

Chairman Oelslager, Vice Chair Manning, Distinguished members of the committee, thank-you for allowing me this opportunity to share my thoughts with you regarding SB225, a measure I believe is critical to the future prosperity of Ohio and Ohioans.

My name is Phil Caskey, and I am President and CEO of Consolidated Cooperative, headquartered in Mt. Gilead. We are a not-for-profit, member-owned business that serves electricity, natural gas, propane, and fiber-optic telecommunications to the rural areas generally bounded by Columbus, Marion, Mansfield, and Mount Vernon. We brought electric power to the area in the 1930's, satellite TV in the 1980's, dialup internet and natural gas in the 1990's, propane in the 2000's, and fiber-optic telecommunications in 2010. We are about two to three weeks away from lighting up our first residential fiber-optic customers in a five-year (give or take) effort to serve our 14,000 rural and agricultural members with broadband internet.

I am here today to share my perspective about this investment that Ohio can make that, I believe, will cost the state less in the medium and long runs than the cost of not so investing.

But recognizing that none of you knows me or has reason to take what I say at face value, I'd like to share why I think you may want to consider this perspective.

First, please do not let my title influence what you may think about my reasons for testifying today. While my title certainly is CEO, I lead an organization whose purpose is expressly not to make money.

You may recall that electric cooperatives are grassroots organizations formed in the 1930's to solve the growing problem of the divide between the quality of life enjoyed in urban and densely populated parts of the country and that of the rural-and-agricultural areas that we now serve. Back then, the emerging technology promising improved living was electric power, and Consolidated, along with 23 other cooperatives in Ohio and about 900 across the country, has 80+ years of experience in providing that service that was a nicety then, but is now considered a necessity.

Second, among nearly all the electric cooperatives in America, there is an extensive and long history of working together and sharing best practices, strategies, and experiences. Through our national network of electric cooperatives, specifically the National Rural Electric Cooperative Association, and through the US Department of Agriculture's Rural Utilities Service, the parallels between electric power in the 1930's and broadband internet today have been the topic of much discussion, especially recently.

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It is from this backdrop that I present to you for your consideration that perhaps the grant program envisioned by those who drafted and signed on to this bill can be viewed similarly to the cost of regularly changing the oil in a car's engine. Certainly, there is a cost; however, that cost is considerably less than the cost of overhauling or replacing an engine that has been significantly overheated.

Why do I, and many of my counterparts, consider the two situations so similar?

It is because we all recognize that increasingly, broadband internet service is rapidly becoming a vital piece of the economic engine of this state, our country, and even the world. There is little debate that commerce, education, health services, entertainment, communications, employment, convenience, news, and relationships are all very quickly moving online. Even Amish markets abound in internet searches.

Certainly, people can live without reliable, high-speed internet connections. Fewer and fewer, however, will accept that life. I relate that broadband is not, "if you build it, they will come"; however, it is already nearly, "if it is not there, they will go and will not come back"!

How does this reality lead to my comparison to oil changes?

It is because this great state now has a choice to invest relatively small amounts of money now, or risk medium- and long-term damage to the economic engine of the state.

In a study published late last year, The OSU Department of Agricultural, Environmental, and Development Economics, attributes \$1 of every \$13 of Ohio's gross state product, and 1 in 8 of Ohio's jobs to the agricultural and food cluster of Ohio's economy. While that entire cluster encompasses more than the rural and agricultural parts of Ohio, the farms, residences, and communities of these areas are prominent links in the chain of that cluster. If rural and agricultural communities do not have reasonable access to broadband internet, Ohio risks the stagnation, if not decline, of this important part of Ohio's economy.

It is the costs of dealing with that decline that seem to me to far overshadow the costs of Ohio partnering with private entities, like electric cooperatives, as proposed by SB 225.

Please consider that I hold this view not from any selfish desires. I work in the not-for-profit arena. I gain little, personally (other than I live in a broadband-challenged location). Cooperatives do not provide services to make money off the residents, businesses, and farms of our rural and agricultural communities; we ARE the residents, businesses, and farms who pooled our resources to bring these services to ourselves.

Also, please consider that Consolidated and its members have put our money where our mouths are. Our geography and our demographics give us a reasonable expectation of not losing money in bringing these services to our areas (while we are not-for-profit, we are also not-for-loss!). We have two poster-child examples in our area where broadband has either kept a growing business local or lured a new business to our communities.

But I know through my close association with all the cooperatives in Ohio that few of us have the geography and demographics to support building to our territories. It will take partnership with the State, at least, in order to provide the capital needed to properly lubricate this part of Ohio's economic engine.

Therefore, I respectfully request that you strongly consider passing Senate Bill 225, with one minor change. I ask that you amend the language to allow electric cooperatives access to these grants (the current language restricts eligibility to cooperatives formed for the purpose of telecommunications).

Again, I thank you for this opportunity to express my perspective.

Sincerely,

A handwritten signature in black ink that reads "PHILIP CASKEY". The letters are in all caps and have a cursive, slightly slanted appearance.

Philip Caskey
President/CEO