

Lyle Williamson

Public Affairs, Policy &  
Communications



707 17th Street, 40  
Denver, CO 80202

Phone 303 390-6315  
Fax 303 390-6333  
lyle.williamson@verizon.com

**SELECT COMMITTEE ON JOB CREATION AND ECONOMIC GROWTH  
COLORADO SENATE BILL 81  
February 6, 2009**

Thank you, Madame Chair and Committee members for allowing me to speak today on behalf of Verizon in support of Senate Bill 81. I would also like to thank Majority Leader Shaffer – and Representative Rice - for their foresight and leadership for introducing this bill and generating this discussion.

Verizon is employing more than 2600 Coloradans and already investing in the telecommunications infrastructure of this State. One of our business units, called Verizon Business, invests to support its commercial customers, including financial institutions and numerous federal agencies. Another business unit, Verizon Wireless has spent almost \$800 million in Colorado over the last 8 years (last year alone more than \$94.5 million.) That's a "run rate" of more than a quarter million dollars per day – here in Colorado.

Our capital investments are to ensure that the Verizon networks are superior in wireless, broadband and global connectivity. In telecommunications, wonderfully competitive forces are at play, inspiring our entire industry to invest in our networks and compete for customers. Customer demand for speed and mobility is the driving force in our industry.

Given the increasing interest in broadband as an *enabler* with respect to the broader economy and central to addressing social concerns such as health care and education, it is entirely appropriate that you as public officials think through the state policies that might encourage even more investment by the communications industry. We know – and it has been reinforced by a recent study commissioned by Verizon - that broadband investment has a *multiplier effect* resulting in broader productivity gains contributing to significant growth in the Gross Domestic Product.

If you pause to think for a moment about some of the Colorado key industries – say, health care & social assistance or accommodations & food services or construction or trade or even the industries that employ fewer these days such as agriculture or real estate – they are all markedly more efficient by advanced communications networks. Whether it's a B & B operator in Carbondale or a farmer outside of Holyoke or a small

manufacturer north of Boulder, they are all increasingly dependent on advanced communications services to run their businesses.

Senate Bill 81 will help spur additional investment on the part of Verizon and other communications companies and finally address an important issue of equity in your tax code. Others will focus on the *disincentive* presently built into our investments being taxed under the general sales tax. I want to draw your attention to the overarching fact that economics drive all of our network deployment decisions.

It should probably go without saying but in our business costs do matter. Anything that the State of Colorado can do to help decrease the cost to deploy network assets by means of tax exemptions or other incentives will help with our deployment of advanced communications infrastructure. The enactment of Senate Bill 81 is one of those things. It will encourage the communications industry to invest more and remove a disincentive that Colorado currently has in comparison with some nearby states.

We hope you will lend your support to the passage of Senate Bill 81. This would provide a "stimulus" to critical infrastructure hugely reliant by employers in every corner of Colorado. Thank you.