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## Press Release

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### NEW PHOENIX CENTER STUDY DEBUNKS EMPLOYMENT CLAIMS FOR CHATTANOOGA’S EPB MUNICIPAL BROADBAND NETWORK

*Analysis finds that claims of over 10,000 jobs created by the EPB network misrepresent the academic research they cite and are contradicted by direct empirical evaluation*

WASHINGTON, D.C. — Since 2010, Chattanooga, Tennessee’s EPB municipal fiber-optic network—built at a cost of \$390 million, largely financed by federal subsidies and ratepayer cross-subsidies—has been touted as a model for government-owned broadband. EPB regularly commissions economic impact reports, and the most recent by finance professor Bento Lobo and EPB employee William Plank (December 2025) claims that the municipal network created or saved over 10,420 jobs over fifteen years. In a new analysis released today entitled *When Narratives Replace Evidence: Employment Claims and the EPB Municipal Broadband Network*, Phoenix Center Chief Economist Dr. George S. Ford examines whether those employment claims hold up to empirical scrutiny.

They do not.

Dr. Ford first shows that the employment figures in both Lobo (2020) and Lobo and Plank (2025) rest on a fundamental misrepresentation of the academic research they cite. The source study—Lobo, Alam and Whitacre (2020), published in *Telecommunications Policy*—explicitly finds no statistically significant employment effect in urban counties, noting the “lack of an urban effect.” Hamilton County is an urban county. Nonetheless, both Lobo reports apply the study’s pooled rural-and-urban coefficient to Hamilton County and compound the error by using the wrong population scaling factor. A separate study by Ford and Seals (2021), also published in *Telecommunications Policy*, directly evaluated labor-market outcomes in Hamilton County across nine measures and likewise found no measurable effects. Lobo and Plank (2025) do not mention this conflicting research.

Using Synthetic Control and Synthetic Difference-in-Differences methods—designed specifically for single-unit causal evaluation—Dr. Ford directly estimates the EPB network’s effect on employment and unemployment in Hamilton County. Across both outcomes and both estimation strategies, the results are the same: the deployment of the EPB network did not increase employment and did not reduce unemployment relative to a credible counterfactual. The estimated effects are economically trivial and statistically indistinguishable from zero. Analysis of County

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Business Patterns data reaches the same conclusion – establishment growth in Hamilton County has been unremarkable since the network’s deployment across all nine comparison samples tested.

Finally, Dr. Ford replicates the Lobo, Alam and Whitacre (2020) study and re-estimates it using modern methods appropriate for staggered treatment timing. Under the original misspecified model, the pooled broadband treatment effect appeared negative and approached statistical significance. Under the correct specification, the effect is positive, small, and statistically insignificant—the sign actually reverses. The bias introduced by the incorrect model is severe enough to change the direction of the finding, undermining the empirical foundation upon which both Lobo reports depend.

“The job-creation narrative surrounding EPB’s network is not an inference drawn from observed labor market data,” says study author Phoenix Center Chief Economist Dr. George S. Ford. “It is a constructed extrapolation built on misapplied coefficients from a fundamentally flawed empirical study. Whatever other objectives the EPB network may serve, employment growth in Hamilton County is not one of them.”

“This case illustrates a recurring problem in broadband infrastructure policy analysis: advocacy-driven benefit claims detached from rigorous causal evaluation,” Dr. Ford adds. “When public borrowing, ratepayer cross-subsidization, and federal grants are justified using employment claims, identification errors are not academic – they translate directly into misallocation of public capital.”

A full copy of PHOENIX CENTER POLICY BULLETIN NO. 84, *When Narratives Replace Evidence: Employment Claims and the EPB Municipal Broadband Network*, may be downloaded free from the Phoenix Center’s web page at: <https://www.phoenix-center.org/PolicyBulletin/PCPB84Final.pdf>.

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