



STATEMENT OF AT&T CONNECTICUT

**Regarding Raised House Bill No. 6426
An Act Improving Broadband Access
Before the Committee on Energy and Technology
February 17, 2009**

Proposal:

Raised House Bill No. 6426 would empower the Department of Public Utility Control (DPUC) to develop a statewide technology plan for broadband including grants to municipalities, community colleges, school districts and libraries to provide skills training and Internet access to any defined priority areas.

Comments:

Connecticut ranks as one of the states with the highest broadband availability in the country with wireline broadband service available to more than 95 percent of the state's homes and wireless broadband already available to large portions of the state. According to the Federal Communications Commission's (FCC's) most recent report on broadband, there were more than 1.8 million broadband lines in the state of Connecticut as of the end of 2007 of which more than 1 million lines were provided to residential customers.

While AT&T appreciates and supports the intent of the legislation: namely to increase broadband availability and adoption, AT&T respectfully opposes the legislation which is before you and strongly urges the committee to reject the proposal.

While policymakers have rightly expressed concern about broadband availability to that small percentage of consumers who do not have access today, this legislation takes the wrong approach for a number of reasons, including:

- The proposal before you seeks to address far more than just that small percentage of customers without broadband access today by including what the bill broadly describes as "underserved" rather than just unserved areas. As noted previously, wireline broadband is available to more than 95 percent of the state's homes today and wireless broadband is already widely available and service is being added to new parts of the state almost continually. To the extent there is a "problem" which needs to be addressed, it is with that small number of customers who can't get broadband today, not with virtually any other part of the state as this bill would prescribe.
- The legislation wrongly contemplates funding of municipalities and other government entities to become broadband providers, competing with private sector providers who those very same government entities regulate and tax. That creates an inherent conflict-of-interest in the ways in which government entities perform their core regulation and taxation functions and provides an incentive for them to act in a punitive manner towards private sector providers who would be their competitors.
- Broadband networks are expensive and complex undertakings which require expertise and on-going investment. There are countless examples of broadband or



telecommunications projects launched by government entities which have been subject failures in terms of performance and costs to taxpayers.

- Without understanding the scope of the problem, this legislation offers a solution in terms of government grants for broadband for both unserved and underserved areas with no understanding of the likely costs. Government ought not to launch costly endeavors such as that contemplated here without first clearly explaining to taxpayers – before any money is spent – what the total costs are likely to be for this project.
- As we are all aware, our state is facing the largest budget deficits in its history. Government will be asked to do more with less. Taxpayers will no doubt be asked to do more in terms of what they pay. This seems to be the wrong time to add new state expenditures – of potentially hundreds of millions of dollars – for a proposal far more expansive than any which is needed.
- An accurate inventory of specifically where broadband is available has never been undertaken in this state. AT&T firmly believes that any effort must first and foremost start with developing accurate mapping of existing broadband assets before steps are proposed to build new broadband assets, especially assets paid for by taxpayers.
- The legislation is misguided in empowering the DPUC to oversee the broadband industry: to date, a highly competitive, highly dynamic industry which has successfully developed with minimal regulatory oversight. Like other modern communication technologies, which know no real state boundaries, oversight, if any, should rest at the federal level. In a state like Connecticut, which has achieved nearly universal broadband penetration without DPUC intervention, it would be inappropriate at this juncture to confer any such jurisdiction and risk burdening the wildly successful competitive broadband environment. Any role for the DPUC should be limited to participation in the research, educational, and outreach efforts of a true public, private partnership.

Those states which have undertaken efforts to address broadband availability have taken a very different approach than that contemplated here. They have sought true public-private partnerships. While this proposal attempts to do so, the reality is the proposal calls for private sector broadband providers to turn over their confidential information to a governmental body which will then use that information to develop a plan for the construction of competing services which will be funded by taxpayers. That seems like a partnership in name only.

Conclusion:

We would urge the committee to look at the proposals in place in other states, especially in nationally recognized endeavors like the Connected Kentucky efforts. More specifically, we'd urge you to pass instead Raised Senate Bill No. 890 which is before your committee. It follows the successful model used in other states, and we believe would be a better approach to increasing broadband adoption and availability than the approach advocated in this legislation.