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February 22, 2016

Oregon Public Utility Commission
201 High St., NE, Suite 100
Salem, Oregon 97301
Sent via email: PUC.FilingCenter@state.or.us

Re: Comcast UM 1760, Frontier UM1761, and Google Fiber UM 1762

Dear Chair Ackerman and Commissioners,

On behalf of the League of Oregon Cities, thank you for the opportunity to provide you with our comments regarding the three pending applications. We submitted initial comments to the OPUC regarding these applications via email dated February 8, 2016. We believe that those comments are pertinent to the captioned applications, and by this reference we incorporate those comments as if fully set forth herein. (See attached.)

Originally founded in 1925, the League of Oregon Cities is an intergovernmental entity consisting of Oregon's 242 incorporated cities that was formed to be, among other things, the effective and collective voice of Oregon's cities before the legislative assembly and state courts. The League advocates for improved quality of municipal services through technical assistance, research, and education. The League's interest in this case—and therefore the interest of its 242 members—arises because the gigabit services contemplated and the special property tax exemption that may be available to qualified businesses under SB 611 (2015) and HB 2485 (2015) will have a significant impact on our member cities.

Helping Cities Succeed

Having said that, we are not speaking on behalf of any individual city in this response. We expect that many of our member cities have or will provide you with their comments, and this letter should not be taken in any way as being inconsistent with the responses of those cities. Without question, cities will be impacted by the PUC's decisions made on the pending three applications as they will effect both the internet services provided in our cities and rural areas and the property tax revenues received across the state for years to come. In *Comcast Corp. v. Dept. of Revenue*, 356 Or 282 (2014), Comcast challenged central assessment of company property, and the Oregon Supreme Court held that Comcast's cable television and internet access services are "communication services" subject to central assessment taxation under ORS 308.515 and thus shall be taxed on their intangibles. That is, the application of the SB 611 exemption at issue before the PUC would exempt intangible property if a gigabit service project is qualified. Intangibles make up a very significant portion of the taxable property of gigabit service providers and the legislature did not intend to give the exemption lightly.

In 2009-2010, the Oregon Department of Revenue first began treating cable television and internet services as subject to central assessment and thus began taxing intangibles of 125 companies. *Comcast v. DOR*, 356 Or at 286 (so stating and upholding DOR decision to centrally assess). Before the 2009-2010 change, Comcast's maximum assessed value of all Comcast's property, owned and used in Oregon was calculated at just over \$434 million. After including intangible property, as of January 1, 2009, the DOR calculated Comcast's real market value and maximum assessed value at just over \$1.1 billion. 356 Or at 286. Thus, tens of millions of future property tax dollars to local governments and schools is on the line and an exemption with such benefits should only be granted if the requirements are met after careful analysis and verification. The revenue effect of a finding of a qualified project is to undo the

result of the Department of Revenue's success in the Oregon Supreme Court. The revenue impact will be felt throughout the state even if the service is provided in a smaller area. See attached Deferred Billing Credit table, provided by Legislative Revenue Office to the legislature with SB 611. The table tracks property tax revenues that taxing jurisdictions have agreed to defer while the Comcast v. DOR case is pending. The case was remanded back to the Oregon Tax Court from the Oregon Supreme Court for calculation of the taxes due. It is the League's understanding that taxes have been imposed but not collected to avoid interest charges, etc. during the litigation.

With that background, the League has a number of concerns. In no particular order of importance, and understanding that our member cities are likely to have additional concerns and issues, our concerns at this time include:

1. We believe that it is the statutory role of OPUC to evaluate the applications received and to require specific and detailed information from the applicants in order to assess the qualifications of the application. We believe that the scope of review is intended to be thorough, rigorous and exhaustive, especially in light of the substantial benefits available to a qualified project operators and the significant loss of property tax revenue to local governments and schools throughout Oregon. The PUC's administrative rules distinguish between applications that are for "operating" and those applications that are for "not operating" projects. See OAR 860-200-0150. Prior to determining that a project is indeed operating and qualified (and not just prospective), the OPUC must be convinced that the statutory requirements have actually been met and not just promised to be met at some time in the future. Of the three applications, only the Comcast application purports to be an "operating" project. The PUC staff report recommends a finding that Comcast's project is a qualified project. However, the staff report for

the Comcast application is less clear on whether it finds that their project is indeed “operating” or merely proposed. See for example, top of page 3 of the staff report: “Comcast states its project is operational in Oregon.” But then several places throughout the report it seems as if the project is not operational and is prospective only. See page 6: “The Applicant *would be* able to scale its capacity efficiently by placing different electronics at key distribution points. . . .” (Italics added for emphasis.) Page 8: “Staff analyzed the *proposed* network footprint alongside median household income data for the areas *proposed to be served* by the project in order to identify any income-related discrepancies in the proposed service areas.” (Italics added.) Based on the information available, the League has serious factual and legal concerns with a finding by the PUC that the Comcast application is a qualified operational project. The League has concerns on the information available and process used for the applications for both Google and Frontier as well, but those applications are prospective only. That is, those applications are a request in that nature of if we do the things we state that we will do in our application, will we qualify?

2. One of the concerns raised by the League in its February 8, 2016, email is the lack of information made available to the League and member cities upon which the League and its member cities could make an intelligent and informed determination about whether to support or oppose the applications. Much of the applications submitted are marked as “confidential” and not available for review by the League or others. The OPUC staff reports for each of the three pending applications (dated February 10, 2016 but not made public until February 19, 2016) do little to enlighten or inform the League or member cities as to critical information. The timeliness has also been very difficult to permit a thorough response.

3. The staff report breaks up the key legal findings for finding that a project is “qualified” into the following: 1) New Capital Investment; 2) One Gigabit Symmetrical Service;

3) Offered to a Majority of Broadband Customers; and 4) Does Not Deny Access to Services Because of Income Level. This is a helpful framework and we address our concerns in that order. In addition, for the Comcast application, the application also seems to be contending that the company presently is operating and thus would need to also meet the “builds, maintains and operates a qualified project” standard from SB 611 (2015).

4. New Capital Investment

A project is “qualified” if there is:

“capital investment in newly constructed or installed real or tangible personal property constituting infrastructure that enable the company to offer communication services, including the capacity to provide, at least, approximately one gigabit per second symmetrical service to a majority of the residential customers of the company’s broadband services[.]” (SB 611, now codified at ORS 308.677(2)(a))

We assume that the phrase “newly constructed or installed” requires construction or installations subsequent to the passage and effective dates of the bill for qualification as “new”. SB 611 and HB 2485 became effective October 5, 2015 as both bills became effective 91 days after adjournment of the 2015 legislative session. (See Section 12 of SB 611 and Section 8 of HB 2485.) Indeed, the legislative intent of the gigabit exemptions was to incentivize investment that would not be done otherwise without the incentive, so infrastructure installed before that date should not qualify. See LRO Revenue Statement, page 2, dated March 19, 2015 (purpose statement) and LRO Revenue Statement page 1, dated March 31, 2015 anticipating a minimal revenue impact.

That is, the legislative action desired was bringing high speed gigabit service to Oregon residents to improve economic development, service, etc. throughout the state. Heretofore, the state has taxed intangibles of centrally assessed companies, and the new property tax incentives were provided to help offset significant infrastructure costs entailed with bringing gigabit

services. There is however, no specific information available to the League or others which would detail the dates, costs or nature of the newly constructed or installed infrastructure for the Comcast application. Similar information is redacted for the prospective applications as well. The staff report simply states a perfunctory conclusion on page 4 of the Comcast application that “Staff reviewed the actual amounts provided by Comcast for infrastructure expenditures for 2015 [Begin Confidential][End Confidential] . . . Comcast’s capital investment in the project is significant.” This statement also suggests that perhaps the staff included improvements that were made throughout 2015 rather than from October 5 to the date of the application. In short, while the staff report is correct that no minimum amount of capital investment is provided for in the legislation, the law requires infrastructure expenditures in the qualifying time period. For the prospective applications, it is unclear whether there is any infrastructure in place or merely planned for some unspecified time in the future. For the Comcast application, the League has concerns as to whether the letter and intent of the law have been met.

5. One Gigabit Symmetrical Service

A project is qualified if :

“capital investment in newly constructed or installed real or tangible personal property constituting infrastructure that enable the company to offer communication services, including the capacity to provide, at least, approximately one gigabit per second symmetrical service to a majority of the residential customers of the company’s broadband services[.]” (SB 611, now codified at ORS 308.677(2)(a))

To have a qualified project, the law and the rules are clear that a company must provide service of at least, approximately, one gigabit speed. Testing should confirm whether the service meets the speed requirements. However, there is a question that has arisen with the Comcast application as it purports to “provide” the service now. The question is whether the service can or is actually being provided and meets the requirement as the law provides. First, news

accounts suggest that Comcast's services do not generally reach such speeds--normal speeds seem to be 75 megabits per second or 150 megabits per second for the premium "Blast Pro Tier." A gigabit is 1,000 megabits per second. See "Comcast will boost Internet speeds for many subscribers by 50 percent", *Oregonian*, by Mike Rogaway, October 9, 2015 (article attached). That same article notes that only "some" customers may have the ability to get the gigabit speed by the end of the year.

In addition, the "offers" made in Oregon seem to be questionable as to whether the service is actually available. Test calls made in cities listed as being available on the internet revealed that the service is not actually available yet. Note the disclaimer at the bottom of the ad to "Call for Specific Availability." In addition, whether the service can be provided, by Comcast's own advertisement, limits service to places within a 1/3 of mile of a mile Comcast's fiber. (See internet advertisement in the attachments which follow this letter.) This suggests that infrastructure is not intact presently to actually make the service operate. In addition, exorbitant start up fees (\$500 for installation and \$500 for activation) also suggest that more infrastructure is needed to actually provide service to residences. In short, it seems that Comcast is aiming to provide the qualified project requirements, but the League questions whether the business is there yet. As explained in the beginning, if the company is making a prospective application, that is one thing, but if the application is for an "operating" qualified project, it is another matter with more critical factual and legal findings required. In addition, the PUC's rules provide that for an application that is "operating" at the time of the application, the application must provide "speed test data of a statistically significant number of customers who receive service that provides, at least, approximately one gigabit per second of symmetrical service." OAR 860-200-0150(10)(a).

A couple of questions seem critical to determine if service is really offered and available:

1) How many, if any, residential customers does Comcast have for its gigabit pro service? 2)

Did the PUC staff conduct the requisite testing of a “statistically significant number of customers”? Such information is not available to the public. The PUC staff report suggests that only one site visit was done and there is no mention of testing at customer residences at all. See page 4, referencing “a site visit” and page 5 referencing “an on-site visit.”

5. Offered to a Majority of Broadband Customers

“capital investment in newly constructed or installed real or tangible personal property constituting infrastructure that enable the company to offer communication services, including the capacity to provide, at least, approximately one gigabit per second symmetrical service to a majority of the residential customers of the company’s broadband services[.]” (SB 611, now codified at ORS 308.677(2)(a))

To meet this legal requirement, there are two numbers that must be determined: the number of existing residential customers a company has (denominator) and the number of existing residential customers that have access to the gigabit service (the numerator). For this requirement to be met, the fraction must be greater than $\frac{1}{2}$. Said, another way, the numerator must be greater than $\frac{1}{2}$ of the denominator to meet this requirement. These customer numbers have been kept confidential as well and thus the League and its member cities cannot meaningfully weigh in on whether this requirement has been met. It is indeed obvious that rural Oregon seems excluded by the purported service areas. In addition, if the rates are exorbitant, than the League would argue that the offer of services to existing customers is meaningless and does not meet the letter or the spirit of the law to actually “offer” the service. The League maintains that the PUC is also not permitted to count residences in the numerator if the residences cannot be served without additional infrastructure or installations. If a resident occupant has significant costs or infrastructure responsibilities to meet before the service can be

provided, then it is the League's position that the company cannot be found to have met its requirement for offering the services. See analysis in section 5 above.

6. Does Not Deny Access to Services Because of Income Level

“(2) A project is qualified under this section if:

* * * (b) With respect to communication services offered by the company using the infrastructure, the company does not deny access to the communication services to any group of residential customers because of the income level of the residential customers in the local service area in which the residential customers reside. (SB 611, now codified at ORS 308.677(2)(b))

Similarly, the information provided in the staff reports fails to inform the League, its member cities or the public in general as to how each applicant adequately demonstrates that it will not deny access to any group of residential customers because of the income level of the residential customers as required by SB 611. Neither Frontier nor Google Fiber currently offer the services necessary to qualify for the property tax exemption and thus redacted “footprints” are at issue. We have no pricing either. Comcast, however, does indicate that it currently offers a qualifying service. That residential service is offered at the rate of \$300 per month, plus possible activation and other fees, with a two year minimum contract and penalties for terminating the contract early. The League submits that the high costs and fees related to the Comcast program create a significant barrier to the ability of most residential customers to gain access to the services, let alone low income residents which the provision was intended to address. It raises a suspicion at least that the goal of an applicant may be to gain the tax exemption without concern for whether anyone actually signs up for the service. Moreover, there is no information as to how many subscribers of this new service currently exist. This information would certainly seem to be relevant in terms of the accessibility of the service. Our member cities can provide more detail on average incomes in their communities.

7. “Builds, maintains and operates.”

The Comcast application is the only application that purports to be operating a qualified project. Thus, that application must also establish that it is indeed “operating” a system. See additional requirements in OARs. For the reasons already described above, the League questions whether Comcast is indeed operating the project today.

8. Context: Legislative Revenue Impact Statements

The attached revenue statements indicate that there was no revenue impact anticipated for this exemption in the upcoming legislative biennium. “The revenue impact does not include estimates for potential companies that could receive exemption under the qualified project investment exemption. This potential loss is not included because, while the exemption will be available to companies meeting the qualified project investment requirements, there is no assurance that an undertaking such as this will occur.” (Page 1 of SB 611-B statement, dated March 19, 2016) (Attachment C). The undertaking was seen as significant, as the infrastructure needed to comply was seen as extensive to get the exemption. It seems shocking that the legislature intended to provide millions in property tax exemptions for services as described in the Comcast application at a rate of \$300 per month to a residence.


In conclusion, the League maintains that the current applications must be reviewed carefully and more time may be needed. With respect to the Comcast application, it should be denied or continued to a later date to address questions and ensure true compliance with the letter and spirit of SB 611, especially if it is viewed as an application for an “operating” project. With respect to Frontier and Google Fiber, it is proposed that no action be taken with respect to the exemption until these entities are actually providing the services required by the statute. The roles of DOR and PUC have some overlap and those boundaries are unclear. It may be that DOR would calculate the property values and exemption and simply not apply the exemption

while the status is prospective. In such case, the PUC could find that a proposed project qualifies but it would be preliminary and no exemption would be available until the work was done and service is available. With respect to Comcast, more information should be required that provides significantly greater detail as to the capital investments made for newly constructed or installed real or tangible personal property, quantifying the actual number of subscribers for the qualifying services currently being offered, and consider whether the \$300 monthly charge plus activation, cancellation and related charges adversely impact residential customers by creating a significant barrier to the ability to access the service.

As noted, we expect that many of our member cities and others will weigh in on the applications pending before the Commission. We support their issues and concerns.

I am happy to answer any questions that you may have. Thank you.

Respectfully,



Carl Sniffen
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Attachments:

- A. League Email to OPUC dated February 8, 2016
- B. Deferred Billing Credits Outstanding Table from Legislative Revenue Office
- C. Revenue Impact Statements for SB 611 dated March 19, 2015 and HB 2485 dated March 31, 2015
- D. Oregonian article dated October 9, 2015
- E. Copy of Comcast Internet Advertisement

A.

February 8, 2016 email from Carl Sniffen at League of Oregon Cities to Stephanie Yamada at OPUC:

Thank you for the opportunity to weigh in on your January 25, 2016 letter requesting input in the Oregon Public Utility Commission's (OPUC) review of applications for qualified project determination. Our comments are listed below, we believe the comments apply equally to all of the applications that OPUC has received to date.

Originally founded in 1925, the League of Oregon Cities is an intergovernmental entity consisting of Oregon's 242 incorporated cities that was formed to be, among other things, the effective and collective voice of Oregon's cities before the legislative assembly and state courts. The League advocates for improved quality of municipal services through technical assistance, research, and education. The League's interest in this case—and therefore the interest of its 242 members—arises because the special tax exemption that may be available to qualified businesses will have a significant impact on our member cities.

Having said that, we are not speaking on behalf of any individual city in this response. We expect that many of our member cities will respond separately to your request for information, and this letter should not be taken in any way as being inconsistent with the responses of those cities. Without question, cities will be impacted by decisions made as it effects both services provided in our cities and the special central assessment tax exemption effects revenues across the state.

With that background, the League has a number of concerns. In no particular order of importance, and understanding that our member cities are likely to have additional concerns and issues, our concerns at this time include:

1. The OPUC is asking cities to respond to applications that provide essentially no information about which a city could offer any meaningful concerns or questions. We believe that it is the statutory role of OPUC to evaluate the applications received and to require specific and detailed information from the applicants in order to assess the qualifications of the application. We are concerned about whether an

evaluation will be truly made. 2. The bulk of the applications that have been submitted shield important and relevant information by marking information “confidential” or otherwise redacting it. This lack of information simply makes a comment process unworkable to be meaningful. The OPUC seems to have taken a default position of confidentiality, including even contacts for franchise entities. We question the applicability of the blanket confidentiality from the OPUC’s rules as it doesn’t seem appropriate given the enabling legislation in SB 611.

3. The OPUC has requested information from cities which they may not be able to provide either because it is not collected by the cities or because there is insufficient information in the applications to enable a city to respond.

4. We are also concerned about the type of information requested. The focus seems to be on drawing a line on a map, a line which could be used by the OPUC to determine that a particular plan or application is not discriminatory. However, Section 5 of SB 611 requires that a qualified company does not deny access to the communication services (of 1 gig) to any group of residential customers because of the income level of the residential customers in the local service area. Location may be a factor in making this decision, but it would be only one factor. Affordability would also have to be a factor. The mere fact that a service is available says nothing about whether it is truly accessible if the costs are prohibitive. We hope that OPUC will include the affordability component in its assessment as well.

As noted, we expect that many of our member cities and others will weigh in on your requests, and we support their issues and concerns. It is the cities and local governments that are on the firing line of this proposal and which will be most directly impacted by it.

I am happy to answer any questions that you may have. Thank you.

Respectfully,

Carl Sniffen, Assistant General Counsel

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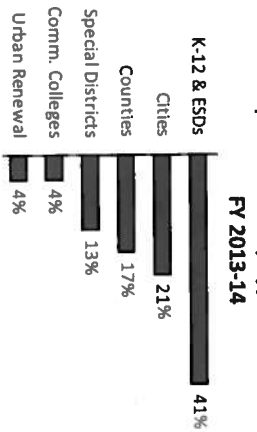
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Deferred Billing Credits Outstanding

	2013-14	2012-13	2011-12	2010-11	2009-10	Total
Baker	44,768	39,598	43,786	0	0	128,152
Benton	1,218,291	592,196	537,685	0	0	2,348,172
Clackamas	2,818,522	2,549,022	2,369,812	2,079,880	1,936,142	11,753,378
Clatsop	0	0	0	0	0	0
Columbia	147,217	131,693	141,851	0	0	420,761
Coos	0	0	0	0	0	0
Crook	0	0	0	0	0	0
Curry	106,502	91,368	82,122	52,890	54,974	387,856
Deschutes	360,488	257,030	171,659	117,662	104,517	1,011,356
Douglas	197,619	174,241	153,735	117,561	115,174	758,330
Gilliam	0	0	0	0	0	0
Grant	0	0	0	0	0	0
Harney	23,063	20,310	0	0	0	43,373
Hood River	61,916	56,650	46,909	28,322	26,898	220,695
Jackson	871,479	765,648	659,437	0	0	2,296,564
Jefferson	0	0	0	0	0	0
Josephine	233,884	217,040	183,375	156,150	153,470	943,919
Klamath	0	0	0	0	0	0
Lake	25,544	26,371	25,762	25,124	0	102,801
Lane	2,460,890	2,122,591	1,879,400	1,732,748	1,623,504	9,819,133
Lincoln	0	126,530	0	0	0	126,530
Linn	794,780	715,206	632,312	545,067	507,245	3,194,610
Malheur	0	0	0	0	0	0
Marion	0	0	0	0	0	0
Morrow	0	0	0	0	0	0
Multnomah	7,869,521	6,828,019	5,533,912	4,689,291	4,329,026	29,249,769
Polk	210,600	189,600	176,820	168,600	156,650	902,270
Sherman	0	0	0	0	0	0
Tillamook	152,091	125,145	0	0	0	277,236
Umatilla	0	0	0	0	0	0
Union	0	0	73,586	0	0	73,586
Wallowa	0	0	0	0	0	0
Wasco	0	0	0	0	0	0
Washington	5,642,972	3,927,284	3,348,975	3,275,140	2,551,044	18,745,415
Wheeler	0	0	0	0	0	0
Yamhill	456,512	415,671	368,487	328,484	316,578	1,885,732
Total	23,696,659	19,371,213	16,429,625	13,316,919	11,875,222	84,689,638

Sources: Summary of Property Tax Collections and Summary of Assessment and Levies, as compiled by Department of Revenue

Imposed Taxes by Type of District



C.

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: SB 611 - B
Revenue Area: Property Tax
Economist: Kyle Easton
Date: 3/19/2015**

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Measure Description:

The bill as amended would create and make available new exemptions to companies subject to central assessment. New exemptions relate to the value of franchises, satellites used to provide service directly to retail consumers, and an alternative exemption calculation based on a company's historical or original cost of real property and tangible personal property multiplied by 130%. For companies receiving an exemption related to a new qualified project, Oregon allocated value will be based upon the greater of \$250 million or the real market value of real and tangible personal property located in Oregon as of the assessment date. The exemptions apply to tax years beginning July 1, 2016.

Clarifies that a company that is an owner or lessee of a data center is not a centrally assessed under ORS 308.515 if certain conditions are met. The company must own, lease or use a data center as defined in 308.516. Moreover, the original cost of construction and installation of real and tangible personal property used by the company in the business of communication, unrelated to the company's data centers, does not equal more than ten percent of the original cost of the real and tangible personal property of all data centers owned, leased or used by the company in Oregon.

Clarifies that data center property of a company subject to central assessment is to be locally assessed if the total historical or original cost of the real and tangible personal property of all data centers owned, leased or used by the company in Oregon is equal to or greater than \$200 million. Clarifications related to data center property apply to property tax years beginning on or after July 1, 2015.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
Local Government		(4.3)	(4.3)	(8.8)	(9.1)
Local Education Districts		(3.5)	(3.5)	(7.2)	(7.5)
Total Revenue Loss		(7.8)	(7.8)	(16.0)	(16.6)

Impact Explanation:

The revenue impact includes losses in revenue for local governments derived from the exemptions provided in the bill that would reduce value and subsequent taxes levied for existing companies in Oregon. The revenue impact does not include estimates for potential companies that could receive exemption under the qualified project investment exemption. This potential loss is not included because, while the exemption will be available to companies meeting the qualified project investment requirements, there is no assurance that an undertaking such as this will occur.

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Current law provides the base from which the revenue impacts are calculated from. The result of current lawsuits residing in Oregon Tax Court could change the base from which future revenue estimates would be calculated.

The changes in the bill related to data centers could potentially affect the property tax liability of communication companies operating data centers used in their communications business if the data center property is the primary value of the communication property in Oregon, or the total value of all a company's data center property (as calculated in measure) is greater than or equal to \$200 million. No known companies are expected to be impacted as communication data centers are not currently subject to central assessment if located within an enterprise zone. Potential impacts could exist as enterprise zone exemptions expire and new data center property is built, but inclusion in central assessment would be dependent upon the data center being used for communication purposes.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to provide tax relief for centrally assessed companies, primarily those with high levels of intangible value and to create a tax environment that incentivizes investment by centrally assessed communication companies in Oregon.

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number: HB 2485 - A
Revenue Area: Property Tax
Economist: Kyle Easton
Date: 3/31/2015

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Clarifies that refund made for correction in property taxes owed resulting from appeal is made to individual who filed the appeal. Aligns time limitation for property tax refunds with time limitation for roll corrections (five years). Increases threshold for cancelling delinquent property taxes from five to ten dollars, aligning with current threshold for refunds.

Modifies Enrolled Senate Bill 611 (2015).

Revenue Impact (in \$Millions): Minimal

Impact Explanation:

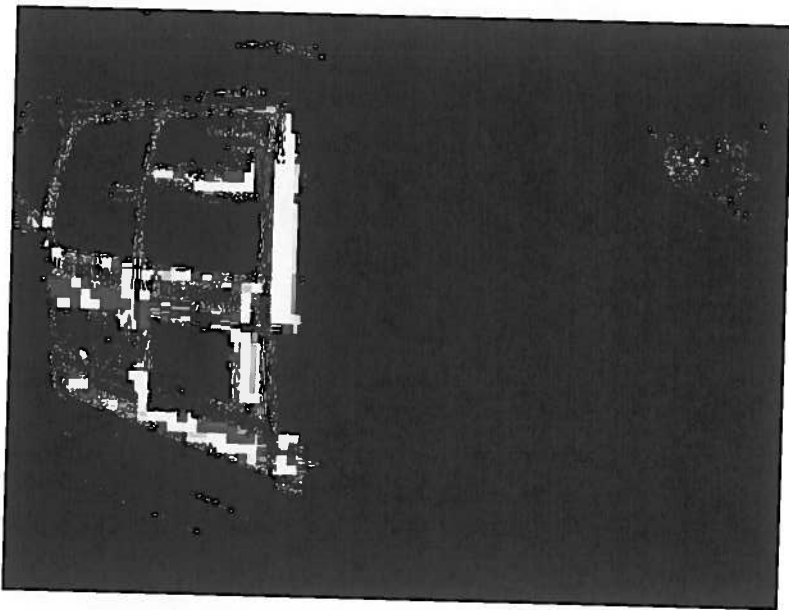
Changes to the time limitation of property tax refunds and increasing the threshold for cancelling delinquent property taxes are expected to have minimal revenue impacts upon local government revenues.

Modifications to SB 611 are expected to have an indeterminate effect upon revenues for local governments. If the changes provided to law in the measure as amended result in an expansion of business activity that would otherwise not occur, then the revenue impact could be positive. However, if expanded business activity is not dependent upon changes in law, then the measure could result in a loss or no impact upon local revenues.

Creates, Extends, or Expands Tax Expenditure: Yes No

D.

Comcast will boost Internet speeds for many subscribers by 50 percent




Comcast and other Internet service providers are boosting speeds as customers demand more from their online connections. (Mike Rogoway/The Oregonian)

By **Mike Rogoway** | The Oregonian/OregonLive

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on October 09, 2015 at 12:15 PM, updated October 09, 2015 at 2:47 PM

 Comcast promises faster Internet speeds for many of its Oregon customers on October 20, when it will boost speeds on its Performance Pro service from 50 to 75 megabits per second and accelerate its premium Blast Pro tier from 105 to 150 Mbps.

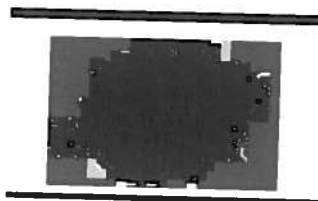
The automatic speed boosts only apply to customers who also subscribe to another Comcast product, either cable TV or home phone service. There is no rate hike specifically associated with this speed increase, but **Comcast raised its cable TV pricing at the start of October.**

Comcast's rate structure is extremely complex and the company says it has no standard pricing for customers who subscribe to bundles of services.

Internet-only subscribers are not getting Comcast's faster speeds but will pay higher rates – unless they're already under a contract with a fixed price. The new prices are \$3 more a month for 50 Mbps customers (new price: \$70), and an additional \$4 a month (new price: \$84) for 105 Mbps subscribers.

New, Internet-only subscribers do have access to the higher speeds. They will pay \$75 a month for the 75 Mbps service, or \$90 for 150 Mbps.

Current subscribers will need to reset their modems – typically by unplugging them – to get the faster speeds.



Comcast doubled Internet speeds on its most popular plans last November. Families are placing increasing demands on their home networks as they stream more video from Netflix, Hulu, Amazon and a host of emerging services.

Internet service providers are also engaged in a marketing war to offer the fastest connections – even if they're much faster than most subscribers need.

CenturyLink and Frontier have each begun offering hyperfast gigabit Internet connections in parts of the Portland area. A gigabit is 1,000 Mbps. **Google Fiber is preparing** to launch its gigabit service in Portland, and **Comcast promises a 2-gigabit, \$300 a month option** to some Oregon customers by the end of the year.

As Comcast ramps up speeds it's also experimenting with charging heavy users extra.

The widely watched industry site **DSLReports writes** that in some markets -- though not Portland -- Comcast is experimenting with plans that charge customers extra if they use more than 300 gigabytes of data a month. Those that go above that ceiling would pay an additional \$10 a month for each additional 50 GB of data beyond that, or \$30 extra to avoid any cap on their use.

That's plenty for nearly everyone -- in 2012, CNET reported **only 1 percent of U.S. broadband households exceeded 300 GB a month**. Soaring demand for video streaming services have surely pushed that number up.

And in time, a growing share of the population that wants more and more from its Internet service could bump up against those usage limits, triggering higher costs.

Comcast has 600,000 subscribers in Oregon and Southwest Washington, and the company says it has no plans right now to make changes to its usage caps in this market.

Update: This article has been updated to clarify that the CNET report is from 2012.

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Restrictions apply. Not available in all areas. Limited to residential customers. Requires subscription to Gigabit Pro service. Minimum 2 year term agreement required. Early termination fee applies. Gigabit Pro service generally available within one third of a mile of Comcast's fiber network and requires custom installation. Installation may require 6 to 8 weeks or more to complete. Fees of up to \$500 for installation and up to \$500 for activation apply. Equipment, taxes and fees and other applicable charges extra. Pricing and other charges subject to change. Limited to service to a single outlet. Actual speeds vary and are not guaranteed. Comcast ©2015. All rights reserved.

📍 Gigabit Pro Availability



California Chico, Fresno, Marysville/Yuba City, Merced, Modesto, Monterey, Mountainview, Oakland, Palo Alto, Sacramento, Salinas, San Francisco Bay Area, San Jose, Santa Barbara County, Santa Clara, Stockton and Visalia metro areas, Sunnyvale

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