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NEW ENGLAND

## Energy Tax Would Help Region Regain Primacy

By MATTHEW NEMERSON

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If the economy wasn't reason enough to make us anxious this holiday season, Tom Friedman's latest opus dedicated to the systemic weakness of humanity, "Hot, Flat and Crowded," will surely do the trick. It got me to think about the kind of steps we could take to make New England the place to be by 2020 — a region that is cool, spiky and connected.

For most of this decade, New England has been adding great jobs and producing wealth for those at the very top end while stagnating and losing opportunity for most everyone else. Now, with the country — and maybe the world — losing its footing, what could we do to move us back to our rightful position as the leading region in America?



Can we use our small size yet dense population to reprise our role, established during the first Industrial Revolution, as the region of entrepreneurship, innovation, great schools and advanced infrastructure?

Consider a bitter pill that, taken now, will give us unique strength when things get really messy worldwide in 10 or 20 years. Instead of focusing on our financial problems of the next two years, we should aim at preparing for the coming systemic shocks from environmental challenges, global competition, and demographically driven pension and health care problems.

New England should become a cross between the gleaming infrastructure and free education of northern Europe with the state-supported research and business development systems of Singapore and South Korea.

So here is the deal (children close your ears): The six New England states — in a coordinated master plan — could create a set of new energy taxes many times higher than at present, creating a common floor, higher than the rest of the nation, for the cost of gasoline, home heating fuel, natural gas, and so on throughout the region.

If we can collect an extra dollar just on gas, we would create a revenue stream that could fund an authority with more than \$6 billion in new annual dollars for regional education, better infrastructure, clean energy business R&D and investments in energy savings.

Think what we could do if we stopped being seen as the oldest part of the country and could re-engineer ourselves to be newest. First, we will raise enough money to address issues of true hardship for people and legacy businesses. Most important, we will have the funds to think strategically about our future instead of always reacting and settling for incremental fixes.

The new funds could create a superb New England-wide bus and rail systems, offer energy-saving investment loans for businesses and homes, reduce tuition in our community colleges and other schools for students who live here and want to take technology-related classes, and provide more risk capital for new businesses.

New England would have the money to build a clean energy cluster that could lead the nation. We would not only build better fuel cells better, we would be the living laboratory for the energy-scarce world that is coming. We are pretty sure that \$4 gas and home heating fuel is coming back. Let's build a region that is battle-tested and ready for it.

I hate to think what is going to happen to New England if we spend 10 years cutting budgets and hoping that our energy costs and infrastructure needs take care of themselves.

Crazy and politically impossible? Maybe. But don't we want the world to beat a path to our door? Entrepreneurs, investment capital and the talented youth of the world will want to be here because we will be a good long-term bet for return on investment and career advancement. Let's make the New England brand about innovation and quality. We cannot ever be cheaper than China or Mexico, but we can be as good as Singapore or Denmark.

• **Matthew Nemerson is president and CEO of the Connecticut Technology Council.**

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