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February 26, 2016

VIA E-MAIL

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, Oregon 97301-1088
puc.commission@state.or.us

**Re: Public Comment on Applications for Qualified Project Determination
Docket Nos. UM 1760, 1761 & 1762**

Dear Commissioners:

Broadband Tax Institute ("BTI") is a non-profit corporation formed in 1986 to facilitate cooperation among its members on tax issues and developments affecting the cable and telecommunications industry. BTI is currently composed of approximately 250 industry members and associate consultants, and represents cable and telecommunications businesses in the United States that engage in interstate and international commerce. BTI's members include many of the nation's largest communications companies.

On behalf BTI, I want to commend the Commission and its Staff on their careful consideration and review of applications consistent with of SB 611. Staff's reports make clear that there was a thorough review of the three applications for qualified project determination submitted by Comcast, Google and Frontier. Those reports are very comprehensive.

BTI has concerns with the opposition put forth by certain cities in Oregon, along with the League of Oregon Cities. The letters filed by those interested parties appear in large part to be an attempt to add requirements which are not required by the law. Those proposed requirements, which are beyond the language of SB 611, are the basis for opposing Comcast's application and may be a basis for later attempts to oppose Frontier or Google's applications when their projects are finished. The Commission should reject these attempts to amend the statute. They are not only unlawful, but are bad for Oregon. When government agencies and inter-governmental

entities oppose applicants who meet the requirements of SB 611, it sends a chilling message to corporations that are deciding whether to invest in Oregon or in other states.

The letters in opposition also suggest that SB 611 provides a significant tax incentive for those meeting its requirements. While there are certainly tax ramifications (the removal of intangibles from the property tax base) to meeting SB 611, BTI views the exclusion, not as a tax incentive, but as Oregon's removal of a huge disincentive to invest in the state. Only one other state in the country¹ has a property tax on the intangibles of a cable company. The removal of intangibles from the property tax base for those meeting the requirements of SB 611 puts Oregon on par with the rest of the country in its property taxation. That is hardly a tax "incentive".

Companies providing gigabit service will keep Oregonians on the cutting edge of technology and communication. With the current applications, three companies in Oregon will be offering gigabit service to residential customers by 2017. Others companies also may well decide to offer similar services. That is of course, unless Oregon is viewed as changing the rules to impose new requirements.

The Commission Staff has recommended that the Commission approve the Comcast, Google and Frontier applications, and BTI urges the Commission to approve the applications.

Sincerely,



Phil D' Ambrosio
Broadband Tax Institute, Director

¹ Arkansas applies a property tax on the intangibles of cable companies, however, even Arkansas has legislation to correct that strange tax policy.