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**BILL NO. :** **House Bill 999**

**TITLE:** Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020)

**COMMITTEE:** Economic Matters Committee

**HEARING DATE:** March 5, 2020

**VERIZON POSITION:** **Support with Amendment**

**PURPOSE OF BILL:**

House Bill 999 would create the process and requirements for Electric Cooperatives in Maryland to provide Broadband internet services to their members, subject also to necessary limits on what Electric Cooperatives can charge competing communications companies for access to their poles and conduits.

**COMMENTS:**

Verizon supports House Bill 999, with the amendment that would limit the rates Electric Cooperatives can charge for pole and conduit attachments to cost recovery, similar to regulations that limit what investor-owned electric and telephone companies can charge for attachments to their poles and conduits. Around the country, electric Co-ops are increasingly entering the market to offer their members broadband services. In many cases, co-ops are bringing broadband to customers who otherwise do not have access, which contributes to solving the nation's urban/rural digital divide. Verizon does not oppose policies that allow co-ops to offer broadband services. Ensuring people, communities and businesses are connected will always be a priority for Verizon.

As broadband becomes a service offered by co-ops is important to bring co-ops under the same pole attachment regulatory scheme as has applied to investor-owned electric and telephone companies since the late 1970s. This is a friendly amendment that ensures a fair playing field as services continue to expand into rural communities. Internet service providers in Maryland -- including Verizon for both wired and wireless broadband service -- have been very successful in meeting the needs of Maryland consumers for broadband service. Verizon in particular has worked to expand broadband availability in the state. Verizon is a member of the Maryland Rural Broadband Taskforce), has agreed in many of our local video franchises to expand Fiber-to-the-home deployments, and has participated in the FCC's Connect America Fund auction to receive more than \$3 million in funding to expand FTTP to almost 1,200 additional locations in the state in areas with relatively high costs to serve. According to the FCC's 2019 Broadband Deployment Report, broadband service (defined as fixed service with download speeds of 25Mbps and upload speeds of 3Mbps; and mobile service with download speeds of 5Mbps and upload speeds of 1Mbps) is available to 97.6% of the population in the state in total and 94.8% of the population in rural areas. This level of rural coverage is much better than the comparable national figure of 73.2% and is among the highest of any state in the country, surpassed only in Connecticut, New Jersey, and Rhode Island. That being said, the FCC figures likely overstate the availability of broadband to some extent, and even if accurate, it leaves 5% of the rural population without broadband service at these speeds. This bill would help to both extend service and to promote competition in areas that are served by creating policies that promote broadband deployment by Electric Cooperatives while at the same time ensuring that competition in these service areas will not be discouraged by above-cost pole and conduit attachment rates. The bill is pro-consumer, pro-competition, and pro-investment for areas served by Electric Cooperatives.

For these reasons, Verizon urges a **FAVORABLE COMMITTEE REPORT on House Bill 999, as amended.**

**FOR ADDITIONAL INFORMATION CONTACT:**

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