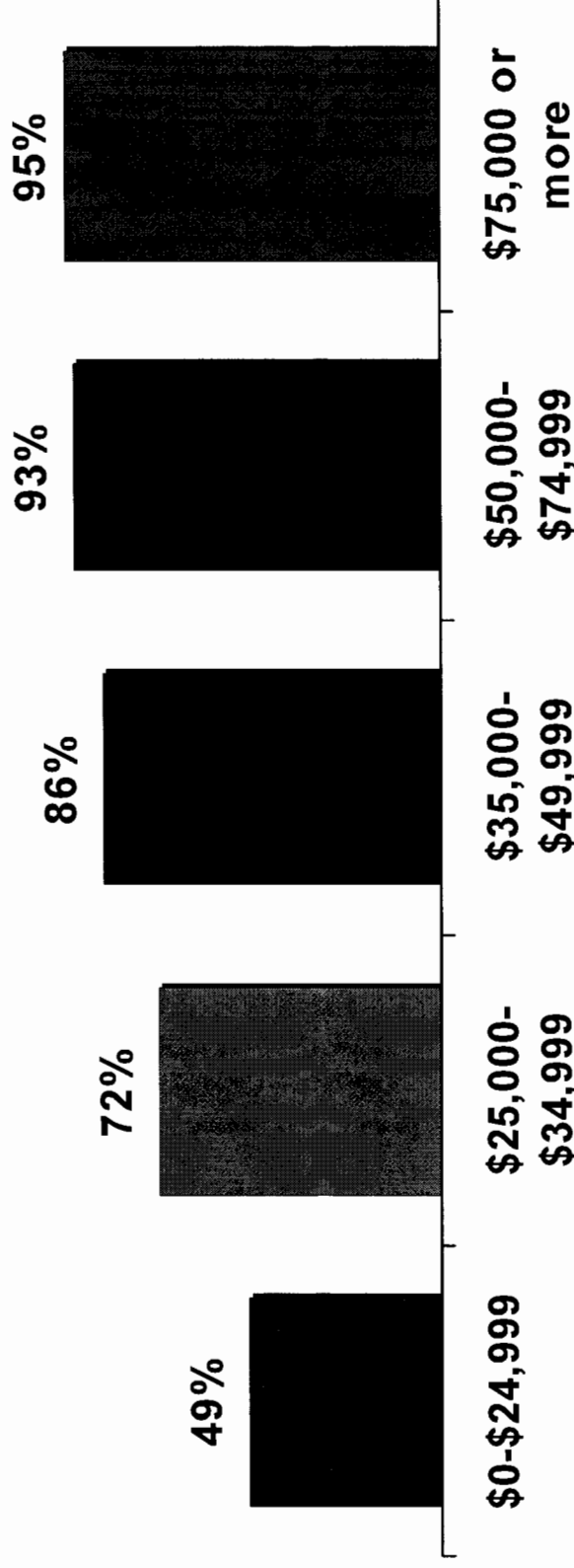
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Tennessee Residents Who Access the Internet from Home or Some Other Place

Percent of Tennessee residents who access the Internet from home or some other place:



Annual Household Income

Statewide Average: 75% of Tennessee residents report using the Internet at home or someplace else.

Q: At what locations do you have access to the Internet?

(n = 9,513 TN residents)

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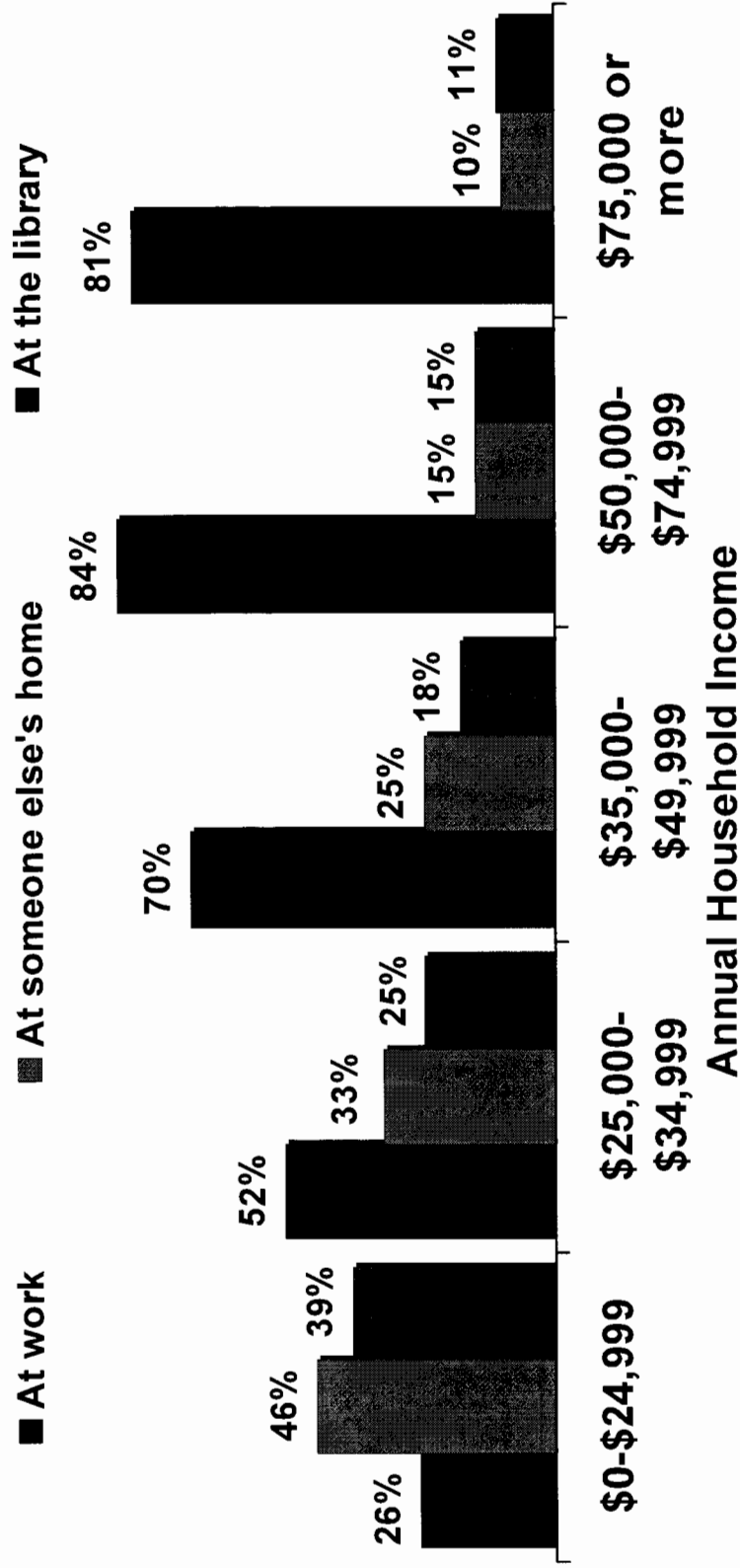
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Most Popular Places For Tennessee Residents to Access the Internet

Percent of Tennessee residents who access the Internet someplace other than home:



Q: At what locations do you have access to the Internet?

(n = 9,513 TN residents)

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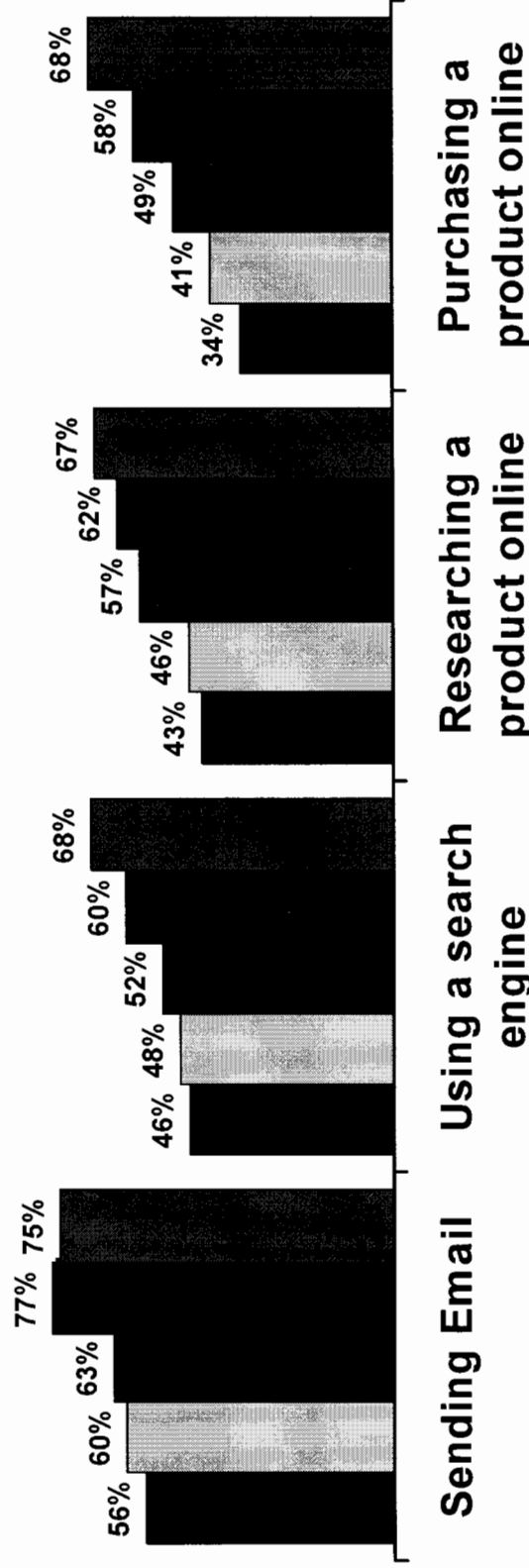
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Most Popular Internet Applications

Percent of Tennessee residents who have Internet service and use the following applications:

■ \$0-\$24,999 ■ \$25,000-\$34,999 ■ \$35,000-\$49,999

■ \$50,000-\$74,999 ■ \$75,000 or more



Q: Which of the following activities do you conduct on the Internet?

(n = 7,167 TN residents with Internet service at home)

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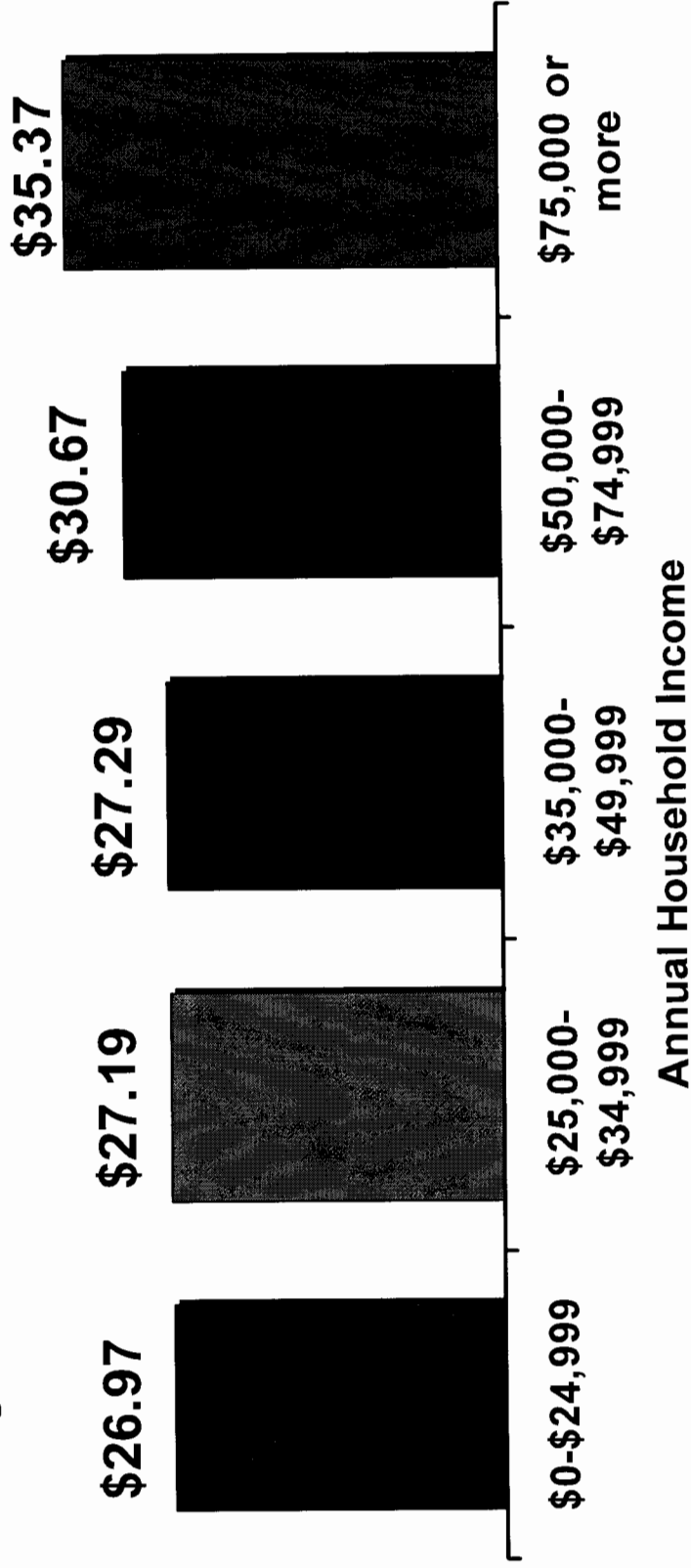
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How Much Tennessee Residents Pay for their Internet Service

Average monthly price Tennessee residents pay for home Internet service:



**Statewide Average: Tennessee residents report paying an average
of \$30.61 per month.**

Q: What do you pay each month for your Internet service?

(n = 6,191 TN residents with Internet service at home)

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Barriers to Internet Adoption

Percent of Tennessee residents who do not have the Internet for the following reasons:

	☐ Significantly <i>higher</i> than the state average:	\$0-\$24,999	\$25,000-\$34,999	\$35,000-\$49,999	\$50,000-\$74,999	\$75,000 or more
	☐ Significantly <i>lower</i> than the state average:					
I don't own a computer		52%	59%	49%	40%	29%
I don't need the Internet		29%	33%	31%	33%	35%
Too expensive		17%	9%	10%	15%	8%
I can get Internet access somewhere else		7%	6%	6%	14%	8%
Broadband isn't available in my area, and I don't want dial-up.		3%	3%	6%	12%	6%
Don't know/refused		1%	0%	0%	1%	7%

Shading indicates that a value is significantly lower (pink) or higher (green) than the Tennessee state average (significance measured at a 95% confidence level)

Q: Why don't you subscribe to the Internet at home?

(n = 3,237 TN residents without Internet service at home)

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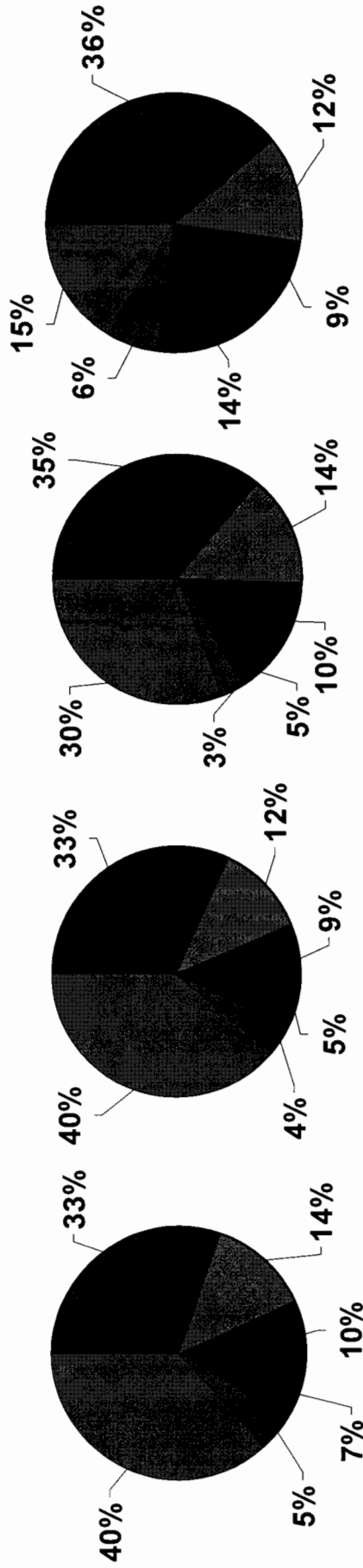
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Barriers to Internet Adoption

Income distribution of the top barriers to Internet adoption:

I can access the

The Internet is too expensive: I do not need the Internet: I do not own a computer: I can access the Internet somewhere else:



Less than \$25,000 \$25,000-\$34,999 \$35,000-\$49,999 \$50,000-\$74,999 \$75,000 or more Income not specified

Q: Why don't you subscribe to the Internet at home?

(n = 3,237 TN residents without Internet service at home)

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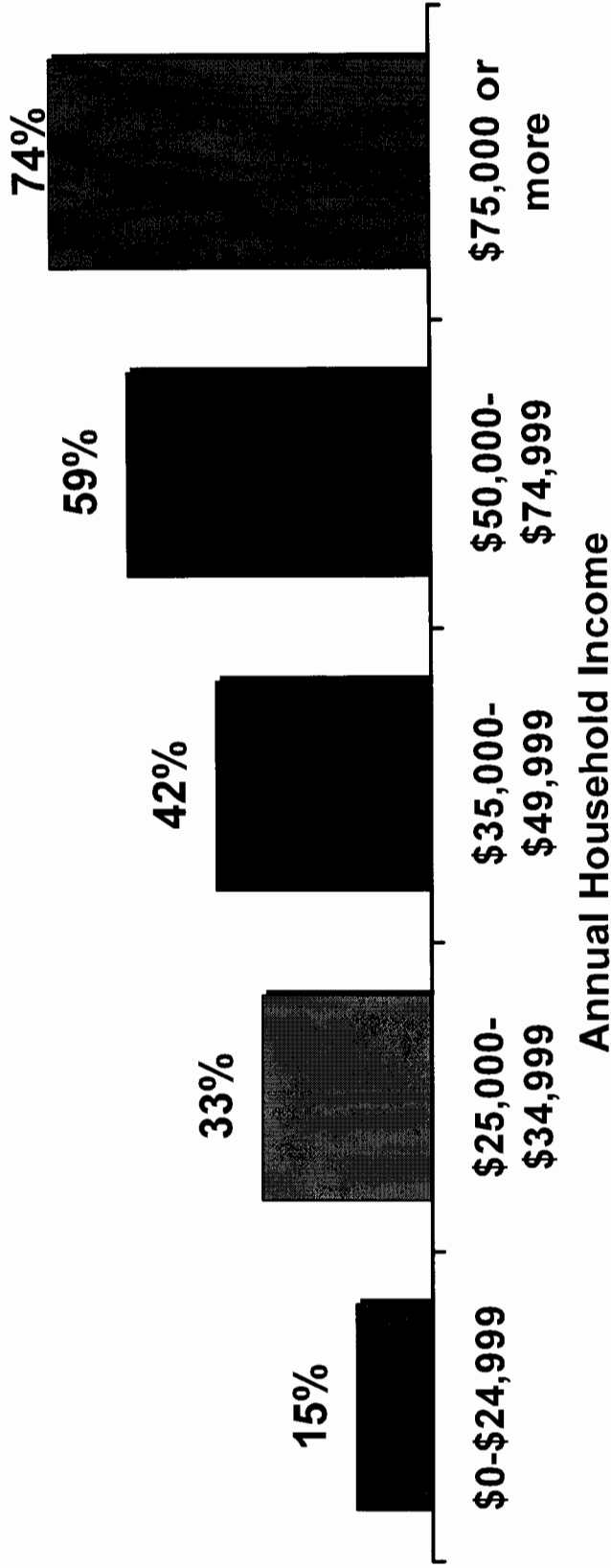
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Tennessee Residents That Have Broadband in their Household

Percent of Tennessee residents who have a broadband connection at home:



Statewide Average: 43% of all Tennessee residents have a broadband connection at home.

Q: Which of the following describe the type of Internet service you have at home?

(n = 9,513 TN residents)

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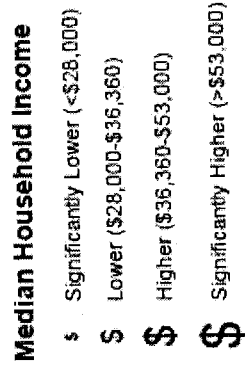
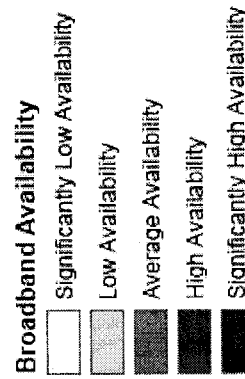
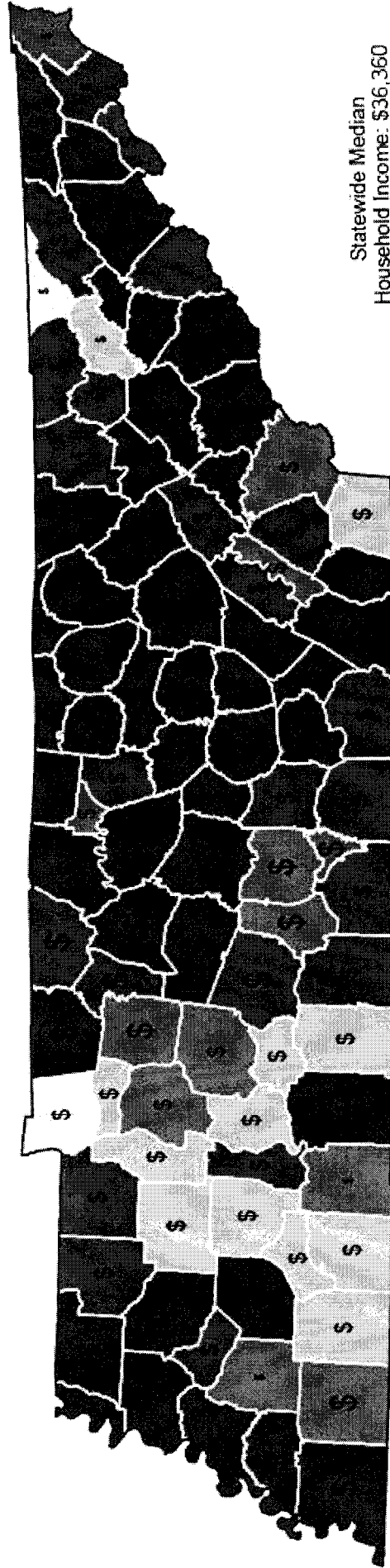
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Broadband Availability vs. Median Household Income by County

BROADBAND AVAILABILITY VS. MEDIAN HOUSEHOLD INCOME



Statewide Median
Household Income: \$36,360

Q: Which of the following describe the type of Internet service you have at home?

(n = 9,513 TN residents)

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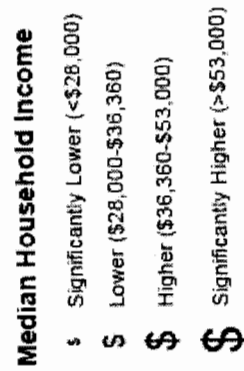
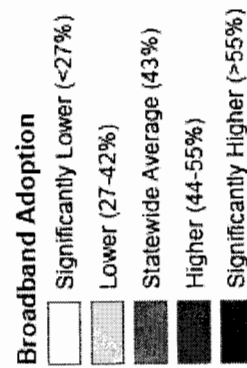
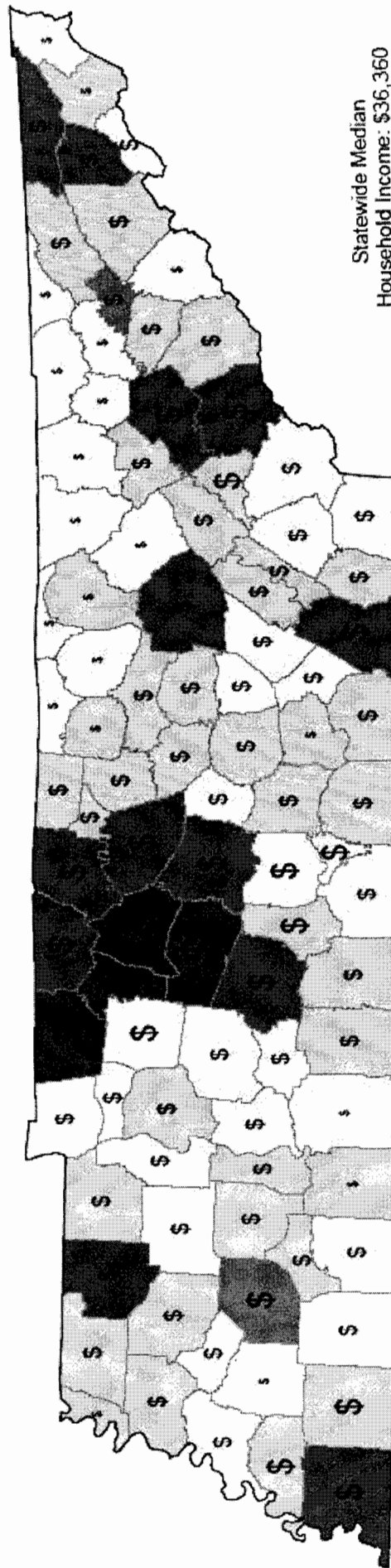
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Broadband Adoption vs. Median Household Income by County

BROADBAND ADOPTION VS. MEDIAN HOUSEHOLD INCOME



Q: Which of the following describe the type of Internet service you have at home?

(n = 9,513 TN residents)

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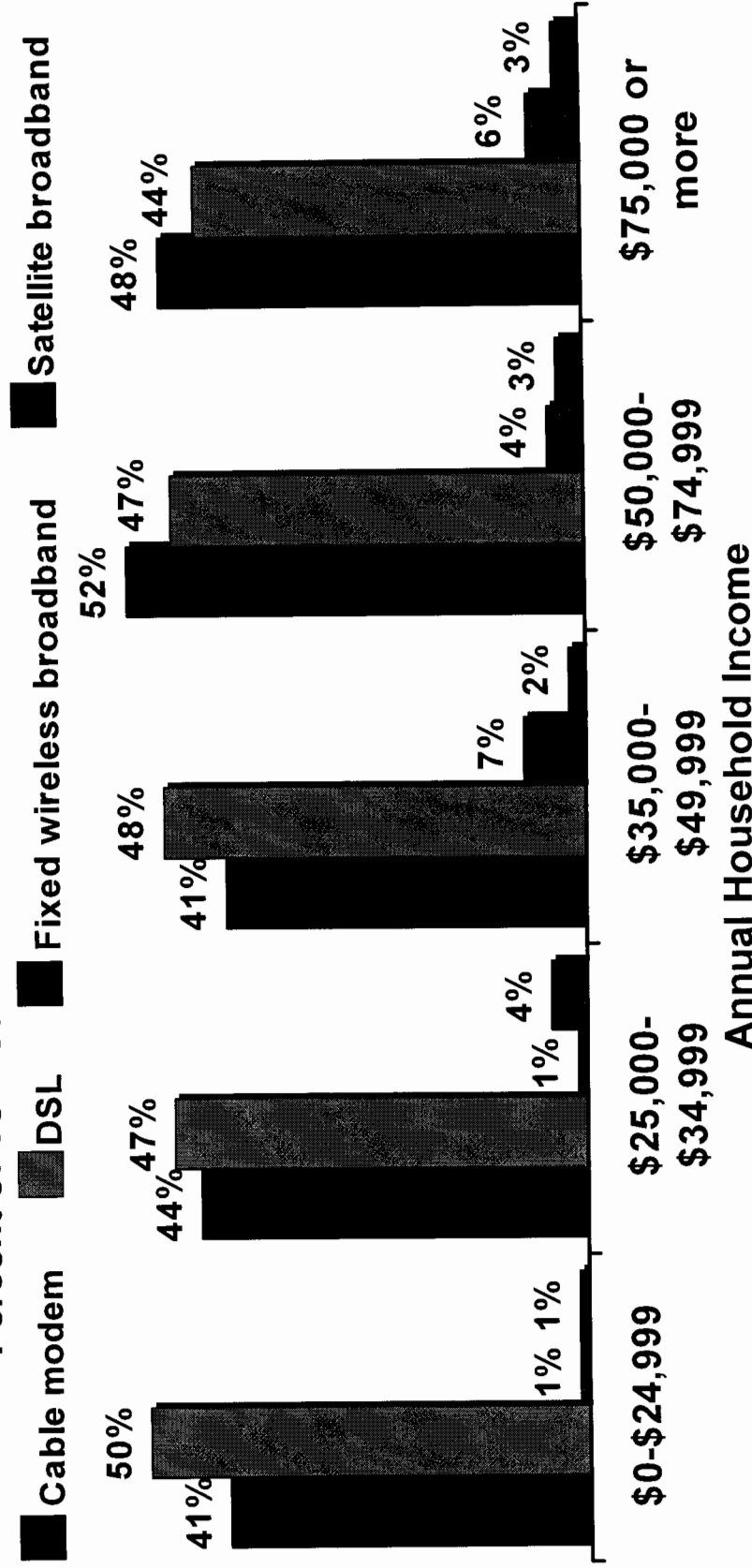


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Top Methods of Broadband Access

Percent of Tennessee residents who use broadband at home:



Q: Which of the following describes the broadband service you have at home?

(n = 4,035 TN residents with broadband service at home)

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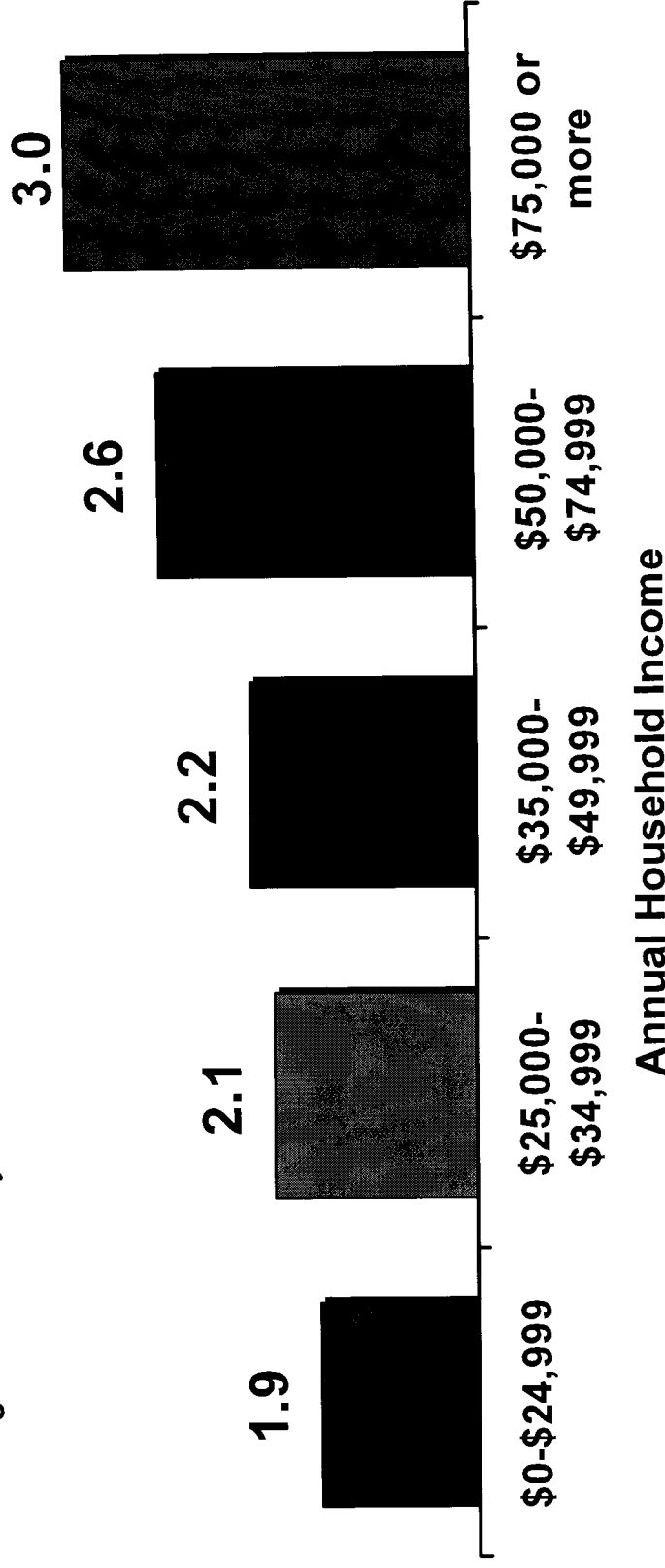
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How Long Tennessee Residents Have Had Broadband in their Household

Average number of years Tennessee residents have accessed broadband from home:



**Statewide Average: Tennessee residents adopted broadband 2.6
years ago on average.**

Q: When did you subscribe to broadband service?

(n = 4,053 TN residents with broadband service at home)

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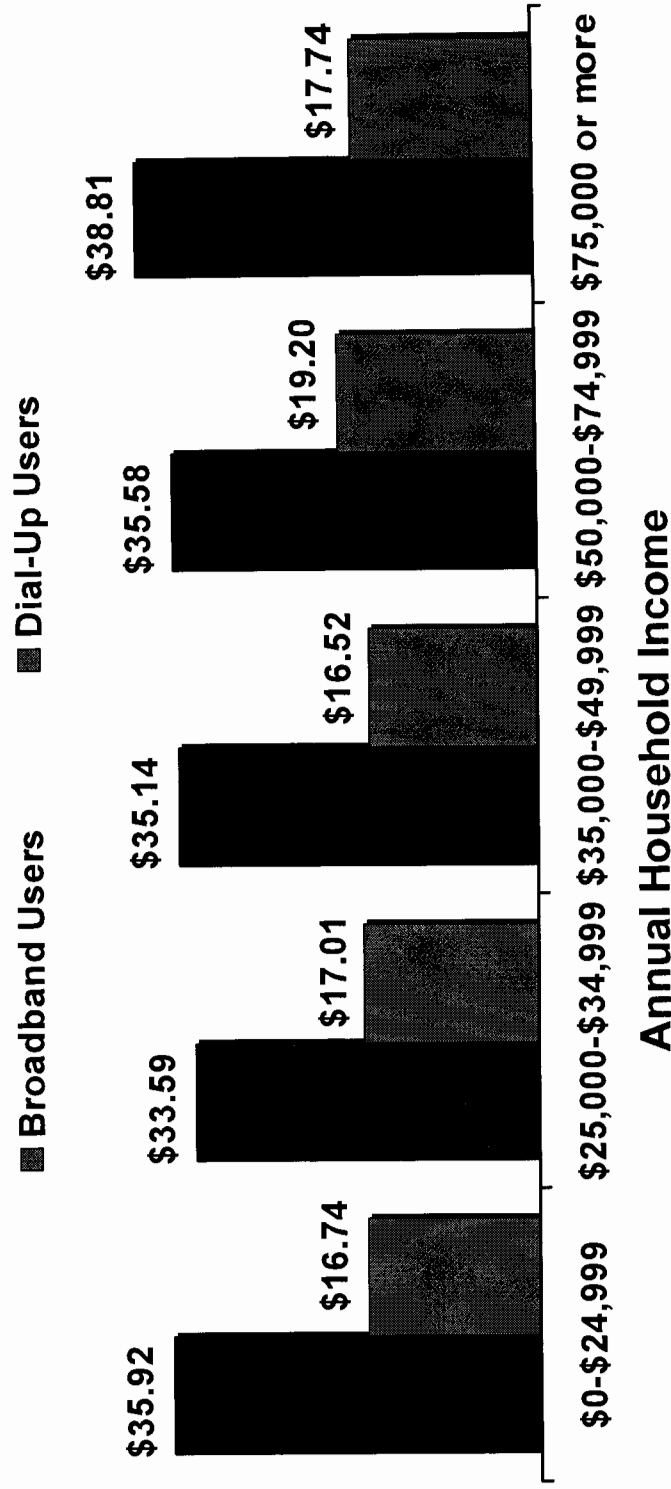
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How Much Tennessee Residents Pay for Internet

Average monthly cost that Tennessee residents pay for broadband and dial-up at home:



Statewide Average: Tennessee residents pay an average of \$36.65 per month for home broadband access and \$17.82 for dial-up.

Q: What do you pay each month for your Internet service?

(n = 4,053 TN residents with broadband service at home)

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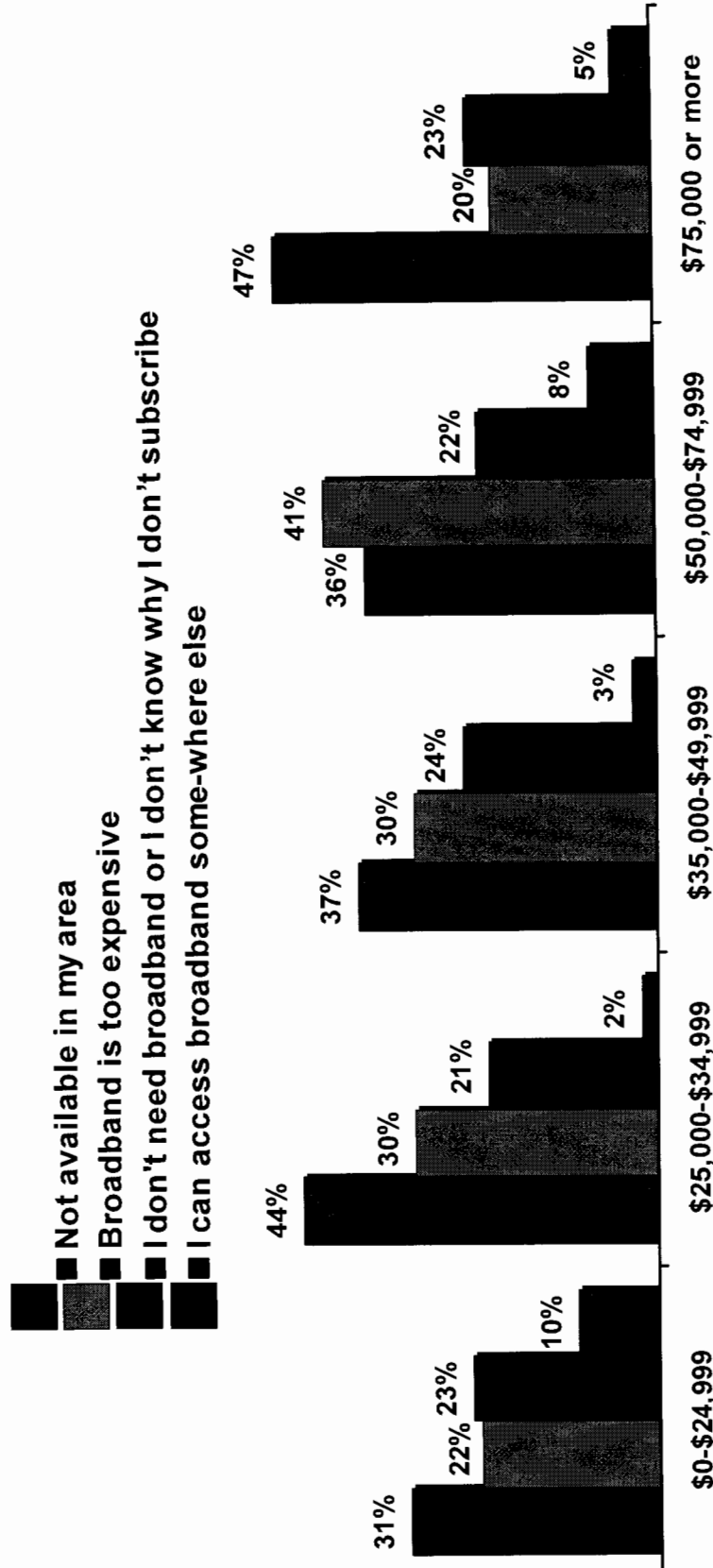


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Top Barriers to Broadband Adoption

Percent of Tennessee residents with dial-up service at home:



Q: Why don't you subscribe to broadband at home?

(n = 1,787 TN residents who rely on dial-up for Internet service at home)

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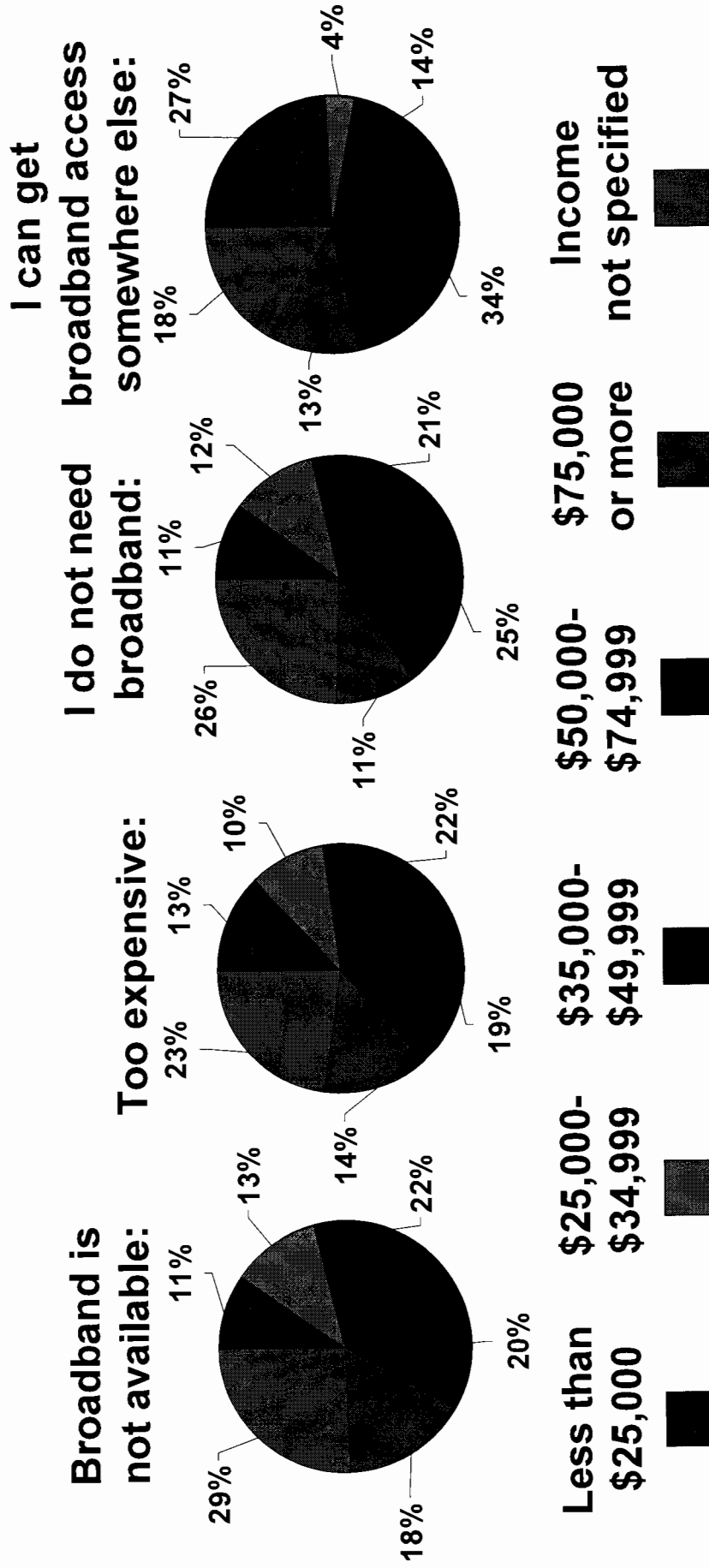
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Barriers to Broadband Adoption

Income distribution of the top barriers to broadband adoption:



Q: Why don't you subscribe to broadband at home?

(n = 1,787 TN residents with dial-up Internet service at home)

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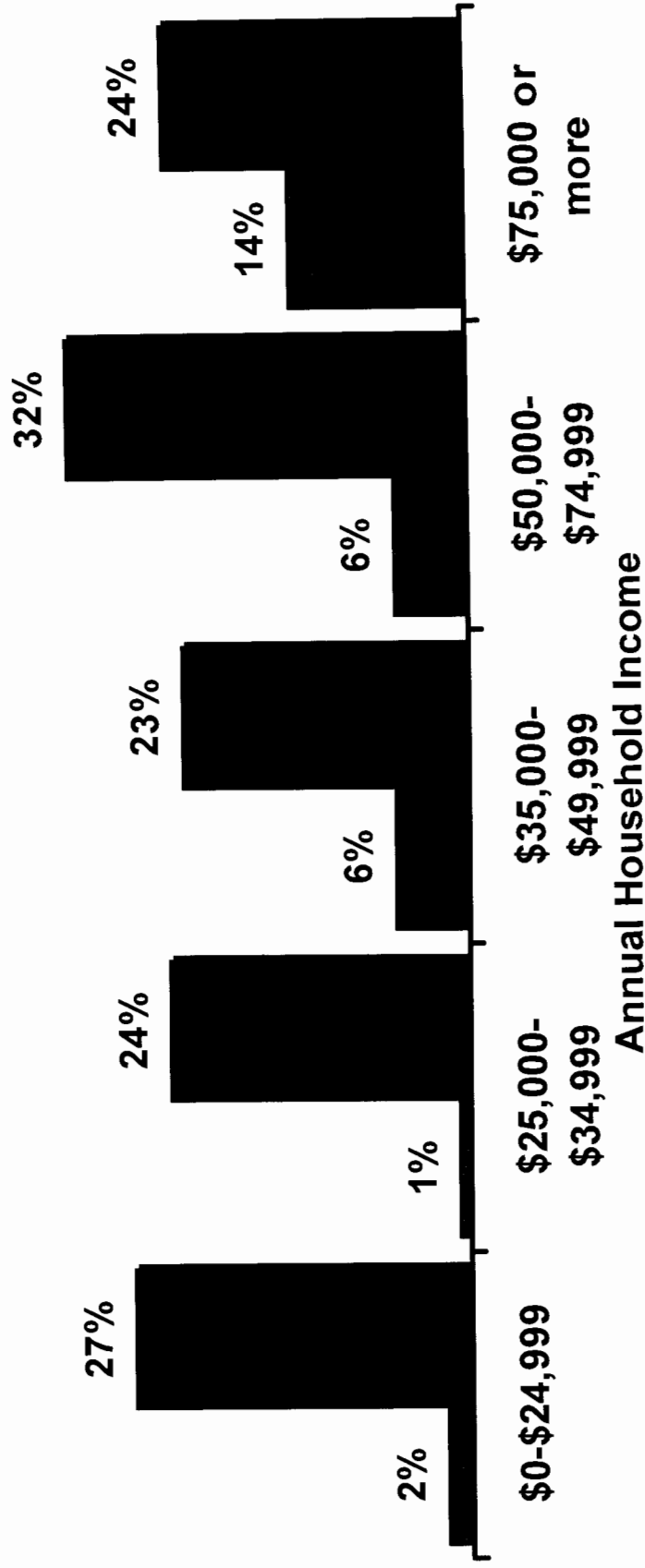
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Tennessee Residents and Telework

Percent of Tennessee residents employed full or part time who:

■ Regularly telework now

■ Would telework if allowed



Q: Do you regularly work from home through a broadband connection, commonly known as teleworking?

(n = 5,487 TN residents employed full or part time)

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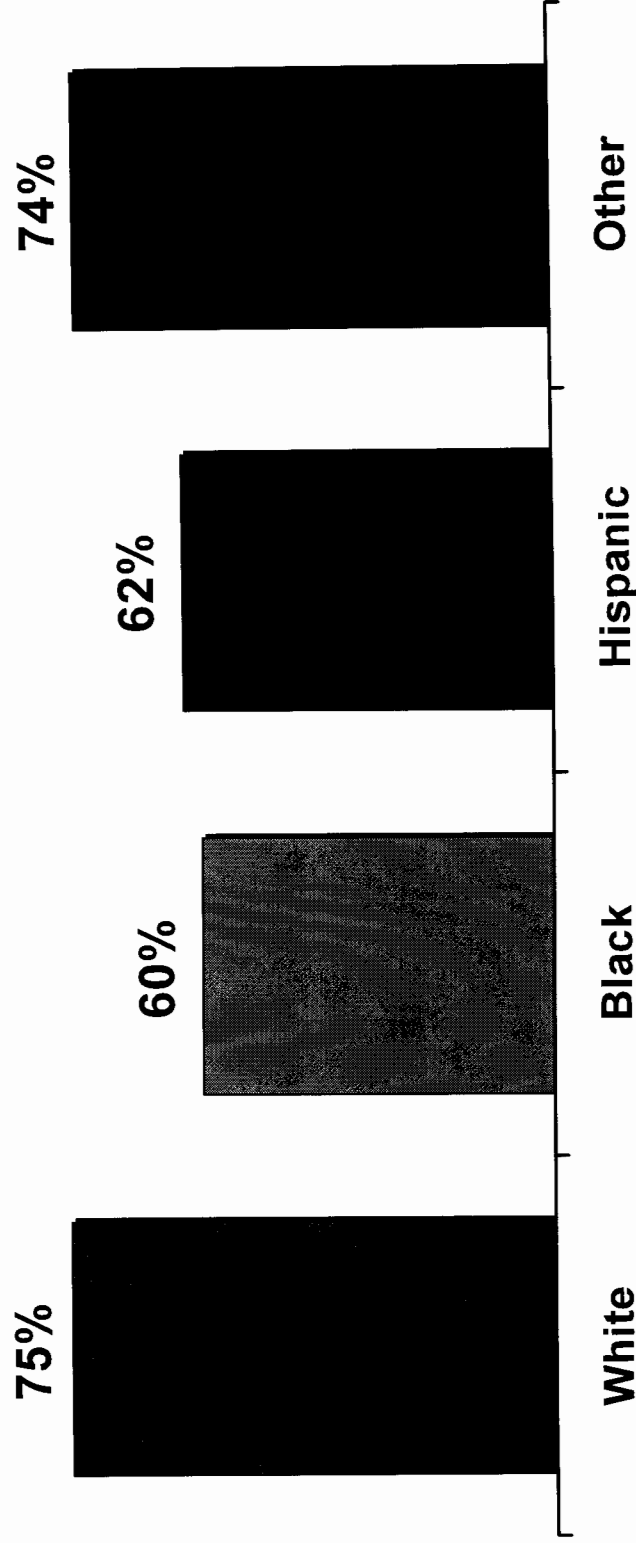
Residential Technology Assessment by Race



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Tennessee Residents with a Computer at Home

Percent of Tennessee residents who have a computer at home:



Statewide Average: 71% of Tennessee residents report having a personal computer at home.

Q: Does your household have a computer?

(n = 9,513 TN residents)

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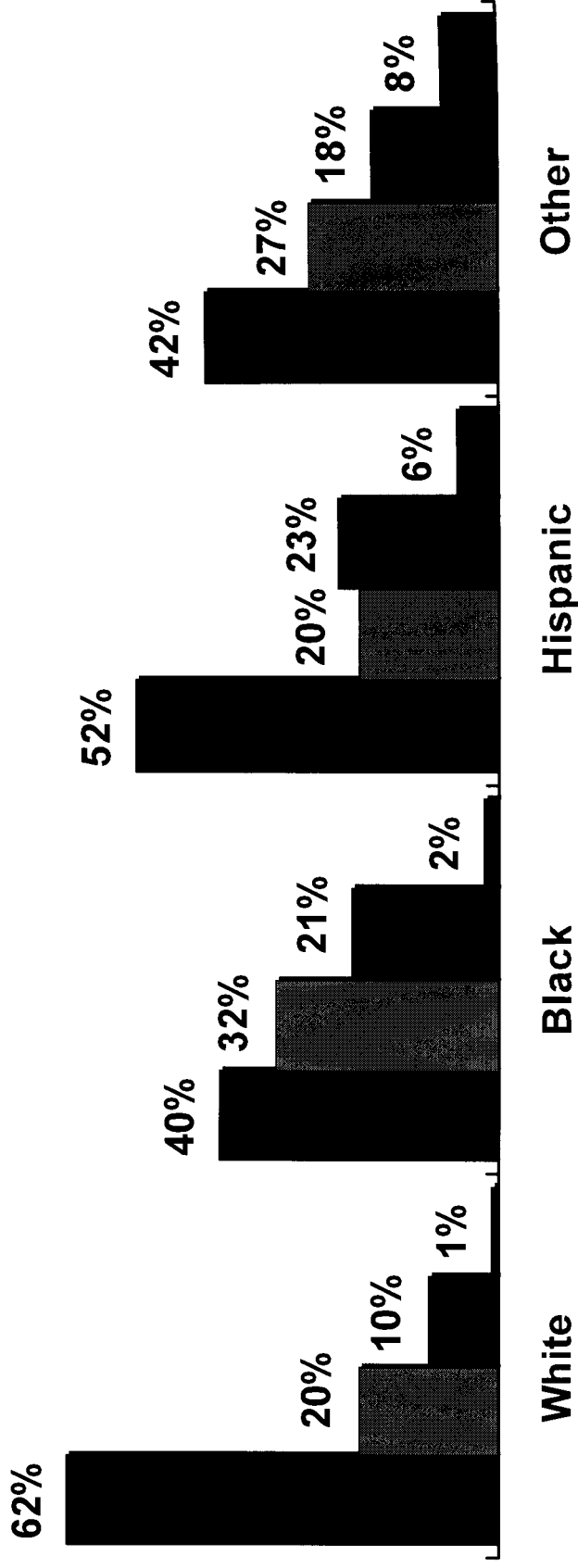


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Barriers to Computer Ownership

Top responses given when asked why Tennessee residents do not own a computer:

- I don't need a computer
- Use a Computer somewhere else
- Too expensive
- Don't know/refused



Q: Why don't you have a computer at home?

(n = 2,735 TN residents with no computer in their household)

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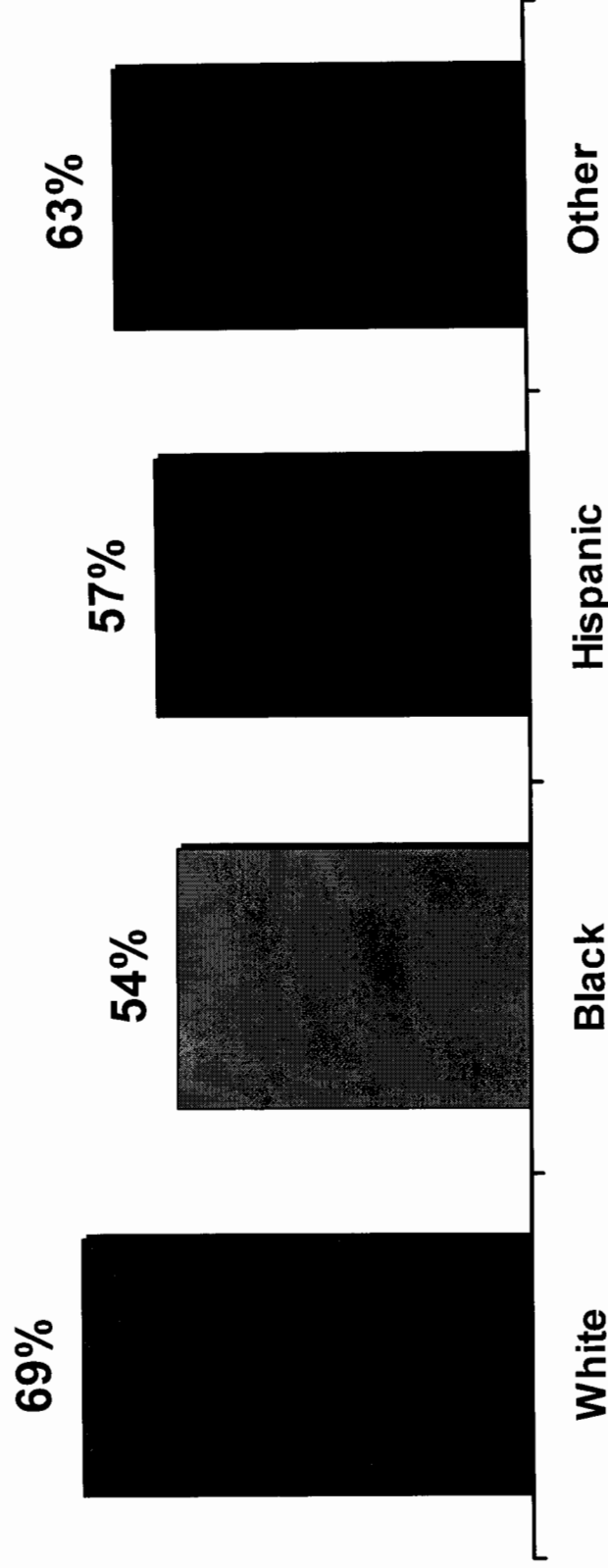
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Tennessee Residents with an Internet Connection at Home

Percent of Tennessee residents who have an Internet connection at home:



Statewide Average: 65% of Tennessee residents report having an Internet connection at home.

Q: Do you have an Internet connection at home?

(n = 9,513 TN residents)

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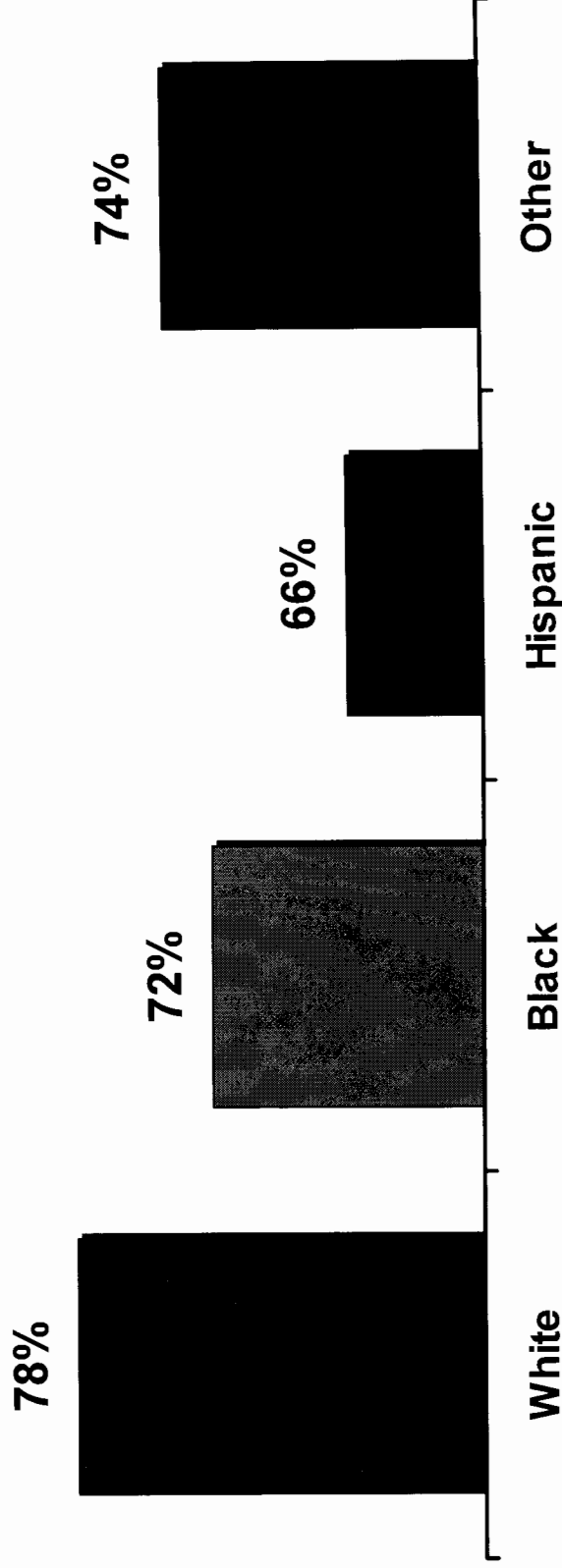
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Tennessee Residents who Access the Internet from Home or Some Other Place

Percent of Tennessee residents who access the Internet from home or some other place:



**Statewide Average: 75% of Tennessee residents report they
access the Internet from home or someplace else.**

Q: At what locations do you have access to the Internet?

(n = 9,513 TN residents)

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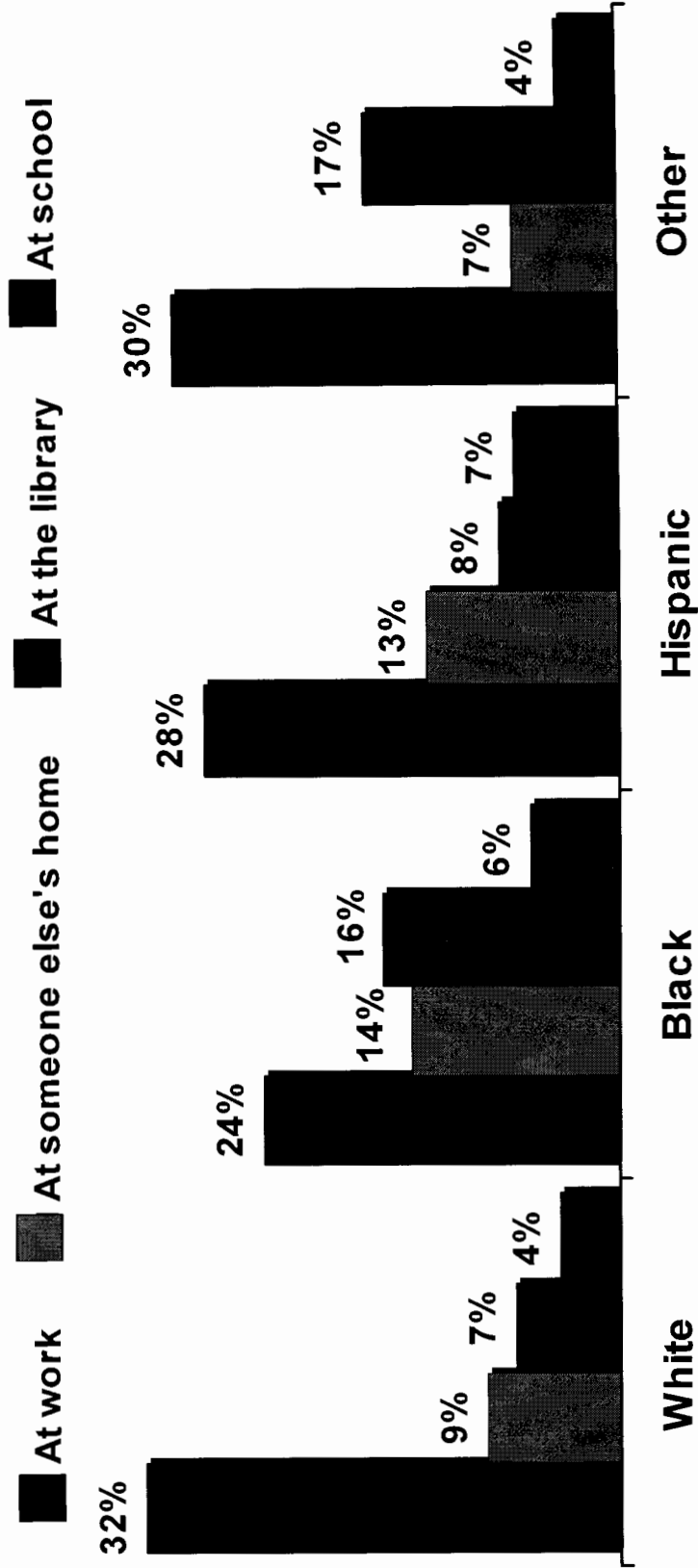
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Most Popular Places For Tennessee Residents to Access the Internet

Percent of Tennessee residents who access the Internet someplace other than home:



Q: At what locations do you have access to the Internet?

(n = 9,513 TN residents)

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Top Ten Internets Applications

White

1. Sending e-mail
2. Using a search engine
3. Researching a product online
4. Purchasing a product online
5. Researching or booking travel
6. Sending or receiving photos
7. Searching for health or medical information
8. Reading news online
9. Searching for community event information
10. Online Banking

Black

1. Sending e-mail
2. Researching a product online
3. Purchasing a product online
4. Searching for health or medical information
5. Reading news online
6. Using a search engine
7. Searching for community event information
8. Researching or booking travel
9. Searching for a job
10. Downloading music

Q: Which of the following activities do you conduct on the Internet?

(n = 7,167 TN residents with Internet service at home)

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Top Ten Internets Applications

Hispanic

1. Sending e-mail
2. Researching a product online
3. Researching or booking travel
4. Sending or receiving photos
5. Using a search engine
6. Reading news online
7. Purchasing a product online
8. Searching for community event information
9. Research for schoolwork
10. Playing games online

Q: Which of the following activities do you conduct on the Internet?

(n = 7,167 TN residents with Internet service at home)

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Other

1. Using a search engine
2. Sending e-mail
3. Purchasing a product online
4. Researching or booking travel
5. Researching a product online
6. Sending or receiving photos
7. Reading news online
8. Online Banking
9. Searching for health or medical information
10. Watching videos, movies, or TV shows online

Source: 2007 Connected Tennessee Residential Technology Assessment

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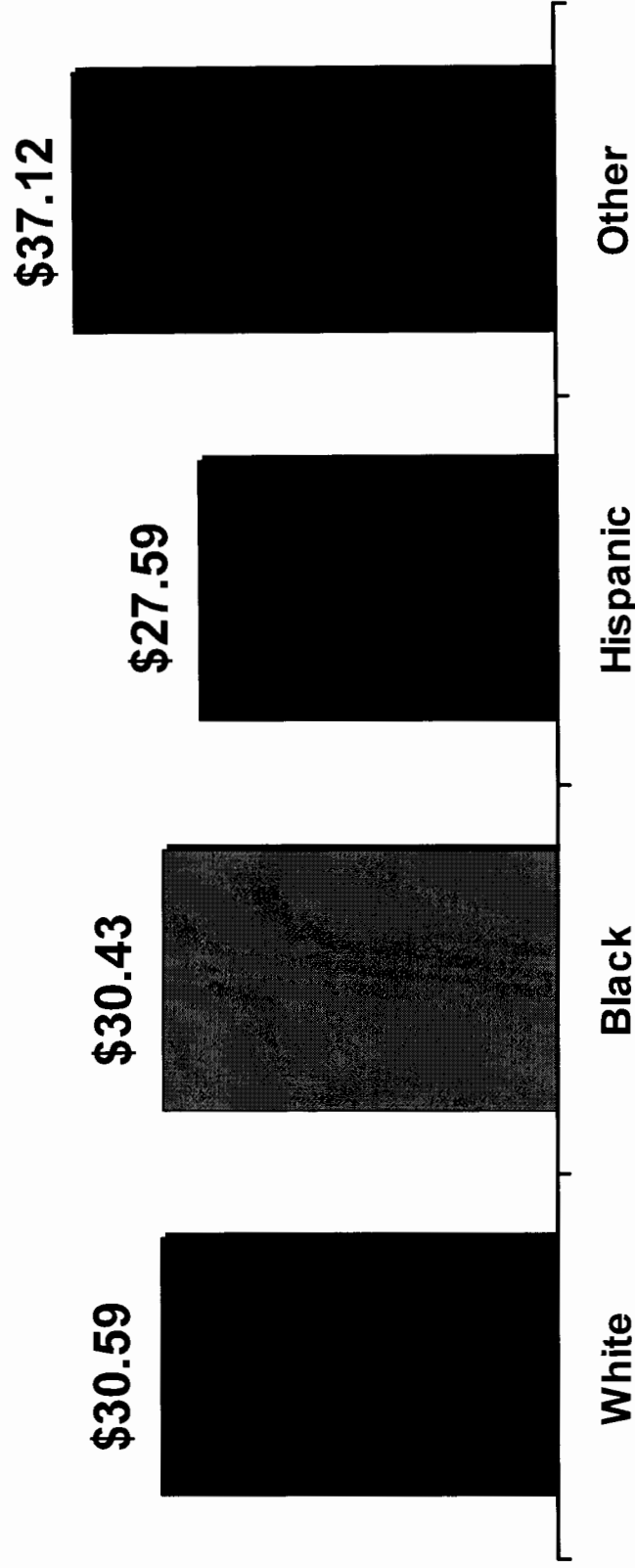
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How Much Tennessee Residents Pay for their Internet Service

Average monthly price Tennessee residents pay for home Internet service:



Statewide Average: Tennessee residents report paying an average of \$30.61 per month.

Q: What do you pay each month for your Internet service?

(n = 6,191 TN residents with Internet service at home)

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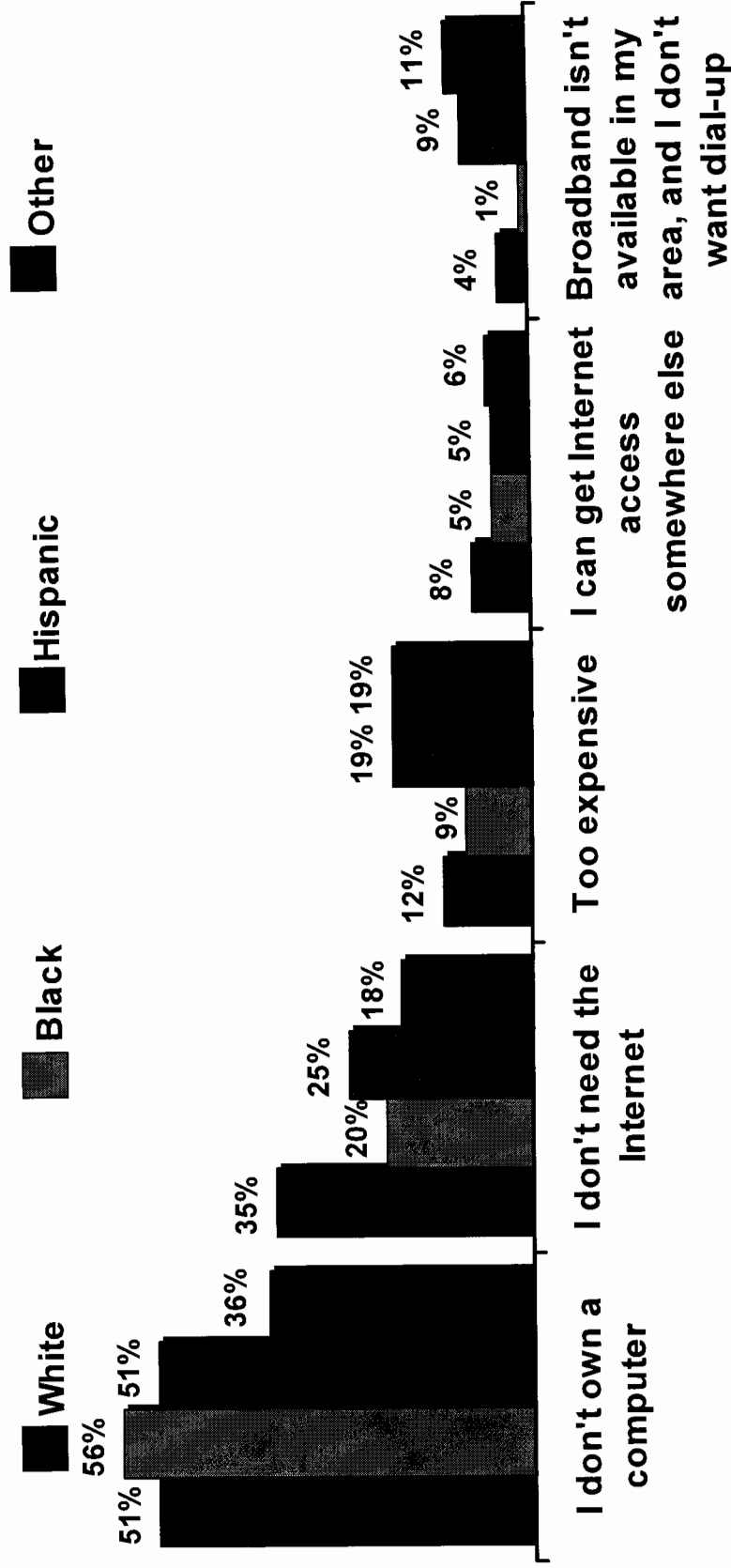
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Barriers to Internet Adoption

Percent of Tennessee residents who do not have the Internet for the following reasons:



Q: Why don't you subscribe to the Internet at home?

(n = 3,237 TN residents without Internet service at home)

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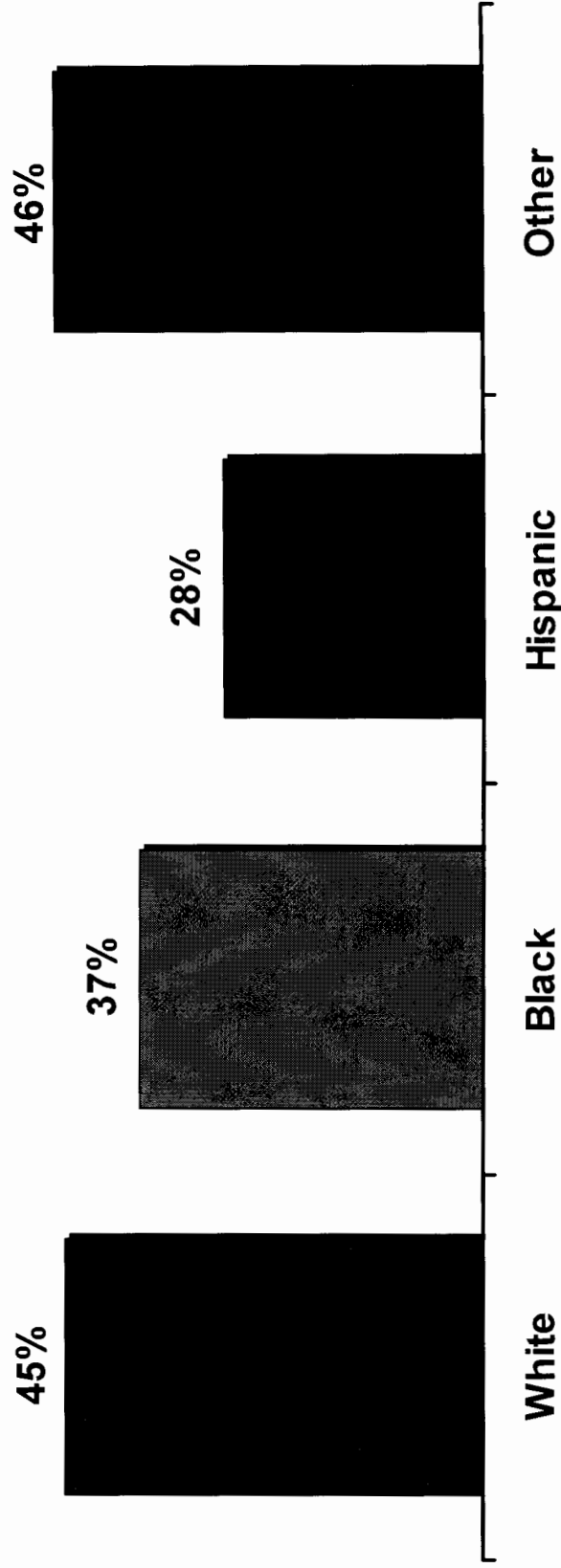
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Tennessee Residents That Have Broadband in their Household

Percent of Tennessee residents who use broadband from home:



Statewide Average: 43% of all Tennessee residents have a broadband connection at home.

Q: Which of the following describe the type of Internet service you have at home?

(n = 9,513 TN residents)

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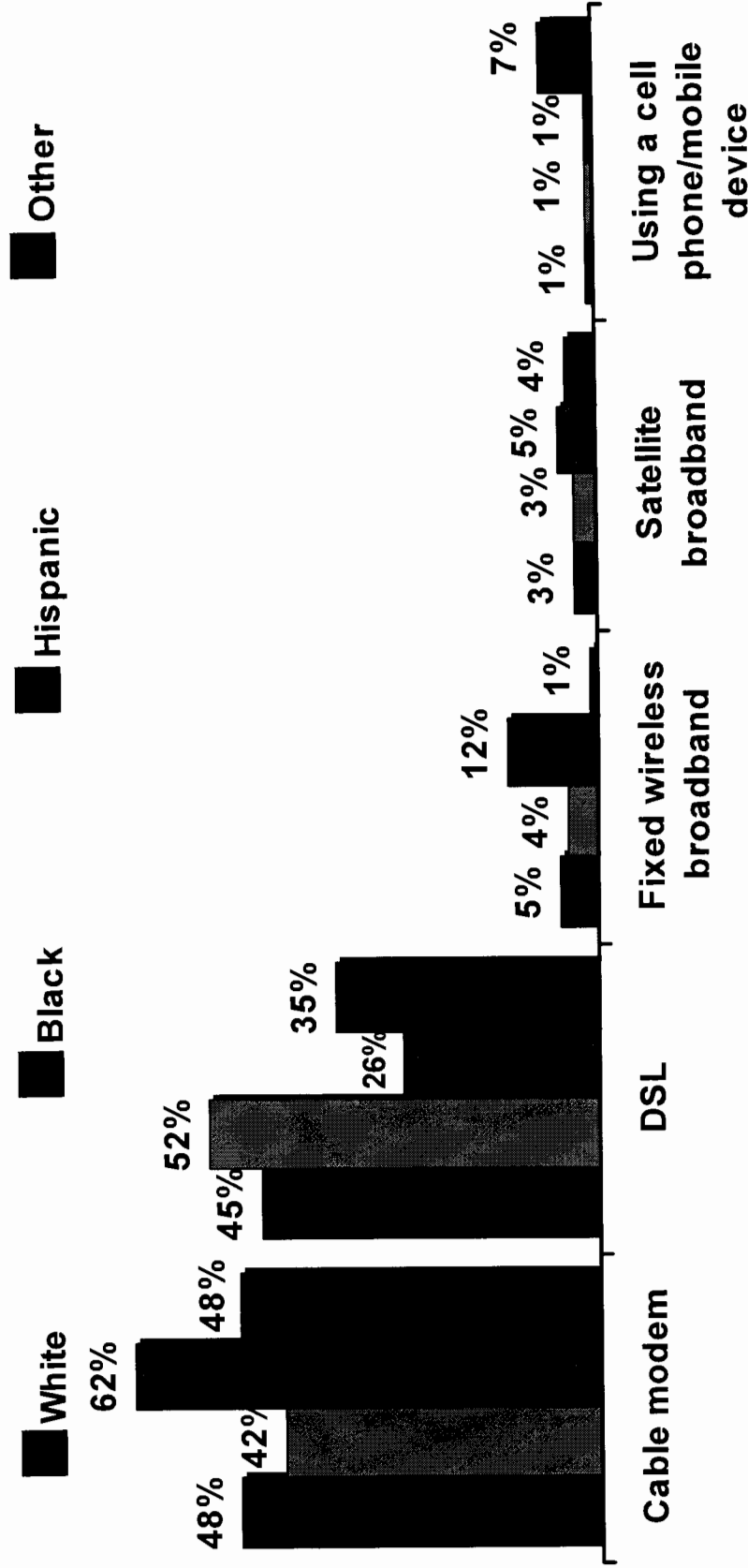


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Top Methods of Broadband Access

Percent of Tennessee residents with a broadband connection at home:



Q: Which of the following describes the broadband service you have at home?

(n = 4,035 TN residents with broadband service at home)

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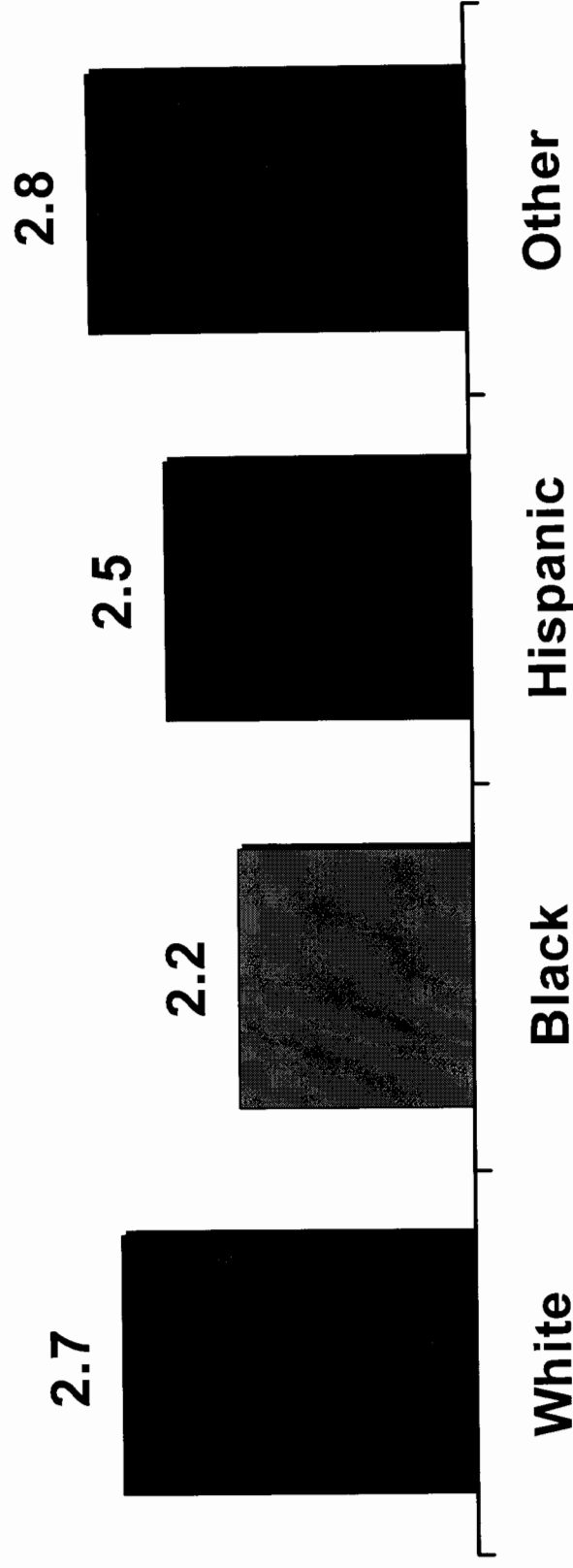
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How Long Tennessee Residents Have Had Broadband in their Household

Average number of years Tennessee residents have had a broadband connection at home:



Statewide Average: Tennessee residents adopted broadband 2.6 years ago on average.

Q: When did you subscribe to broadband service?

(n = 4,053 TN residents with broadband service at home)

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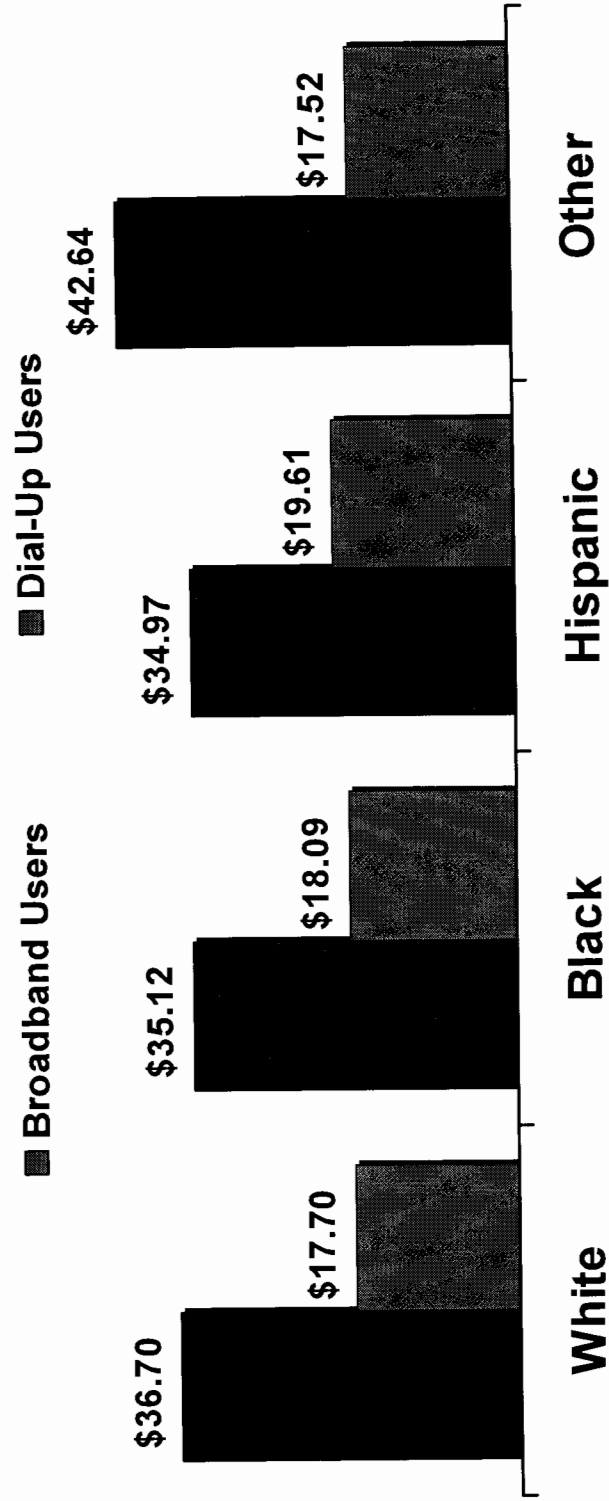
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How Much Tennessee Residents Pay for Internet

Average monthly cost that Tennessee residents pay for broadband and dial-up connections at home:



Statewide Average: Tennessee residents pay an average of \$36.65 per month for home broadband access and \$17.82 for dial-up.

Q: What do you pay each month for your Internet service?

(n = 6,191 TN residents with either broadband or dial-up service at home)

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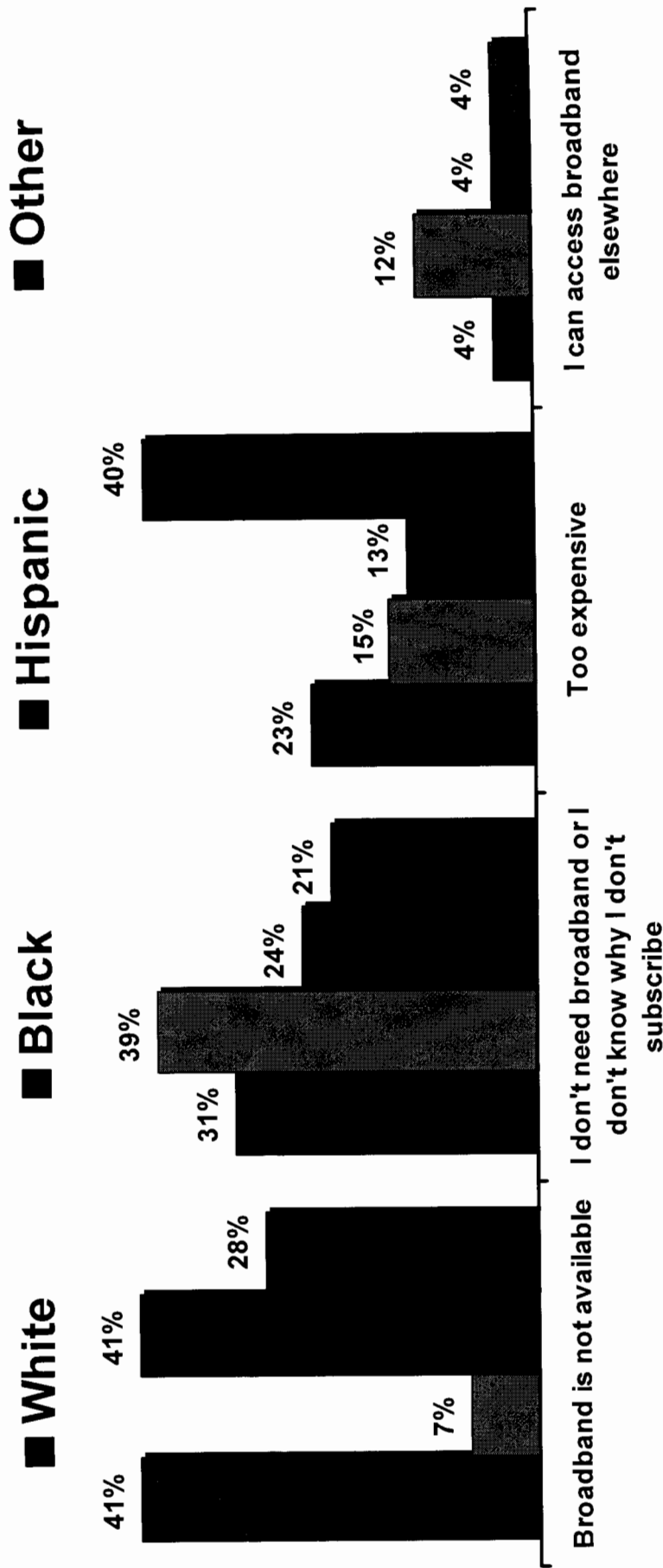
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Top Barriers to Broadband Adoption

Percent of Tennessee residents with dial-up Internet service at home:



Q: Why don't you subscribe to broadband at home?

(n = 1,787 TN residents with dial-up Internet service at home)

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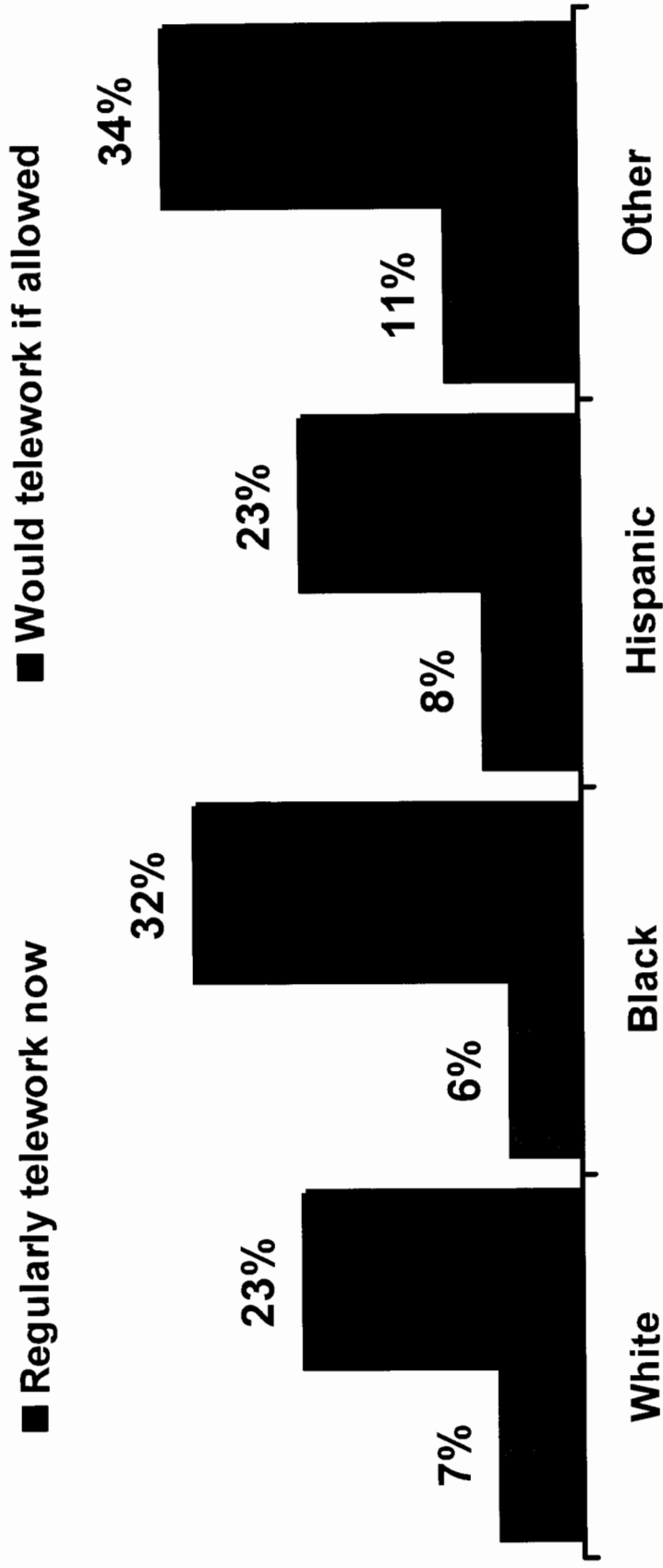
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Tennessee Residents and Telework

Percent of Tennessee residents employed full or part time who:



Q: Do you regularly work from home through a broadband connection, commonly known as teleworking?

(n = 5,487 TN residents employed full or part time)

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