



STATE OF CONNECTICUT

NEWS RELEASE

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CONSUMER COUNSEL SEEKS TO ADVANCE INVESTMENT IN GIGABIT FIBER NETWORKS THROUGH PURA INVESTIGATION INTO UTILITY POLE ACCESS BY CITIES AND TOWNS

NEW BRITAIN, Conn. (June 21, 2016) – Connecticut Consumer Counsel Elin Swanson Katz today filed, on behalf of the Office of Consumer Counsel (OCC) and the State Broadband Office (SBO) within OCC, a Petition to the Public Utilities Regulatory Authority (PURA) to open proceedings to boost private investment in, and development of, optical fiber internet networks (“fiber networks”) in the state. These fiber networks are capable of delivering ultra-high-speed internet services at gigabit or “gig” broadband speeds. Specifically, Consumer Counsel Katz’s Petition seeks the development of rules that will promote the fair and efficient use by Connecticut cities and towns of the utility poles within their territories for fiber network development.

As noted in the Petition, Connecticut has a potentially unique national advantage in the area of broadband fiber investment and development because the Connecticut Legislature has reserved by statute (Conn. Gen. Stat. Sec. 16-233) a space on each utility pole and underground conduit for municipal use for any purpose. This space on a utility pole is known as the “municipal gain” and may be used by a municipality to promote the building of fiber networks to support multi-gigabit internet access for services used by residents, businesses, health care providers, and government services. Many municipalities expressed an interest in fiber network development as part of their participation in a Request for Qualifications facilitated by the OCC in 2014, which effort sought to gauge demand for faster broadband speeds and assess investment potential to construct fiber networks.

According to Consumer Counsel Katz, “Connecticut’s municipal gain statute was created over a

century ago to support expansion of telegraph services across the state, with the state recognizing even then that state-of-the-art communication infrastructure was essential for citizens. The statute was amended several years ago to promote expansion of faster broadband services through fiber networks, today's essential communication service. This state asset, unique to Connecticut, can stimulate massive investment of advanced telecom services into our cities and towns."

"The OCC's efforts over the last few years have amply demonstrated that many internet service providers are interested in entering into public-private partnerships with our municipalities to build fiber networks," Consumer Counsel Katz added. "This includes Connecticut's incumbent service providers as well as providers and investors from across the US and overseas. Such an infusion of infrastructure capital would bring immediate construction jobs; create new opportunities for our many state businesses, universities, and health care and insurance providers; and attract even more start-up and technology innovation companies to Connecticut. Our discussions with potential providers and investors have demonstrated that both the municipalities and their potential investors need clear rules on pole access, attachments, maintenance, and the allocation of costs necessary to prepare a utility pole for these fiber networks, known as 'make-ready' costs. Investment in the municipal gain for such networks hinges on the implementation of such clear rules by the state's regulator of the public rights of way, PURA."

As to the need for today's petition, Consumer Counsel Katz notes that "this petition is about cementing Connecticut's position as a national leader in the development of fiber networks. While Connecticut is often listed as a top state in broadband surveys, there is active competition among the states (and many of the state's global competitive markets) in developing ubiquitous high-speed broadband services at affordable prices to every citizen through fiber networks. Fortunately, the municipal gain is an incredible statutory tool for municipalities that want to meet that challenge, as it provides the opportunity to facilitate the rapid deployment of these fiber networks through public-private partnerships that can bring gig speeds to a municipality's residents and businesses at reasonable prices. However, we need PURA's steady hand and guidance to ensure that there are clear rules and no unfair impediments to equitable use of the municipal gain."

PURA's jurisdiction over utility poles, coupled with numerous technological advances, has led PURA to be actively engaged in pole administration issues for many years. However, the municipal gain has not been a frequent aspect of prior proceedings governing pole attachments, and the potential use of the municipal gain for deployment of fiber networks raises some novel issues as well as the opportunity to think more deeply about issues like responsibility for make ready costs. Other interested stakeholders in a PURA proceeding regarding the municipal gain would likely include the Single Pole Administrators (the two Electric Distribution Companies), the incumbent telephone companies, the several cable operators, long-term infrastructure investors, the diverse set of utilities, municipalities, investors, other entities that already engage in pole attachments, and Connecticut business and technology promotion groups seeking high-speed internet access.

Consumer Counsel Katz is optimistic that progress can be made before PURA in this area

because of PURA's expertise and experience and because of the enormous potential benefits of fiber network development in the State. This is a critical moment since, as Katz noted, "gig-capable fiber networks can attract and retain businesses and simultaneously drive progress in virtually every area of modern life, including health care, education, public safety, energy efficiency, environmental protection, finance and insurance, civic engagement, entertainment, and more."

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The Office of Consumer Counsel (OCC) is the State of Connecticut's advocate for consumers on issues relating to electricity, natural gas, water, and telecommunications. For more information, visit www.ct.gov/occ. The State Broadband Office (SBO) is part of the Office of Consumer Counsel by statute, and works to facilitate the availability of broadband access to every state citizen and to increase access to and the adoption of ultra-high-speed gigabit capable broadband networks.