

TRANSCRIPT

Governor Deval L. Patrick

Broadband Access Bond Bill Testimony

2-14-08

Thank you very much Mr. Chairman. Mr. Chairman, members of the committee, thank you very much for holding these hearings and allowing us an opportunity to testify on behalf of the broadband access bond bill. I think that members of the delegation from the western and central part of the Commonwealth have already come to talk about how important this is in those regions. Maybe I could just give a broader context for why I think this is important for the Commonwealth as a whole.

I think we all agree that we should pursue every available and reasonable initiative to grow the Massachusetts economy and stimulate job growth. Doing so is timely and critical. Last year the Massachusetts economy expanded steadily, creating over 20,000 new jobs. Even in a difficult fourth quarter, growth continued at almost four times the pace of the national economy. We've been

ranked as the most competitive state in the nation in one survey, and number two in a second study. All good news.

Yet we continue to face significant fiscal challenges. Costs for health care and education are outpacing revenue growth in many places; billions of dollars in maintenance needs for roads and bridges; and a \$1.3 billion structural gap in the FY09 budget place immediate strains on our ability to deliver the services our constituents, including our businesses, want and deserve. To confront fiscal realities and sustain the economic momentum we built in the first year of this administration, it's important that we focus on areas where we can grow jobs and economic security, and not just on how to get along with less.

The bond bills before this committee and the legislature put Massachusetts to work by creating thousands of jobs by improving our transportation system, creating more housing, and modernizing our state college and university campuses.

Expanding broadband access, the purpose of the bill before you today, is one area where targeting investments stands to bring considerable returns to the Commonwealth.

Our proposal is designed to leverage public-private partnerships and expand broadband coverage to every underserved city and town in Massachusetts within three years. Through this bond bill, we will form a Massachusetts Broadband Incentive Fund, providing \$25 million in public support for broadband infrastructure, allowing us to construct, and in some cases to own the critical components of the telecommunications backbone such as fiber and wireless towers.

State investments will complement private sector investment, not substitute for it. These public investments will help to remove significant private sector entry barriers and will promote competition to ensure broadband services, quality and affordability throughout the Commonwealth. The need is real and urgent.

Today there are 63 towns in Massachusetts where there's only partial broadband service, and 32 have no access at all. In those 95

communities, over 220,000 households and over 25,000 businesses lack adequate broadband access. That means children for whom educational materials are out of reach, families for whom news is out of reach, doctors for whom medical images are out of reach, businesses, such as graphic design businesses, who could not even consider functioning in those communities. These communities have already waited a very long time, as I know you know. Without public investment, those communities will be forced to wait indefinitely.

Widely available broadband access is essential in the world and economy of the 21st century. Our ability to establish and grow new companies and jobs across the Commonwealth, engage fully in the global economy, and connect to services in everything from education to government to entertainment relies on broadband access.

Our competitor states and nations are already on the move, from South Carolina to South Korea. California, one of our top competitors in the knowledge economy, as you know, has invested \$60 million to

leverage up to \$250 million in private funding for their own broadband initiative.

The expected economic benefits show why states are making these investments. Research shows that job growth, business growth and property values are higher in areas with broadband service. Opportunities for telecommuting, online advertising, services and transactions, and connections to new markets all stand to benefit companies in places like Hampden County, the Berkshires, southeastern Massachusetts and the Cape.

In addition to fostering comprehensive growth, broadband access is especially critical for the expansion of innovation industries like the life sciences, clean energy, education, high tech and health care. These are the industries, as you know, that are driving economic growth in the 21st century, and each is a sector in which Massachusetts has an edge.

But unless we act, that growth will be restricted to areas that have reliable broadband access, leaving large parts of the Commonwealth

and large numbers of our people behind. To educate the workforce, facilitate the ideas, and attract the companies, we must have reliable, affordable internet access in every region of the Commonwealth.

Universal broadband will also foster more efficient access to government services. The Department of Revenue estimates that it could save \$300,000 per year if unserved town halls could depend on having broadband access. Savings like these, multiplied across numerous state agencies, are part of the return on this investment, part of the return

For the purposes of civic engagement, residents will have greater ability to organize town meetings, coordinate around local and state policy development and implementation, and simply connect in hundreds of ways to their communities.

Finally, and most important to our long-term success, this will allow us to build interactive classrooms and learning environments, with access to information and new teaching techniques from pre-K through higher ed. Internet access is no longer optional in education

today. And I'm not only referring to access in schools, I'm talking about access at home after school as well.

Broadband is a necessary service that stands to improve opportunities in education, civic engagement, and economic growth. We can get there with a responsible, targeted investment, and we believe this broadband bill represents the best path forward. So I ask for your prompt and favorable consideration. Thank you very much for having me today.