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DATE: April 30, 2009
TO: Honorable Members of the Senate Telecommunications & Technology Committee
FROM: Aviva F. Gibbs
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RE: Subject Matter Hearing on Telecommunications Act Rewrite and Technology Policy

Chairman Bond and Honorable members of the Committee – thank you for having me here today. My name is Aviva Gibbs. I am the Executive Director of the Illinois Technology Partnership.

ABOUT ITP

ITP is a non-profit advocacy organization that seeks to provide the eyes, ears, and a high-impact voice for the tech community as it relates to legislation and regulation. This “tech community” encompasses all of us here today and our networks – government officials, citizens, business entities, other thought leaders, and **all of us, Illinois tech consumers.**

I’m here today on behalf of our 2500 consumer members from across the State, as well as our 10 Advisory Board partners. We just celebrated our one-year organizational anniversary, and we’re growing every day.

Our mission is to promote innovation and consumer access to cutting-edge technologies by advocating forward-thinking public policies. ITP seeks to foster an environment that will encourage emerging technologies, jobs, and investment, and spur economic growth on the state and local levels at a time when we need it most.

As a consumer advocacy organization, we know that people want better services for better prices, and that some times, regulation is needed to encourage this. At the same time, we recognize that when regulation gets heavy and onerous, it can hinder flexibility and innovation, when it really sought to protect consumers in the first place. If we look at the wireless or internet industry, we see examples of policymakers getting it right by not getting in the way of a good thing.

We are at the beginning of this conversation, but at the end of the day, we believe consumers will be better off in an environment where **emerging technologies are not just allowed, but encouraged to thrive.**

WHY WE’RE HERE – CHANGE

The name of this new committee – not just Telecommunications, but Telecommunications *and Technology* – is important to note and indicative of the change that is taking place in our now digital world. It is no longer about only landline telecom, but rather new forms of communication that can unlock opportunities for students, provide competition-driven choices for consumers, bridge divides for rural or developing communities, and create jobs and economic growth for all of Illinois. The name of this new committee is also indicative of the recognition that government needs to **ensure it is not holding back the technological pace of business and consumers,** not only in how we conduct the business of the people but also in the legislation we craft to regulate it.

All of us here understand the extent to which technology and public policy affect nearly every aspect of our lives. Technology is no longer just its own niche business. It has become the infrastructure and necessity of *every* business' and individual's success and as importantly, if not more so, a necessity of a 21st century government. New forms of communication have become the backbone for not just technology companies, but financial services, agriculture, hospitals with tele-health, schools, and any business that wants to compete in a global marketplace. The Illinois Telecommunications Act did its job but is meaning less and less every day. It's time now to look at this dated document and decide together whether these regulations still apply to current conditions and what updates are needed.

MEET JANE *(a fictional character)*

Jane is an Illinois businesswoman and busy mom. Throughout her day, she constantly interfaces with new technology. She listens to satellite radio on her way into work and chooses a different route based on her GPS navigation system showing an accident on the interstate. When she gets to her job at a small financial services firm in central Illinois, she meets with her counterparts in other district offices through online videoconferences. She reviews the market via an internet stock ticker stream on her laptop. She heads out to lunch and gets a call from her son's school on her cell phone. He's staying afterschool for soccer practice now, though she can't pick him up. So she text messages her husband. After dinner together, the family watches IP-enabled TV together while her son posts his homework assignment to his teacher's e-classroom site and her husband pays the bills online.

Jane relies upon these technologies to move efficiently through her day, and rarely, if ever, uses traditional telecommunication for which the original Act was crafted.

"THE ONLY THINGS THAT STAYS THE SAME IS CHANGE"

Ten years ago, most of us had never heard of Google. Today, the search engine and advertising company launched their own mobile device – the Android – and owns YouTube, the biggest user of bandwidth on the Internet, which itself didn't exist four years ago. A memory chip for a 4GB iPod Nano costs about \$24 today. In 1992, it would have cost \$500,000. These examples illustrate that we don't know what tomorrow's innovators will create, though regulations as clunky as an old rotary phone that our mobile devices have flourished without, could devastate these possibilities with unintended consequences on Illinois (including lack of economic growth, price increases, fewer jobs, etc).

We have several unmet needs in Illinois, more than we can currently afford to address adequately as we gathered in the recent budget address. When asked to do more with less, these unmet needs should lead to technological innovation and implementation. When asked to do more with less, government should not only step aside, but open the door for technological innovation and implementation.

SUCCESS STORIES

When the fine print of Facebook's privacy policy was magnified, and users realized that their content, their personal photos and posts, would be forever the property of Facebook, they revolted. Absent outside regulation, the company listened, and took their policy back to the drawing board.

The wireless industry is another example of an open door leading to innovation and win-win situations for business and consumers. When consumers are unhappy with products or services, they have plenty of options to go elsewhere. Companies frequently utilize "win-back" sales techniques for customers on the fence, and constantly try to improve the hardware they offer so as to attract the consumers who demand the latest gadget with the latest features. As anyone who has purchased a device only to see a newer model emerge on the market the following month knows, attempting to regulate an evolving industry is an exercise in chasing a moving target. But we have to begin the process of catching up to the needs and demands of consumers. Smart policy can set the stage for this innovation, and the private sector can enable it so that in the end, consumers win.



ILLINOIS

We are at a rare governmental moment with a President who can't let go of his Blackberry and relied upon the Internet and social media specifically to get out his message and register nearly 50,000 new voters, and a Governor who has long championed the power of technology and putting this access into the hands of our students and less fortunate citizens. ITP is particularly appreciative of the Governor's enthusiasm, and I hope the Legislature will recognize and share in this commitment as well.

Though I know you already do. A view from the Capitol gallery shows laptops on the desk of every legislator. Bills and legislative proceedings like this one can be viewed by constituents online and discussed on blogs around the State. The lines of communication are more open than ever, and to keep the Illinois momentum moving forward, we need to invest to ensure that we are moving not only as fast as business and consumers, but also other states. Moreover, we need to **ensure that smart policy enables this technology to reach all corners of our State.**

LEGISLATOR SURVEY

As many of you know having participated in it, the Illinois Technology Partnership recently released results of a **survey we conducted of Illinois legislators on their use and understanding of technology** and social networking tools and to explore their opinions on related public policy issues. You and your colleagues **unanimously responded that technology has changed life inside and outside of the political arena**, and a majority is using e-mail and social networking to communicate with their constituents. So much so that last month we held an "Illinois 2.0" workshop on how to best harness these new digital technologies.

Some of our other key survey findings included the following:

- Legislators who responded unanimously agreed that technology has changed life tremendously; nearly 80% cannot imagine living life without a computer or cell phone. Many noted in comments that it has made the exchange of information more efficient and has improved their accessibility to constituents. All respondents agreed technology has changed their jobs saying it has made it easier to look up bills, communicate with constituents and exchange information
- All but one of the responding legislators said they use technology to communicate with their constituents. Most noted it was through communication via their Web site. 100% of respondents carry a mobile device.
- The majority of legislators responding did not believe State public policy has kept up with the pace of technology, and more than 75% said that state government should not more closely regulate the wireless and broadband industries because current competition and market forces will ensure that prices remain reasonable.
- ITP asked legislators to rank the most important tech issues facing Illinois: Broadband deployment ranked 1st, followed closely by 'bridging the digital divide.' On the other end of the spectrum, possibly acknowledging the migration toward wireless connectivity, 50% of respondents said the least important issue was traditional telecommunication.

WHAT DOES THIS ALL MEAN?

The once-bold lines between consumers and business and government are blurring. Why? **Because we are all technology consumers**, relying upon the same connectivity, products, and services to make our personal lives and work run smoothly. You will be hard pressed to find an industry that doesn't depend upon technology as its backbone, or one that wouldn't benefit greatly from its efficiencies.



RECOMMENDATIONS

1. Continue to support and expand policies that recognize the importance of technology and encourage its place in Illinois, such **Senate Bill 1522** (The Emerging Technology Industries Act), **Senate Bill 265** (to amend the Technology Development Account), and **Senate Bill 613** (The Children's Low-cost Laptop Act), as well as other tech-initiatives set forth by Governor Quinn. These bills are all at various pending points, and we encourage the General Assembly to consider them favorably and expeditiously.
2. We are undoubtedly living in a much different age of communication since the Telecommunications Act was last revamped in 2001. The Act no longer reflects the technology available to us, and requires a close study and complete update. Given the breadth and depth of updates needed, and given the litany of serious issues we are facing as a State, we do not believe this job can be done right in the next thirty days. Rather, we encourage the General Assembly to tackle this arduous task by holding subject matter hearings like this one with a goal of a complete and careful update of the Telecom Act **in two years**. In the meantime, with the input of industry, consumer groups, and other informed parties, we recommend a **targeted modernization of the Act this year**. Some changes are necessary so that we do not fall behind as a State, but a comprehensive overhaul simply cannot be done properly in one month's time.
3. ITP does not believe it would be sensible for the General Assembly to get into the business of making winners and losers by perpetuating regulations that cannot keep up with the rapid pace of technology, or worse, legislating new rules without the ability to forecast their implications. That is, we don't know who the "Googles" and "Skypes" of tomorrow are. By **writing technology-neutral policies**, we will give the consumers the chance to decide whether they prefer to fiber broadband to wireless internet access, Facebook to Twitter, and so forth.

I appreciate your time today and look forward to continuing to work together in our digital State. If ITP can be of any assistance to you, provide greater detail, or answer any questions you might have, please don't hesitate to get in touch with me.

Thank you.

Further information about ITP, our programs, and partners can be found at www.iltechpartner.org.

