# General Law Committee JOINT FAVORABLE REPORT

Bill No.:SB-514<br/>AN ACT ESTABLISHING A NET EQUALITY PROGRAM.Vote Date:3/21/2025Vote Action:Joint Favorable Substitute (LCO 6715)PH Date:2/19/2025File No.:Image: State Sta

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#### SPONSORS OF BILL:

Sen. Bob Duff, 25<sup>th</sup> Dist.

## **REASONS FOR BILL:**

This bill intends to improve affordability and accessibility of high-quality internet service across Connecticut. Senator Duff initially proposed this bill to protect consumers' access to a service that has become a necessity. It creates the Net Equity Program, which provides affordable internet service to households participating in SNAP, HUSKY, and other assistance programs.

## SUBSTITUTE LANGUAGE:

Proposed Substitute Bill No. 514 (LCO 6715) makes three main changes to the original language:

- (1) It excludes mobile hotspots from the definition of "broadband Internet access service."
- (2) In response to feedback from various stakeholders, it was determined that the Office of Consumer Counsel should oversee the program instead of the Department of Consumer Protection.
- (3) It implements a suggestion from Senator Duff to adjust the minimum speeds to align with the Federal Communications Commission's minimum standards of one hundred megabits per second downstream and twenty megabits per second upstream.

#### **RESPONSE FROM ADMINISTRATION/AGENCY:**

<u>Attorney General William Tong</u> submitted testimony in support of SB 514. He characterizes access to high speed affordable internet as essential to children and families, and he recommends that the General Law Committee favorably report the bill.

Bryan Cafferelli, Commissioner, Department of Consumer Protection provided written comments on SB 514. He notes that the Department does not have the professional expertise or the resources needed to regulate the broadband internet market. Commissioner Cafferelli expresses interest in working with industry partners to make a plan that accomplishes this goal.

Mark Raymond, Chief Information Officer, Department of Administrative Services and Chair, Connecticut Commission for Educational Technology submitted written comments on SB 514. He notes that the Commission leads the State Digital Equity Plan, which outlines Connecticut's challenges related to broadband internet adoption. The research used to develop the plan indicates that affordability is a key barrier to families staying online, and Mr. Raymond asserts that SB 514 would help make internet service more affordable. He supplements his testimony with a series of suggestions that he thinks would strengthen the legislation.

# NATURE AND SOURCES OF SUPPORT:

<u>Senator Bob Duff, 25<sup>th</sup> District</u> supports SB 514 because he believes that access to the internet "has become almost as essential as food to our daily lives." He characterizes access to high-speed internet as necessary for students, schools, employees, small businesses, families, and almost every other facet of modern-day life. Senator Duff outlines what the original language does, and he requests that the General Law Committee adjust the minimum speeds to align with the current FCC definition.

Chris Senecal Sr., Public Policy Officer, Hartford Foundation for Public Giving supports SB 514 largely because it would improve access to the internet in low-income communities. Mr. Senecal details efforts of multiple stakeholders, including the Hartford Foundation, Dalio Education, and the City of Hartford to improve internet access in the city. He explains that progress has been made, but more work needs to be done in order to ensure residents' access to this necessity.

# NATURE AND SOURCES OF OPPOSITION:

Jeremy Crandall, Senior Vice President for State and Legislative Affairs, CTIA opposes SB 514, characterizing its requirements as unnecessary and anticompetitive. He argues that mandates increase prices while lowering competition. Mr. Crandall raises the concern that SB 514's mandates would exclude many contractors from providing services to state agencies, thereby raising costs. In addition, he argues that SB 514's requirements present compliance challenges, as he questions how internet service providers (ISPs) will be able to determine program eligibility. Mr. Crandall also believes that the language conflicts with existing federal law, arguing that SB 514 would be preempted by the Communications Act of 1934.

## Chris Davis, Vice President, Public Policy, Connecticut Business and Industry

<u>Association (CBIA)</u> opposes SB 514 because he thinks its requirements will burden ISPs, limit competition, and reduce low cost options. He cites statistics from the 2024 Connecticut Broadband Report as evidence that Connecticut is a leader in extending broadband affordability and equity to all residents; in other words, he argues that the current system works. CBIA also raises concerns regarding potential conflict with the Communications Act of 1934.

**B. Lynn Follansbee, Vice President, USTelecom** provided written testimony in opposition to SB 514. USTelecom argues that the proposed legislation would hinder existing efforts to deliver high-speed internet at affordable rates. They think that these efforts are already effective, citing national statistics from USTelecom's own reports in support of their argument. USTelecom notes that a wireless provider left stopped providing wireless service in New York state after similar legislation was implemented. In addition, they raise concerns that SB 514 would conflict with existing federal law.

Anna Lucey, Vice President of External Affairs, New England Connectivity and Telecommunications Association (NECTA) opposes SB 514, arguing that broadband providers' existing programs are already effective. She notes that Connecticut is a leader in broadband availability and provides examples of affordable connectivity programs implemented by NECTA members. Overall, NECTA thinks SB 514's requirements would be "unnecessary, counterproductive, and unlawful." They add that enacting SB 514 would invite legal challenges similar to those raised in New York state.

Reported by: Betsy Francolino

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