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House Bill 999 - Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Committee: Economic Matters

Date: March 5, 2020

MGPA Position: SUPPORT

The Maryland Grain Producers Association (MGPA) serves as the voice of grain farmers growing corn, wheat, barley and sorghum across the state. On an annual basis, nearly a million acres of these crops are grown in Maryland. While we represent grain farmers across the state, the majority of grain acres are grown on Maryland's Eastern Shore and in Choptank Electric Cooperatives area.

House Bill 999 allows Choptank Electric Cooperative, by a unanimous vote of their Directors, to become member regulated. The bill also authorizes the Cooperative, subject to certain limitations and reporting requirements, to provide Broadband internet services without creating a separate company. MGPA sees enormous benefit in both the potential outcomes of this bill.

The members of Choptank Electric Cooperative are their rate payers and the Board members who represent them are members of the communities they serve. MGPA hopes that allowing for member regulation will give the Cooperative the flexibility to modify rates for things like irrigation and farmsteads, without going through the long and costly Public Service Commission Process. Opponents to member regulation may say that it removes the accountability under PSC regulation. We feel however that the members of Choptank's Board are much more accountable to their members that they see at church and the grocery store than to the PSC.

MGPA is very optimistic that Choptank being able to provide internet service will increase the availability and competitiveness of Broadband on the Eastern Shore. While some current providers may say they "service" an area or their services are available, we often find this not to be the cost. A member of our board was quoted \$37,000 to run fiber approximately 300 yards from a main road to their farm house. This is simply not affordable and in our view, potentially inflated seeing as the "going rate" to lay fiber is supposedly \$41,000 per mile.

Farming is much more technically advanced than in the past and requires fast and reliable internet service to be as efficient as possible. Farmers can collect terabytes of data on seeding, yields, soil types, nutrient analysis and much more in just one growing season. Unfortunately, this often times goes under-utilized because of the inability to upload that data for processing and analysis. Farmers also utilize the internet to watch commodities prices and trade stocks. Without reliable service, opportunities can be missed. House Bill 999 would provide another option for our members to potentially get much needed internet service.

MGPA respectfully asks for a favorable report on House Bill 999.