

Testimony to the Commerce Committee by

Bruce Carlson, President of the Connecticut Technology Council

SB 835 – An Act Concerning Cybersecurity
SB 697 – An Act Concerning Entrepreneur Learner's Permit Program
HB 5392 – An Act Concerning a Study on Creating a Technology Sector in the State

Senator Hartley, Representative Perone, Senator Frantz, Representative Camillo, and Members of the Commerce Committee,

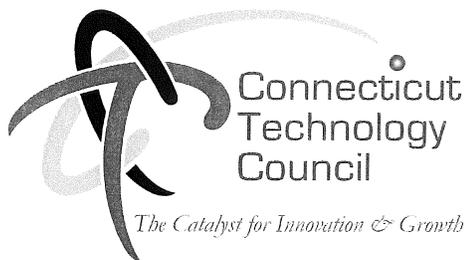
My name is Bruce Carlson, President of the Connecticut Technology Council, and I am here today primarily to comment on SB 835 An Act Concerning Cybersecurity. If time permits I will also comment on SB 697 An Act Concerning An Entrepreneurs Learner's Permit Program, and HB 5392 An Act Concerning a Study on Creating a Technology Sector in Connecticut.

As many of you know, the CTC represents the nearly 3000 technology companies in Connecticut. As I meet with our members and other technology companies, the issue of cybersecurity is often top of mind, whether it is a start up or one of our established companies. While I appreciate that the bill before you is primarily focused on creating a cybersecurity workforce, there are other bills in the on cybersecurity in other committees that cover other aspects of the issue. I will make a few comments about the topic generally and then be happy to answer questions or work with this committee and others in creating a broader bill.

Despite the news with which are bombarded every day about various breaches, many firms are not taking action to protect themselves. At the CTC we think this is because although the company head is aware of the issue generally, he or she does not understand what risk his/her company has. Interestingly, it is often through these small companies that some of the largest hacks start as was the case with Target and an HVAC contractor and a large for profit hospital chain and a doctor's office. So not only are these small and mid-sized companies at risk, the lack of protection becomes a risk factor for all of us. We are planning a set of seminars that will kick off next month specifically targeted to small and medium-sized companies to not only explain their risk but to also offer ways to mitigate that risk. I am sure in that process we will learn much about the status of a number of these companies. We have sent a survey to over 1200 companies to gather some baseline data to help guide these seminars.

In Connecticut we have a large cybersecurity workforce, though it is not as obvious. Most of the insurance companies, other financial institutions and defense manufacturers have large numbers of people in this area. However, we have a relative paucity of cybersecurity consulting companies. This may be attributable to the issue discussed

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above that a number of the smaller and mid-sized companies haven't figured out what they need to do. On Monday this week, I went on Monster.com and found that there were 442 cybersecurity jobs listed for Massachusetts companies and 16 for Connecticut. From a planning perspective growing a workforce with cybersecurity skills is important to Connecticut's future, but for the near term there may need to be a focus on how we incent our small and mid-sized companies to begin to take the necessary precautionary steps. This could be done with some type of incentive like removing the sales tax on consulting services for cybersecurity or offering tax credits to companies that meet minimum standards.

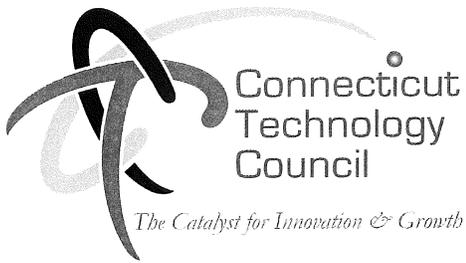
We graduate a large number of students with undergraduate and graduate degrees in Computer Science each year. In 2014, our undergraduate institutions had 560 Computer Science majors. It would be great if incorporated into the curriculum are the necessary courses to have these students prepared for cybersecurity related jobs. We could then offer loan forgiveness programs or other incentives to keep these students in Connecticut working at Connecticut firms. The State has offered similar programs to keep students in Connecticut working in fields of high demand.

Speaking of universities, the University of Connecticut has developed its Center of Excellence for Security Innovation with a major contribution by Comcast. This Center of Excellence is connected to the Center for Hardware Assurance, Security, and Engineering (CHASE). Many of you may have seen in the news where computer chips were compromised to be able to allow access to the computer so no "hacking" is required because the computer itself is already hacked. Having a Center that is looking at both the hardware issues and the software issues is a treasure for Connecticut and something that we need to take advantage of. If we could highlight the work that UCONN is doing, and perhaps have some it taking place in Stamford as well as Storrs, I think we could attract cybersecurity companies to locate in Connecticut to take advantage of the research capabilities and results.

So, to summarize, cybersecurity is a critical issue on the minds of the technology companies in Connecticut today. Although we don't have a strong community of companies that focus solely on cybersecurity services in Connecticut, we have a large workforce in our big financial institutions and defense contractors focused on these issues daily. UCONN's research center could play a major role in helping to put Connecticut on the map for cybersecurity firms that want to stay up to date on the latest practices and research. Ultimately, we will need to have more people trained to work in cybersecurity, particularly as our small and mid-size companies begin to focus on the issue and are looking for solutions.

I would like to leave two quick comments on SB 697 and HB 5392.

SB 697, An Act Concerning an Entrepreneur Learner's Permit Program is a great idea and could be another tool in the growing innovation ecosystem toolbox as we try to



develop and attract more entrepreneurs in Connecticut. The exemption from taxes for 2 years is a far cry from New York State's 10 year exemption, but it is a great start for Connecticut.

HB 5392, An Act Concerning a Study on Creating a Technology Sector in Connecticut is a little baffling on what the purpose of the Study is. As the President of the Connecticut Technology Council, I believe we have a strong technology sector in Connecticut that is pretty well organized. I would be happy to work with this Committee or Representative MacLachlan on trying to highlight the technology sector and the role it plays in Connecticut. I have reached out to Rep. MacLachlan directly with this offer.

Thank you for your time and interest.