

Tennessee

Eyeing infrastructure expansion to keep pace with tech competition

Tennessee repeated as a Modest Innovator in the 2018 U.S. Innovation Scorecard, but efforts to expand high-speed internet around the state and a developing start-up scene are promising improvements.

One of many states undertaking infrastructure expansions to meet the FCC's 25 mbps standard for broadband, Tennessee passed the Broadband Accessibility Act in 2017. The new law sets aside \$45 million over three years to fund internet service in underserved communities and creates a tax credit to entice service providers to install infrastructure in economically challenged counties. The law also loosens qualifications for broadband service providers and sets aside funds to teach digital literacy skills.

In Chattanooga, which has had a citywide gigabit network since 2010, an expansion to a 10 gigabit network in 2015 was the next step in bolstering the rapidly growing startup sector. "The Southeast cannot be the place for low-skilled, low-education, low-wage jobs. If we are, we'll perish. The innovation jobs of the future have to account for at least a sector of our economy. Places like Atlanta, Chattanooga, and Nashville are working hard to develop that," said Chattanooga Mayor Andy Berke.

The city has also added an Innovation District that groups startups, nonprofits and government to help create of a new wave of successful startups.

Sources: [\(Tennessee\)](#) [\(Fortune\)](#)

WHAT DID WE DO RIGHT?

From 2011 through 2016, small businesses created more than 72 jobs per 1,000 people.

WHAT CAN WE DO BETTER NEXT YEAR?

Tennessee can cut redundant rules that prohibit drones near critical infrastructure, already covered by existing law.

WHERE HAVE WE MOST IMPROVED?

Despite some onerous notification requirements, a 2017 state law permits the testing of driver-assisted platooning systems on public streets and highways.

Best & Brightest	C
Fast Internet	C+
Grants Advanced Degrees	C-
Tech Workforce	C-
Tax Friendly	B
Attracts Investment	D
Entrepreneurial Activity	B+
Ridesharing	A
Short-Term Rentals	B
Sustainable Policies	B
Self-Driving Vehicles	B
Drones	D-



Ridesharing

Ridesharing is legal in Tennessee.



Entrepreneurial Activity

About 72.10 jobs per capita were created at Tennessee firms employing fewer than 50 people between Q2/2011 and fourth quarter of 2016, for a total of 479,569 jobs.



Grants Advanced Degrees

Just over nine percent of residents over the age of 24 have an advanced degree.



Tech Workforce

Tech jobs account for 30.61 position per 1,000 people in Tennessee.

Courting Businesses to Create New Opportunities in Advanced Manufacturing

The leading producer of structural steel pallet rack systems, Frazier Industrial Company, is investing more than \$17 million in Dyer County to build a new manufacturing center in Tennessee.



The plant will create 120 new jobs in the process. "In Tennessee, we are known for our highly skilled workforce, especially in the manufacturing sector," says Governor Bill Haslam, "and it means a great deal that Frazier will be adding even more jobs to this steadily growing sector."

The New Jersey company is taking advantage of a sales incentive passed by the state General Assembly, designed to make Tennessee more attractive to manufacturing companies than more expensive states. "When a company like Frazier chooses Tennessee as the location for its new manufacturing facility," says Tennessee Department of Economic and Community Development Commissioner Bob Rolfe, "it speaks volumes to our strong business climate and optimal location that makes our state a great place for companies to grow and succeed."

Source: [\(Business Facilities\)](#)