

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 487

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute “Task Force on Broadband Communications Deployment in Underserved Rural Areas”; strike beginning with “altering” in line 3 down through “areas” in line 15 and substitute “establishing a Task Force on Broadband Communications Deployment in Underserved Rural Areas; providing for the membership and duties of the Task Force; providing for staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation; authorizing a member of the Task Force to receive reimbursement for certain expenses; providing for a panel of advisors; requiring the Task Force to report to the Governor and the General Assembly on or before certain dates; providing for the termination of this Act; and generally relating to the establishment of a Task Force on Broadband Communications Deployment in Underserved Rural Areas.”; strike lines 16 through 20 in their entirety and substitute:

“Preamble

WHEREAS, many rural communities located in Southern Maryland, Western Maryland, and on the Eastern Shore of Maryland do not have ready access to available or affordable broadband communications Internet services; and

WHEREAS, the lack of broadband communications deployment has severely impeded economic development efforts in rural areas that are struggling to diversify their existing manufacturing, agricultural, and resource industry based economies; and

WHEREAS, public officials and private sector leaders from rural communities have repeatedly questioned why the State’s broadband communications program has not resolved their long-standing broadband access concerns; and

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WHEREAS, the “eReadiness Maryland” study conducted by the Maryland Technology Development Corporation in 2002 confirmed the impression that Central Maryland had sufficient broadband infrastructure to meet the needs of business users, but also found that the rural regions had fallen behind considerably; and

WHEREAS, the Department of Budget and Management is responsible for providing communications services for State government and has been mandated to establish a telecommunications and computer network for State and local governments and public and private educational institutions in the State called networkMaryland; and

WHEREAS, networkMaryland was officially made operational on October 30, 2002, to service the needs of State agencies and other public sector entities, with expansion of the system expected to be completed by late 2004 that will include inter-LATA communications access across the State; and

WHEREAS, in March 2002 the Department of Budget and Management established a very effective networkMaryland Advisory Group consisting of representatives from State agencies, local governments, hospitals, and educational institutions to provide important oversight and direction of the networkMaryland project; and

WHEREAS, the State of Maryland currently owns 313.5 miles of fiber optic cable in Central and Western Maryland that includes 48 strands of dark fiber with the following reserved deployment: 16 strands for the Maryland Department of Transportation; 20 strands for networkMaryland, and 12 strands for cooperative use by private sector firms; and

WHEREAS, there are serious State and federal regulatory concerns with opening up networkMaryland to general use by the private sector; and

WHEREAS, the Forvm for Rural Maryland and the rural regional development organizations have repeatedly articulated the need for broadband Internet access to create economically competitive communities, and are currently in the process of performing studies to evaluate demand aggregation, establishing business-community partnerships for developing innovative communications service provision, and making applications to the federal government for program and infrastructure funding; and

WHEREAS, the Tri-County Council for Western Maryland has initiated a follow-up “eReadiness Maryland” project to quantify current and future broadband demand and identify specific investment requirements to make the region’s information infrastructure more accessible and robust; and

WHEREAS, the Tri-County Council for Southern Maryland has organized a formal task group of local and regional public and private sector representatives to address the need for communications demand aggregation and the deployment of infrastructure and services; and

WHEREAS, the Mid-Shore Regional Council and Tri-County Council for the Lower Eastern Shore have authorized a formal study to quantify current and future demand and identify specific investment requirements that will make the region’s information infrastructure more accessible and robust; and

WHEREAS, there is a need for a comprehensive State plan to support the local and regional implementation of programs for broadband communications services in rural areas; now, therefore,”.

AMENDMENT NO. 2

On page 1, in line 22, strike “the Laws of Maryland read as follows”.

On pages 1 through 5, strike in their entirety the lines beginning with line 23 on page 1 through line 8 on page 5, inclusive, and substitute:

“(a) There is a Task Force on Broadband Communications Deployment in Underserved Rural Areas.

(b) The Task Force consists of the following 20 members:

(1) the Secretary of Budget and Management, or the Secretary’s designee;

(2) the Secretary of Business and Economic Development, or the Secretary’s designee;

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- (3) the Chairman of the Public Service Commission, or the Chairman's designee;
- (4) the President of the Maryland Technology Development Corporation, or the President's designee;
- (5) the Executive Director of the Forvm for Rural Maryland, or the Executive Director's designee;
- (6) the Executive Director of the Tri-County Council for Western Maryland, or the Executive Director's designee;
- (7) the Executive Director of the Tri-County Council for Southern Maryland, or the Executive Director's designee;
- (8) the Executive Director of the Tri-County Council for the Lower Eastern Shore of Maryland, or the Executive Director's designee;
- (9) the Executive Director of the Mid Shore Regional Council, or the Executive Director's designee;
- (10) a local government representative from Carroll County or Frederick County appointed by the Executive Director of the Forvm for Rural Maryland;
- (11) a local government representative from Harford County, Cecil County, Kent County, or Queen Anne's County appointed by the Executive Director of the Forvm for Rural Maryland;
- (12) three members of the Maryland House of Delegates, one each from Western Maryland, Southern Maryland, and the Eastern Shore, appointed by the Speaker of the House;
- (13) three members of the Senate of Maryland, one each from Western Maryland, Southern Maryland, and the Eastern Shore, appointed by the President of the Senate; and
- (14) three technical experts representing public sector agencies and universities

appointed jointly by the Chairmen of the Southern Maryland, Western Maryland, and Eastern Shore delegations to the General Assembly.

(c) The President of the Maryland Technology Development Corporation shall serve as the Chairman of the Task Force.

(d) The Chairman of the Task Force may establish subcommittees of the Task Force to assist in the work of the Task Force.

(e) A member of the Task Force may not receive compensation for serving on the Task Force, but is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) (1) The Chairman of the Task Force shall periodically convene a panel of advisors to solicit comments and recommendations on broadband communications in rural areas and other issues defined by the Task Force.

(2) The panel of advisors may assist the Task Force in its work as determined by the Chairman of the Task Force.

(g) The panel of advisors shall consist of representatives of:

- (1) local telephone service providers;
- (2) long distance telephone service providers;
- (3) cable service providers;
- (4) wireless service providers;
- (5) satellite service providers;
- (6) investor-owned electric utility providers;

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- (7) rural electric cooperatives;
- (8) municipal electric utilities;
- (9) Internet service providers;
- (10) the Network Maryland Advisory Group;
- (11) the Network Maryland Engineering Committee;
- (12) the Governor's Technology Commission;
- (13) the Information Technology Board;
- (14) the Maryland Chamber of Commerce;
- (15) the Maryland Municipal League;
- (16) the Maryland Association of Counties;
- (17) the Maryland Rural Health Association;
- (18) organizations representing schools, libraries, colleges, universities, and high technology councils; and
- (19) any other group, organization, or person, as determined by the Chairman of the Task Force.

(h) The Task Force shall:

(1) consider developments and best practices in regions of the country where broadband communications is being deployed for rural communities, the broadband networking infrastructure in those areas, and the direct and indirect benefits and costs associated with the

networks;

(2) after considering existing State and regional broadband communications assessments and information that may become available during the deliberations of the Task Force, evaluate:

(i) the resources, infrastructure, and cost structures now in place or available in the various rural regions of the State for developing or accessing broadband communications;

(ii) the feasibility of using existing or alternative legal mechanisms and infrastructure to support the economical development of broadband communications in rural areas of the State;

(iii) the utility of several applications where broadband communications would be beneficial to rural areas, such as applications relating to agriculture, medicine, and education; and

(iv) other matters that the Task Force considers pertinent to establishing effective broadband communications in the rural areas of the State;

(3) encourage the development of specific goals for the State in the deployment of broadband communications in rural areas, including:

(i) the development of economically competitive access to broadband communications by the public and private sectors in each rural region of the State;

(ii) the availability of broadband communications access throughout the rural areas of the State to address issues of universal service in unserved and underserved communities;

(iii) the development and expansion of practical applications for the enhancement of economic development, and other public benefits;

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(iv) the development of affinities and interconnection among the governmental units in the State, educational institutions, and private industry; and

(v) other goals that the Task Force determines to be in the public interest;

(4) develop proposals and recommendations for the establishment and enhancement of broadband communications in rural areas, by:

(i) reviewing government policies for the promotion, development, and economically competitive use of broadband communications;

(ii) identifying sources of funding and support, including leveraging of State and federal resources;

(iii) encouraging private and public participation in the development and use of broadband communications in rural areas, including demand aggregation and/or resource leveraging to enhance economic and technological development; and

(iv) examining any other pertinent issues;

(5) oversee the implementation of the Task Force's recommendations made under item (4) of this subsection, and as the Task Force may determine, offer any recommendations pertaining to:

(i) legislation for possible introduction in the 2004 or 2005 session of the General Assembly to implement the recommendations of the Task Force;

(ii) budget provisions and amendments for inclusion in the State budgets for fiscal years 2005, 2006, and beyond; and

(iii) programmatic changes in State procurement or other areas that might be implemented by regulation; and

(6) subject to § 2-1246 of the State Government Article, report to the Governor, the President of the Senate of Maryland, the Speaker of the House of Delegates, and the Chairmen of the Senate Finance Committee, the House Economic Matters Committee, and the General Assembly's rural delegations, as follows:

(i) on or before December 1, 2003, issue a preliminary report and draft statewide rural development plan focusing on public and private broadband communications access;

(ii) on or before January 15, 2004, issue an interim report and recommendations for a statewide broadband communications plan focusing on private sector access;

(iii) on or before December 1, 2004, issue a progress report on the implementation of the plans for public and private broadband communications access, together with any follow-up recommendations; and

(iv) on or before June 30, 2005, issue a final report of the Task Force.

(i) The Maryland Technology Development Corporation shall provide staff support to the Task Force, with the assistance of the Forvm for Rural Maryland, the Department of Budget and Management, and the Department of Business and Economic Development.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2003. It shall remain effective for a period of 2 years and 1 month and, at the end of June 30, 2005, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.