



Comcast Testimony on LD 1752

An Act to Exempt Broadband Equipment from the Sales and Use Tax

Senator Grohoski, Representative Cloutier, and distinguished members of the Taxation Committee, thank you for the opportunity to offer the following testimony in support of LD 1752. My name is Chris Hodgdon I am Comcast's Vice President of Government Affairs here in Maine. Comcast serves 18 Maine communities, in the Mid Coast region from Freeport to Woolwich and along the New Hampshire border from Kittery to Sanford. We currently offer our gigabit broadband, video, voice and mobile services to more than 75,700 Maine homes, businesses and institutions.

The legislature and administration have made a priority of connecting all Mainers to modern, high-capacity broadband networks. This is a major undertaking which will require an "all hands-on deck" approach to accomplish and LD 1752 will help to stimulate and sustain the investment necessary to achieve it. Comcast is committed to doing its part to help the state achieve its broadband goals. In 2024 Comcast extended its network to previously unserved residences and businesses in 16 of the 18 communities we serve including completing expansion into Lebanon. Further we enhanced services for all customers increasing network capacity and speed along with improving reliability and resilience. In 2024 we increased speeds for our residential and business customers for the 24th time in the last 22 years.

LD 1752 will not only incentivize the deployment of new broadband networks by stretching private and public investment further, but it will also deliver benefits to all Mainers by facilitating investment in existing networks. Broadband networks are highly capital intensive both with respect to their construction and maintenance as well as ongoing investment to meet the ever-increasing needs of consumers. In the Comcast network this ongoing investment has resulted in a doubling of network capacity every 2.5 years allowing us to stay well ahead of expected demand. When the nation's economy and education system moved from in office and in school to at home over a weekend in March of 2020 Comcast's network saw the greatest ever increase in sustained utilization. Over the three months following the beginning of the pandemic peak downstream traffic grew 38% and upstream traffic grew 26% over 2019 levels. Our networks preformed flawlessly because of the investment and planning Comcast had undertaken in the years prior to this historic event. Ensuring that our customers in Maine have access to the network they need when they need it requires ongoing investment, in the most recent three years our capital investment in Maine is more than \$45.7 million with much of this in upgrades to the current network.

LD 1752 is particularly important at this moment because of the once in a generation investment in deploying high-capacity modern networks. Tens of thousands of locations, which had previously been uneconomical to serve, will receive access to broadband through a mix of private and public investment.

LD 1752 will not only stretch these investments further, but it will go a long way to ensuring the sustainability of these projects by making the inevitable equipment upgrades and maintenance more affordable. The already challenging business model of delivering broadband networks in one of the more rural states in the nation becomes even more challenging as we get closer to achieving the goal of universal availability. As these resources are deployed to solve this challenge adoption of LD 1752 will help to ensure that ISPs will be able to meet the needs of the state and its consumers on an ongoing basis.

Thank you for your consideration of our comments regarding LD 1752. In its wisdom the Maine Legislature has used exemptions from the Sales and Use Tax in the past to incentivize investment in industries which have been considered critical to the state's future and quality of life. We encourage you to consider this proposal in the same light. As Maine's 2019 *10 Year Strategic Plan for Maine* rightly noted, broadband is one of the "lifelines of Maine's economy" and is critical to the state's future. I would be happy to answer any questions that you may have.

Maine

We have invested **\$91.9 million** in **Maine**, including capital expenditures, employee wages and benefits, taxes and fees, and nonprofit giving in the last three years.

75,700

Maine homes and businesses have access to Xfinity and Comcast Business products and services.

13,000

Additional Maine homes and businesses with access to Xfinity and Comcast Business products and services in the last three years, an increase of 21.5%.

Top Cities

Top cities where the number of homes and businesses with access to our network has increased most in the last three years include: Sanford and Brunswick.

100%

of Maine homes and businesses passed by our network have access to speeds of 1.2 gigs or more.

2,100

Public Xfinity WiFi Hotspots available to Comcast customers statewide, as of February 2024.

2,700

Total network miles deployed across our **Maine** footprint. As high-bandwidth consumption increases and new applications require faster speeds and lower lag, we are ready to outpace the needs of our customers.



Construction is underway in Lebanon, where Comcast crews are working to expand our full suite of Xfinity and Comcast Business services to more than 3,000 additional homes and businesses by the end of 2024.



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