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January 28, 2022

Mississippi Senate
Mississippi Capitol
400 High Street
Jackson, MS 39201

Dear Senator,

On behalf of the 10,753 members and supporters of the Council for Citizens Against Government Waste (CCAGW) in Mississippi, I urge you to oppose [SB 2474](#), which would incentivize the creation of government-owned networks (GONs) across the state of Mississippi.

SB 2474 would allow municipally owned utilities to “possess the same powers as a corporation formed under the Electric Power Association Law,” which would include authorization “to enter into interlocal agreements with any adjacent utility.” This legislation would incentivize the creation of GONs in Mississippi, risking taxpayer dollars by allowing municipalities to invest in broadband projects that are frequently subject to failure due to the government’s inexperience and ineptitude in building and operating these networks.

As [noted](#) in our report, “The Folly of Government-Owned Networks,” government-owned networks do more harm than good. As the report notes, “GON projects have proven to be costly, unsustainable, and anti-competitive.” They have failed across the nation and in some cases, like the Bristol Virginia Utility Authority, led to charges of corruption and mismanagement. They “divert taxpayer resources from higher priorities and fail to solve connectivity issues.” When they fail, local taxpayers are [left](#) on the hook for massive bills for unusable broadband systems, and higher taxes.

Government-owned networks risk overbuilding as taxpayer resources are poured into areas that already have broadband access. Rather than passing this unnecessary law, the state and municipalities should work with existing private-sector companies, and the local electric cooperatives that are already authorized through the Mississippi Broadband Enabling Act of 2019 ([HB 366](#)), to expand broadband access to the truly unserved and underserved communities in Mississippi.

The Mississippi legislature should also reduce barriers by reducing franchise access fees, pole attachment requirements, right-of-way easements, and develop an expedited application process for incoming private sector broadband infrastructure development.

For these reasons, I urge you to oppose SB 2474.

Sincerely,

CC: Governor Tate Reeves