Unofficial Copy C8

2003 Regular Session (3lr1237)

ENROLLED BILL

-- Finance/Economic Matters --

Introduced by Senator Pinkin

muo	duced by Senator Tipkin	
	Read and Examined by Proofreaders:	
		Proofreader.
Seale	ed with the Great Seal and presented to the Governor, for his approval this	Proofreader.
	day of at	
		President.
	CHAPTER	
1 4	AN ACT concerning	
2	Telecommunication and Computer Network Access - Underserved Areas	
3	Telecommunication and Computer Network Access - Task Force on	
4	Broadband Communications Deployment in Underserved Rural Areas	
5 I	FOR the purpose of altering certain provisions relating to a certain State	
6	telecommunication and computer network under the Department of Budget and	
7	Management; providing for access to a certain telecommunication and computer	
8	network by certain persons; providing for the construction of certain network	
9	facilities in areas where existing commercial access is lacking; providing for	
10	certain points of presence in certain areas in a certain manner; requiring the	
11	Department to consult and coordinate with certain agencies and entities for	
12	certain purposes; declaring the intent of the General Assembly; requiring the	
13	Department of Business and Economic Development and the Department of	
14	Budget and Management to undertake certain actions by certain dates and to	
15	report to the General Assembly on certain actions by a certain date; and	
16	generally relating to telecommunication and computer networking and	
17	underserved areas establishing a Task Force on Broadband Communications	

1	Deployment in Underserved Rural Areas; providing for the membership and
2	duties of the Task Force; providing for staffing of the Task Force; prohibiting a
3	member of the Task Force from receiving certain compensation; authorizing a
4	member of the Task Force to receive reimbursement for certain expenses;
5	providing for a panel of advisors; requiring the Task Force to report to the
6	Governor and the General Assembly on or before certain dates; encouraging the
7	Department of Business and Economic Development and the Department of
8	Budget and Management to undertake certain actions; providing for the
9	termination of this Act; and generally relating to the establishment of a
10	telecommunications and computer networking and the Task Force on Broadband
11	Communications Deployment in Underserved Rural Areas.
12	BY repealing and reenacting, with amendments,
13	Article - State Finance and Procurement
14	Section 3 702 and 3 705
15	Annotated Code of Maryland
16	(2001 Replacement Volume and 2002 Supplement)
17	<u>Preamble</u>
18	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
20	available of alfordable broadband communications internet services, and
21	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
25	WWEDELG IV CO. I I I I I I I I I I I I I I I I I I I
25	WHEREAS, public officials and private sector leaders from rural communities
	have repeatedly questioned why the State's broadband communications program has
21	not resolved their long standing broadband access concerns; and
28	WHEREAS, the "eReadiness Maryland" study conducted by the Maryland
29	
30	
31	users, but also found that the rural regions had fallen behind considerably; and
32	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
	·
37	WHEREAS, networkMaryland was officially made operational on October 30,
	2002, to service the needs of State agencies and other public sector entities, with
20	
	expansion of the system expected to be completed by late 2004 that will include inter LATA communications access across the State; and

3	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
6	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
10	by private sector firms; and
11	WHEREAS, there are serious State and federal regulatory concerns with
12	
	opening up neemonically und to general use of the private sector, und
13	WHEREAS, the Forvm for Rural Maryland and the rural regional development
14	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
17	
	provision, and making applications to the federal government for program and
19	infrastructure funding; and
20	WHEREAS, the Tri County Council for Western Maryland has initiated a
21	follow up "eReadiness Maryland" project to quantify current and future broadband
22	demand and identify specific investment requirements to make the region's
23	information infrastructure more accessible and robust; and
24	WHEDEAG 4 TriC + C 11C C 4 M 1 H
24	WHEREAS, the Tri County Council for Southern Maryland has organized a
25	formal task group of local and regional public and private sector representatives to
26 27	address the need for communications demand aggregation and the deployment of infrastructure and services; and
21	infrastructure and services, and
28	WHEREAS, the Mid-Shore Regional Council and Tri-County Council for the
29	Lower Eastern Shore have authorized a formal study to quantify current and future
30	demand and identify specific investment requirements that will make the region's
31	information infrastructure more accessible and robust; and
32	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,
	
35	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
36	MARYLAND, That the Laws of Maryland read as follows:
37	Article - State Finance and Procurement
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38	3.702.
39	(a) The Department shall:
5)	(a) The Department shan.

1	(1) coordinate the development, procurement, management and
2	operation of telecommunication equipment, systems, and services by State
	government, BOTH BY DIRECT ACQUISITION AND BY USE OF OTHER PUBLIC AND
	PRIVATE INFRASTRUCTURE;
·	114 1112 1111 1110 01 0112,
5	(2) acquire and manage common user telecommunication equipment,
_	systems, [or] AND services and [charge] PROVIDE A STANDARD INTERFACE FOR
	COMMON BACKBONE SERVICES AT A FLAT RATE TO units of State government [for
	their proportionate share of the costs of installation, maintenance, and operation of
	the common user telecommunication equipment, systems, or services] AND MAKE
	SUPPLEMENTAL INTENSIVE HIGH-BANDWIDTH SERVICES AVAILABLE TO THOSE
	UNITS AT ADDITIONAL COST;
11	CHILD THE TODAY COST,
12	(2) promote competibility of talegommunication systems by dayaloning
	(3) promote compatibility of telecommunication systems by developing
	policies, procedures, and standards for the acquisition and use of telecommunication
14	equipment, systems, and services by units of State government;
1.5	
15	(4) coordinate State government telecommunication systems and
	services by reviewing requests by units of State government for telecommunication
17	equipment, systems, or services;
18	(5) advise units of State government about planning, acquisition, and
19	operation of telecommunication equipment, systems, or services; and
20	(6) provide radio frequency coordination for State and local governments
21	in accordance with regulations of the Federal Communications Commission.
22	(b) The Department [may] SHALL make arrangement for [a user] ALL USERS
23	other than a unit of State government to have access to and use of State
24	telecommunication equipment, systems, and [services and shall charge the user any
25	appropriate amount to cover the cost of installation, maintenance, and operation of
26	the telecommunication equipment, system, or service provided] SERVICES:
27	(1) OFFERING TO LOCAL GOVERNMENTS AND THEIR UNITS A PLATFORM
28	OF BACKBONE SERVICES ON A STANDARD SCHEDULE OF FLAT RATES, AND MAKING
	SUPPLEMENTAL INTENSIVE HIGH BANDWIDTH SERVICES AVAILABLE TO THOSE
-	GOVERNMENTS AND UNITS AT ADDITIONAL COST; AND
50	OO VERTINE THE CONTROLL COOT, THE
31	(2) OFFERING BROADBAND SERVICES, INCLUDING SUPPLEMENTAL
	INTENSIVE HIGH-BANDWIDTH SERVICES, AVAILABLE TO OTHER USERS ACCORDING
	TO AN APPROPRIATE SCHEDULE OF CHARGES OR USING ANY OTHER APPROPRIATE
	METHOD TO RECOVER THE COSTS OF PROVIDING SERVICES TO THESE USERS.
34	WETHOD TO NECOVER THE COSTS OF FROVIDING SERVICES TO THESE USERS.
25	2 705
33	3.705.
20	(a) The Consuel Assembly declares that
36	(a) The General Assembly declares that:
27	
37	(1) it is the policy of the State to foster BROADBAND telecommunication
	and computer networking [among State and local governments, their agencies, and
39	educational institutions in] THROUGHOUT the State;

3	(2) the current alignment of [interagency and educational] telecommunication and computer networking in the State, based in part on the arrangement of Local Access and Transport Areas (LATAs), does not serve all areas of the State equally, but instead creates a disparity between rural and urban regions;
7	(3) rates for the intrastate inter LATA telephone communications needed for effective integration of telecommunication and computer resources are prohibitive for many smaller governments, agencies, and [institutions] OTHER PERSONS;
9 10	(4) there is a need to improve access, especially in rural areas, to efficient telecommunication and computer network connections;
13 14	(5) IMPROVED ACCESS TO HIGH-SPEED TELECOMMUNICATION AND COMPUTER NETWORKING CONNECTIONS IN DESIGNATED GROWTH AREAS, PARTICULARLY IN UNSERVED AND UNDERSERVED PARTS OF THE STATE, WILL FOSTER ECONOMIC DEVELOPMENT IN APPROPRIATE AREAS, FURTHERING THE GOAL OF EQUITABLE DEVELOPMENT IN THE STATE BY:
	(I) PROMOTING LOW IMPACT ECONOMIC DEVELOPMENT THAT WILL REQUIRE LITTLE ADDITIONAL TRADITIONAL CAPITAL INFRASTRUCTURE AND CONSUMPTION OF LAND; AND
21 22 23	(II) ASSISTING COMMUNITY LEGACY AND REVITALIZATION EFFORTS IN CURRENT POPULATION CENTERS OF UNSERVED AND UNDERSERVED AREAS THROUGH PROMOTING REINVESTMENT IN THESE COMMUNITIES, FACILITATING THE REUSE OF EXISTING BUILDINGS AND STRUCTURES IN THESE COMMUNITIES, AND DRAWING EMPLOYEES FROM THE COMMUNITIES AND THEIR ENVIRONS;
27	(6) improvement of telecommunication and computer networking [for State and local governments and educational institutions] UNDER THIS SECTION promotes economic development, educational resource use and development, and efficiency in State and local administration; and
31 32	[(6)] (7) the use of improved State telecommunication and computer networking under this section is intended not to compete with commercial access to advanced network technology, but rather to COMPLEMENT IT WHERE IT EXISTS, TO PROVIDE ACCESS WHERE COMMERCIAL ACCESS IS LACKING, AND TO foster fundamental efficiencies in government and education for the public good.
34 35	(b) (1) The Department shall establish a telecommunication and computer network in the State.
36	(2) The network shall consist of:
	(i) one or more connection facilities for telecommunication and computer connection in each LATA in the State, SITED TO PROVIDE SUITABLE ACCESS FOR RURAL AS WELL AS URBAN AND SUBURBAN AREAS;

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3 4	(ii) a backbone comprising one or more inter LATA fiber optic links between each telecommunication facility, using a failure-resistant architecture, and adhering to [the DS3 standard or better] CURRENT COMMERCIAL BROADBAND STANDARDS, to allow SUFFICIENT communication rates [of at least 45 megabits per second,] and multiplexing for transmission of video, voice, and data;
	(III) ON REQUEST OF A COUNTY OR MUNICIPAL CORPORATION, POINTS OF PRESENCE IN GROWTH AREAS, AS DESIGNATED IN THE COUNTY OR MUNICIPAL MASTER PLAN, THAT ARE ADJACENT TO THE BACKBONE; and
9 10	[(iii)] (IV) facilities, auxiliary equipment, and services required to support the network in a reliable and secure manner.
13	(C) IN PLANNING THE INSTALLATION AND EXPANSION OF THE NETWORK, THE DEPARTMENT SHALL CONSULT AND COORDINATE WITH OTHER STATE UNITS, COUNTIES, MUNICIPAL CORPORATIONS, AND PUBLIC AND PRIVATE UTILITIES IN ORDER TO:
15 16	(1) IDENTIFY AND CONSOLIDATE DEMAND FOR BROADBAND SERVICES IN THE VARIOUS REGIONS OF THE STATE;
17	(2) IDENTIFY UNUSED CAPACITY IN EXISTING FACILITIES; AND
18 19	(3) PLAN THE OPTIMAL LOCATION OF POINTS OF PRESENCE IN EACH LATA IN THE STATE.
20 21 22	[(c)] (D) The network shall be accessible through direct connection and through local intra-LATA telecommunications to State and local governments and public and private educational institutions in the State.
23	SECTION 2. AND BE IT FURTHER ENACTED, That:
26 27 28	(a) On or before July 1, 2004, the Department of Business and Economic Development shall identify existing and significant potential demand for access to high-speed telecommunication and data transmission services facilities in underserved rural areas of the State, in consultation with local government officials, existing businesses, and existing regional and local consortia and other groups involved with high-technology economic development in those areas;
32 33 34 35 36 37	(b) On or before July 1, 2004, the Department of Budget and Management shall explore expansion of high speed telecommunication and data transmission capacity, including fiber optic cable and competing technologies, into underserved rural areas that have existing and significant potential demand for the capacity afforded by fiber optic cable and competing technologies associated with State and local economic development, by expansion of the State backbone and network under § 3-705 of the State Finance and Procurement Article, through other Net.Work.Maryland or successor initiatives, or through other public-private cooperation with commercial providers of high speed telecommunication and data
	transmission services, and shall also explore alternative models for delivering these

40 services in underserved rural areas;

3 4 5	facilitate the services and	et, in cons expansion facilities ant potent	sultation on of high into und	uary 1, 2005, the Department of Business and Economic with the Department of Budget and Management, shall a speed telecommunication and data transmission erserved rural areas of the State by matching existing and with private and public providers of these services
9		nt and the 2-1246 o	Departm f the State	uary 1, 2004, the Department of Business and Economic tent of Budget and Management shall report jointly, a Government Article, to the General Assembly on their is section.
11 12	SECTIO July 1, 2003		I D BE IT	FURTHER ENACTED, That this Act shall take effect
13 14	(a) Underserve			Force on Broadband Communications Deployment in
15	<u>(b)</u>	The Tas	sk Force o	consists of the following 20 members:
	Western Mo Speaker of t		Southern I	embers of the Maryland House of Delegates, one each from Maryland, and the Eastern Shore, appointed by the
	Maryland, S the Senate;	<u>(2)</u> Southern		embers of the Senate of Maryland, one each from Western d, and the Eastern Shore, appointed by the President of
			<u>d jointly</u>	chnical experts representing public sector agencies and by the Chairmen of the Southern Maryland, Western delegations to the General Assembly;
25 26	designee;	<u>(1)</u>	<u>(4)</u>	the Secretary of Budget and Management, or the Secretary's
27 28	Secretary's	(<u>2)</u> designee;	<u>(5)</u>	the Secretary of Business and Economic Development, or the
29 30	Chairman's	(3) designee	(6) ; and	the Chairman of the Public Service Commission, or the
31		<u>(7)</u>	the follo	owing members appointed by the Governor:
32 33	<u>Developme</u>	(4) nt Corpor	<u>(i)</u> ration , or	the President a representative of the Maryland Technology the President's designee;
34 35	Maryland, e	(<u>5)</u> or the Exc	<u>(ii)</u> ecutive D	the Executive Director a representative of the Forvm for Rural irector's designee;

1 2	(6) (iii) the Executive Director a representative of the Tri-County Council for Western Maryland, or the Executive Director's designee;
3 4	(7) (iv) the Executive Director a representative of the Tri-County Council for Southern Maryland, or the Executive Director's designee;
	(8) (v) the Executive Director a representative of the Tri-County Council for the Lower Eastern Shore of Maryland, or the Executive Director's designee;
8 9	(9) (vi) the Executive Director a representative of the Mid-Shore Regional Council, or the Executive Director's designee;
	(10) (vii) a local government representative from Carroll County or Frederick County appointed by the Executive Director of the Forvm for Rural Maryland; and
	(11) (viii) a local government representative from Harford County, Cecil County, Kent County, or Queen Anne's County appointed by the Executive Director of the Forum 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.
25 26	(c) The President of the Maryland Technology Development Corporation Governor shall serve as designate the Chairman of the Task Force.
27 28	(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 may convene a panel of advisors to solicit comments and recommendations on broadband communications in rural areas and other issues defined by the Task Force.
35 36	(2) The panel of advisors may assist the Task Force in its work as determined by the Chairman of the Task Force.

1	<u>(g)</u>	The panel of advisors shall consist of may include representatives of:		
2		<u>(1)</u>	local telephone service providers;	
3		<u>(2)</u>	long distance telephone service providers;	
4		<u>(3)</u>	cable service providers;	
5		<u>(4)</u>	wireless service providers;	
6		<u>(5)</u>	satellite service providers;	
7		<u>(6)</u>	investor-owned electric utility providers;	
8		<u>(7)</u>	rural electric cooperatives;	
9		<u>(8)</u>	municipal electric utilities;	
10		<u>(9)</u>	Internet service providers;	
11		<u>(10)</u>	the Network Maryland Advisory Group;	
12		<u>(11)</u>	the Network Maryland Engineering Committee;	
13		<u>(12)</u>	the Governor's Technology Commission;	
14		<u>(13)</u>	the Information Technology Board;	
15		<u>(14)</u>	the Maryland Chamber of Commerce;	
16		<u>(15)</u>	(15) the Maryland Municipal League;	
17		<u>(16)</u>	the Maryland Association of Counties;	
18		<u>(17)</u>	the Maryland Rural Health Association;	
19 20	and high tec	(18) chnology	organizations representing schools, libraries, colleges, universities, councils; and	
21 22	Chairman o	(19) f the Tas	any other group, organization, or person, as determined by the k Force.	
23	<u>(h)</u>	The Tas	sk Force shall :	
26	(1) <u>shall</u> consider developments and best practices in regions of the country where broadband communications is being deployed for are being deployed in rural communities, the broadband networking infrastructure in those areas, and the direct and indirect benefits and costs associated with the networks;			
			after considering existing State and regional broadband essments and information that may become available during the Eask Force, <i>shall</i> evaluate:	

		e resources, infrastructure, and cost structures now in place egions of the State for developing or accessing mmunications;
		e feasibility of using existing or alternative legal mechanisms economical development of broadband the State;
		e utility of several applications where broadband cial to benefit rural areas, such as applications and education; and
10 11		her matters that the Task Force considers pertinent to communications in the rural areas of the State;
12 13	2 (3) shall encou 3 deployment of broadband commu	urage the development of specific goals for the State in the unications in rural areas, including:
		e development of economically competitive access to the public and private sectors in each rural region of
		e availability of broadband communications access State to address issues of universal service in unities;
20 21	0 (iii) th 1 enhancement of economic develo	e development and expansion of practical applications for the opment, and other public benefits;
22 23		e development of affinities and interconnection among the educational institutions, and private industry; and
24 25	4 (v) <u>and</u> 5 <u>public interest;</u>	ny other goals that the Task Force determines to be in the
26 27		op proposals and recommendations for the establishment ommunications in rural areas, by:
28 29	8 (i) re 9 and economically competitive us	viewing government policies for the promotion, development, e of broadband communications:
30 31	0 (ii) id 1 of State and federal resources;	entifying sources of funding and support, including leveraging
34	3 development and use of broadbar	acouraging private and public participation in the and communications in rural areas, including demand leveraging to enhance economic and technological
36	6 <u>(iv)</u> <u>ex</u>	camining any other pertinent issues; and

	(5) <u>shall</u> 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:
4 5	(i) legislation for possible introduction in the 2004 or 2005 session of the General Assembly to implement the recommendations of the Task Force;
6 7	(ii) <u>budget provisions and amendments for inclusion in the State</u> <u>budgets for fiscal years 2005, 2006, and beyond; and</u>
8 9	(iii) programmatic changes in State procurement or other areas that might be implemented by regulation; and.
12 13 14	Government Article, the Task Force shall report to the Governor; and to 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 chairmen of the General Assembly's rural delegations, as follows: provided in paragraph (2) of this subsection.
16	(2) The Task Force shall issue:
	(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
26 27	(iv) on or before June 30, 2005, issue a final report of the Task Force.
30	(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, and other appropriate State, regional, and local agencies.
32	SECTION 2. AND BE IT FURTHER ENACTED, That:
35 36	(a) The Department of Business and Economic Development, in assisting the Task Force on Broadband Communications Deployment in Underserved Rural Areas, is strongly encouraged to identify existing and significant potential demand for access to high-speed telecommunication and data transmission services facilities in underserved rural areas of the State, in consultation with local government officials

- 1 existing businesses, and existing regional and local consortia and other groups
- 2 involved with high-technology economic development in those areas.
- 3 (b) The Department of Budget and Management, in assisting the Task Force on
- 4 Broadband Communications Deployment in Underserved Rural Areas, is strongly
- 5 encouraged to explore expansion of high-speed telecommunication and data
- 6 transmission capacity, including fiber-optic cable and competing technologies, into
- 7 <u>underserved rural areas that have existing and significant potential demand for the</u>
- 8 capacity afforded by fiber-optic cable and competing technologies associated with
- 9 State and local economic development, by expansion of the State backbone and
- 10 <u>network under § 3-705 of the State Finance and Procurement Article, through other</u>
- 11 Net. Work. Maryland or successor initiatives, or through other public-private
- 12 <u>cooperation with commercial providers of high-speed telecommunication and data</u>
- 13 transmission services, and is also strongly encouraged to explore alternative models for
- 14 delivering these services in underserved rural areas.
- 15 (c) The Department of Business and Economic Development, in consultation
- 16 with the Department of Budget and Management and in coordination with
- 17 recommendations of the Task Force on Broadband Communications Deployment in
- 18 <u>Underserved Rural Areas, is strongly encouraged to facilitate the expansion of</u>
- 19 high-speed telecommunication and data transmission services and facilities into
- 20 underserved rural areas of the State by matching existing and significant potential
- 21 <u>demand with private and public providers of these services and facilities.</u>
- 22 SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take
- 23 effect June 1, 2003. It shall remain effective for a period of 2 years and 1 month and,
- 24 at the end of June 30, 2005, with no further action required by the General Assembly,
- 25 this Act shall be abrogated and of no further force and effect.