



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
SUPPORTING
SB-945, AAC THE PAYMENT OF SECURITY DEPOSITS TO MUNICIPAL UTILITIES
FURNISHING ELECTRIC, GAS OR WATER SERVICE
BEFORE THE
ENERGY & TECHNOLOGY COMMITTEE
MARCH 5, 2013**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees and membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

In the 2012 edition of "*Small Business Problems & Priorities*" by the NFIB Research Foundation, "Energy Costs, Except Electricity" ranks as the third most serious problem for small business owners, one position lower from 2008. Thirty-five (35) percent of owners evaluate the problem as critical, down from 42 percent. "Electricity Costs (rates)," the second energy-related problem addressed in the survey, ranks 12th in relative importance among small-business owners, down three positions from 2008. Seventeen (17) percent of owners find this problem critical, nearly unchanged from 2008 where 16 percent did so. Electricity costs are one of the top three business costs for 25 percent of small-business owners. Most small employers are acutely aware of how much their electricity bill affects their bottom line as 57 percent of small-business owners own their business property and of those who rent, 70 percent of them pay the electricity bill themselves.

Generally, small business owners use energy for a number of purposes essential to their business, including heating and/or cooling and operating equipment. Rising electricity costs in particular have great consequences for small businesses. Start-ups and new businesses, however, are particularly vulnerable to not only the high cost of energy, but also the fluctuating rates. Recent surges in energy costs, combined with the current credit crunch, form a barrier that many businesses cannot afford. Entrepreneurs, who are already risking their own capital in trying to get a business off the ground, are often faced with restricted cash flow and view excessively large security deposits for utilities as one more impediment to their success.

NFIB therefore urges you to support SB-945, which will help entrepreneurs get their businesses off the ground and overcome one of the many economic challenges they are facing. Thank you for the opportunity to comment.