The Commerce Committee

R.B. 225 *AN ACT AUTHORIZING AN UPDATED ADVANCED COMMUNICATIONS TECHNOLOGY STUDY*

February 28, 2012

Testimony of

The Office of Consumer Counsel

Elin Swanson Katz, Consumer Counsel

Presented by William L. Vallée Jr.,

CT Broadband Policy & Programs Coordinator

The Office of Consumer Counsel (OCC) has carefully reviewed R.B. 225 and supports using already-appropriated funds to contract with the Connecticut Academy of Science and Engineering (CASE) to investigate and report upon the economic impact of investment in advanced technologies.

The OCC would note that, together with the Public Utilities Regulatory Authority (PURA or Authority), its Broadband Policy & Programs Coordinator has recently contracted with CASE through a federally-funded stimulus grant for the purposes of providing guidance—input and suggestions—for the state to use in its formulation of the state's strategic plan. While the *Guidelines For The Development Of A Strategic Plan For Accessibility To And Adoption Of Broadband Services In Connecticut* (CASE Guidelines), released December 31, 2011 was thorough in its analysis of the current status of broadband services across Connecticut, and detailed certain recommendations for proceeding to enhance access to and adoption of broadband by residents, communities, and businesses, it did not specifically focus on economic development or job creation. A link to that report is provided as an appendix to this testimony.

Thus, there are a number of critical advanced technology elements that CASE and the state's federally-funded Broadband Policy & Programs Coordinator should investigate related to the central role broadband plays in increasing competitiveness, creating jobs, increasing business growth and business location decisions, and supporting education at all levels.

Elements of the CASE study of economic impact of investment in advanced technologies proposed in this legislation should include a focus on several key areas in its effort to strengthen the state's economy and create jobs in all its communities:

Creating Jobs and Economic Growth

- Increasing opportunity and promoting entrepreneurship by expanding access to capital for small businesses in Connecticut
- Assisting producers and expanding markets for the state's various and innovative products
- Training a globally competitive workforce across Connecticut

Promoting Innovation and Investment

- Expanding broadband access and promoting global connectivity in across Connecticut
- Investing in clean and renewable energy opportunities
- Developing high-growth regional economies by leveraging the strengths of all its communities and businesses

A CASE examination of these issues is both timely and critically important to the economic wellbeing of Connecticut in light of the slowly-improving state and national economies, and the need for significant attention to be paid right now from state policy makers to ensure the state is a national and global leader in broadband networking capacity. Without a dedicated focus on and strategic plan for enhancing personal and economic growth through universal access to and adoption of broadband services, there will be restricted emphasis paid by state and private investment on advanced technology, with resulting limits on the benefits that have been demonstrated to result from such investment. This is a prime moment to develop a strategic plan the distinct purpose of harnessing public and private investment in advanced technologies.

For instance, by improving communication and the flow of information and social interaction, broadband facilitates expanded business opportunities nationally and globally, increases job creation, reduces miles driven and fossil fuels consumed, expands consumer choice, and improves competition for goods and services. Broadband also enables advancements in economic development, workforce development, health care, public safety, energy, government performance, education, and transportation—encompassing almost every aspect of life.

Additionally, it is important to target educational attainment in advanced technologies in order for Connecticut to stay ahead of the competition by creating a work force capable of maintaining the high tech industries necessary for the state to succeed in the national and global economies.

A CASE study targeted on developing a strategic plan for economic impact of investment in advanced technologies by the state and private entities will develop methods to create links between all the relevant entities and ensure strong coordination and communication between them to continue efforts to sustain broadband policy, strategy, and promotion to enhance economic development and leadership opportunities for Connecticut. The CASE Guidelines demonstrated that broadband enables towns, regions, and states to develop, attract, retain, and expand job-creating businesses and institutions. Advanced technology also enables new business growth and the expansion of existing businesses into new markets.

What is needed right now by this proposed study is a rigorous identification of resources that will cause Connecticut to remain competitive among the states and internationally as a leader in economic development and job creation. Guidelines are required for the state to wisely invest while creating incentives and regulations designed to increase private investment in technology and education through policies specifically designed to promote continued investment in ever-advancing broadband capability and capacity. For example, regional cooperation can reduce expenses borne solely by Connecticut in programs such as the fiber networks being installed in neighboring states (e.g., Mass Broadband 123), which may provide an opportunity to create regional networks, particularly along the I-91 and I-95 corridors. Such an expanded multistate network would greatly support regional economic development efforts.

It is unfortunately apparent from the research developed in the CASE Guidelines that Connecticut currently lacks coordination among broadband policy makers and does not have clearly defined broadband goals. In researching other states and nations, one common thread found in the CASE Guidelines that was evident among broadband leaders in other states and countries was a need for a clearly defined goal and actionable steps to advance economic development and job creation. This is especially true in attempting to develop the significant public policy goals that will increase economic development or job creation, particularly at times like these when the economy has suffered for a number of years and requires great stimulation before investment and confidence can once again grow and achieve positive results.

I would note that pending in this legislative session is Governor's Bill No. 5027, *An Act Implementing The Governor's Budget Recommendations Concerning The Elimination,Consolidation And Modification Of Various Boards And Commissions,* which proposes a **Commission for Technology Advancement** within the Office of Policy and Management, consisting of 8 state agency heads, including the Commissioner of Economic and Community Development and the state's Broadband Policy & Programs Coordinator through the Office of Consumer Counsel. In addition, various educational and municipal groups will be represented, plus 3 members representing business with expertise in information technology. The focus of that Commission is to improve education, enhance municipal access to and adoption of broadband services, and hopefully work on expanding economic development and job creation goals for the state through increased use of high speed Internet access.

The CASE report could interact with and support the efforts of that Commission which is intended to be the principal technology advancement policy advisor for state government, and which will develop, oversee and direct the attainment of state-wide technology advancement goals. This would enhance the coordination between the legislative and executive branches while positioning CASE to provide the General Assembly with a comprehensive report as required in this R.B. 225 statute. This will allow the General Assembly a far greater opportunity to fully evaluate the progress being made in advancing the use of broadband services in this state for the benefit of the economy and job creation.

Connecticut must be proactive in this area since other states and countries are also installing fiber-optic technology for widespread residential and business use. Connecticut's existing broadband system is meeting today's needs, but are we ready for tomorrow?

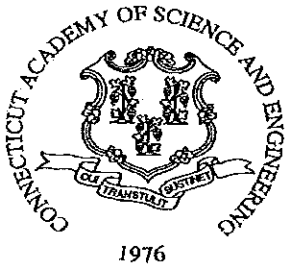
This proposed bill will jumpstart the rapid development of well-researched and vetted guidelines developed by CASE to spur the benefits of investment in advanced technologies by the state and private entities. Only through this processes can the methods be developed to ensure strong coordination and communication to continue efforts to sustain broadband policy, strategy, and promotion to enhance economic development and leadership opportunities for Connecticut.

Guidelines for the Development of a Strategic Plan for Accessibility to and Adoption of Broadband Services in Connecticut

December 2011

A Report By

The Connecticut Academy of Science and Engineering



For the

Connecticut Office of Consumer Counsel

and

Connecticut Public Utilities Regulatory Authority, Department of Energy and Environmental Protection

The full report, executive summary, and key points are available at

www.ctcase.org (scroll down to **Reports and Studies**).