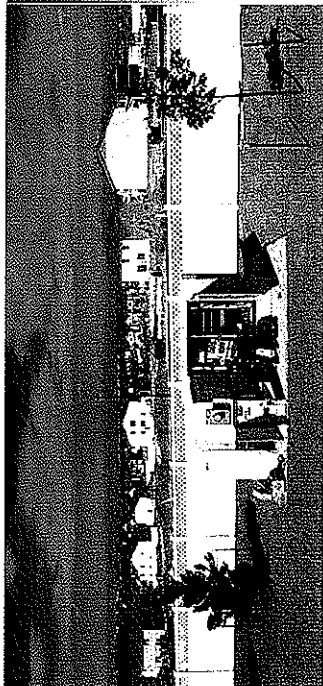
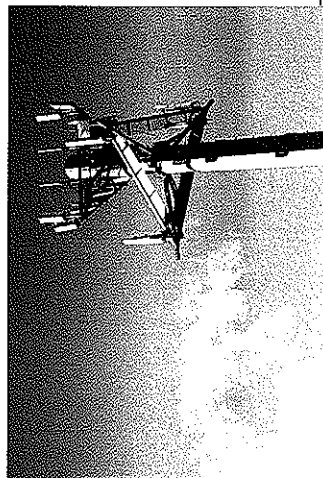
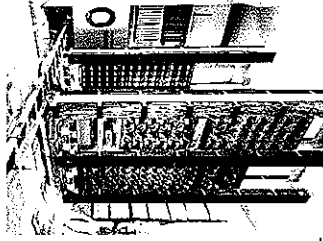
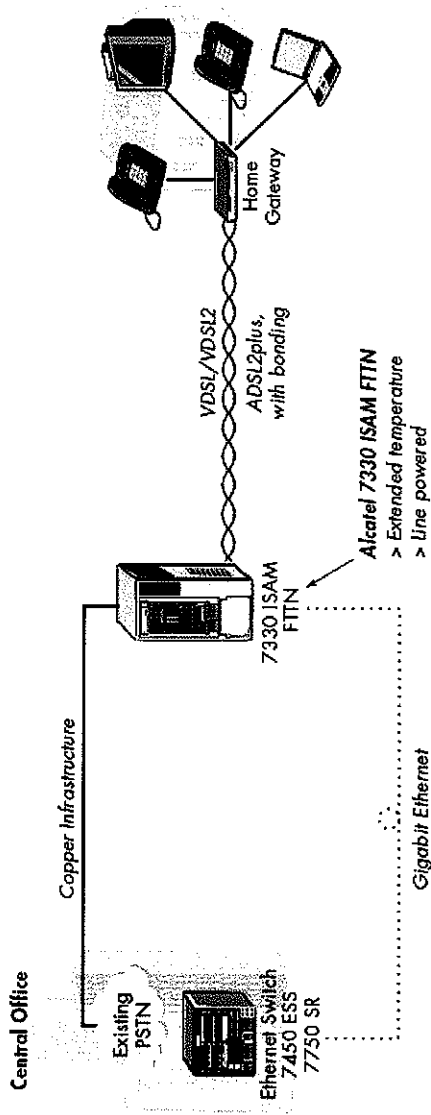
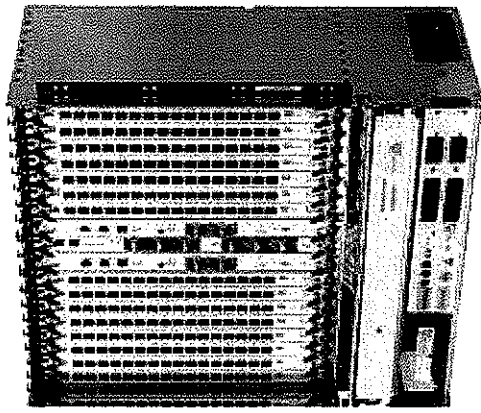


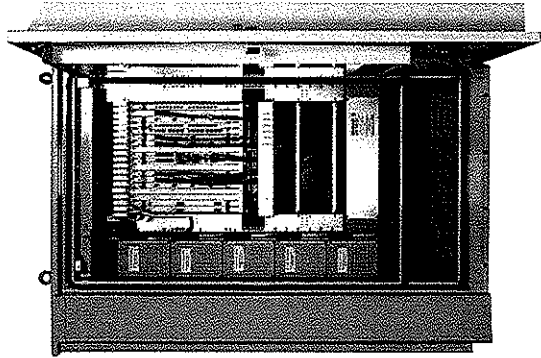
SUPPORT 1289



SUPPORT 1289

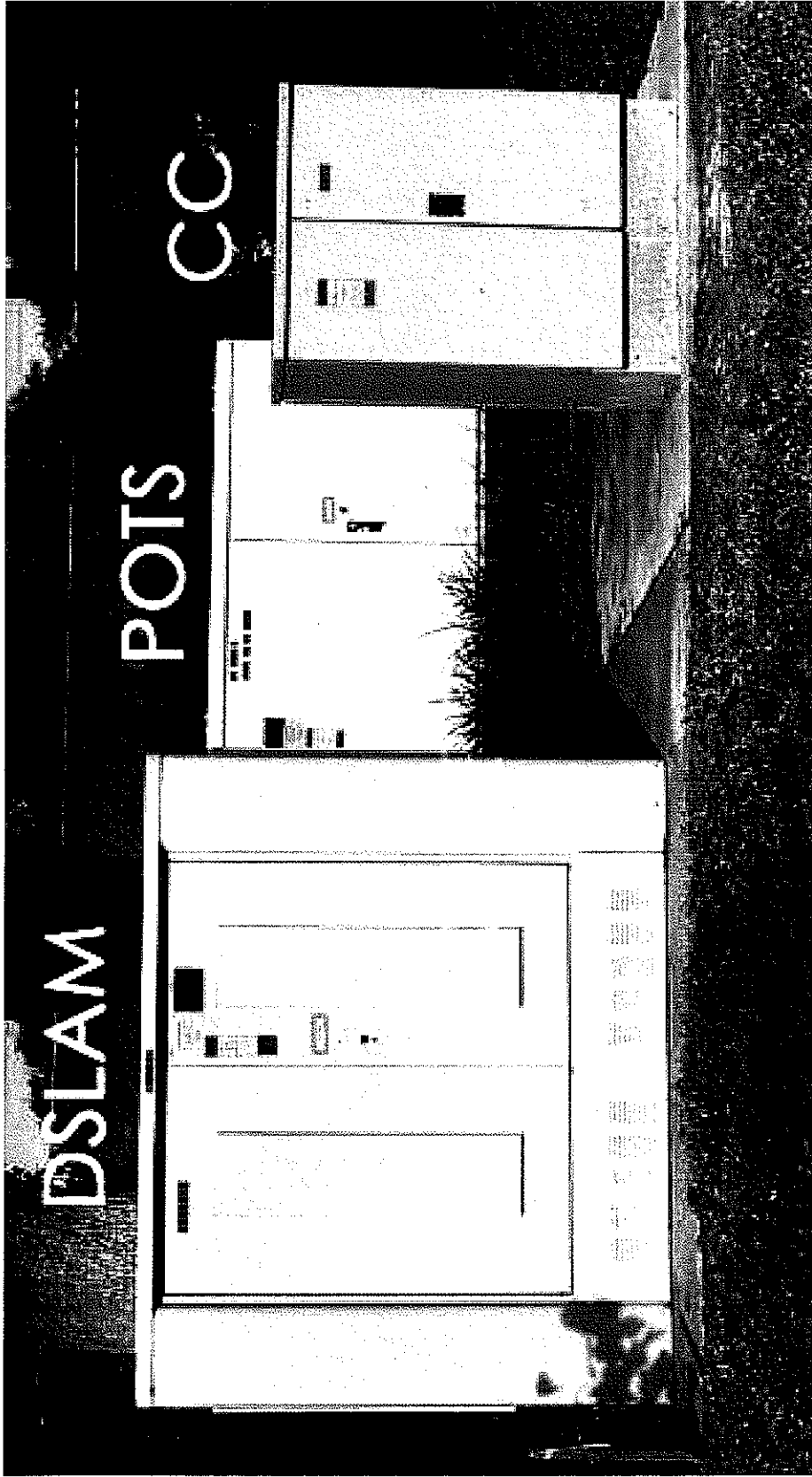


DSLAMS VARY IN CONFIGURATION



INSIDE A WHISPER CABINET (right-side): The top half of the D-Slam area (left-side of the cabinet) is taken by Telecom Wholesale hardware, creating a wholesale feed for any ISP that wants to buy it. The bottom half is left vacant for ISPs to install their own ADSL2+, VDSL2 or G/Pon (fiber-to-the-home connection) hardware. Some fascinating cabinet facts: Each weighs 240kg (@500 LBS), and is anchored with 2 tones of concrete. To protect the \$145,000 Alcatel-Lucent gear inside each cabinet from thieves or the weather, each is made from marine grade aluminum.

SUPPORT HB 1289



DSLAM Cabinet: It is manufactured by Lucent and assembled in Lucent's Westminster factory. It provides highspeed internet services to neighborhood clusters of 100-500 residences. A general price point is \$80,000 for the box, plus fiber/cooper and labor. Fiber fed DSLAMs result in 7-20 megabit internet services for the area residents. It replaces the other two boxes CC (cross connect) and POTS (a pair-gain system).

DENVER BUSINESS JOURNAL

Sales-tax exemption for telecom a possibility

Friday, January 1, 2010 - Denver Business Journal - by Greg Avery

Lawmakers may be asked to exempt telecommunications equipment purchases from state taxes in the upcoming session.

Such a bill would come amid debate over eliminating existing tax exemptions in a bid to shore up state finances.

Bill Soards, AT&T's Colorado president, has been asking legislators for months to support the idea. He said 24 states have taken similar steps as an incentive for companies to invest in local telecom infrastructure.

"It just puts Colorado at a disadvantage to have this," he said.

Broadband infrastructure investment is increasingly seen as a key economic development tool in an era when businesses rely on digital communication.

The tax exemption idea for telecom gear has failed in previous sessions.



Senate President Brandon Shaffer, D-Longmont, proposed an exemption for purchases over \$500 in last year's session. It would've been phased in over three years, ultimately saving businesses from having to pay \$6.6 million in state sales and use taxes annually, according to state projections. The bill died in committee.

Creating a new tax exemption will be a tough sell in this year's budget-cutting session, Shaffer said, but exempting broadband infrastructure does make economic sense.

"I think it's generally the right thing to do," Shaffer said.

Soards knows tight budgets will make it hard for lawmakers to approve an exemption. He's optimistic that the long-term prospects for it are good.

"I'm just encouraged policymakers are paying more and more attention to broadband," Soards said. "As we all know, it's not going away."

Other likely telecom-related legislation includes a measure to add pre-paid mobile phones to the list of telecommunications services that have to pay into the state's 911 emergency service fund.

People with land line telephone, traditional mobile phone service and Voice-over-Internet Protocol all pay into the 911 fund through monthly bills.

Pre-paid mobile phone service — such as what's offered by Cricket, AT&T's Go Phone and others — has no long-term contracts or monthly billing. A customer buys a mobile phone with a pre-set number of minutes that can be used. They have become popular in the past couple years, and they don't pay into the fund that subsidizes the 911 system throughout Colorado.

What does \$100 Million Spent for Telecommunication Equipment Buy?

\$110 Million in Nebraska



**S&U Refund
+ a 10% credit ***

\$100 Million in Arizona & Minnesota



S&U Exemption

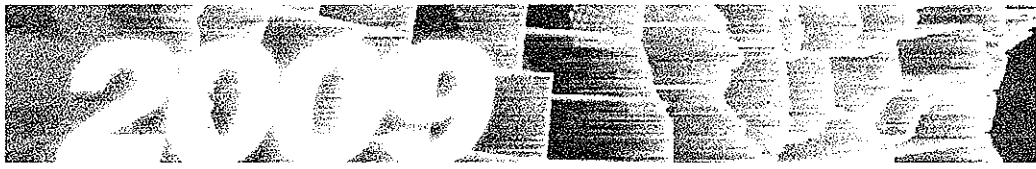
\$93.5 Million in Colorado **



**\$2.7 Million State Tax (2.9%)
\$1.9 Million County Tax (2%)
\$1.9 Million Municipal Tax (2%)**

*** Advantage Nebraska**

****Amount purchased = $\$100 / (1+2.9\%+ 2\% + 2\%) = \93.5**



Colorado and United States Falling Behind

We need high speed Internet for our homes, schools, hospitals, and workplaces. But most U.S. Internet connections are far too slow to send and receive large files for medical monitoring, to run a home-based business, or for multi-media distance learning. America is falling behind our industrialized peers at a time when we should be growing our competitiveness with the rest of the world.

The United States is 15th behind other industrialized countries in high speed Internet adoption, and 28th in Internet speeds.

Colorado Speed Test Results

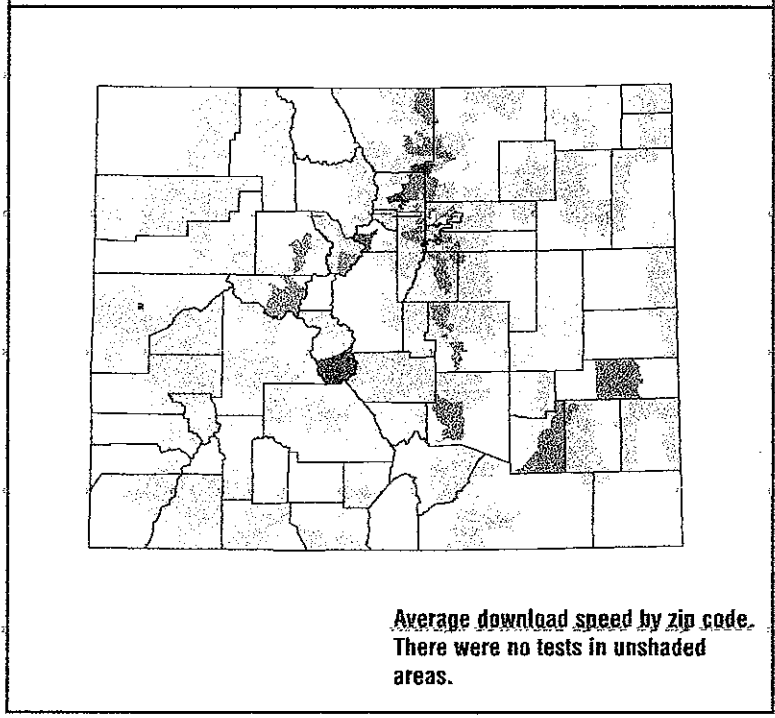
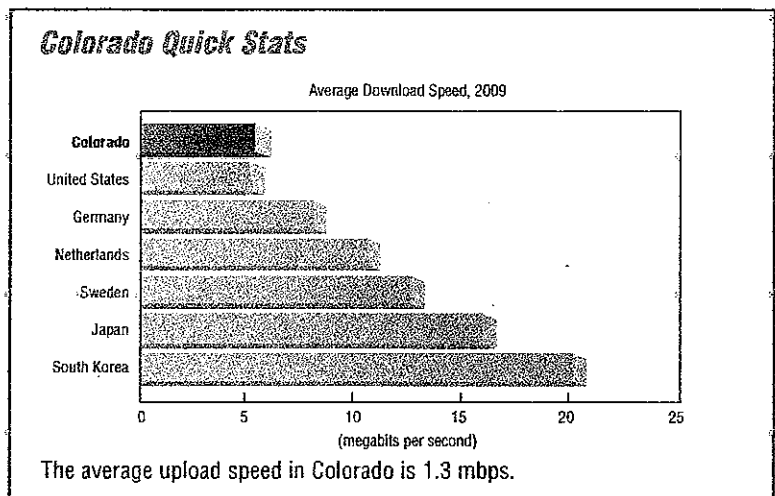
Over the last year, people who live in Colorado have gone to speedmatters.org to see the speed of their Internet connection. The results show that people who live in Colorado, like those of the entire country, lag behind. The results also show that there is a digital divide in high-speed Internet connections.

Colorado Internet Speed Test

World Ranking		Average Download Speed (megabits per second)
1	South Korea	20.4
2	Japan	15.8
5	Sweden	12.8
9	Netherlands	11.0
13	Germany	8.3
28	United States	5.1
COLORADO		5.3

Most Colorado Residents Have Slow Speed

Download Speed Range	% of Colorado
Less than 768 kbps	46%
768 kbps to 6 mbps	55%
6 to 10 mbps	11%
10 to 25 mbps	18%
Greater than 25 mbps	0%



U.S. data from speedmatters.org test results.
 International data from speedtest.net.

The Federal Communications Commission defines basic broadband as speeds greater than 768 kbps in one direction.

- Less than 768 kbps
- 768 kbps to 6 mbps
- 6 mbps to 10 mbps
- More than 10 mbps
- County boundaries