

**Testimony of  
Matthew Nemerson, President of the Connecticut Technology Council  
Speaking on February 24, 2011 to the Committee on Energy and Technology**

Distinguished chairs and members of the committee, As President of the Connecticut Technology Council I represent a statewide community of over 2,500 technology oriented firms employing over 150,000 individuals whose jobs are related in some way to innovation and technology. We also work with several hundred smaller firms at any given time just starting and hoping to plant roots here in Connecticut.

I come here today to support Raised Senate Bill 1024 that would eliminate the requirement that certified telecommunications companies and telephone companies file tariffs for their services with the DPUC.

The case I want to make is simple. It's not about the costs of doing business, I am sure AT&T will make that case. It's not about the pros and cons of protecting some Connecticut consumers, I am sure the OCC has made that case.

I want to talk about the image of Connecticut in a competitive and changing world. I have travelled over the last year to China, South Korea and Japan and Great Britain and visited communities and firms in those countries that seem themselves as cutting edge and globally connected. When they hear I am from Connecticut they have an image that I am part of their world. We are seen as a place that is modern, that may be costly but has talented people and is a center – due to Yale, GE, UTC, Priceline, Pitney Bowes and other “brands” as place that matters in the new world economy.

What are the hallmarks of this economy? Well, it is driven by access to ubiquitous and continuously updated telecommunications and new IT access and Internet services. Financial services, manufacturing goods and innovation development maybe the outputs that we compete on in trade statistics– but these societies are competing by giving their citizens the very fastest and the most novel forms of data, text and voice communications.

So now we come to SB 1024. Advanced societies around the world may have different approaches to taxation, social services and worker benefits – but where there is agreement across the board is that the market should be allowed – albeit in places with more government subsidies than we have here – to experiment and make the investments that are needed to merge the latest technologies and marketing approaches to communications products in real time and to keep pushing the bleeding edge of phones, computers, tablets, data centers and the like in order to compete with their neighbors.

Japan and China compete for locating business in industrial parks and cities by offering better telecommunications infrastructure. Korean companies make huge investments in phone networks and capabilities to be a test bed for their products and business models around the world.

Connecticut cannot and should not compete as a low cost location for low value added products. That ended 60 years ago. Our reputation must be and must be enhanced as the places where IT infrastructure is on par with any place in the world.

Companies look at the regulatory environment and the willingness of governments to empower their major firms to make investments in long-term competitiveness as an indication of the likelihood that that location will be a good place for the company to grow and prosper a decade hence.

We have lost the battle to be a low cost provider, we must not lose the battle to be a modern, globally connected location that encourages all providers of IT services to invest, experiment and offer our customer – wealthier and more willing to by new services than almost any other location in North America – the most modern and interesting new products.

The best thing that could happen to Connecticut is if every major broadband, data, video and phone provider – all our members by the way – cable, phone, wireless and data companies – were to see the Connecticut market as the showroom of new tech for North America and were to engage in a all out battle to wow ever customer with the newest, sexiest and wildest set of products and services. We are rich enough that there are willing early adapters here, small enough that we can be served easier than Florida or Pennsylvania, and close enough to major media markets that anything that happens here will be noticed around the world.

We don't have to worry about Aunt Minnie having a cheap phone line – that battle has been won, we now need make sure that we have the fastest, broadest and more ubiquitous connectivity in North America – and that battle is just beginning. Anything that encourage more investment more experimentations by the major firms and even smaller ones is all good.

Thank you.