



New England Cable & Telecommunications Association, Inc.
Ten Forbes Road • Suite 440W • Braintree, MA 02184
TEL: 781.843.3418 • FAX: 781.849.6267

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STATEMENT OF THE NEW ENGLAND CABLE & TELECOMMUNICATIONS
ASSOCIATION, INC. IN OPPOSITION TO SB 445

Introduction

The New England Cable & Telecommunications Association, Inc. (NECTA) is a regional trade association representing substantially all cable telecommunication companies in New England. In Connecticut, NECTA represents: Atlantic Broadband, Cablevision, Charter, Comcast and Cox. NECTA respectfully opposes SB 445 for the following reasons:

- 1) The bill is predicated on a false assumption that Connecticut businesses do not have access to high-speed broadband. Connecticut's commercial broadband market is robust and very competitive, with a number of providers currently offering multi-gigabit (1-100 Gbps) Ethernet service to businesses, including those that are data-driven and targeted in the bill. In fact, NECTA members serve many businesses in the market segment targeted in this bill. The proponents of this new task force examination should articulate what service speeds above 100 Gbps they deem are necessary, and currently unavailable to Connecticut's enterprise customers.
- 2) The bill seeks to examine the topic of "ultra-high-speed broadband network"-- but this term is not a defined term in the bill, and it is important to note that there is no common (uniform) understanding of this term in the broadband industry.
- 3) The bill does not include Connecticut's broadband providers on this newly created task force, therefore, those with the most critical experience and information on these issues will not be represented.
- 4) The task force is focused (limited) to address the perceived needs of a narrow subset of business consumers, ignoring the economic development benefits broadband brings to the community at large. The cable industry recognizes this so we build and provide advanced, high-speed broadband services to all business users as well as residential users.

- 5) The bill's objective is to promote government ownership and management of broadband networks under the code phrase of "public-private partnerships." While Connecticut's broadband providers are open to exploring partnerships with public entities, and have done so in other states, we note that government-owned competitive providers have consistently failed and left taxpayers paying for tens of millions of dollars in unused infrastructure (e.g., Groton, CT and Burlington, VT). Using the phrase "public-private partnerships" does not mean there is no risk to taxpayers. Under any funding title or scenario the proponents select, the bottom line is that taxpayers will be funding this, and assuming at least some of the financial and operational risk. They will either pay their towns, the state, or a private company for a service that duplicates what the private sector already provides.

OVERVIEW OF CONNECTICUT'S BROADBAND INFRASTRUCTURE

Connecticut's broadband infrastructure consists of some of the fastest, most reliable, and affordable broadband networks in the country. Recent reports from the White House, the Federal Communications Commission and Akamai have all ranked Connecticut in the top five when it comes to service availability and speed. Most recently, the FCC ranked Connecticut second among the fifty states for the fastest average download speeds.

This legislation proposes that the state create a publicly financed broadband infrastructure that would compete with the private sector. Over the last seven years, private sector providers have spent over \$2 billion installing fiber optic cable covering most of Connecticut and many billions more in maintaining and enhancing these networks. These are necessary costs that taxpayers would have to pick up if the government were to own and operate a broadband network.

The simple fact that belies the proponents' assumption is that the industry provides business and residential customers high speed data products at multiple levels of speed and affordability to meet the individualized needs of all customers. Our members meet both the multi-gigabit needs of large business customers, including those data-driven businesses in bioscience, healthcare and insurance, and the high speed needs of low income families across Connecticut through their Internet Essentials and Connect to Compete adoption programs. Due to customer privacy rules, we are not able to share with you the names of businesses in these fields that find their needs met with service provided by NECTA members, without specific consent, we would welcome the

opportunity to provide additional illustrative information regarding the industries mentioned in SB 445, once consent is obtained.

This task force is being created to determine a solution for a problem that the proponents have yet to identify based on fact and real analysis of the current marketplace.

WHAT THE CONNECTICUT BROADBAND INDUSTRY IS DOING

- Our networks deliver products that support the businesses that drive economic development. We have the capacity to expand and enhance those products as new and different business needs emerge.
- We currently offer multi-gigabit (1-100 Gbps) Ethernet services to data driven businesses.
- Connecticut residents have access to among the highest broadband speeds in the country.
- Over the last 14 years, NECTA members have consistently increased speeds annually as verified by independent sources such as Akamai.
- Most consumers access the Internet over WiFi networks. Without access, speed does not matter. We are focused on expanding the availability and speed of WiFi networks.
- In 2016, NECTA members have begun testing DOCSIS 3.1, a system capable of delivering gigabit speeds to the consumer market.

Goals

NECTA members are focusing on these goals:

1. Continue to innovate and invest in our state-of-the art network, so that all consumers benefit from the most reliable broadband infrastructure, capable of delivering the highest speeds.
2. Close the digital divide.
3. Remain competitive by providing products and services consumers demand.

Goal One - Innovation and Investment

NECTA members have collectively invested \$2 billion over the past seven years developing state-of-the-art fiber networks in Connecticut. These networks are successfully meeting the needs of public and private sector consumers and they can be scaled up to address future demand. Connecticut has an extensive array of privately operated gigabit networks in place running through 8,000 miles of fiber, capable of providing speeds in excess of 1 gigabit. The extension of this fiber network expands monthly. For business consumers, NECTA members can deliver bandwidth levels of up to 100 Gbps.

NECTA members have begun testing what is known as DOCSIS 3.1, which is critical technology to provide even faster, more reliable data speeds and features. DOCSIS 3.1 is capable of delivering 1 to 10 gigabit speeds and has the potential to benefit millions of homes, as opposed to targeted areas or corridors. NECTA members will use DOCSIS 3.1, or similar technology, to deliver gigabit speeds - at scale - to the vast majority of their residential customers.

Goal Two - Digital Divide

The cable telecommunications industry of course understands that broadband represents a significant economic development opportunity. Access to the Internet is integral to jobs, education and our general ability to obtain information. It is also true that not everyone who has access to the higher broadband speeds adopts the service, because their hardware may operate only at slower speeds. As an industry, we are partnered with federal, state and local officials to address the digital divide. Through various initiatives we are making important progress.

Speed is not the only measure of high quality service. The fastest networks are only helpful to consumers if they can be accessed, that is why NECTA members are properly focused equally on expanding WiFi networks. *WiFi is the primary way* most consumers connect to the Internet. NECTA members have deployed 195,000 WiFi hotspots throughout Connecticut allowing consumers to access the Internet easily where and when they want. This number grows weekly.

Goal Three - Products and Services

NECTA members have a natural interest in providing Internet speeds that meet the needs and demand of Connecticut consumers. Our business model depends on it. Our work has been

recognized by the administration of President Barack Obama. The White House Office of Science and Technology Policy reports that 97.08% of Connecticut residents have access to broadband that is faster than 50 Mbps. That is the third highest score in the country.

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

The Federal Communications Commission last December said Internet service providers in the U.S. are, for the most part, supplying the connection speeds they advertise to consumers -- speeds have tripled in the last three years, according to an annual agency report. According to the FCC's fifth "Measuring Broadband America" report (<https://www.fcc.gov/reports-research/reports/measuring-broadband-america/measuring-broadband-america-2015>), the average maximum advertised speeds increased 94 percent from 37.2 megabits per second in September 2013 to 72 Mbps in September 2014, with cable download speeds specifically increasing from 12-20 Mbps in March 2011 to 50-105 Mbps in September 2014. Broadband delivered via fiber and cable went above average and advertised 25 Mbps speeds, *with New Jersey and Connecticut clocking in the highest average speeds of 57 and 47 Mbps respectively.*

Our membership has consistently increased speeds over the last decade, usually with little or no associated price increase. Currently, NECTA members offer residential subscribers a variety of speed tiers with the top speed levels ranging between 60 to 2 Gigabits.

Conclusion

The history of the U.S. broadband industry is one of competitors constantly challenging each other and spurring competitive responses. The marketplace is dynamic and it will continue to push phone companies, wireless providers, and cable companies to compete with continued intensity. Connecticut's twin advantages of having both advanced broadband infrastructure and a thriving competitive marketplace should carefully be considered before the state attempts to enter such a complex field. The marketplace, not government intervention, drives innovation, creates competition and protects consumers.

Respectfully submitted,

Dated: March 14, 2016

Paul R. Cianelli
President/CEO
NEW ENGLAND CABLE AND
TELECOMMUNICATIONS ASSOCIATION, INC.
Ten Forbes Road, Suite 440W
Braintree, MA 02184
Tel: 781-843-3418
Fax: 781-849-6267
Cell: 339-933-0101
Email: pcianelli@necta.info