



Statement of AT&T Corp
Regarding [Proposed S.B. No. 572](#)
AN ACT CONCERNING GIGABIT INTERNET ACCESS
Before the Committee on Energy and Technology
February 10, 2015

Proposal:

Proposed Senate Bill No. 572 was introduced to “facilitate the rapid development of gigabit Internet infrastructure in municipalities across the state.”

Comments:

AT&T appreciates the opportunity to provide comment on the proposed bill and in its general form as introduced is supportive of steps the General Assembly, the administration and municipalities can take to foster private sector investment in gigabit broadband Internet access as well as other high speed Internet technologies.

Connecticut’s Position – A World Leader:

Connecticut is already a national and international leader when it comes to high speed broadband access and adoption as a result of significant ongoing investments by cable, wired telecommunications carriers and wireless providers.

Cable companies have deployed their fastest and most cutting-edge networks throughout the state and broadband speeds available from those providers typically reach 500 Mbps. Wired telecommunications companies likewise have invested significant resources into the state and routinely provision Gigabit and higher services to customers upon their request. Finally, each of the four largest wireless providers in the state have deployed 4G LTE service throughout Connecticut and today provide wireless broadband speeds which would surpass most wired broadband connections available only a few short years ago.

Connecticut’s position as a national and international leader is reflected in a number of independent studies. For example, according to the June 2013 report “Four Years of Broadband Growth” from the White House’s Office of Science and Technology Policy & the National Economic Council, Connecticut ranked no less than third among the fifty states when it examined broadband availability greater than 10 Mbps, 25 Mbps, and 50 Mbps. The following is a link to the study:

http://www.whitehouse.gov/sites/default/files/broadband_report_final.pdf

A study by Akamai Technologies – a content hosting and delivery provider which delivers between 15 and 30 percent of all Internet traffic - of average peak Internet connection speeds found during the third quarter of 2014 that if Connecticut were its own country, it would rank as the fifth in connection speed of any country in the world. The study further

found that Connecticut's speeds increased 66 percent from a year earlier – no doubt the downstream result of greater private investment in cutting-edge faster networks.

According to the same Akamai report, Connecticut is also a national leader when it comes to “high broadband adoption rates” that is the percentage of broadband customers who subscribe to faster broadband connections. Connecticut ranks second among all fifty states with some 64 percent of all broadband connections above 10 Mbps. Trend data over time illustrates again that Connecticut's relative position is improving as the state's high broadband adoption rate increased more than 50 percent from the previous year. Below is a link to a *Washington Post* story on the study results which contains embedded links therein to the underlying study (for which a reader must provide some background data about themselves in order to access):

<http://www.washingtonpost.com/blogs/govbeat/wp/2015/01/08/how-state-internet-speeds-compare-with-countries-around-the-world/>

On-Going Massive Private-Sector Investment:

The growing availability of broadband and faster speeds are the result of massive on-going investments by private sector providers. To quote the White House study cited above:

“Responding to the increasing consumer demand for services accessed through broadband, the private sector has been driving important advances in infrastructure and technology. U.S. telecommunications firms have made significant investments in infrastructure; for example, just two of the largest U.S. telecommunications companies account for greater combined stateside investment than the top five oil/gas companies, and nearly four times more than the big three auto companies combined. In fact, since President Obama took office in early 2009, nearly \$250 billion in private capital has been invested in U.S. wired and wireless broadband networks. In just the last two years, more high-speed fiber cables have been laid in the United States than in any similar period since 2000. Moreover, during President Obama's first term, the annual investment in U.S. wireless networks alone grew more than 40 percent from \$21 billion to \$30 billion. Projections for 2013 estimate an annual wireless network investment at \$35 billion.”

AT&T alone invested more than \$100 billion in the United States in just the last five years – more than any other U.S. company.

In short, broadband networks are complex, complicated undertakings requiring expertise, scale, scope and on-going investments.

The Role for Policymakers:

As the committee considers what affirmative steps, if any, to further aid in the deployment of gigabit and other broadband networks, we would urge that focus and attention be paid to two areas: increasing broadband adoption and clearing away rules and other barriers which may serve as an impediment to further private sector investment.

Despite the widespread availability of broadband, a significant percentage of the overall population – just less than 30 percent of the public with access - still doesn't subscribe to broadband. More than 50 percent of those with access but who do not subscribe say that they have no need or interest to go on-line. There are significant differences in adoption rates among college and non-college educated; affluent and non-affluent; among races, and among different age groups.

Clearly there are real benefits that come with broadband access – this is by now an accepted fact; yet that is neither understood nor believed by a large percentage of the population. While the private sector is best suited to expand broadband access, state and local governments are particularly well suited to design and execute education campaigns which will spur greater broadband adoption.

State and local governments are also well positioned to clear away bureaucratic delays and additional costs of deployment which inhibit investment, increase time to deploy, and reduce the overall pool of capital investment. For example, fiber deployments typically require the installation of cabinets and other structures on or near the public right-of-way. Eliminating permitting fees, speeding permit approvals, allowing for the use of municipal property for cabinets are all steps which will aid in deployment and decrease underlying costs. Or consider the costs of wireless deployments for example where the “soft costs” of constructing a new tower site can easily approach \$250,000 and take years of review before approval. Finally, tax policy plays a role as well as companies consider the costs of deployment over the long-term and weigh the relative costs in one jurisdiction versus another; Connecticut for example levies among the highest taxes on telecommunications company personal property of any state in the country.

Conclusion:

Connecticut is a national and international leader when it comes to broadband availability and adoption as a result of on-going private sector investment. The state can help to encourage greater adoption and take other steps to spur further investment by the private sector broadband providers.