

Caroline County Economic Development_FAV_SB 540

Uploaded by: Bowden, Debbie

Position: FAV

Senate Bill 540

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

Position: **SUPPORT**

Date: January 31, 2020 To: The Honorable Delores G. Kelley

Caroline County Economic Development **SUPPORT** SB 540, *Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020)*. This bill will address our local businesses need for internet access with a solution provided by a trusted, local partner, Choptank Electric Cooperative.

Caroline County is home to nearly 700 establishments of all sizes that provide jobs and investment into the community. Many do not have access to reliable high speed internet. Through the **Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020)**, Choptank Electric Cooperative will be able to leverage existing assets for the **economics-of-scale** necessary to provide high speed fiber internet to businesses in underserved areas of our county.

As a member-regulated Cooperative, Choptank Electric's democratically elected Board will directly implement policies and services requested by the member-owners of the cooperative. This will allow Choptank Electric to eliminate duplicative regulatory costs and strengthen member engagement, all the while providing transparency and accountability. This will allow economically efficient broadband deployment across Choptank's Eastern Shore service area.

This bill will put Choptank Electric Cooperative on the same regulatory playing field as over 680 electric cooperatives across the country, including Delaware, an economic development competitor for Caroline County and Maryland. The bill will ensure the next generation of rural communities the ability to access the internet. We urge you to support SB540 to allow Choptank Electric Cooperative to deliver Broadband internet service quickly and efficiently.

Sincerely,



Debbie Bowden
Director

AARP1_FAV_SB540

Uploaded by: Bresnahan, Tammy

Position: FAV



200 St. Paul Place, #2510 | Baltimore, MD 21202
1-866-542-8163 | Fax: 410-895-0269 | TTY: 1-877-434-7598
aarp.org/md | mdaarp@aarp.org | twitter: @aarpmaryland
facebook.com/aarpmid

**SB 540 Member-Regulated Cooperatives – Establishment
(Rural Broadband for the Eastern Shore Act of 2020)
SUPPORT
Senate Finance
February 25, 2020**

Good Afternoon Chairman Kelley and Members of the Senate Finance Committee. I am Tammy Bresnahan. I am the Director of advocacy for AARP MD. As you know, AARP Maryland is one of the largest membership-based organizations in the Free State, encompassing almost 900,000 members. **AARP MD overwhelmingly supports** and we thank Senator Hershey for sponsoring this important legislation **SB 540 Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020**

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

SB 540 establishes a process for an electric cooperative to operate as a member-regulated cooperative on the Eastern Shore of the State that may provide broadband Internet access to its members.

Throughout the country, AARP actively supports broadband deployment to unserved communities and also supports policies and programs that facilitate broadband adoption. SB 540 furthers the important goal of bringing broadband to areas that are currently on the wrong side of the digital divide. These communities find themselves removed from the information economy because broadband providers traditionally have found it unprofitable to serve them. SB 540 is an important bridge that will help to close the urban-rural digital gap. The bill also includes important consumer protection safeguards, such as prohibiting the sharing of customers' proprietary information.

Electric membership cooperatives, with their long history of serving rural areas, are uniquely positioned to bring broadband internet access to the communities they serve. With SB 540, Maryland's Eastern Shore would join the growing number of states that have carved out an important role for electric cooperatives in bringing a broadband internet ramp to unserved communities, most recently in Tennessee, Mississippi and Georgia.

Real Possibilities

AARP MD also supports SB 540 because the benefits of broadband internet access to older adults are well-recognized. Affordable, reliable internet access helps older adults to age in place productively and safely with a higher quality of life than would otherwise exist. The broadband platform supports access to telehealth and telemedicine, civic engagement, entertainment, on-line learning and other internet-based applications that address isolation and health challenges. Other benefits for older Persons include:

- Civic engagement (for example, sending emails and filing comments to town planners regarding local decisions about public resources and facilities);
- Overcoming social isolation as people age (the use of emails and social media allow older persons to engage with others with similar and shared interests and to access online newspapers and magazines);
- Distance learning for adults;
- Entertainment/Hobbies (movies, television, video streaming);
- Family connections (e.g., Skyping with children, grandchildren, friends, etc.);
- Small businesses (supporting websites that are offered by older self-employed persons); and
- Professional development (e.g., to participate in webinars concerning areas related to one's profession).

AARP Maryland thanks Senator Hershey for his leadership on this issue and we ask the Senate Finance Committee for a FAVORABLE REPORT on SB 540. We look forward to working with legislators on this and future efforts to expand broadband access in communities throughout the state. For questions please contact me -- Tammy Bresnahan at tbresnahan@aarp.org or by calling 410-302-8451.

AARP2_FAV_SB540

Uploaded by: Bresnahan, Tammy

Position: FAV



200 St. Paul Place, #2510 | Baltimore, MD 21202
1-866-542-8163 | Fax: 410-895-0269 | TTY: 1-877-434-7598
aarp.org/md | mdaarp@aarp.org | twitter: @aarpmaryland
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Real Possibilities

REALTORS_FAV_SB 540

Uploaded by: Castelli, Bill

Position: FAV



Senate Bill 540 – Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Position: Support

Maryland REALTORS® support SB 540 which would allow the Choptank electric cooperative to change into a member-regulated cooperative.

If the bill passes and the Choptank Board of Directors elects to become a member-regulated cooperative, Choptank would have additional flexibility establish broadband services for many communities on the Eastern Shore.

Homebuyers are increasingly interested in a property's access to high-speed internet. Particularly in rural communities, real estate agents often work with clients who walk away from properties which do not have high-speed internet. In fact, studies have shown the value of a home can increase by 3-5% based on whether the property has access to broadband services or not.

The internet continues to grow as an important/necessary utility for a home. Home businesses and schoolwork often demand broad band access. Many new home security products and convenience products require high speed internet. With more businesses allowing employees to work at home, and some employers requiring it, the importance of high-speed internet will continue to grow. Without it, many communities will have trouble attracting and retaining businesses and residents.

For these reasons, the REALTORS® recommend a favorable report.

**For more information contact bill.castelli@mdrealtor.org or
susan.mitchell@mdrealtor.org**

Dorchester County Chamber of Commerce_FWA_SB 540

Uploaded by: Chambers, Bill

Position: FAV



DORCHESTER CHAMBER OF COMMERCE, INC.

528 Poplar Street, Cambridge, MD 21613

410-228-3575

410-228-6848

info@dorchesterchamber.org

www.dorchesterchamber.org

2019 Board of Directors

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*Hyatt Regency
Chesapeake Bay Resort
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Sharon Spedden
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Sharon Real Estate

Lori Nagel
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Atlantic Tractor

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*Layton's Chance
Vineyard and Winery*

Adam Shellhamer
BDK, Inc. IT Solutions

Tracy Tyler
Tilt Business Advisors

February 20, 2020

Senate Finance Committee
House Economic Matters Committee

Re: SB540/HB999 Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Dear Senators and Delegates:

This letter is being sent on behalf of the Dorchester Chamber of Commerce Government Affairs Committee and Board of Directors. We are in full support of Choptank Electric Cooperative's efforts to expand their services to include broadband services under Senate Bill 540 and House Bill 999

We understand and support their need to become "member regulated" but would like the committees to consider a slight amendment to the Bill. Today Choptank Electric Cooperative, through the Maryland Broadband Cooperative provides access to portions of existing and new middle mile fiber they own. We have residents and members of our Chamber that depend on the existing arrangements to receive broadband. We would like the Bill to include a provision that by law this practice continues as it will be critical to maintaining existing services as well as helping to reach all remote areas, including those not served by Choptank Electric Cooperative. We are confident they plan to continue to continue those efforts but once no longer regulated, they could choose to no longer participate in those critical resource sharing and lease arrangements through the Maryland Broadband Cooperative.

We greatly appreciate the collaborative manner in which Choptank Electric Cooperative has operated and expect they will continue to be a great community partner. This recommendation is in no way expressing a concern with the current Board or Leadership. It is just a small change to help ensure progress being made by the Maryland Broadband Cooperative continues into the future.

If you have any questions do not hesitate to reach out to us. If there is additional action you need from the Chamber, please let us know.

Sincerely,

William Christopher, President/CEO

Salisbury Area Chamber of Commerce_FAV_SB 540

Uploaded by: Chambers, Bill

Position: FAV



February 14, 2020

Senator Delores G. Kelley
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

Dear Senator Kelley,

On behalf of our 700 member businesses and organizations representing more than 50,000 employees across the eastern shore, the Salisbury Area Chamber of Commerce strongly urges a favorable report on Senate Bill 540. The Rural Broadband for the Eastern Shore Act of 2020 is a common sense business and residential friendly piece of legislation that will encourage economic development across the eastern shore. Electric Cooperatives and specifically Choptank Electric, are trusted utility providers that possess the economy of scale to add broadband services to their menu of business and consumer offerings. Access to broadband is bi-partisan and common sense for our rural and underserved communities. The desperate need to fill this digital desert and a provider willing to invest to get it done, is long overdue.

The businesses and organizations on our eastern shore deserve and need this legislation to become a reality. Thank you and the members of the Committee for your attention and support for this initiative.

Sincerely,

William R. Chambers
President / CEO
Salisbury Area Chamber of Commerce
144 East Main Street
Salisbury, Maryland 21801
bchambers@salisburyarea.com
410-749-0144
FAX 410-860-9925
www.salisburyarea.com

**SALISBURY AREA
CHAMBER OF
COMMERCE**

144 EAST MAIN ST.

P.O. Box 510

SALISBURY
MARYLAND
21803-0510

TELEPHONE:
410-749-0144

FAX:
410-860-9925

**ACCREDITED BY
THE CHAMBER OF
COMMERCE OF THE
UNITED STATES
SINCE 1966**

THE VOICE FOR BUSINESS ON DELMARVA

www.salisburyarea.com

Dorchester Chamber of Commerce_FAV_SB540

Uploaded by: Christopher, William

Position: FAV



DORCHESTER CHAMBER OF COMMERCE, INC.

528 Poplar Street, Cambridge, MD 21613

410-228-3575

410-228-6848

info@dorchesterchamber.org

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Sincerely,

William Christopher, President/CEO

SB 540 LOI Member Regulated Cooperatives 2.25.2020

Uploaded by: Clevenger, Amanda

Position: FAV



John Hartline, Chair

50 Harry S. Truman Parkway • Annapolis, MD 21401
Office: 410-841-5772 • Fax: 410-841-5987 • TTY: 800-735-2258
Email: rmc.mda@maryland.gov
Website: www.rural.maryland.gov
Charlotte Davis, Executive Director

LETTER OF INFORMATION

Senate Bill 540 - Member - Regulated Cooperatives - Establishment
(Rural Broadband for the Eastern Shore Act of 2020)

Finance Committee

February 25, 2020

The Rural Maryland Council submits the following letter of information on Senate Bill 540 - Member - Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020).

Broadband is critical infrastructure for business, education, and agriculture today and access remains a real issue in the state's rural areas with almost 20% of rural residents lacking internet access. Deployment presents a huge challenge as our rural areas have fewer residences to support the cost of network build out expenses. Using the Federal Communications Commission's definition of broadband as 25 megabits per second download and 3 megabits per second upload, only 64% of rural Marylanders have access to high-speed internet.

The Council supports allowing the rural electric cooperatives to become broadband providers. The Council does recommend including language that authorizes or enables the cooperative to provide last-mile broadband services. Network planning and thoughtful development of the broadband deployment model are essential for success as competing in the broadband industry which can present risk. The Council suggests that bill language be considered that would require that Choptank Rural Electric Cooperative submit a five year deployment plan of last mile residential services including timelines and project goals to the legislative committees.

However, SB540 primarily authorizes Choptank Rural Electric Cooperative to become a new "member-regulated cooperative" removing the organization from oversight by the Public Service Commission. This deregulation would allow the organization to leverage its electric assets for the deployment of broadband.

Overall, three rural electric cooperatives serve the State's rural areas: Choptank Rural Electric Cooperative, SMECO (Southern Maryland Electric Cooperative) and Somerset Rural Electric Cooperative in Garrett County. SB540 bill only applies to one of the three cooperatives and is essentially a local courtesy bill.

The Rural Maryland Council (RMC) brings together citizens, community-based organizations, federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to collectively address the needs of Rural Maryland communities. We provide a venue for members of agriculture and natural resource-based industries, health care facilities, educational institutions, economic and community development organizations, for-profit and nonprofit corporations, and government agencies to cross traditional boundaries, share information, and address in a more holistic way the special needs and opportunities in Rural Maryland.

"A Collective Voice for Rural Maryland"

Val Connelly_Choptank Electric_FAV_SB 540

Uploaded by: Connelly, Valerie

Position: FAV



P.O. BOX 430, Denton, MD 21629
Toll-Free: 1-877-892-0001
Z_info@choptankelectric.coop
www.choptankelectric.coop

February 25, 2020

Support SB 540 - The Member Regulated Cooperatives - Rural Broadband for the Eastern Shore Act of 2020

Dear Chairman Delores Kelley and Members of the Committee:

I am writing on behalf of our 54,000 co-op members to seek the support for that would benefit our rural region. The proposal would allow Choptank Electric Cooperative to become “member-regulated,” with the goal of delivering Gigabit Speed broadband service for rural residents and businesses, the same way the Cooperative brought electricity to unserved areas in the mid-1900’s.

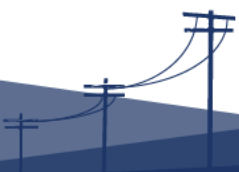
If passed, SB 540 would allow Choptank Electric Cooperative’s Board of Directors to act with oversight from its member/owners to deliver Gigabit Speed internet using an economy-of-scale that cannot be matched by other providers. Under our proposal, our members, who average 8 homes per mile, will finally gain access to last-mile broadband connection.

Businesses and residents across the Eastern Shore have lamented the lag in 21st century technology. We are now to the point where quality of life and economic development are stymied without a giant leap forward. Despite numerous studies and significant financial investment, the universal delivery of broadband to all our citizens has not been achieved.

SB 540, the Member-Regulated Cooperatives - Rural Broadband for the Eastern Shore Act of 2020, has been introduced to leverage our cooperative business model and give our not-for-profit, democratically controlled and member-owned Electric Cooperative the regulatory certainty it needs to deliver broadband services.

Choptank Electric Cooperative has been a trusted community partner for over 80 years. The decision to provide an additional service such as broadband is challenging; however, it is very doable provided we achieve the legislative changes needed for regulatory certainty. This will give us the comfort to responsibly invest in last mile broadband deployment.

Access to broadband is a bi-partisan, common-sense objective. We must fill this digital divide we face in rural areas but also unite all Marylanders in a common goal to provide access to this service.



Members First. Every Day.

The Rural Broadband for the Eastern Shore Act of 2020 will allow our electric cooperative to become member-regulated. This will strengthen our business while continuing to **protect rural electric and broadband customers** in the following critical ways:

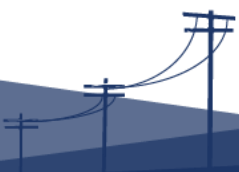
- A Member Regulated Cooperative may not adopt a new rate or increase or decrease existing rates without inviting member participation. The Cooperative must notify its members, provide opportunities for comment and allow members to be present for Board votes concerning rates.
- A Member Regulated Cooperative must comply with all statutory requirements for electric companies in Maryland, including net metering, the Renewable Portfolio Standard (RPS), customer choice, protection for low-income residents, underground safety, territory establishment and more.
- A Member Regulated Cooperative must share information about electric and broadband policies with members, such as rate schedules, tariffs and financial
- A Member Regulated Cooperative must adopt procedures to hear, decide and resolve in a prompt and fair manner, complaints from its members.
- The bill provides a mechanism for members of the cooperative to revert to full regulation by the Maryland Public Service Commission if desired in the future. The bill provides for transparency and accountability by a Member Regulated Cooperative to protect its member/customers.

We hope you will join us in this very important effort and trust that with the consumer protections and safeguards in this bill, the Rural Broadband for the Eastern Shore Act of 2020 will help bridge the “digital divide” and improve our quality of life.

For additional information, please contact Valerie Connelly, our Vice President of Government Affairs and Public Relations at (443) 690-2411.

Sincerely,

M. E. Malandro
President & CEO
Choptank Electric Cooperative



Members First. Every Day.

Chesapeake College_FAV_SB 540

Uploaded by: Coppersmith, Dr Clifford

Position: FAV



24 February 2020

Senator Delores G. Kelley
3 East
Miller Senate Office Building
Annapolis, MD 21401

Re: SB 540

Dear Senator Kelley,

On behalf of the students and the region which we serve I provide this letter of support for any effort to bring about greater connectivity for our students in our five-county Mid-Shore region. At Chesapeake College distance and transportation remain one of the greater challenges for our students to access higher education and training essential for success in today's modern world. Every year a growing number of our students seek out distance education options in both credit and non-credit coursework offered by Chesapeake College.

I also know from my own experience that broadband access is spotty across our region so in addition to access to programs and information at Chesapeake College that regular high quality and high speed access for phone service would bring, this is also an issue across the Eastern Shore for regular phone connectivity.

I laud the efforts of Choptank Electric to provide additional means to extend broadband connectivity to the Eastern Shore.

Sincerely,

Clifford P. Coppersmith, Ph.D.
President, Chesapeake College

Choptank_FAV_SB540

Uploaded by: Dahl, Sarah

Position: FAV

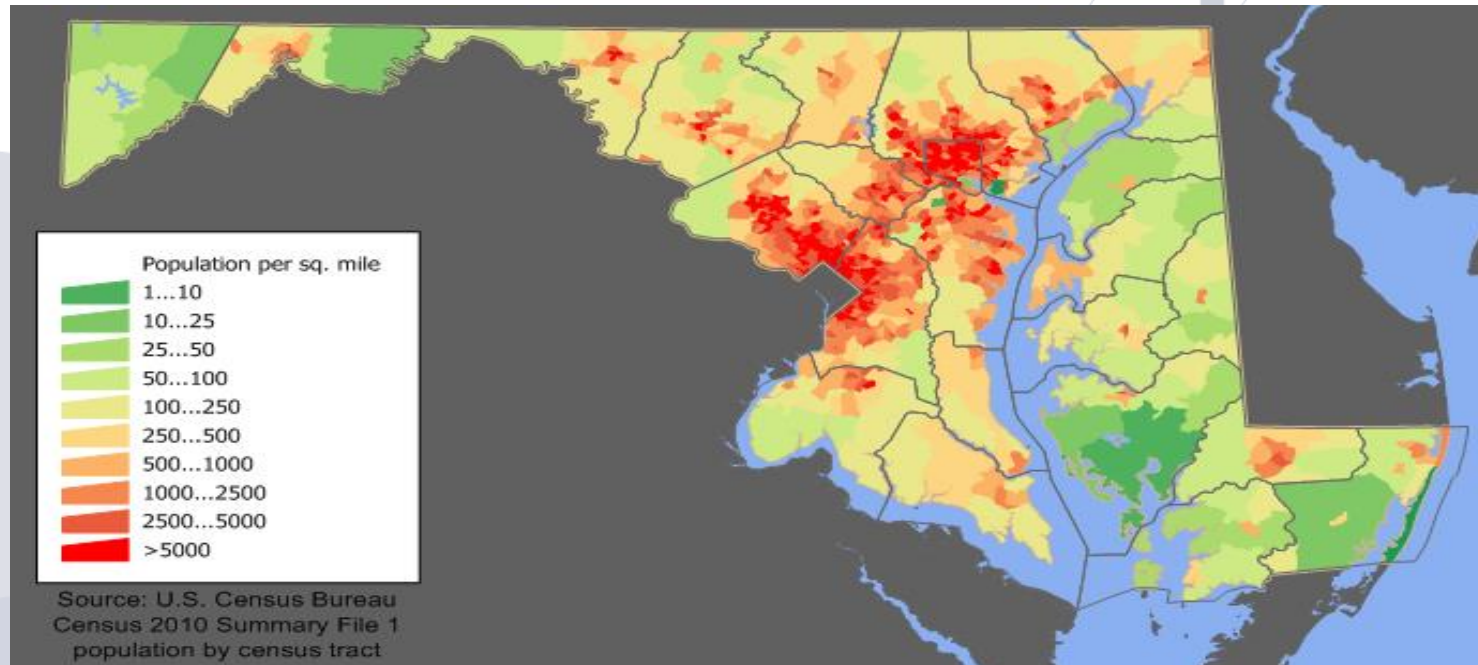
Member Regulation and Broadband

Maryland General Assembly 2020

Choptank Electric Cooperative



Goal: Bring high-speed internet to the Eastern Shore



Model #1: Middle-mile fiber leasing

- SB 634 (2019) – An electric cooperative can use its existing easements for broadband.
 - Choptank’s goal was to do ***middle-mile*** fiber leasing
 - Not designed for a co-op intending to become a ***last-mile*** internet service provider
- Choptank middle mile + retail ISPs will only ever serve pockets of the Shore, not the most rural parts

Model #2: Last-mile via arm's length subsidiary

- No legislation needed - - electric cooperatives can own subsidiaries
- Choptank has one such subsidiary already
- This model is not feasible for broadband, as proven by the fact that no for-profit ISPs are currently serving the rural areas

Choptank Electric Cooperative (CEC)

- Not-for-profit entity
- Subject to Public Utilities Article and Electric Cooperative Act
- 100% member-owned
- Member-elected Board of Directors

Choptank Services Corporation (CSC)

- For-profit entity
- Wholly-owned by CEC (CEC owns 100% of CSC shares)
- Board of Directors is same 10 people as CEC Board

MACS / Aero

- Gas/propane company
- Owned ~ 1/3 by CSC, 1/3 by Aero employees, and 1/3 by AUSCO (subsidiary of a Pennsylvania electric cooperative)

Model #3: Last-mile via subsidiary exempt from the affiliate regulations

- PSC affiliate regulations – COMAR 20.40.01.01
 - Limitations on joint promotions/marketing
 - Limitations on sharing of personnel
 - Requires cost allocation manual to be filed with the PSC
- Choptank could pursue an exemption or waiver from the affiliate regulations
 - Cost allocation manual would still need to be filed with the PSC
- Regulatory uncertainty = risk
- Administrative burden

What does the bill do?

- In the Electric Cooperative Act, creates a new category of “Member-Regulated Cooperative”
- Limited to the Eastern Shore, i.e. Choptank Electric
- Member-Regulated Co-op would remain subject to:
 - Franchise/territorial boundaries
 - Customer Choice
 - Universal Service Program (low-income assistance and protections)
 - Renewable Portfolio Standard (RPS)
 - Codified aspects of Net Metering
 - Various other sections of the Public Utilities Article
 - All of the Electric Cooperative Act
- Member-Regulated Co-op would not be subject to PSC regulation of rates

Concern #1: Cross-subsidization

- SB 634 (2019) allocation provision is untouched:
(C) TO ENSURE THAT ELECTRIC CUSTOMERS DO NOT SUBSIDIZE THE COST OF BROADBAND SERVICES, AN ELECTRIC COOPERATIVE SHALL ALLOCATE PROPERLY ALL COSTS INCURRED UNDER SUBSECTION (A)(12) OF THIS SECTION BETWEEN ELECTRICITY-RELATED SERVICES AND BROADBAND SERVICES.
- Enforcement exists even without the PSC

Concern #2: Choptank could raise rates and act contrary to its members' interests

- No shareholder-customer distinction
- Not-for-profit model, in which any excess revenue is returned to the members (capital credits)
- Democratically-elected Board
 - No proxy voting
 - Simple process to get on the ballot
 - No Board nominating committee
 - 5 candidates for last year's Caroline County seat
- Proposed bill has a provision for members voting to return to PSC regulation

Not "rigged" in favor of Board's selection

Concern #3: Broadband = Risk for the co-op

- The electric co-op would likely make an equity investment in the broadband subsidiary, just as it has made other investments over the years
- Choptank Electric's Board has successfully managed the co-op for 80+ years
- We have not heard this concern from any of our member outreach efforts



Questions?

Appendix



Choptank Electric Cooperative

A Touchstone Energy Cooperative



PO BOX 430
DENTON MD 21629-0430

PAY BY PHONE: 1-866-999-4574
MEMBER SERVICES: 1-877-892-0001
www.choptankelectric.coop

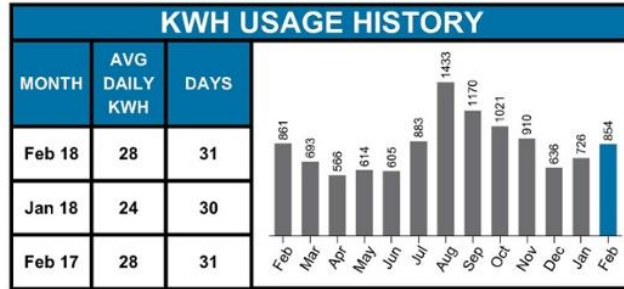
MR JOHN DOE
MRS JOHN DOE
12345 ANYPLACE
ANYWHERE MD 99999-9999

4 680

Account Number	999999999	Bill Date	02/02/2018
Prior Balance	104.00		
Payments - Thank You!	-104.00		
Prior Period Adjustments	0.00		
Prior Balance Forward Due	0.00		
Current Bill Amount	120.00		
Total Balance Due:	120.00		

Current Bill Amount Due No Later Than: 02/21/2018

Account Summary:
Find your Choptank Electric account number, bill date, balance, current amount, and total balance due.



Consumer Charge:
This charge is designed to recover the cost of service related to delivery of electricity to members. The Consumer Charge is a flat distribution charge.

Distribution Charge:
Like the Consumer Charge, the Distribution Charge is also designed to recover cost of service related to delivery of electricity to members. This charge is based on energy consumption.

Generation Charges:
This is the cost to produce energy.

Power Cost Adjustment:
The purchased power cost adjustment (PCA) reflects increases and decreases in the cost of purchased power from the Cooperative's wholesale power supplier.

Paperless Next Scheduled Meter Reading Date On or About: 02/20/2018

Meter #	Readings		Rate	Service Description	Cycle	1.5% Late Charge Applied After
	From	To				
99999999Z	12/20/2017	01/20/2018	R	LOT 999/12345 ANYPLACE	1	02/21/2018

Prev Rdg	Pres Rdg	Usage	Mult	Billed Usage	Type	Description
23576	24430	854	1.0	854	Actual	

CHOPTANK ELECTRIC COOPERATIVE DELIVERY CHARGES			SUPPLIER CHARGES CHOPTANK ELECTRIC COOPERATIVE		
Consumer Charge		11.25	Generation Charges	854 kWh x 0.07854	67.07
Distribution Charges	854 kWh x 0.04773	40.76	Power Cost Adjustment	854 kWh x -0.00852	-7.28
Universal Service		0.36	Transmission Charges	854 kWh x 0.00784	6.70
Environmental Surcharge	854 kWh x 0.000157	0.13			
MD PSC Franchise Tax	854 kWh x 0.00062	0.53			
Roundup Contribution		0.48			

City of Salisbury_FAV_SB450

Uploaded by: Day, Jacob

Position: FAV



City of
Salisbury
Jacob R. Day, Mayor

SB 540/ HB 999

THE RURAL BROADBAND FOR EASTERN SHORE ACT OF 2020

Position: **SUPPORT**

The City of Salisbury, in Wicomico County, **SUPPORTS** SB 540/HB 999, *The Rural Broadband for Eastern Shore Act of 2020*. This bill will address our county-wide need for internet access with a solution provided by a trusted, local partner, Choptank Electric Cooperative.

Wicomico County is home to over 98,000 residents, many of whom live in rural areas and do not have access to reliable high-speed internet. Through the ***Rural Broadband for the Eastern Shore Act of 2020***, Choptank Electric Cooperative will be able to leverage existing assets for the **economics-of-scale** necessary to provide high speed fiber internet to residents and businesses in underserved areas of our county.

As a member-regulated Cooperative, Choptank Electric's democratically-elected Board will directly implement policies and services requested by the member-owners of the cooperative. This will allow Choptank Electric to eliminate duplicative regulatory costs and strengthen member engagement, all the while providing transparency and accountability. This will allow economically-efficient broadband deployment across Choptank's Eastern Shore service area.

Electric cooperatives were established over 80-years ago to bring electricity to rural America. Here in Wicomico County and throughout the Eastern Shore we see the need, again, for our cooperative to fill the void that is the "**digital divide**". Internet access is the great equalizer - enabling virtual workforce, distance learning, telemedicine, precision agriculture, and economic opportunity throughout our County.

This bill will put Choptank Electric Cooperative on the same regulatory playing field as over 680 electric cooperatives across the country, including Delaware. The bill will ensure the next generation of rural communities the ability to access the internet. We urge you to support SB 540/HB 999 to allow Choptank Electric Cooperative to deliver broadband internet service quickly and efficiently.

Sincerely,

Jacob R. Day
Mayor

Office of the Mayor
125 N. Division St., #304 Salisbury, MD 21801
410-548-3100 (fax) 410-548-3102
www.salisbury.md

Bay Area Association of Realtors_FAV_SB 540

Uploaded by: Dudley, Wick

Position: FAV



Matthew Teffeau
Government Affairs Manager
Choptank Electric Cooperative
24820 Meeting House Rd.
Denton, MD 21629

January 10, 2020

Mr. Teffeau:

On behalf of the Bay Area Association of Realtors (BAAR) I submit this letter of support for Choptank Electric Cooperative's initiative to begin offering broadband Internet to its rural members on the Eastern Shore.

The need for reliable and affordable high-speed Internet access on the Eastern Shore cannot be gainsaid, and the positives such access would provide to the community cannot be overstated. Across a wide range of issues including population growth, home prices, agriculture and business, education, and healthcare, fast and reliable Internet access is crucial.

It is generally believed that younger generations, namely millennials, shun living in rural areas to be in the hustle and bustle of major metropolitan areas. And to a point, this is true: from 2010 to 2016 the millennial population of rural areas in the United States has shrunk by roughly 5% while metro areas have seen a rise of 5%. However, in rural areas with broadband, the millennial population actually grew by 2.3% over that same time period. And in "completely rural" counties (those with an urban population under 2,500 and not adjacent to a metro area) the difference is even starker: a 13.5% increase in the millennial population. I emphasize these numbers here because long-term population growth is vital to nearly all of the quality of life concerns a community may have. And so if a rural area such as ours has broadband access, it can begin to successfully attract and retain millennials and enjoy the benefits of population growth, as opposed to the negative effects of a shrinking or stagnating population.

With home buyers of all ages, Internet access is quickly beginning to be considered a basic utility on par with electricity or indoor plumbing: buyers will not buy a home without it. Sellers therefore are having a difficult time selling homes which lack it. A 2015 study found that broadband access can add \$5,500 in value to a \$175,000 home, and \$12,000 to a \$440,000 home. In all likelihood the value of broadband access to a home's price is even higher today. This premium placed on Internet access from buyers makes sense; not only do people want to stream Netflix with ease, many rely on the Internet for work. With nearly half of U.S. workers—and rising—telecommuting from home at least once a week, high-speed Internet access has become a prerequisite before even considering purchasing a home.

When it comes to businesses hoping to locate to the Shore or expand, they often cannot do so without broadband access. When businesses cannot locate here or expand, fewer workers are hired resulting in lower economic growth and a smaller tax base to pay for local infrastructure and education. Even the agriculture industry, popularly (but incorrectly) viewed from a distance as using rudimentary tools and technology, is greatly in need of broadband. Precision agriculture, which is reliant on Internet access, allows farmers to do more with less: yielding more crops per acre while using fewer pesticides, herbicides, and fertilizers. In an area such as ours where one of the largest economic drivers is the agriculture industry, the need to stay competitive in this field demands that our farmers have high-speed Internet at their disposal.

When families with young children are hoping to move to the Shore but find out they won't have access to affordable and reliable broadband they may not make the move. Compared to even a few years ago grade-school pupils' homework assignments and lecture materials are now largely online. Without Internet access they literally cannot do their homework or view their education materials. Internet access means education access.

Medical treatment and healthcare also suffer greatly in communities without broadband. A strong Internet connection allows patients to harness the benefits of new connected-care devices. Having the growing population that comes with broadband also helps to keep and expand upon hospitals and other healthcare infrastructure. Ask anyone in Kent County what troubles them and they will tell you they fear losing their hospital in Chestertown. If the area were growing in population instead of shrinking, such a concern would likely be placated as the hospital would be less likely to close or decrease service.

In short, broadband access is of the utmost importance to BAAR and the real estate industry at large because it is of utmost importance to the health and vitality of our rural community. Whether it be young families hoping to move to the area, a child trying to view his or her online homework materials, a business hoping to grow in the area, a retiree concerned about healthcare access, or simply someone wanting to stream their favorite television shows at home, broadband access is paramount. Accordingly, the Bay Area Association of Realtors is in strong support of Choptank Electric's efforts to pass legislation in 2020 in Annapolis which would allow it begin to bring high-speed Internet access to the currently underserved areas and people of the Eastern Shore.

Sincerely,

Wick Dudley
Government Affairs Director
Bay Area Association Realtors

**1712 Main Street, Ste. 200
Chester, MD 21619
(442) 249-3442
info@bayarearealtors.com**

Cecil County Realtors_FAV_ SB 540

Uploaded by: Dudley, Wick

Position: FAV

Matthew Teffeu
Government Affairs Manager
Choptank Electric Cooperative
24820 Meeting House Rd.
Denton, MD 21629
January 9, 2020

Mr. Teffeu:

On behalf of the Cecil County Board of Realtors I submit this letter of support for Choptank Electric Cooperative's initiative to begin offering broadband Internet to its rural members on the Eastern Shore.

The need for reliable and affordable high-speed Internet access on the Eastern Shore cannot be gainsaid, and the positives such access would provide to the community cannot be overstated. Across a wide range of issues including population growth, home prices, agriculture and business, education, and healthcare, fast and reliable Internet access is crucial.

It is generally believed that younger generations, namely millennials, shun living in rural areas to be in the hustle and bustle of major metropolitan areas. And to a point, this is true: from 2010 to 2016 the millennial population of rural areas in the United States has shrunk by roughly 5% while metro areas have seen a rise of 5%. However, in rural areas with broadband, the millennial population actually grew by 2.3% over that same time period. And in "completely rural" counties (those with an urban population under 2,500 and not adjacent to a metro area) the difference is even starker: a 13.5% increase in the millennial population. I emphasize these numbers here because long-term population growth is vital to nearly all of the quality of life concerns a community may have. And so if a rural area such as ours has broadband access, it can begin to successfully attract and retain millennials and enjoy the benefits of population growth, as opposed to the negative effects of a shrinking or stagnating population.

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infrastructure and education. Even the agriculture industry, popularly (but incorrectly) viewed from a distance as using rudimentary tools and technology, is greatly in need of broadband. Precision agriculture, which is reliant on Internet access, allows farmers to do more with less: yielding more crops per acre while using fewer pesticides, herbicides, and fertilizers. In an area such as ours where one of the largest economic drivers is the agriculture industry, the need to stay competitive in this field demands that our farmers have high-speed Internet at their disposal.

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In short, broadband access is of the utmost importance to Cecil County Realtors and the real estate industry at large because it is of utmost importance to the health and vitality of our rural community. Whether it be young families hoping to move to the area, a child trying to view his or her online homework materials, a business hoping to grow in the area, a retiree concerned about healthcare access, or simply someone wanting to stream their favorite television shows at home, broadband access is paramount. Accordingly, the Cecil County Board of Realtors is in strong support of Choptank Electric's efforts to pass legislation in 2020 in Annapolis which would allow it begin to bring high-speed Internet access to the currently underserved areas and people of the Eastern Shore.

Sincerely,

Wick Dudley
Government Affairs Director
Cecil County Board of Realtors

MFB_FAV_SB540

Uploaded by: Ferguson, Colby

Position: FAV



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

February 25, 2020

To: Senate Finance Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of SB 540 - Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020)**

On behalf of our member families, I submit this written testimony in support of SB 540, legislation that establishes a process to allow cooperatives to become member-regulated. The intent of this bill is for a member-regulated cooperative to make decisions about electric rates and additional offerings to members, like broadband, by vote of its board of directors with input from members. The member-regulated cooperative would then not be required to get approval from the Public Service Commission on these matters.

This bill specifically would allow Choptank Electric the ability to provide reliable broadband service to its members through its existing 650 miles of middle-mile fiber. Reliable broadband is necessary for farmers to be competitive with new and emerging technologies.

Maryland Farm Bureau Policy:

- We support legislation to allow utility cooperatives to apply for grants in order to extend broadband service to underserved rural areas.

MARYLAND FARM BUREAU SUPPORTS SB 540 AND ENCOURAGE A FAVORABLE REPORT

A handwritten signature in black ink, appearing to read 'Colby Ferguson'.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

MAFC_FAV_SB540

Uploaded by: Fuchs, Kurt

Position: FAV



February 25, 2020

To: Senate Finance Committee

From: MidAtlantic Farm Credit

Bill: SB 540 Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Position: SUPPORT

MidAtlantic Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services in good times and bad. Headquartered in Westminster, MD, we are one of the largest agricultural lenders on the East Coast with almost \$2.9 billion dollars in loans outstanding to over 11,500 member-owners representing the full range of agriculture throughout our five-state territory.

Access to affordable high-speed internet is vital to farm families, agricultural businesses, and the rural communities they call home. It represents opportunities for teleworking, distance learning, telemedicine, and the potential for businesses to locate in rural areas. Even after numerous studies and significant private and public investment, universal access to broadband internet on the Eastern Shore has yet to occur.

As a fellow cooperative, we support **SB 540** and Choptank Electric's initiative to help bring high-speed internet access to the Eastern Shore by allowing it to become a Member-Regulated Cooperative. In passing this bill, Choptank will be relieved of certain statutory and regulatory restrictions that have prevented it from taking advantage of economies of scale to deliver broadband services quickly and efficiently to its members.

In taking this next step, the General Assembly can help ensure the rural residents of the Eastern Shore will have access to the same kind of robust, affordable, and reliable high-speed internet services enjoyed by the State's urban and suburban populations.

MidAtlantic Farm Credit SUPPORTS SB 540.

A handwritten signature in blue ink that reads "Kurt Fuchs".

KURT H. FUCHS
SVP, Government Affairs

For more information, please contact Kurt Fuchs at 443-786-0855 or kfuchs@mafc.com.

MAFC_FAV_SB540

Uploaded by: Fuchs, Kurt

Position: FAV



February 25, 2020

To: Senate Finance Committee

From: MidAtlantic Farm Credit

Bill: SB 540 Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Position: SUPPORT

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MidAtlantic Farm Credit SUPPORTS SB 540.

A handwritten signature in blue ink that reads "Kurt Fuchs".

KURT H. FUCHS
SVP, Government Affairs

For more information, please contact Kurt Fuchs at 443-786-0855 or kfuchs@mafc.com.

DrJohnGaddis_FAV_SB20200225100416

Uploaded by: Gaddis, Dr. John

Position: FAV



ESMEC

Serving the Public County School Systems of
Caroline, Cecil, Dorchester, Kent
Queen Anne's, Somerset, Talbot, Wicomico and Worcester

Eastern Shore of Maryland Educational Consortium

January 8, 2020

The Honorable Steven J. Arentz, Chair
Eastern Shore of Maryland Delegation
Maryland General Assembly
6 Bladen Street, Room 308
Annapolis, MD 21401

Dear Delegate Arentz:

On behalf of the Eastern Shore Superintendents of Schools, I am writing to encourage members of the Eastern Shore Delegation to support the "Rural Broadband for the Eastern Shore Act of 2020". To be successful in school and graduate college and career ready, our students need access to high-speed internet. On the Shore, we have a digital divide of homes with or without high-speed internet. The digital divide directly impacts the ability of our students to succeed.

In many areas of the Eastern Shore, our students do not have access to high-speed internet. As school systems, we have implemented several technical solutions to strive to provide high-speed internet to our students living in remote areas. However, these solutions are expensive and lack reliability. For many of our students, high-speed internet is only available at school or public libraries. The initiative proposed by Choptank Electric Cooperative will provide a pathway for our students to have access to high-speed internet.

As rural school systems, we serve approximately 65,000 students attending 129 schools. Some of our students live in municipalities with access to high-speed internet. However, many of our students live in remote areas with no access to high-speed internet. We believe that access to high-speed internet is critical to the success of our students. We urge members of the Eastern Shore Delegation to fully support this bill.

Sincerely yours,

A handwritten signature in black ink that reads "John Gaddis". The signature is written in a cursive, flowing style.

Dr. John Gaddis, President
Eastern Shore of Maryland Educational Consortium
Superintendent, Somerset County Public Schools

PC: Members of the Eastern Shore Delegation
Eastern Shore Superintendents of Schools
Dr. Jon M. Andes, Executive Director, ESMEC

Mid-Shore Board of Realtors_FAV_SB540

Uploaded by: Germain-Dinges, Judy

Position: FAV



Matthew Teffeau
Government Affairs Manager
Choptank Electric Cooperative
24820 Meeting House Rd.
Denton, MD 21629

February 13, 2020

Dear Mr. Teffeau:

The Mid-Shore Board of REALTORS feels that access to reliable and affordable high-speed internet is a necessity in our modern society. The lack of Broadband in our rural areas adversely affects communication in our homes and businesses. It also impedes production in our farming and business communities. Our students are prevented from receiving even basic education. The lack of modern communication puts the health and safety of rural residents at risk.

Without this vital means of interaction and information, our rural neighborhoods are increasingly becoming undesirable. As licensed practitioners, we have become accustomed to buyers being unwilling to purchase homes that do not have this basic service. Property values are decreasing as our buyers are unwilling to forgo this essential need and are shying away from these areas. In this modern age, access to the internet has become an essential requirement.

The Mid-Shore Board of REALTORS supports Choptank Electric Cooperative's efforts to bring high-speed broadband internet access to these outlying, underserved areas on the Eastern Shore.

Respectfully Submitted,

Judy Germain Dinges

Judy Germain-Dinges
President, Mid-Shore Board of REALTORS

Mid-Shore Board of REALTORS
8615 Commerce Dr. Suite 2
Easton, MD 21601

Mid-Shore Board of Realtors_FAV_SB 540

Uploaded by: Hayward, Susie

Position: FAV



Matthew Teffeau
Government Affairs Manager
Choptank Electric Cooperative
24820 Meeting House Rd.
Denton, MD 21629

February 13, 2020

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The Mid-Shore Board of REALTORS supports Choptank Electric Cooperative's efforts to bring high-speed broadband internet access to these outlying, underserved areas on the Eastern Shore.

Respectfully Submitted,

Judy Germain Dinges

Judy Germain-Dinges
President, Mid-Shore Board of REALTORS

Mid-Shore Board of REALTORS
8615 Commerce Dr. Suite 2
Easton, MD 21601

CTC_Joanne Hovis_FAV_SB 540

Uploaded by: Hovis, Joanne

Position: FAV

Testimony of Joanne S. Hovis
President, CTC Technology & Energy

before the

Maryland Senate – Finance Committee

“SB 540 – Rural Broadband for the Eastern Shore Act of 2020”

Panel 2: Local Government/Economic Development & Education

February 25, 2020

Chairwoman Kelley, Members of the Committee—thank you for having me here. And thank you for your commitment to exploring ways to bridge the digital divide in rural Maryland. My name is Joanne Hovis. I am president of CTC Technology & Energy, a Maryland communications engineering and planning consultancy serving public and non-profit entities throughout the country. My company currently advises many rural Maryland county governments to develop strategic plans and public-private partnerships for expanding broadband availability.

I am also CEO of the Coalition for Local Internet Choice, a non-profit entity that brings together public and private entities that believe solving our nation's broadband challenges requires a full range of options—including locally driven efforts to deploy networks.

As a Maryland resident and business owner who believes in the critical importance of the broadband internet for every business, residence, and institution in the state, I applaud efforts to improve the deployment of broadband infrastructure in the state's unserved rural communities.

I have been observing deployment of the broadband internet in Maryland and nationwide since the advent of the commercial internet in the mid-1990s. My colleagues and I analyze—from a technical, engineering, and business standpoint—the factors that affect broadband deployment decisions and apply that expertise to support the goals of state and local governments as they endeavor to expand broadband infrastructure.

From the standpoint of this expertise and my decades as a rural broadband planner, I offer that empowering public and cooperative utilities is a game-changer in terms of promoting rural broadband deployment. Indeed, it's my observation that willing utilities are in many rural

areas singular in their ability to build and operate best-in-class fiber-to-the-premises broadband infrastructure in a cost-effective, sustainable way that gives our rural communities the benefits of the same kinds of broadband services found in our cities in Maryland – and competitor cities throughout the country and the world.

Public and cooperative utilities are particularly well-situated to address rural broadband needs where commercial companies have not had business reason to build. This is because the fundamental reason we do not see comprehensive broadband deployment throughout the rural parts of Maryland (like in the United States as a whole) is that areas with high infrastructure costs per user, particularly rural areas, fail to attract private capital. This is not surprising. Nor is it a value judgment. It is simply how private investment works. If return on investment is low or nonexistent, the investment will not be made.

In that regard, public and cooperative utilities generally are well-positioned to solve rural broadband problems because they are driven by a commitment to serving the local community rather than simply a profit incentive that is challenging to meet in rural areas. Public utilities are beholden to ratepayers, taxpayers, and elected officials, and they operate within a framework that focuses their investments and operations on serving the public need. Cooperative utilities are owned by their customers and thus are member-driven and highly responsive to the needs of their local communities; also, because they are non-profit, they have more flexibility to make investments for the good of the community, even if that investment will not produce profits. And, because they are member-owned, cooperative utilities that choose to deploy broadband in rural areas presumably would not cherry-pick only certain unserved areas, because they are responsible to all members within their service footprints.

In contrast to public and cooperative utilities' local presence and local focus, the larger commercial entities that construct and operate broadband networks typically are headquartered many states away and are making decisions to deploy or not deploy broadband services based on their potential return on investment and shareholder value—two metrics that have almost no consideration for local concerns at all.

This is not to say that public and cooperative utilities will always be in a position to meet their rural communities' broadband needs; the fact that they are not driven solely by a potential return on investment does not mean that a given broadband deployment plan will be financially feasible. However, public and cooperative utilities will more often be willing and able to make those commitments absent a significant profit margin than would companies that are beholden to shareholders.

In addition, it's my experience that local utilities are particularly well-positioned to build and operate broadband networks because of their existing skills, infrastructure, and local workforce – all of which can impact the economics of broadband deployment. Those capabilities make more efficient the enormously complex process of designing, engineering, and constructing a broadband network.

First, public and cooperative utilities generally are well-positioned to solve rural broadband problems because of the expertise and experience of their line-workers, who already build and maintain wires on the poles and can use that expertise to place broadband infrastructure. Second, public and cooperative utilities have experience in many of the aspects of network deployment and operations, with service provision, billing and collections, customer service, and all the other operational tasks that come with operating a customer-facing utility.

And third, utilities own and manage the poles and conduit assets that are so critical to cost-effectively construct and operate broadband networks. Utility poles and underground conduit represent the core structural asset needed for broadband deployment. Any pole and conduit owner is particularly well-positioned to build broadband networks because of its knowledge of and capabilities to access aerial and underground infrastructure – poles and conduit – that are so critical to broadband deployment. This is especially true for a fiber-to-the-premises network, which is the most optimal form of broadband network – a future-proof infrastructure with a lifetime of decades and capacity to deliver internet speeds to rural Maryland that are comparable to those anywhere in the country and the world.

Across the country, public and cooperative utilities have demonstrated their interest and ability to effectively deliver broadband services in their rural communities. Indeed, it is widely expected that such utilities will receive a significant portion of the funds that the Federal Communications Commission will auction later this year through the Rural Digital Opportunities Fund program.

In summary, public and cooperative utilities have a unique set of capabilities and mission-driven structural advantages that make them well-suited to address rural broadband challenges. They should be considered critical players in any state effort to bridge the digital divide in rural communities.

My thanks for your consideration of my comments and for your commitment to this enormously important issue.

Wor-Wic Community College_FAV_SB540

Uploaded by: Hoy, Dr. Murray

Position: FAV



32000 CAMPUS DR
SALISBURY MD 21804
PHONE: 410-334-2800
worwic.edu

DATE: February 24, 2020
COMMITTEE: House Economic Matters
Delegate Dereck E. Davis, Chair
231 House Office Building
6 Bladen Street
Annapolis, MD 21401

BILL TITLE: **HB 999 Member-Regulated Cooperatives—Establishment (Rural Broadband for the Eastern Shore Act of 2020)**

RE: Letter of Support

I am a life-long resident of Maryland’s Eastern Shore, having lived at some point in Kent, Queen Anne’s, Talbot, Wicomico and Worcester Counties. I have also been an educator for the past 44 years at the two regional community colleges that serve the eight counties of the Shore—Chesapeake and Wor-Wic, and have served as president of Wor-Wic Community College since 2000. Furthermore, I chaired the Tri-County Council sponsored *Regional Vision for the Lower Eastern Shore of Maryland* community blueprint for the future, where last-mile broadband service was cited as a critical success requirement for our region. Through my experiences, I have a very keen sense of the vital need for last-mile broadband service on the Shore.

This bill will allow Choptank Electric to deliver last-mile fiber-to-the-home at gigabit speed to their members across the Eastern Shore, including the most rural areas. While this will not reach every home, it will dramatically improve broadband service, which is critical to the success of residents in our communities.

Every course we offer has a required on-line component. Many of our students do not have access to broadband and have to leave their homes, in many cases traveling some distance to the college, in order to conduct on line research, participate in on line discussions and complete homework assignments. Educational opportunities are lost to individuals who, due to scheduling conflicts, could otherwise take courses and earn college degrees on line, but can’t due to the lack of high-speed internet service in their homes.

Choptank already has fiber-to-the-home to support electric service. Taking advantage of the fiber that is already there seems to be a very sensible and low-cost solution to a serious short coming in our rural communities.

I support any initiative that will reduce the inequity caused by the lack of broadband service to Maryland’s rural population. This bill will address a critical need.

Sincerely,

Dr. Murray K. Hoy, Esq.

BOARD OF TRUSTEES

Russell W. Blake

Andrew W. Booth

Kimberly C. Gillis

Morgan Hazel

William H. Kerbin

Martin T. Neat

Lorraine Purnell-Ayres

PRESIDENT

Dr. Murray K. Hoy

Dr. Ray Hoy_FAV_SB 540

Uploaded by: Hoy, Dr.Ray

Position: FAV

DATE: February 24, 2020

COMITTEE: Senate Finance
Senator Delores G. Kelley

3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

**BILL TITLE: SB 540 Member-Regulated Cooperatives—Establishment
(Rural Broadband for the Eastern Shore Act of 2020)**

RE: Letter of Support

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Sincerely,

Dr. Murray K. Hoy, Esq

Wicomico County Government_FAV_SB 540

Uploaded by: Hurley, Laura

Position: FAV



WICOMICO COUNTY, MARYLAND

P.O. BOX 870
SALISBURY, MARYLAND 21803-0870
410-548-4696
FAX: 410-548-7872

WICOMICO COUNTY COUNCIL
John T. Cannon, President/ At-Large
Larry W. Dodd, Vice-President/District #3
Ernest F. Davis, District #1
Nicole Acle, District #2

Laura Hurley, Council Administrator
Josh Hastings, District #4
Joe Holloway, District #5
William R. McCain, At-Large

February 6, 2020

Finance Committee
Attn.: Senator Delories G. Kelley, Chair
3 East
Miller Senate Office Building
Annapolis, MD 21401

Dear Senator Kelley and Committee Members:

Please accept this letter in support of House Bill No. 999/Senate Bill No. 540 to allow member regulation for the Choptank Cooperative. This will allow the Cooperative to bring high speed, fiber internet service to homes and businesses on the Eastern Shore.

In Maryland, thirty-six percent (36%) of residents lack internet service that meets FCC standards and most are in the rural areas like the Eastern Shore. In Wicomico County, there are over 13,895 residents that do not have internet at all or service that does not meet FCC standards.

Choptank has 650 miles of middle-mile fiber installed which is the perfect backbone for expanding broadband out to homes and businesses in rural areas. Local businesses will be able to grow faster with high-speed internet, telemedicine can be utilized, there will be enhanced education opportunities, and farmers will be able to use high speed internet to run modern equipment that will improve yields while reducing nutrient use, thereby helping to meet the Chesapeake Bay Restoration goals.

We thank you for your time and consideration of House Bill No. 999/Senate Bill No. 540 as introduced. If you have any questions or concerns, please do not hesitate to contact the Council Office at 410-548-4696.

Sincerely,

Larry W. Dodd,
County Council President

cc: Wicomico County Council

Wicomico County Government_FAV_SB 540

Uploaded by: Hurley, Laura

Position: FAV



WICOMICO COUNTY, MARYLAND

P.O. BOX 870
SALISBURY, MARYLAND 21803-0870
410-548-4696
FAX: 410-548-7872

WICOMICO COUNTY COUNCIL
John T. Cannon, President/ At-Large
Larry W. Dodd, Vice-President/District #3
Ernest F. Davis, District #1
Nicole Acle, District #2

Laura Hurley, Council Administrator
Josh Hastings, District #4
Joe Holloway, District #5
William R. McCain, At-Large

February 6, 2020

Finance Committee
Attn.: Senator Delories G. Kelley, Chair
3 East
Miller Senate Office Building
Annapolis, MD 21401

Dear Senator Kelley and Committee Members:

Please accept this letter in support of House Bill No. 999/Senate Bill No. 540 to allow member regulation for the Choptank Cooperative. This will allow the Cooperative to bring high speed, fiber internet service to homes and businesses on the Eastern Shore.

In Maryland, thirty-six percent (36%) of residents lack internet service that meets FCC standards and most are in the rural areas like the Eastern Shore. In Wicomico County, there are over 13,895 residents that do not have internet at all or service that does not meet FCC standards.

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We thank you for your time and consideration of House Bill No. 999/Senate Bill No. 540 as introduced. If you have any questions or concerns, please do not hesitate to contact the Council Office at 410-548-4696.

Sincerely,

Larry W. Dodd,
County Council President

cc: Wicomico County Council

MACo_FAV_SB540

Uploaded by: Jabin, Drew

Position: FAV



Senate Bill 540

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

MACo Position: **SUPPORT**

To: Finance Committee

Date: February 25, 2020

From: Drew Jabin

The Maryland Association of Counties (MACo) **SUPPORTS** SB 540. This bill will promote broadband internet access for rural communities on the Eastern Shore by allowing Choptank Electric Cooperative to become member-regulated. This will strengthen and protect rural residents by allowing the Cooperative to make decisions concerning services such as broadband without additional regulation by the Maryland Public Service Commission.

In 2019, the Maryland General Assembly authorized the use of existing electric service easements and rights-of-way to deliver broadband fiber; SB 540 is the sensible next step to bringing internet access to rural communities on the Eastern Shore.

Eastern Shore counties have so much to offer to the economic growth and development of Maryland and this bill will allow access for underserved areas to reach a higher potential of engagement by providing high speed fiber internet. Enabling more opportunities such as virtual workforces, distance learning, and telemedicine will only contribute to the strength and engagement of Maryland residents.

A solution such as offered in SB 540 is long overdue, and Maryland's Eastern Shore counties should not have to wait any longer to have the ability to access high speed internet and grow local economies.

This legislation will help bridge the digital divide in Maryland by relieving regulatory and economic hurdles to incentivize broadband deployment. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 540.

Dorchester County Government_FAV_SB 540

Uploaded by: Lane, Donna

Position: FAV

COUNTY COUNCIL OF DORCHESTER COUNTY

COUNTY OFFICE BUILDING
P.O. BOX 26
CAMBRIDGE, MARYLAND 21613
PHONE: (410) 228-1700
FAX: (410) 228-9641

JAY L. NEWCOMB, PRESIDENT
LIBBY HANDLEY NAGEL, VICE PRESIDENT
WILLIAM V. NICHOLS
GEORGE L. PFEFFER, JR.
RICKY C. TRAVERS



KEITH ADKINS
COUNTY MANAGER
E. THOMAS MERRYWEATHER
COUNTY ATTORNEY

December 30, 2019

The Honorable Adelaide C. Eckardt, Senator
601 Locust Street, Suite 202
Cambridge, Maryland 21613

The Honorable Christopher T. Adams, Delegate
326 House Office Building
6 Bladen Street
Annapolis, Maryland 21401

The Honorable Johnny Mautz, Delegate
323 House Office Building
6 Bladen Street
Annapolis, Maryland 21401

The Honorable Sheree Sample-Hughes, Delegate
221 House Office Building
6 Bladen Street
Annapolis, Maryland 21401

Dear Senator Eckardt and Delegates Adams, Mautz and Sample-Hughes:

On behalf of the Dorchester County Council I am writing in support of the Rural Broadband for Eastern Shore Act of 2020 which will be introduced by the Eastern Shore Delegation.

Choptank Electric Cooperative (CEC) serves a nine County region, including Dorchester County, which equates to 3% of the electric users in Maryland. This region has lacked broadband access for over a decade. The passage of the Act will give members of CEC, a not-for-profit corporation, the ability to control the use of its assets, including existing infrastructure and staff, to provide long awaited broadband access.

Many residents in Dorchester County are underserved or do not have internet service. This is troubling since such access is vital. Without internet service residents are unable to access their utility and other accounts online to keep track of expenses, pay bills, purchase groceries and other items. Likewise, they cannot manage their health care needs including enrolling in a health care plan, scheduling appointments, ordering medications and obtaining their medical records. Access to specialized health care can also be obtained through the remote diagnosis and treatment by means of telecommunications technology. There are also many educational and employment opportunities for residents that are accessible through the internet, some of which are only available with broadband access.

Broadband access is also essential for parents and their students who attend public schools in Dorchester County. Parents are able to view their children's grades, assignments, and attendance

history through the use of Power School from home. Students can access their assignments through this software system and take tests online during school. Additionally, they can use the internet to conduct research as well as access online classes and websites to assist them with their school work. Unfortunately, while students at South Dorchester K-8, a five star school, have internet access at school, the majority of them do not have access at home since that area is underserved. Consequently approximately 80% of those students are not able to enjoy the same benefits as other students in the County.

High speed internet service to Dorchester County is also crucial to its growth. It provides incentives for individuals, families and business owners to relocate to the County which increases property values and the County's tax base. They can search for properties for sale or lease and determine what services are available in the County to suit their individual needs such schools in the area and employment opportunities, including teleworking. Business owners from other areas of the State and country are also able to obtain information on potential business opportunities and locations with broadband access.

In conclusion, broadband access is essential to our residents, employers, the educational and medical systems in the County as well as to its continued growth and prosperity. Therefore, we ask that you support the Rural Broadband for Eastern Shore Act of 2020. Thank you for your consideration of this letter of support. Please contact the Council's Office at (410) 228-1700 if you have any questions.

Sincerely,

DORCHESTER COUNTY COUNCIL



Jay L. Newcomb
President

jln/dl

cc: Michael E. Malandro, President & Chief Executive Officer, Choptank Electric Cooperative, Inc.

Cecil County Council_FAV_SB540

Uploaded by: Massey, James

Position: FAV

President Robert Meffley, District 1
Vice President Jackie Gregory, District 5
Councilman William H. Coutz, District 2
Councilman Al Miller, District 3
Councilman George Patchell, District 4



James Massey
Council Manager
County Council Office
410.996.5201
FAX 800.865.0587
Email: council@ccgov.org

COUNTY COUNCIL OF CECIL COUNTY
Cecil County Administration Building
200 Chesapeake Boulevard, Suite 2110, Elkton, MD 21921

February 12, 2020

The Hon. Delores G. Kelley, Chair
Senate Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

RE: SB 540 Member-Regulated Cooperatives –
Establishment (Rural Broadband for the Eastern Shore Act of 2020)
Letter of Support

Dear Senator Kelley:

The County Council of Cecil County unanimously supports SB 540 Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020), which is scheduled for hearing on February 25, 2020.

This legislation will establish a process for a cooperative to operate as a member-regulated cooperative and enable Choptank Electric Cooperative to relieve regulatory and economic hurdles to incentivize broadband service in rural areas of the Eastern Shore.

This legislation benefit Cecil County by creating the opportunity for residents of our county who live south of the C&D Canal to have broadband access. This area includes 6,400 residents and covers over 43,000 acres, which is about 20% of the entire county.

If this legislation is not approved, Cecil County residents of Cecilton, Warwick and Earleville will have limited broadband dial service.

The Cecil County Council respectfully requests that the Finance Committee consider a favorable report on SB 540.

Sincerely,


Robert Meffley
Council President

Copy: Senator Steve Hershey
Senator Jason Gallion

Worcester County Commissioners_FAV_ SB 540

Uploaded by: Mitrecic, Joseph

Position: FAV

TEL 410-632-1194
FAX 410-632-3131
E-MAIL admin@co.worcester.md.us
WEB www.co.worcester.md.us



COMMISSIONERS
DIANA PURNELL, PRESIDENT
JOSEPH M. MITRECIC, VICE PRESIDENT
ANTHONY W. BERTINO, JR.
MADISON J. BUNTING, JR.
JAMES C. CHURCH
THEODORE J. ELDER
JOSHUA C. NORDSTROM

OFFICE OF THE
COUNTY COMMISSIONERS

HAROLD L. HIGGINS, CPA
CHIEF ADMINISTRATIVE OFFICER
MAUREEN P.L. HOWARTH
COUNTY ATTORNEY

Worcester County

GOVERNMENT CENTER
ONE WEST MARKET STREET • ROOM 1103

SNOW HILL, MARYLAND

21863-1195

December 17, 2019

Senate Delegation for the Eastern Shore
11 Bladen Street
Annapolis, MD 21401

House Delegation for the Eastern Shore
6 Bladen Street
Annapolis, MD 21401

Honorable Senator Mary Beth Carozza
314 James Senate Office Building

Honorable Senator Stephen S. Hershey, Jr.
420 James Senate Office Building

Honorable Senator Adelaide C. Eckardt
322 James Senate Office Building

Honorable Delegate Charles J. Otto
321 House Office Building

Honorable Delegate Wayne A. Hartman
308 House Office Building

Honorable Delegate Christopher T. Adams
426 House Office Building

Honorable Delegate Sheree Sample-Hughes
427 House Office Building

Honorable Delegate Johnny Mautz
424 House Office Building

Honorable Delegate Carl Anderton, Jr.
310 House Office Building

Honorable Delegate Steven J. Arentz
308 House Office Building

Honorable Delegate Jefferson L. Ghrist
430 House Office Building

Honorable Delegate Jay A. Jacobs
321 House Office Building

RE: Support Choptank Electric Cooperative Broadband Initiative – The Rural Broadband for the Eastern Shore Act of 2020

Dear Distinguished Senators and Delegates Representing the Eastern Shore:

The Worcester County Commissioners support Choptank Electric Cooperative's broadband initiative – The Rural Broadband for the Eastern Shore Act of 2020. This bill will address our local need for internet access with a solution provided by a local member-regulated partner, Choptank Electric Cooperative.

Worcester County is home to over 50,000 residents, many of whom live in rural areas and do not have access to reliable high speed internet. Through the Rural Broadband for the Eastern Shore Act of 2020, Choptank Electric Cooperative will be able to leverage existing assets for the economic-of-scale necessary to provide high speed fiber internet to residents and businesses in underserved areas of our County.

As a member-regulated Cooperative, Choptank Electric's democratically-elected Board will directly implement policies and services requested by the member-owners of the cooperative. This will allow Choptank Electric to eliminate duplicative regulatory costs and strengthen member engagement, all while providing transparency and accountability. This will allow economically-efficient broadband deployment across Choptank's Eastern Shore service area.

In Worcester County, access to reliable high speed internet is vital for our students to complete school assignments in the comfort of their own home. Reliable high speed internet is important for economic diversity, attracting new, technology-driven companies to our region. Internet access is the great equalizer – enabling virtual workforce, distance learning, telemedicine, precision agriculture, and economic opportunity throughout our County. Electric cooperatives were established over 80-years ago to bring electricity to Rural America. Here in Worcester County we see the need, again, for our cooperative to fill the void that is the “digital divide”.

This bill will put Choptank Electric Cooperative on the same regulatory playing field as over 680 electric cooperatives across the country, including Delaware. The bill will ensure the next generation of rural communities the ability to access the internet. On behalf of the citizens of Worcester County, we urge you to support The Rural Broadband for the Eastern Shore Act of 2020 and Choptank Electric's commitment to serving and improving the quality of life of its community.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Mitrecic', with a long horizontal flourish extending to the right.

Joseph M. Mitrecic
President

cc: Governor Larry Hogan
Kathryn Gordon, Economic Development Director
Brian Jones, Information Technology Director
John Tustin, Public Works Director
Ed Tudor, Development Review & Permitting Director
Phil Thompson, Finance Officer

Town of Denton_FAV_SB540

Uploaded by: Mulrine, Donald

Position: FAV

Town of Denton
4 N. Second Street
Denton, Maryland 21629

Phone (410)-479-2050

Fax (410)-479-3534

Mayor
Abigail W. McNinch

Council
Lester L. Branson
Dallas Lister
Walter Keith Johnson
Doncella Wilson

February 10, 2020

Dear Eastern Shore Delegation:

The Town of Denton, Caroline County, Maryland, supports the Rural Broadband for the Eastern Shore Act of 2020.

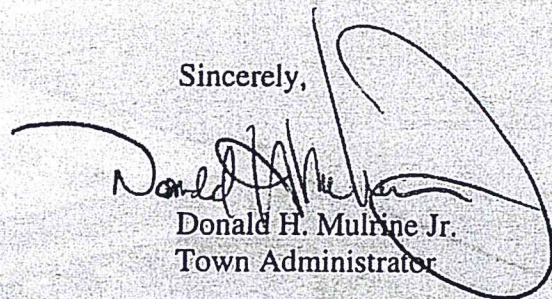
Choptank Electric Cooperative provides services to the areas in the Town of Denton and Caroline County where there are almost no broadband providers. This proposal will enable residents of Denton and residents and businesses outside our municipality boundaries to have service.

This Bill will give members of Choptank Electric Cooperative a not-for-profit corporation, the ability to control the use of its assets, including existing infrastructure and staff, to provide long awaited broadband access to areas of the eastern shore that lack adequate broadband service.

Broadband service is essential for economic development, education, and employment of these communities.

The Town of Denton respectfully requests that the eastern shore delegation support the Rural Broadband for the Eastern Shore Act of 2020.

Sincerely,



Donald H. Mulrine Jr.
Town Administrator

Upper Shore Regional Council_FAV_SB540

Uploaded by: O'Neill, Susan

Position: FAV



Upper Shore Regional Council

122 North Cross St.
Chestertown, MD 21620
410-810-2126

Executive Board

February 20, 2020

Bob Meffley
Chair
Cecil County
Councilman

The Honorable Delores Kelley
Chair, Finance Committee
3 East

Chris Corchiarino
1st Vice Chair
Queen Anne's County
Councilman

Miller Senate Office Building
Annapolis, MD 21401

Re: SB540/HB999 The Rural Broadband for Eastern Shore Act of 2020

Tom Mason
2nd Vice Chair
Kent County
Commissioner

Dear Senator Kelley and Finance Committee members:

The Upper Shore Regional Council is writing in support of SB540/HB999 The Rural Broadband for Eastern Shore Act of 2020. The USRC supports Cecil, Kent and Queen Anne's counties in regional economic development and planning. Access to broadband is one of our top priorities, and Choptank's proposal to reach out to our rural citizens who are underserved is a welcome solution to a decades long problem.

Jackie Gregory
3rd Vice Chair
Cecil County
Councilwoman

This bill will ensure rural communities the ability to access the internet and fill the void of the "digital divide" here on the Eastern Shore. It also provides a level playing field for our students who require the internet to complete their studies.

Jack Wilson
Secretary
Queen Anne's County
Councilman

Upper Shore Regional Council and it's board of directors respectfully request favorable consideration of SB540/HB999 The Rural Broadband for Eastern Shore Act of 2020.

Ron Fithian
Treasurer
Kent County
Commissioner

Respectfully,

Susan O'Neill
Executive Director

Stephen S. Hershey
Senator, District 36
Maryland General
Assembly

Cc: Bob Meffley, Chair
Matthew Tefteau, Choptank Electric

Susan O'Neill
Executive Director
soneill@kentgov.org

QAC Economic Development_FAV_SB540

Uploaded by: Parks, Jesse

Position: FAV

Queen Anne's County
ECONOMIC DEVELOPMENT
COMMISSION

February 25, 2020

The Honorable Delores G. Kelley
Finance Committee
Miller Senate Office Building
3 East
Annapolis, Maryland 21401

Dear Senator Kelley,

Subject: SB 540 – Member Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020)

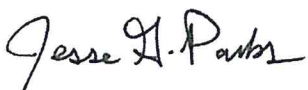
The Queen Anne's County Economic Development Commission supports Senate Bill 540 as this bill will address our local need for internet access with a solution provided by a trusted, local partner, Choptank Electric Cooperative.

Queen Anne's County is home to over 49,770 residents, many of whom live in rural areas and do not have access to reliable high-speed internet. Through the Rural Broadband for the Eastern Shore Act of 2020, Choptank Electric Cooperative will be able to leverage existing assets for the economics-of-scale necessary to provide high speed fiber internet to residents and businesses in underserved areas of our county.

Electric cooperatives were established over 80-years ago to bring electricity to the Rural America. Here in Queen Anne's County and throughout the Eastern Shore we see the need, again, for our cooperative to fill the void that is the "digital divide". Our 15-member Commission represents a diverse mix of businesses throughout our county. Business issues and challenges can change across industries but the one problem that all of our industries have in common is access to reliable high speed internet.

Thank you for the opportunity to support this legislation.

Respectfully,



Jesse Parks, Chair

Mountaire_FAV_SB 540

Uploaded by: Plyar, Phillip

Position: FAV



February 25, 2020

Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen St.
Annapolis, MD 21401-1991

RE: Letter of Support of SB 540

Dear Chairman Kelley, Vice-Chair Feldman, and Distinguished Members of the Committee:

On behalf of Mountaire Farms, a poultry company on Delmarva, I am writing to express support of SB 540, the Member-Regulated Cooperatives/Rural Broadband for the Eastern Shore Act of 2020.

The bill proposes to allow Choptank Electrical Cooperative to become a "Member Regulated Cooperative" in order to relieve regulatory and economic hurdles to incentivize broadband deployment to the home. As a "Member Regulated Cooperative" decisions regarding rates and additional services, like broadband, would be made by the Board of Directors with input and direction from the members of the cooperative.

To date, universal broadband internet service has not been offered to many rural residents of Maryland's Eastern Shore. Choptank Electric already serves many of those same rural residents with electric service, and as a not-for-profit makes a compelling case that they can do the same with broadband.

Mountaire Farms, the sixth largest chicken company in the United States, employs more than 5,000 people in the region, helping to create 35,000 indirect jobs related to our business on Delmarva. Mountaire Farms partners with nearly 575 family farms to grow our chickens, and we purchase our grain from hundreds of local farmers living in rural areas. Access to information and commerce through broadband is critical to these small business owners.

In the agricultural industry, remaining competitive means having access to the most up to date technology available. Offering rural residents access to Broadband service will help them to address many fundamental daily tasks that are now moving toward a more internet based system of delivery.

Thank you very much for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Plylar".

Phillip Plylar
President,
Mountaire Farms



Mountaire Farms of Delaware, Inc.
P.O. Box 1320, Millsboro, Delaware 19966
(302) 934-1100 Toll Free (877) 887-1490

"We measure quality by how well we service our internal and external customers"

DPI_HPPorter_FAV_SB540

Uploaded by: Porter, Holly

Position: FAV



DELMARVA POULTRY INDUSTRY, INC.

16686 COUNTY SEAT HIGHWAY • GEORGETOWN, DELAWARE 19947-4881

PHONE: 302-856-9037 E-MAIL: dpi@dpichicken.com

www.dpichicken.org

Date: February 25, 2020

To: Members of the Senate Finance Committee

From: Holly Porter, Executive Director

Re: SB 540 – Member Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020) - **Support**

Delmarva Poultry Industry, Inc. (DPI), the 1,700-member trade association representing the meat-chicken growers, processing companies and allied business members on the Eastern Shore of Maryland, the Eastern Shore of Virginia, and Delaware supports SB 540 and urges a favorable committee report.

SB 540 would allow Choptank Electric Cooperative to become a member-regulated cooperative, specifying that the Public Service Commission would not have jurisdiction over a member-regulated cooperative, prohibiting the cooperative from exercising certain powers without member participation. This bill will help relieve the regulatory and economic burdens in order to incentivize broadband to the home, farm and business.

Chicken farming looks much different than it did even 15 years ago, and much of that is due to technology. Computers in chicken houses have the ability to adjust temperatures, turn fans on, turn lights off, notify the grower of emergencies and more. And every day new tools are being developed that will continue focus on animal welfare, decrease costs to the farmer and provide even more efficiency in raising chicken. But the technology is only as effective as the broadband access, and unfortunately too many of our grower-members are in rural areas where the high costs of internet prevent them from maximizing these tools.

In addition to our growers, many of our allied business members are small businesses working in rural areas on the Eastern Shore of Maryland. Increased access to broadband will help their business grow as well.

The not-for-profit electric cooperatives were created in the 1930s to help rural America receive electricity when for-profit electric companies would not. It only makes sense that these same cooperatives can be the solution to the issues of rural broadband access as well. Our growers appreciate the cooperative model (many are members of lending cooperatives as well as electric) understanding that the members are the owners and the members will be part of the process when it comes to any new rates, additional policies and even the ability to revert back to full regulation.

It is time for our rural homeowners, farmers and businesses to have the same access to technology as our urban neighbors and SB 540 will allow for that opportunity.

We urge a favorable vote on SB 540.

Should you have any additional questions, please feel free to contact me at porter@dpichicken.com or 302-222-4069 or Nick Manis, Manis Canning & Associates, 410-263-7882.

Caroline County Commissioners_FAV_SB 540

Uploaded by: Porter, Larry

Position: FAV



Senate Bill 540

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

Position: **SUPPORT**

Date: February 25, 2020

To: Finance Committee

The Caroline County Commissioners **SUPPORT** SB 540, the *Rural Broadband for Eastern Shore Act of 2020*. This bill will address our local need for internet access with a solution provided by a trusted local partner, Choptank Electric Cooperative.

By all measures, Caroline County is one of the poorest jurisdictions in the state. We desperately need access to new opportunities to grow our economy and we simply cannot do that without broadband service to all our residents. As large, profit-motivated companies look to provide urban and suburban areas our state with 5G, rural areas like Caroline County get left further behind. Despite well-meaning taskforces and piecemeal legislation, no comprehensive solution to the Eastern Shore's broadband problem has been offered. The *Rural Broadband for the Eastern Shore Act of 2020* would change that by allowing Choptank Electric Cooperative to leverage existing assets for the economics-of-scale necessary to provide high speed fiber internet to residents and businesses in underserved areas of our county.

The "digital divide" currently experienced by Caroline County and other Eastern Shore communities has a direct impact on healthcare access and outcomes, student achievement and opportunity, economic development, and many other areas that directly impact our local economy and quality of life. Large corporations have had decades to serve our residents, but they have not. Their lack of interest is driven by a lack of opportunity to profit by serving such remote areas. As a result, it is time for a home-grown solution with a trusted organization who has served our community as a reliable partner – an organization that is driven by a desire to serve its member-owners, not increase profits for remote shareholders.

As a member-regulated Cooperative, Choptank Electric's democratically-elected Board will directly implement policies and services requested by the member-owners of the cooperative. This will allow Choptank Electric to eliminate duplicative regulatory costs and strengthen member engagement, all the while providing transparency and accountability. This will allow economically-efficient broadband deployment across Choptank's Eastern Shore service area.

Electric cooperatives were established over 80-years ago to bring electricity to the Rural America. Here in Caroline County and throughout the Eastern Shore we see the need, again, for our cooperative to fill the void that is the "digital divide." Internet access is the great equalizer - enabling virtual workforce, distance learning, telemedicine, precision agriculture, and economic opportunity throughout our county.

This bill will put Choptank Electric Cooperative on the same regulatory playing field as over 680 electric cooperatives across the country, including Delaware. The bill will ensure the next generation of rural communities the ability to access the internet. We urge you to support SB540 to allow Choptank Electric Cooperative to deliver Broadband internet service quickly and efficiently.

Coastal Realtors_FAV_ SB 540

Uploaded by: Rayne, Sarah

Position: FAV



LOCAL
ACCURATE
TRUSTED

February 21, 2020

Chairwoman Delores G. Kelley
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Dear Senator Kelley,

On behalf of the 1,000 members of the Coastal Association of REALTORS®, the leading real estate trade association on the Lower Eastern Shore of Maryland, I write in support of SB0540, Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020).

Our association supports the growth of strong, viable communities, which prosper when there is access to high speed Internet. Property values increase, businesses grow, and jobs are created. In our modern society, highspeed Internet is as important as water and electricity, and the access of broadband makes a community more attractive for new investment and development.

Many of our members are well aware of the impact that broadband has on a home's value. In some of our more rural areas on the Lower Eastern Shore, it can be nearly impossible to sell a home that does not have highspeed Internet access. In fact, a 2015 study conducted by the University of Colorado at Boulder and Carnegie Mellon University found that availability of broadband increases a home's value by 3.1 percent.

Every Marylander should have access to high-speed, world-class communications infrastructure. High-capacity broadband connectivity should be affordable and widely accessible. A variety of options should be considered to encourage quality broadband deployment and adoption including action by the public and private sector.

Our association applauds Choptank Electric Cooperative for its willingness to invest in the future of the Eastern Shore, and we have full faith in the cooperative to provide affordable, highspeed Internet to its members.

Thank you for your time and consideration of this letter. If you have any questions, please contact the association office at 410-641-4409.

Sincerely,

Joe Wilson
President
Coastal Association of REALTORS®

cc Sens. Mary Beth Carozza and Adelaide Eckardt; Choptank Electric Cooperative; Maryland REALTORS®

Salisbury_Wicomico Economic Development_FAV_SB540

Uploaded by: Ryan, David

Position: FAV



Choptank Electric Cooperative
c/o Mr. Matthew Teffeau
6520 Walston Switch Road
Salisbury, MD 21804

Re: HB 999 and SB 540

February 24, 2020

Dear Mr. Teffeau,

Please accept this letter of support for HB 999 and SB 540, both in reference to providing broadband services to rural parts of Maryland's Eastern Shore.

Choptank Electric Cooperative has a long and credible history of providing electricity to last-mile consumers for decades and with a similar model, can now provide broadband services to underserved areas in 2020 and beyond.

Thank you for your favorable support of HB 999 and SB 540 and as always, please feel free to reach me for further discussion.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'David J. Ryan', is written over a thin horizontal line.

David J. Ryan
Executive Director

Senator Hershey_FAV_SB540

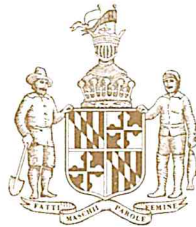
Uploaded by: Senator Hershey, Senator Hershey

Position: FAV

STEPHEN S. HERSHEY, JR.
Legislative District 36
Caroline, Cecil, Kent, and
Queen Anne's Counties

MINORITY WHIP

Finance Committee
Executive Nominations Committee



James Senate Office Building
11 Bladen Street, Room 420
Annapolis, Maryland 21401
410-841-3639 · 301-858-3639
800-492-7122 Ext. 3639
Fax 410-841-3762 · 301-858-3762
Steve.Hershey@senate.state.md.us

The Senate of Maryland
ANNAPOLIS, MARYLAND 21401

February 25, 2020

The Honorable Delores Kelley
Finance Committee

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

Dear Madam Chair and Members of the Committee:

In 2019, this committee passed Senate Bill 634 which insured that electric customers do not subsidize the cost of broadband services and an electric cooperative shall allocate properly all costs incurred. Senate Bill 540 is the next step in deploying broadband access to the Eastern Shore.

Senate Bill 540 is cosponsored by all members of the Eastern Shore Delegation and is offered as a local solution to a local problem. Senate Bill 540 would give the member owned, Choptank Electric Cooperative, the opportunity to become a member-regulated cooperative.

Under this regulatory structure the member-owners of the Cooperative would have greater autonomy, through their Board of Directors who are elected from within the membership, to make decisions on the services provided through the Cooperative. Under this regulatory structure, the Cooperative would not go before the Public Service Commission for electric rate approval.

Cooperatives are owned by their members and their communities, governed by a member-elected Board of Directors, provide services requested by their members, and formulate rates based on the cost of this service. At the end of the year, any excess funds are credited back to their members based on usage throughout the year. Cooperatives do not make a profit as companies with shareholders do. They only recover the cost of distributing electricity and maintaining a reliable system.

The goal for Choptank Electric Cooperative in becoming a member regulated entity is to deliver broadband service to members using the Cooperative's assets that are already owned and paid for by its members.

The Eastern Shore has a high number of residents who lack broadband access and a recent Salisbury University mapping effort shows that more than 40% of Choptank Electric Cooperative members have no access or subpar options for internet service. The Task Force on Rural Internet, Broadband, Wireless and Cellular Services has submitted two reports in 2018 and 2019 recommending removing obstacles for private providers and allowing electric cooperatives to help solve the problem. Today, 83% of the electric cooperatives across this nation are member regulated.

As you can see from the file, Senate Bill 540 has a lot of support and I request the committee's favorable consideration of Senate Bill 540.

Caroline County Chamber Commerce_FAV_SB 540

Uploaded by: Snyder, Tracy

Position: FAV



The Caroline County Chamber of Commerce **SUPPORTS** the **Member-Regulated Cooperatives-Establishment (Rural Broadband for the Eastern Shore Act of 2020)**. SB 540 will address our local need for internet access with a solution provided by a trusted, local partner, Choptank Electric Cooperative.

Caroline County is home to over 30,000 residents, many of whom live in rural areas and do not have access to reliable high speed internet. Through the **Rural Broadband for the Eastern Shore Act of 2020**, Choptank Electric Cooperative will be able to leverage existing assets for the **economics-of-scale** necessary to provide high speed fiber internet to residents and businesses in underserved areas of our county.

As a member-regulated Cooperative, Choptank Electric's democratically-elected Board will directly implement policies and services requested by the member-owners of the cooperative. This will allow Choptank Electric to eliminate duplicative regulatory costs and strengthen member engagement, all the while providing transparency and accountability. This will allow economically-efficient broadband deployment across Choptank's Eastern Shore service area.

The Caroline County Chamber of Commerce understands that their members and every Caroline County business deserves affordable access to reliable high-speed internet in order to compete with other businesses in Maryland and beyond. We support Choptank Electric Cooperative's efforts to become a member regulated utility.

Electric cooperatives were established over 80-years ago to bring electricity to the Rural America. Here in Caroline County and throughout the Eastern Shore we see the need, again, for our cooperative to fill the void that is the "**digital divide**". Internet access is the great equalizer - enabling virtual workforce, distance learning, telemedicine, precision agriculture, and economic opportunity throughout our county.

This bill will put Choptank Electric Cooperative on the same regulatory playing field as over 680 electric cooperatives across the country, including Delaware. The bill will ensure the next generation of rural communities the ability to access the internet. We urge you to support **SB 540** and allow Choptank Electric Cooperative to deliver Broadband internet service quickly and efficiently.

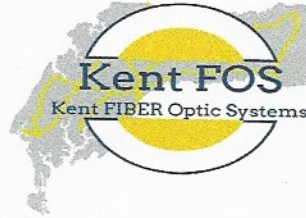
Sincerely,

Tracey Snyder
Executive Director
Caroline County Chamber of Commerce

Kent FOS_FAV_SB 540

Uploaded by: Sobezak, Dee Anna

Position: FAV



February 24, 2020

The Honorable Stephen S. Hershey, Jr.
420 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401-1991

Re: SUPPORT SB540- Rural Broadband for the Eastern Shore Act of 2020

Dear Senator Hershey,

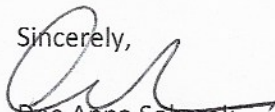
Kent Fiber Optics is a dark fiber provider in Kent County Maryland. Our network was built thru a public private partnership with the County. There would have been no economic way to have built the network without that partnership. Broadband deployment is too expensive and when you are in regions where there is low population, there is no business model to justify the cost.

Kent County was unique in the fact that they had the resources to create a P3, most other counties don't. The use of existing resources from a utility company makes sense to solve this problem, as long as they are only servicing unserved areas and not competing with other providers that have already made investments.

Economic growth will not occur in regions where there is no broadband and it is also becoming increasingly more difficult to stay in these regions for students, telecommuters and businesses.

We welcome favorable legislation to help bring service to Rural Maryland. Kent Fiber Optics, LLC requests a favorable consideration for SB540.

Sincerely,



Dee Anna Sobczak

CEO

Kent Fiber Optics, LLC.

P.O. Box 1388
Brooklandville, MD 21022
(443) 215-0330

Somerset County Government_FAV_SB 540

Uploaded by: Taylor, Ralph

Position: FAV

COMMISSIONERS FOR SOMERSET COUNTY

11916 SOMERSET AVENUE, ROOM 111
PRINCESS ANNE, MARYLAND 21853
TELEPHONE 410-651-0320, FAX 410-651-0366

COMMISSIONERS

CRAIG N. MATHIES, SR., PRESIDENT
CHARLES LAIRD, VICE-PRESIDENT
REX SIMPKINS
ELDON WILLING
RANDY LAIRD



COUNTY ADMINISTRATOR-CLERK
RALPH D. TAYLOR

COUNTY ATTORNEY
KIRK G. SIMPKINS

February 12, 2020

The Honorable Delores G. Kelley
Chair, Finance Committee
3 East
Miller Senate Office Building
Annapolis, MD 21401

Re: Letter of Support for Senate Bill 540 entitled "Member-Regulated Cooperatives-Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Dear Chairman Kelley and Members of the Committee:

The Board of Commissioners for Somerset County wish to express their support for Senate Bill 540 entitled **Member-Regulated Cooperatives-Establishment (Rural Broadband for the Eastern Shore Act of 2020)**, which will address our County's dire local need for reliable internet access from a very trusted and local utility partner, Choptank Electric Cooperative.

Somerset County's rural population has long endured inadequate internet service. In today's society, suitable internet access is not just a need; it has become a necessity. We hear far too often from many of our constituents that they would like better internet options in our rural communities, and we believe that Choptank Electric Cooperative will have the means that can directly implement this much-needed service to our constituents who reside in Choptank's Eastern Shore service area.

The passage of this bill will place Choptank Electric Cooperative on the same regulatory playing field as over 680 cooperatives around the country, including Delaware. It will also ensure the next generation of rural communities the ability to access the internet.

Therefore, we respectfully ask for your favorable report for Senate Bill 540.

Sincerely,

A handwritten signature in blue ink that reads "Ralph D. Taylor". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ralph D. Taylor
County Administrator

Matt Teffeau-Member Testimony_FAV_SB 540

Uploaded by: Teffeau, Matt

Position: FAV



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Z_info@choptankelectric.coop
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February 25, 2020

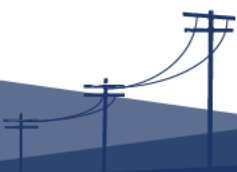
Support SB 540 - The Member Regulated Cooperatives - Rural Broadband for the Eastern Shore Act of 2020

Dear Chairman Delores Kelley and Members of the Committee:

Being a member-owned electric cooperative, Choptank Electric has heard from their members who have shared their stories with lawmakers, board of directors, and staff about the importance to have access to reliable high-speed internet. Here are several stories we have gathered in the last 9 months. **Over 11,160 emails** were sent to the Eastern Shore Delegation from our members advocating and supporting the passage of SB **540**.

As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. *In rural MD, high speed internet is only available via satellite and is very unreliable and does not work for many realtime applications of today. Furthermore, there are usage restrictions on satellite service that further prevents rural users the same benefits traditional service providers offer in towns and cities. Terrestrial broadband is imperative in today's world. Choptank and other electric companies already have access to the customer where traditional service provider would have to build out cable plants in order to reach rural MD. This is a prohibitive costly undertaking that Comcast, Verizon, Medicom, etc will not under take without executive action which is equally not likely to happen.* Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative. *as a 30 year veteran of the telecom industry and current design engineer of high speed networks, if I can be of any assistance to you to help you support all effort to allow Choptank and other electric companies offer high speed internet to rural MD, please contact me. High speed internet today is as important as getting a telephone in every home was 50 years ago.*

Sincerely,



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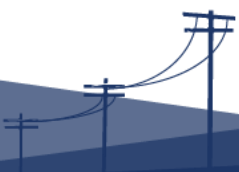
Howard Quillen
7563 Purnell Crossing Road,
Berlin, MD 21811

The internet and electronic communication has now become a means of everyday living and a business necessity. Many of us who live in a rural area work out of our home. Not having the wherewithal to do so, is a major handicap and inconvenience in today's technology world. We should not be discriminated or not given every opportunity to achieve this important necessity because of our home location. The internet is as essential as electricity. I would think that any elected official concerned about the quality of life for his or her constituents would support this broadband initiative. As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel excited by Choptank's vision towards improving the life and welfare for its members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a proven trusted partner - our electric cooperative. I encourage and respectfully ask our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative. Thanking you in advance.

Sincerely,

Thomas Dougherty
5203 Heron Rd
Cambridge, MD 21613


Over the past few years i have been looking at upgrading my home to include smart camera monitoring, smart devices, and work from home. With the lack of broadband in the rural community i have been unable to take advantage of these opportunities. These are simple things that people in more populated area take for granted. They increase our our home safety, our earning potential, and our quality of life. As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-



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of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

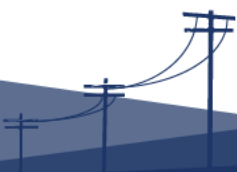
Sincerely,

Roger Kahl
32490 West Post Office road
Princess Anne, MD 21853

The internet and electronic communication has now become a means of everyday living and a business necessity. Many of us who live in a rural area work out of our home. Not having the wherewithal to do so, is a major handicap and inconvenience in today's technology world. We should not be discriminated or not given every opportunity to achieve this important necessity because of our home location. The internet is as essential as electricity. I would think that any elected official concerned about the quality of life for his or her constituents would support this broadband initiative. As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel excited by Choptank's vision towards improving the life and welfare for its members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a proven trusted partner - our electric cooperative. I encourage and respectfully ask our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative. Thanking you in advance.

Sincerely,


Kathleen Dougherty
5203 Heron Rd
Cambridge, MD 21613



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In today's world, having access to high speed internet has become a necessity. Currently, I can't even keep my devices up to date with basic security patches, drivers, or firmware updates as it will exceed my monthly Gb allowance that Verizon has deemed 'appropriate' for wireless 4G internet. Currently my home is located a mile from the nearest Comcast service box and I was quoted 50K to have that service dug to my home. This is ridiculous!! Choptank is attempting to provide a vital service to it's members and should be supported in this endeavor. They have always provided excellent service to us, and their people have always been courteous, kind, and willing to help with any issues we've had. It's this devotion to their members and their willingness to tackle a tough job that make Choptank, and this broadband initiative, an effort to endorse and fully support. And I hope that you will support them, as they have supported us!

Sincerely,

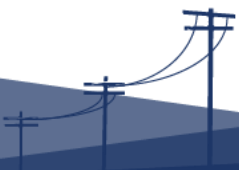
Daniel Simmers
7357 Puncheon Landing
Pocomoke City, MD 21851

As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I agree 10000% and feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

Sincerely,

Timothy Donalds Jr
9114 Barbaro Dr
Hebron, MD 21830

As a resident of the Eastern Shore, I support Choptank's vision and commitment to improving the quality of life for members. It's imperative that families in our rural areas



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have access to high speed internet. I know of children who are required to do school work via accessing an online program and it's impossible for them to do so at home. This causes their grades to suffer and ultimately they get behind in their education. It's not fair. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

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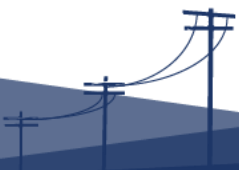
Summer Widmyer
2641 Snow Hill Road
Girdletree, MD 21829

The lack of any options for high speed internet in my neighborhood makes it impossible to do many things that other people of Talbot county take for granted. There is no possibility of streaming material, very limited bandwidth to do home work assigned by the Talbot County Schools, run a home business, or communicate with the rest of the world. What the rest of the world considers a utility Talbot has instead initiated a political fight between providers that leaves us in the digital dark. Please help the 60 + citizens of Talbot county and MD in my neighborhood to get into at least the 20th century. As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I urge you to break up the log jam created by the utilities, counties and towns that all refuse us service. This problem affects almost every aspect of our lives such as property values, business opportunities and everyday life in 2020. Thanks for you help in advance.

Sincerely,

William Bernard
6856 Travelers Rest Circle
Easton, MD 21601

Please please please allow choptank to start providing broadband service. We have no



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high speed internet access and Will have to take our kids to public Wi-Fi for homework! This isn't acceptable! As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

Sincerely,

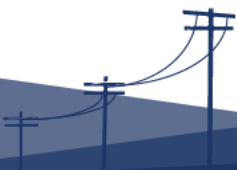
Becky Richardson
5314 Onley Rd
Girdletree, MD 21829

As a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

Sincerely,

Joe Sanders
5638 George Island Landing Rd
Stockton, MD 21864

As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for



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members. *I am working towards being self employed but am limited to how I can get this business going without the tools necessary to do it from home. I am finding that I have to come in early or stay late to complete personal tasks with my current employer so that I can accomplish my goals as a potential business owner.* Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

Sincerely,

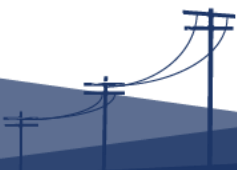
Wendy Mitchell Taylor
32671 Bluff Point Drive
Cordova, MD 21625

Please consider this request. We are only a half mile from internet cables yet they want us to pay \$50k to get reliable internet. It is seriously affecting our life- our kids' schooling, my home business, our quality of life- we have considered strongly moving because of internet alone. PLEASE take measures to help us!

Sincerely,

Rachel Harris
1304 Buck Harbor Rd
Pocomoke City, MD 21851


As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service.



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This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. ***As someone that does online school for medical reasons. It would be an extreme help to not have to use satellite internet because sending and receiving assignments would be alot faster and easier to do. I wouldn't have to stress about not being able to contact peers becuae of my internet I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.***

Sincerely,

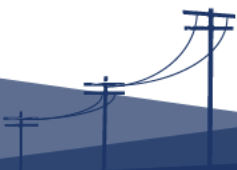
Dallin Rogers
3497 redden ferry road
Eden, MD 21822

As a member of Choptank Electric Cooperative and a resident of Talbot County, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

Sincerely,

Michele Johnson
5486 Wellington Drive
Trappe, MD 21673

Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I



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encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

Sincerely,

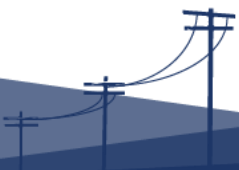
Susan Bennett
23287 Holly Park Drive
Preston, MD 21655

As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. ***This would allow me to also do my job efficiently since I need reliable Internet service to upload and download my work assignments. The current available options are not reliable and has caused major problems for me personally and professionally.*** I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

Sincerely,

Marie Halverson
923 Parsons Drive
Madison, MD 21648

The internet and electronic communication has now become a means of everyday living and a business necessity. Many of us who live in a rural area work out of our home. Not having the wherewithal to do so, is a major handicap and inconvenience in today's technology world. We should not be discriminated or not given every opportunity to achieve this important necessity because of our home location. The internet is as essential as electricity. I would think that any elected official concerned about the quality of life for his or her constituents would support this broadband initiative. As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel excited by



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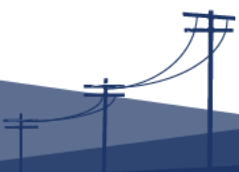
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Choptank's vision towards improving the life and welfare for its members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a proven trusted partner - our electric cooperative. I encourage and respectfully ask our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative. Thanking you in advance for your support!!

Sincerely,

Alma Fitzgerald
5210 Heron Road
Cambridge, MD 21613

As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative. ***I am currently being taking advantage of by Verizon by being forced to keep paying for a landline service I no longer need. My internet service I pay \$90/month (\$45 for phone service and \$45 for internet) for is for barely 3 Megs down and not even 1 Meg up. Verizon has no plans on coming out anytime soon. Comcast has no plans either. Satellite internet is a joke and the Bloosurf internet that's supposed to be for rural use...I can't use thanks to trees and their tower is located in Salisbury 8 miles away at the Salisbury University tower...really rural service there. This would be an answer to my prayers...but I'm pretty sure Verizon, Comcast, and other services don't want this passed since Verizon just in my location alone would lose close to \$1000/month just off my road alone not including most of Somerset, Wicomico, and Worcester counties. Please pass this***



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Sincerely,

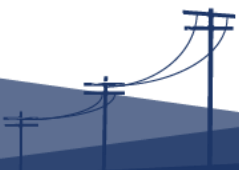
Richard Plaskon
8027 Greenbriar Swamp Rd
Salisbury, MD 21804

As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative. ***I am a teacher and would really appreciate to be able to have access to improved internet. It would take us out of the second class citizen category! Mary***

Sincerely,

Mary Antlfinger-Norton
3311 Phillip's Road
Salisbury, MD 21804

As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I'm desperate for reliable broadband internet access. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. ***Comcast refuses to wire around 40% of Wicomico County. I'm currently using a cellphone modem hotspot as my home internet solution, because it's basically the only option available to me aside from satellite. Choptank's plan for offering broadband would be a Godsend to so many rural communities on the Eastern Shore. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed,***



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internet service. Please support this broadband initiative.

Sincerely,

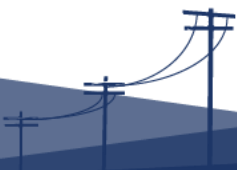
William Duck
3359 Phillips Road
Salisbury, MD 21804

As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. ***We are in the process of moving from Atlanta, Georgia to Cambridge, Maryland. Although we absolutely love the area, we have been extremely disappointed to learn that our chosen home is not served by reliable high-speed internet. It is difficult to explain to our grandchildren that they cannot play their video games nor watch some of their favorite streaming shows because our area is not up with the times. And although we tell all of our friends this is an area they should consider when looking to move, they, too, hesitate when they learn about the lack of services. Fast, reliable access is a priority to me and my neighbors living throughout Choptank's service area. It should also be a priority for our educational system to better serve our future.*** Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative. Thank you for helping us toward this end. Carol Smith

Sincerely,

Carol Smith
1416 Town Point Road
Cambridge, MD 21613


As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. ***Our home is not served by any broadband service at the moment. To engage the internet and communications necessary for business and life we must rely on a capricious***



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satellite system. To fully engage the 21st century technology, wide broadband service is as important as any other public utility. Please allow the community to move forward in this respect. Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

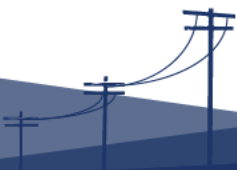
Sincerely,

Steven Kraftchick
1416 Town Point Road
Cambridge, MD 21613

As a lifelong Talbot County resident and current Choptank Electric Cooperative Member, I was very disappointed to see Easton Utilities trying to anchor my cooperative's efforts to deploy broadband to unserved areas of the Eastern Shore. Easton Utilities does not speak for the rural areas, especially here in Trappe. They also may not understand the regulatory certainty Choptank needs to be on the same level playing field as the other 700 electric cooperatives in the country, whom are member regulated. The broadband initiative Choptank is undertaking will affect young Choptank adult members like myself for generations to come. Choptank has been a devoted electric supplier for over 80 years with a 99.9% reliability system in place because of the investments they have made. Cooperatives throughout the country are being successful in deploying high speed internet to their members. Competition is welcomed here in the rural areas of the Eastern Shore. I understand the need for regulatory changes. I would then urge my state delegates and senator to support Choptank to be permitted, as a member-regulated cooperative. The rural areas of the Eastern Shore continue to be a prominent voting bloc in recent elections and being a member-owner of our cooperative, which is also democratically controlled, this initiative goes well beyond any town or county limits.

Sincerely,


Paul Harris
31270 Bruceville Rd



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Trappe, MD 21673

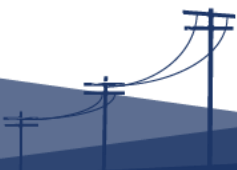
As a member of Choptank Electric Cooperative and a resident of the Eastern Shore, I feel empowered by Choptank's vision and commitment to improving the quality of life for members. We moved from The Town of Easton to Cordova almost 6 years ago. I never realized what a huge impact it would have to move to an area with no broadband. With 3 children, it has been difficult for them to complete schoolwork at home when we are relying on using hotspots on our phones for internet access. ***When I contacted Atlantic Broadband several years ago to see if there was any possibility of getting broadband at our home, I was given an estimate of \$16,000 to run broadband here. Needless to say, we did not do that. Although when you add up the amount we've paid to Verizon, AT&T, and Sprint in data charges, mobile hotspots, overage charges, etc., maybe it would've been more cost effective to pay the \$16,000. I'm sure that broadband won't make it to our home before my now teenagers are grown and out of the house. I hope that in the future, other rural families don't have to go through the frustration and expense that we have. We wouldn't trade the peace and tranquility out here in rural Talbot County for anything, the lack of reliable internet is truly the only downside!*** Reliable, high-speed internet access is a priority to me and my neighbors living throughout Choptank's service area. Current regulatory restrictions prevent Choptank members from using our economies-of-scale to deliver broadband services quickly and efficiently to our homes. I support Choptank Electric Cooperative's effort to become a member-regulated utility. This will allow our Cooperative Board to be responsive to members on rates and to finally address our need for reliable, high-speed, internet service. This solves a local problem with a local solution provided by a trusted partner - our electric cooperative. I encourage our state legislators, regulatory agencies, and others who care about the Eastern Shore to support this broadband initiative.

Sincerely,

Carrie Ottey
11610 Blades Rd
Cordova, MD 21625

We are currently using an expensive cell phone service provider to gain access to the internet. Since I work from home most of the time, I need to have unlimited internet which the Dish companies do not offer. In addition, the kids stream Netflix, Disney plus and other tv shows. Getting the broadband internet would be a cheaper option and more reliable than the options we currently have at our house. Please approve these bills to allow Choptank to make this possible.

-Matt Brody



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I just filled out the online form gauging interest for Choptank Broadband. Towards the end of the survey, I was asked about doing a speedtest, but I passed, since I am currently at work. I frequently test my home Download and Upload speeds using "SpeedTest". At home, my Download speeds have ranged from 0.1 Mbps up to maybe 5 - 6 Mbps at best on a good day. My Upload speeds are about the same. We average about 1 Mbps.

We almost never can "stream" any video - Netflix, Amazon, Disney, etc. At best, we may watch a few minutes, pause, and then watch another few minutes. Some streaming auto-adjusts the pixilation, and with poor (think 1950s) video quality, we may watch longer spurts. I am a physician, and it is difficult for me to do any work from home, and I am almost never able to see cardiac cath films or any imaging studies that require any internet speed.

We strongly support whatever efforts you have to get high speed service to our community
Joseph Cinderella, MD

I would love to have choptank electric provide internet service

-Margaret Conley

Please, please, please bring the high speed broad band internet to the rural areas of Dorchester County Maryland. We desperately need internet service that is reliable. Some of us work from home and the current services that are offered are via satellite. These type of internet services do no support our needs. Also, because we can not get the proper internet service, we are at a disadvantage and can not access Cable services like On Demand or home security applications and services. We beg you to please help us to obtain broad band internet

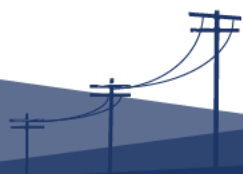
-Charlotte Hurst

Our household supports Broadband Fiber offered through Choptank Electric

-Louise Montgomery

We live down towards the end of Ferry Neck Road in Royal Oak in Talbot. Our internet choices are limited to Hughesnet, Viasat and Delmarva Wifi, and none is even remotely comparable to fiberoptic. We would be willing to pay a substantial fee to get fast reliable internet service to our home. We are of course already served by Choptank electric, and in over 20 years have never had a problem with service, even during hurricanes. Impressive to say the least.

Thank you,





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Ed Kilduff

I would love to have service in my rural area. I am a network engineer without internet at my home. My house works of cellular hotspots. Comcast wants 30,000 + to run out to our location.

-Stephanie

We live on the Eastern Shore for 6 months of the year with no access to the internet which is why we don't live there permanently. Our children refuse to visit. Please bring the internet !

-Lisa Hvizda

Good Evening,

I am writing this correspondence to speak for those in this area may not have the ability to do so due to little or no internet access. As a medical professional, I am aware that more and more physicians along with insurance companies are utilizing TeleMedicine. This is a major advancement in the rapid treatment of simple issues easing the burden on physician offices, ED's and patients themselves. In order to participate in TeleMed internet access and sustainability of connection is necessary. In this rural area there are locations that do not have internet service at all and others that are below par for usage at best. Any assistance in internet capabilities to this remote area would be of a great benefit not only to individuals daily lives but also to their physical well being and greatly appreciated.

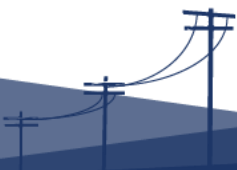
Thank you for your consideration in this matter.

Tracey Hall, BSN RN DN/CM

I live near Marion Station, Md. My cell phone is useless here, hot spot useless. I have to leave home in vehicle to find wifi to order something on line or do banking. Can't open mail, dropped calls. Grandkids have hours of homework and projects after projects they need wifi really hurting their future. We really, really need this. Everybody thinks everyone has wifi they don't understand why we don't to do business, important business.

-Shelley Powell


I have been asking Choptank to consider this for many years. I am a rural choptank customer on the fringe of Talbot County. I am 8 miles out of Easton residing at 33296 Fox Road, just off of Maryland Route 328. We are surrounded by woods and, therefore, my only internet option has been Verizon 4G LTE or Satellite internet. Neither of which is very responsive as subject to hard data limits. Please move forward with Fiber internet as soon as possible for your rural customers, I feel certain you will find major interest and support



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for this initiative among your rural cooperative members. I am currently Coordinator of Network Services for Caroline County Public Schools in Denton which is near your Denton Choptank Office. If ever I can be of service in the planning/implementation of this Fiber Service I would be more than happy to work with you on this initiative. Please feel free to contact me via email or by phone 410-924-7500. I look forward to your success with this major step forward in equalizing internet distribution on the Eastern Shore of Maryland.

-Mark Cauffman

Thank you for trying to get better internet service in our area. My Husband has a pace maker that we are not able to get direct connection for emergency purposes because our Hughes net service does not support the speed for proper connection. We support your efforts to help people like us in rural areas.

Thank you

Jo Ann Ashton

Living in Marion Station slow internet has been a huge hurdle making it impossible to work from home or have a home based business that could compete. High speed internet would be a huge break through for our area and would be a great economic benefit for our people. Please approve this legislation to assist with fiber optic high speed internet to choptank customers!

-Chad Heller

I am a retiree from Delmarva Power. My career with Delmarva included over thirty years in the IT network operations and telecommunications engineering group. Broadband service has always been critical to me in performing remote monitoring and troubleshooting from home. I experienced slow dialup service, extreme latency of satellite service, and the mediocre DSL speeds Verizon. Comcast will not come down the last mile to my house without around \$100,000 fee for installation. I joined the Lower Shore Broadband several years ago, but they were unable to reach my home. I have seen where Choptank has run a 144 count fiber optic cable in front of my house. It excites me to think that someday in the near future Choptank can partner with an ISP to provide the many members who would welcome true broadband performance at their homes.

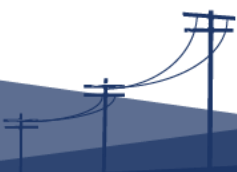
Sincerely,

John Warren

We hope this will be the answer to our problem with internet connections. We have suffered long enough with poor to no internet service four miles from Berlin.

-Barbara M Devenport

Broadband is needed in our area. We have lived in Worcester County for 15 years. My wife



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and I both worked from home. The phone lines and cell tower infrastructure is horrible. I have called Verizon last year over 30 times due to line problems with DSL and landline problems. Verizon will not run new wires thru our area. I was told everything is going wireless. Thats great but the towers aren't pushing signals strong enough for good reception. So we pay the same amount of money cell phones,landline,internet as some one near SALISBURY or Snowhill. If we get all this aggravation we shouldn't be paying the same as someone with good service. My neighbor changed the battery in his alarm system and triggered the central station. They called his cell phone to see if it was a problem. He couldn't be reached so they sent the whole fire company down here on a false alarm. It is a Safety Issue BigTime. We had a bad wind storm we didn't have cell service ,landline or DSL.I will give thanks to Choptank. The service is excellent. Two years ago we have Comcast Quote our area to run line to give us access to their service. The rep said that they were connecting new areas and they would get back to us. About three weeks went by and they called. They said that it would be 175,000 to hook my house up! I have traveled to foreign countries and had unbelievable good service. The government shouldn't allow Comcast - Verizon to operate without upgrading there infrastructure. I retired C and P telephone lineman said that the underground lines could be over 40yrs old. The lines can't handle all the customers connected trying to use DSL. The State Legislators need to step up and correct this problem instead of worry about Windpower..We Need Internet Power Speed faster that 2.5 download and .75 upload. We need help.

Thanks

-Dennis Marine

What is needed is a new REA that electrified rural America but for broadband. We are being left behind technically from urban Americans. The implications of that are too numerous to mention. – Tony

I would really like the super service that Choptank electric coop provides for power distribution to also provide reliable internet access also.

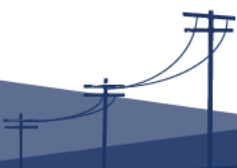
Sign us up

Tom & Marilyn Tolska

As a Choptank Electric customer I support broadband for our rural area.

-Martin Rogers


I forwarded a message to the Delegates, please install service to Baptist Church Rd in Mardela. I have contacted Comcast and they wanted to charge me \$250,000 to install internet approximately 2 miles away from the last address. We appreciate any help you may give us with this matter.



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Thank you
Chrissy Gambrill

Please help the people on Cottman Rd in Allen, Md 21810
Are26478/26456 Cottman Rd Eden, Md 21822

I have lived there for 33 years without any broadband. My children suffered
Having to pass by the pole at the end of rd knowing the internet was only a few houses
away. If you could consider starting with our rd first, as we are the last rd in Wicomico Coon
the south side. We have asked for just this for 33 years.

Thanks for your consideration <
Respectfully,
Dolores (Dee) Butler

We certainly need broadband access on the eastern shore, rural areas. The Major providers
have cream skimmed the cities and town centers and left the rural consumer left to
flounder with dial up service that is of poor quality and extremely expensive. No competition
leads to gouging and that is indeed what the providers of DSL service have been doing.
Choptank Cooperative is a fair and cost effective service that is owned by its users and is
concerned on creating a level playing field for it members. Please support their efforts and
approve the proposal before you to allow CC to provide High Speed Broadband access to its
members.

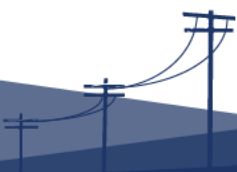
Thank you
William Gilmore

I was very encouraged to see my electric cooperative in front of the Talbot County Council.
As a new mother and Realtor, I have the need to work from home quite often, making
reliable, high-speed Internet access important to me. Choptank's vision through member
regulation and being allowed to use existing assets, including fiber, seems to be the most
practical solution. I would encourage the Talbot County Council and our state legislators to
support the member regulation structure and allow Choptank members the ability to roll out
broadband services faster and more comprehensively.

ALICIA GANNON DULIN

As a member of Choptank Electric Cooperative and longstanding resident of Talbot County,
I am glad to see Choptank's vision and commitment to serving their members' internet
connectivity needs.


Reliable, high-speed internet access is important to me and my neighbors living on Hopkins
Neck and throughout Choptank's service area. Choptank's leadership has detailed the
current statutory and regulatory restrictions preventing the members of Choptank Electric
Cooperative from using their economies of scale to deliver broadband services quickly and
efficiently to their homes.



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My current mobile phone, tower-based internet service cannot support the streaming services or heavy programmatic downloads that modern communication technologies require. I urge community and governmental support for Choptank to be permitted, as a member-regulated utility, to address our local need for reliable, high-speed, broadband internet access via a solution provided by a trusted, local partner, our electric cooperative.

I would encourage the Talbot County Council, our state legislators, regulatory agencies and others who live in the rural parts of the Eastern Shore served by Choptank to support this broadband initiative.

WILLIAM T. HUNTER JR.

Twenty-five percent of Talbot County's residents do not have access to broadband, which is a travesty considering it is one of, if not the, wealthiest counties in Maryland. I understand that Choptank Cooperative is getting resistance to bringing broadband to its customers, and I would ask that our elected representatives use every means available to bring access to high-speed internet to everyone in Talbot County.

As a resident without access, I've heard that the county has been slow to address the problem for a number reasons — chiefly because they don't want to raise taxes to pay for laying fiber. Travelers Rest residents in the past also have been told we would have to pay to run the cable from St Michaels Road to our homes.

Last winter, I hosted a member of our county council at my home to address residents on this issue. We were told the county had applied for money from the state and that we'd see something happen in October. And many of us have written to our county representatives only to see no action, response or follow up.

Many of us are trying to run businesses out of our homes, maintain professional certifications, get children through school and rent to vacationers. It is not fair that we are being denied what is now considered a basic utility.

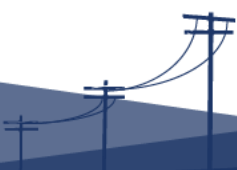
Current regulatory restrictions prevent Choptank members from using their cooperative to access broadband. If it means getting internet to the residents of Travelers Rest faster, I support Choptank Electric Cooperative's effort to become a member-regulated utility. I encourage our state legislators, regulatory agencies and others to do everything possible to facilitate access for all!

PAM KEETON

Please support SB 540 and HB 999. We are in desperate need of competitive pricing and better service in our rural area.

Anna Klapka


I am in full support to allow Choptank to offer broadband service to rural Maryland customers



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that otherwise will not have terrestrial broadband services. Please do NOT depend on 5G to address this issue. Many rural areas have poor cellular coverage as well and 5G will not be available in these under served areas for many years if ever. Please vote YES on these bills

Howard Quillen

You have my wife and my total support in addition to many neighbors who cannot fill out this e-mail because they lack dependable internet service.

Robert Stegman

We support SB 540 and HB 999

We live in a rural area that is only accessible to WiFi by a little hot spot device. I have to buy gigabytes from my phone service provider and can not have unlimited WiFi. When towers are adjusted or change services, I have been unable to access the internet. I have had a private company evaluate satellite access and it is still limited because of trees. I would like to take advantage of services that I already pay for, but do not have unlimited use of, because of lack of unlimited reliable internet services. This affects our household in home business, websites, home security, medical, entertainment, work, farming, creativity and education, just to name a few. Rural Eastern Shore should not be left out of the fast moving advances in technology.

SB 540 and HB 999

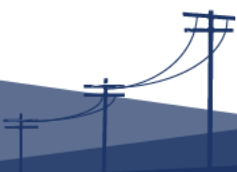
Warren and Sandy Saunders

I am the CEO of Kent Fiber Optics, a dark fiber ring located in Kent County. In rural areas the lack of broadband is a real problem. There is no business model that can sustain the cost to run fiber optics in some of these remote areas without government support through either grants, public private partnerships, or utilizing existing assets of utility providers. It makes sense that all of the stakeholders in these areas work together to come up with solutions so that no home is unserved.

We support Choptank's initiative to serve their customers in unserved areas, meaning in areas where no other company has spent resources to supply broadband. This bill should be used to help solve the problem of rural broadband while not devaluing an existing provider's assets.

This would then be a big win for Maryland. It would not only help the rural residents, but also help economically develop and revitalize rural Maryland.

Dee Anna Sobczak



Somerset County Economic Development_FAV_ SB 540

Uploaded by: Thompson, Danny

Position: FAV

**Somerset County
Economic Development Commission**

11916 Somerset Avenue, Suite 202

Princess Anne, Maryland 21853

www.somersetcountyedc.org

Daniel K. Thompson
Executive Director



Telephone: 410.651.0500
Fax: 410.651.3836
Email: edc@somersetmd.us

December 2, 2019

Chairwoman Delores G. Kelley
3 East
Miller Senate Office Building
Annapolis, Maryland 21401

Re: Testimony in support of SB 540, Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Chairwoman Kelley,

On behalf of the Somerset County Economic Development Commission (EDC), I would like to submit this letter encouraging your support for Choptank Electric Cooperative's initiative to assist in bringing high speed internet / broadband service to rural Somerset County, Maryland.

The installation and access to broadband service will help support many industries in the area such as health care, educational facilities, aerospace industry, as well as the governmental operations in the County, who are all in desperate need of assistance to enhance their broadband availability and better access in the community.

As a rural county in the State of Maryland, we are very eager to have affordable and reliable broadband service for our local businesses and residents. It is increasingly clear that future economic growth and job creation will depend on having the necessary infrastructure in place to assist with business attraction and future job creation efforts. Through the ***Rural Broadband for the Eastern Shore Act of 2020***, Choptank Electric Cooperative will be able to leverage existing assets for the **economies-of-scale** necessary to provide high speed fiber internet to residents and businesses in underserved areas of our county. This bill would permit Choptank Electric Cooperative the same regulatory environment as the other electric cooperatives across the country, including Delaware and ensure the next generation of rural communities the ability to access the internet.

Somerset County stands ready to work together in bringing high speed fiber / broadband internet service to the County and we urge you to support Choptank Electric Cooperative's efforts to deliver this service quickly and efficiently. We look forward to working with you on this endeavor. We certainly appreciate your consideration and support to Somerset County and Choptank Electric Cooperative.

Sincerely,

Daniel K. Thompson
Executive Director



MGPA_Thompson_FAV_SB540

Uploaded by: Thompson, Lindsay

Position: FAV



Maryland Grain Producers Association
123 Clay Drive, Queenstown, MD 21658
Lindsay.mdag@gmail.com (p) 443-262-8491
www.marylandgrain.com

Senate Bill 540 - Member-Regulated Cooperatives - Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Committee: Finance

Date: February 25, 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.

Senate Bill 540 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. Senate Bill 540 would provide another option for our members to potentially get much needed internet service.

MGPA respectfully asks for a favorable report on Senate Bill 540.

VMDAEC_FAV_SB 540

Uploaded by: Vehorn, Andrew

Position: FAV



Andrew M. Vehorn
Vice President of Government Affairs
4201 Dominion Boulevard
Glen Allen, VA 23060
(804) 968-4088
avehorn@vmdaec.com

Delores G. Kelley
Chair, Senate Finance Committee
Senate of Maryland
Miller Senate Office Building, 3 East Wing
11 Bladen St., Annapolis, MD 21401 – 1991

Senator Kelley:

On behalf of the 15 electric cooperatives in Virginia, Maryland, and Delaware; I am writing in support on SB 540/HB 999. This legislation will permit Choptank Electric Cooperative to provide broadband to the residents of Maryland's Eastern Shore.

Electric Cooperatives are uniquely suited to address Maryland's – and the Country's – rural broadband crisis, because, simply, we've already solved this problem once. Washington, D.C. got electricity in the late 1800s. Many parts of the Eastern Shore didn't receive electricity until the co-op brought it in 1938 – almost 50 years later. The same is true of broadband today. Broadband is a necessary part of life; for our children to do their homework, for our farmers to engage in precision agriculture that keeps our Bay clean, and for our energy future as utility-scale solar arrays require broadband access to regulate the grid. Electric Cooperatives have poles and wires to every home in rural America – and are a natural partner in solving this issue.

As not-for-profit electric utilities, cooperatives are wholly owned and governed locally by their communities. SB 540/ HB 999 removes the costly double regulatory burden that exists today for Choptank Electric Cooperative. That double regulation is prohibiting their expansion into broadband. The Public Service Commission's charge is to balance the needs of utilities and their shareholders, with the obligations and protections of the ratepayers. For electric cooperatives, our rate payers and shareholders are the same. This legislation does remove Choptank Electric Cooperative from regulation – it allows it to be regulated locally by the communities it serves – as most co-ops across the country are.

I urge you to support SB 540 and HB 999 to allow Choptank Electric Cooperative to bring broadband access to Maryland's Eastern Shore.

Sincerely,

Andrew Vehorn

ESRL_FAV_SB 540

Uploaded by: Venditta, John

Position: FAV



31901 Tri-County Way Suite 116-B Salisbury, MD 21801 ph: 410-742-1537 fax: 410-548-5807

**Testimony in support of SB 540, Member-Regulated Cooperatives – Establishment
(Rural Broadband for the Eastern Shore Act of 2020)**

Hearing before the Senate Finance Committee

February 25, 2020

Submitted by John Venditta, Administrator, Eastern Shore Regional Library

Dear Chairman Kelley, Vice-Chair Feldman and Distinguished Members of the Committee:
I am writing to support *SB 540* Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020).

The bill allows Choptank Electric Cooperative to become a “Member Regulated Cooperative” in order to relieve regulatory and economic hurdles to incentivize broadband deployment to the home.

The public libraries on the Eastern Shore are acutely aware of the importance of broadband opportunities to our citizens. Every year, Eastern Shore residents without access to broadband or with poor bandwidth flock to our institutions to take advantage of our broadband capabilities. Many job services require online applications; taxes need to be filed online; financial and legal documents need to be scanned and emailed; school assignments need to be submitted online. On the Shore, lack of population density presents very little motivation for large for-profit broadband suppliers to invest in new infrastructure, leaving many areas of the Shore with poor broadband coverage.

As the technology has improved, public libraries on the Shore have increasingly added online services to assist our users who live in more remote areas and/or have difficulty leaving their homes. For-profit Internet services can be cost prohibitive to these residents. Without the option provided by this bill, we fear that these library users will lose access to services like ours that provide important connections in their lives.

As the Administrator of the Eastern Shore Regional Library and a resident of the Eastern Shore, I urge the Committee to report favorably on SB540.

Thank you very much for your consideration and continued support of Maryland libraries and the Eastern Shore.

Sincerely,

John C. Venditta
Administrator, Eastern Shore Regional Library, Inc.



SB 540 -Scott

Uploaded by: Warner, Scott

Position: FAV

TESTIMONY
MID-SHORE REGIONAL COUNCIL

TO: SENATOR DELORES G. KELLEY, CHAIR
COMMITTEE: SENATE FINANCE
FROM: MID-SHORE REGIONAL COUNCIL
SUBJECT: SB 540 MEMBER-REGULATED COOPERATIVES – ESTABLISHMENT
(RURAL BROADBAND FOR THE EASTERN SHORE ACT OF 2020)
POSITION: SUPPORT BROADBAND EXPANSION
DATE: FEBRUARY 25, 2020

Dear Madam Chair and Committee Members:

The Mid-Shore Regional Council (MSRC) supports Choptank Electric Cooperative’s efforts to offer broadband service to their customers. Choptank Electric’s desire to create a regional Internet Service Provider has the potential to deliver tremendous impacts to the rural citizens in their service area. The need for such service has been well documented for many years – from students accessing course material from their homes to businesses communicating with customers and supply chains around the globe.

The MSRC operates a cooperative regional planning and development agency within Caroline, Dorchester, and Talbot Counties to foster physical, economic, and social development. The MSRC is an established U.S. Economic Development Administration (EDA) Economic Development District (EDD). As an EDD the MSRC facilitates and produces the Mid Shore Comprehensive Economic Development Strategy (CEDS).

Broadband connectivity has been a high priority since the CEDS inception in 2002. The current CEDS document (revised March 7, 2019) Goal 1 states, “Ensure that there is sufficient public infrastructure (e.g. telecommunications, IT, incubators, waste water treatment capability, roads, transportation, education facilities, technology training centers, and public parks) and investment capital to foster the development and prosperity of our existing and new industry clusters.”

To assist in accomplishing this goal the CEDS Action Plan lists under its highest priority the project “Eastern Shore of Maryland Regional Fiber Optic Backbone.” Many entities including the State of Maryland, county and municipal governments, and the MSRC have been instrumental in establishing, developing, and supporting this effort. A major asset that has been developed over the last thirteen years is the Maryland Broadband Cooperative (MDBC). MDBC offers universal, open access to broadband services via a fiber optic network that serves rural Maryland. Over the years, Choptank Electric has partnered with the MDBC to assist in middle mile deployment of fiber optic cable. This partnership has enabled remote locations on the Eastern Shore to have high-speed internet service.

This latest initiative by Choptank Electric will further enhance the opportunity for rural residents of the Eastern Shore to have access to affordable, high-speed broadband service. The MSRC, which comprises state and county elected officials, minority representatives, business representatives, and private citizens, thoroughly understands the importance of this expanded service. The Council looks forward to Choptank Electric’s expansion of broadband service.

Jack Wilson_FAV_ SB 540

Uploaded by: Wilson, Jack

Position: FAV

Good Afternoon Madame Chair and Committee Members

Again my name is Jack Wilson, I am the Vice President Of The Queen Annes County Board Of Commissioners, MaCo Board member, Business owner and a 28 year member of the Choptank Electric Cooperative. I am here today to support Senate Bill 540. I represent the largest District in area in QAC which includes a demographics ranging from small towns and neighborhoods to one of the largest Agricultural areas on the Eastern Shore. I will be focusing on QAC with my comments but they could easily be applied to the other 8 Counties served by Choptank. Since becoming Commissioner over 4 years ago I have made Broadband connectivity one of my major focuses. As you can imagine it is quite challenging to come up with cost effective and reliable solutions. To that end QAC has been very proactive in looking for solutions, we have formed a Broadband Advisory Commission which has worked with a dozen different vendors and providers to find possible solutions, one of which was to pay and have a feasibility study done to look at and exhaust all possible ways to deploy Broadband in our unserved and underserved areas. During this process the proposal you are hearing today was presented and is recognized as a great move forward to eliminate roughly 85% of the unserved areas. I want to cover just a few of the challenges faced without adequate Broadband opportunities.

1. Education- With changes coming in the form of the Kirwan recommendations, it will become increasingly important to have Broadband connectivity at home for the students to take advantage of the Chrome books and tablets being provided already as a part of an ongoing Technology plan for our schools. One of Kirwans main goals is to provide equity in education opportunities for all kids regardless of zip code. Broadband will be a key component to meeting this goal.
2. Agriculture- Our largest and oldest industry in QAC is Agriculture. Today the Ag industry relies heavily on technology to perform all facets of farming including planting, fertilizing, animal feeding and watering and livestock monitoring. All of these require connectivity for software updates and monitoring. Examples of the effect of the increased technology are that over fertilization can be avoided by using exact measurements per acre for dispersing on the ground which ultimately reduces nutrient runoff. Also animal feeding and feed supplies are controlled electronically. Two benefits of this are one only having delivered what you need when you need it thus cutting down on wasted feed and costs, and two having less trips from feed haulers as they are only coming out when needed. The USDA released a statement concerning the future increase in the need for farmers production and the need for the farmers to use technology to achieve these goals. Broadband will be vital in making this happen.
3. Economic Development- I believe we all are aware that Broadband is essential for Business growth and prosperity in this day and age. It is no longer a luxury but a necessity. To that end having Broadband in our most Rural areas will foster new businesses as well as support existing ones that struggle with connectivity now. It will also open up opportunities for people to telework which in the case of QAC with some of our well publicized traffic issues should allow a reduction in commuter traffic.
4. Telemedicine- As one of 2 Counties in the state without a hospital we have been told by our County Health Officer what a benefit it would be for increased connectivity to expand the use of Telemedicine and help to curb some of the pressure on our Emergency Services as well as

providing a recognized savings to Healthcare, not to mention the convenience provided by the service.

In closing I would just like to say that I believe Choptank provides an excellent opportunity for the Eastern shore to get a much needed utility just as the Coops did 80 years ago to deploy Electric to our Rural areas. Thank You For your time and I hope you support SB 540.

MRHA_FAV_SB 540

Uploaded by: Wilson, Lara

Position: FAV



Statement of Maryland Rural Health Association

To the Finance Committee

February 25, 2020

Senate Bill 540: Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020)

POSITION: SUPPORT

Senators Hershey, Carozza, Eckardt, and Gallion, Chair Kelley, Vice Chair Feldman, and members of the Finance Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of Senate Bill 540 – Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020).

This legislation would establish a process for a cooperative to operate as a member-regulated cooperative in a certain area; specifying that the Public Service Commission does not have jurisdiction over a member-regulated cooperative, subject to certain exceptions; prohibiting a member-regulated cooperative from exercising a certain power of condemnation for the sole purpose of providing broadband Internet service; specifying certain provisions of law that apply to a member-regulated cooperative; etc.

MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents. Membership is comprised of health departments, hospitals, community health centers, health professionals, and community members in rural Maryland.

The 2018 Maryland Rural Health Plan (www.MDRuralHealthPlan.org), an extensive assessment of Maryland's rural health needs, identified access to health care as one of the major concerns for Marylanders living in rural communities. One of the identified possible solutions to increasing access to care in rural areas presented in the Health Plan is the use of telehealth services. This legislation would improve the availability of reliable broadband services to rural areas that would be necessary for telehealth services.

Specifically, SB540 will remove roadblocks to member-regulated cooperative provision of broadband service in areas where for-profit companies have been unable. The existing electric cooperative serves 54,150 customers in rural counties. The bill will allow the co-op to bring broadband service to their customers' homes, farms and businesses. It will also ensure that consumer protections remain in place while providing relief from regulatory and economic barriers to high-speed fiber internet service in the unserved rural populations on the Eastern Shore.

MHRA believes this legislation is important to support our rural communities and we thank you for your consideration.

Lara Wilson, Executive Director, larawilson@mdruralhealth.org, 410-693-6988

MHA_FAV_SB 540

Uploaded by: Witten, Jennifer

Position: FAV



Maryland
Hospital Association

February 25, 2020

To: The Honorable Delores G. Kelley, Chairman
Senate Finance Committee

From: Jennifer Witten, Vice President, Government Affairs
Maryland Hospital Association

Re: Letter of Support - Senate Bill 540 – Member-Regulated Cooperatives – Establishment
(Rural Broadband for the Eastern Shore Act of 2020)

Dear Chairman Kelley:

On behalf of the Maryland Hospital Association's (MHA) 61 member hospitals and health systems, we appreciate the opportunity to comment on Senate Bill 540. Maryland's hospitals support accessibility and quality of telecommunications services in rural areas, which allows health care providers to care for patients anytime, anywhere.

Broadband internet access is critical to ensure this technology is deployed to its fullest potential. A 2019 report from an Intergovernmental Advisory Committee to the Federal Communications Commission (FCC) found broadband access in rural areas is still woefully fragmented.¹ As FCC Chairman Ajit Pai succinctly stated, "We can't realize the promise of telehealth without connectivity." This is especially true for our neighbors in Maryland's Eastern Shore, where the digital divide needs to be closed.

In an interim report to the Maryland Health Care Commission, the Workgroup on Rural Health Delivery recommended that Maryland expand the availability of telehealth, in part through an increase in broadband and "last mile" connectivity.² In the Task Force on Rural Internet, Broadband, Wireless, and Cellular Services report, the group recommended allowing existing electric utility infrastructure for broadband delivery.³ SB 540 takes these two recommendations and offers a viable solution, using Choptank Electric's existing expertise in "last mile"

¹ Intergovernmental Advisory Committee to the Federal Communications Commission, "Advisory Recommendation No: 2019-2 In the Matter of State, Local Tribal, and Territorial Regulatory and Other Barriers and Incentives to Telemedicine." Available at docs.fcc.gov/public/attachments/DOC-360696A5.pdf.

² Workgroup on Rural Health Delivery, "Transforming Maryland's rural healthcare system: A regional approach to rural healthcare delivery." Available at mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/rural_health/Final%20Report/LGSRPT_FinalReport_rpt_23102017.pdf.

³ Task Force on Rural Internet, Broadband, Wireless and Cellular Service, "House Bill 243 – Task Force on Rural Internet, Broadband, Wireless and cellular Service – Study and Extension: Task Force Report." Available at rural.maryland.gov/wp-content/uploads/sites/4/2019/01/2018_MSAR11544_Task-Force-for-Rural-Internet-Broadband-Wireless-and-Cellular-Service-Report-1.pdf.

connectivity and applying those resources to the provision of broadband. In turn, that directly supports the expansion of telehealth, which virtually connects providers and patients remotely.

In Maryland, telehealth supports the success of the Total Cost of Care Model, as care delivery can be streamlined, and providers can optimize their time with patients. Payers, health care providers, and patients agree telehealth is a promising way to expand access to cost-efficient care and to deliver that care in a setting tailored to each patient's needs.

Health care providers are eager to broaden the delivery of care via telehealth, but to do so requires a corresponding shift in thinking about how broadband access can be delivered to rural populations. SB 540 is instrumental to furthering these goals.

For more information, please contact:
Jennifer Witten
Jwitten@mhaonline.org

OPC_Oppose_SB540

Uploaded by: Fields, William

Position: UNF

**STATE OF MARYLAND
OFFICE OF PEOPLE'S COUNSEL**

Paula M. Carmody, People's Counsel

6 St. Paul Street, Suite 2102
Baltimore, Maryland 21202
410-767-8150; 800-207-4055
www.opc.maryland.gov

BILL NO.: SB540

COMMITTEE: Senate Finance

HEARING DATE: February 25, 2020

SPONSORS: Senators Hershey, Carozza, Eckardt and Gallion

POSITION: Oppose

The Office of People's Counsel (OPC) respectfully opposes SB540, Member Regulated Cooperatives-Establishment (Rural Broadband for the Eastern Shore Act of 2020). The bill is identified as a rural broadband bill. However, SB540 seeks to allow the Board of Directors of the Choptank Electric Cooperative (Choptank), an electric cooperative that distributes electricity to customers in nine counties on Maryland's Eastern Shore, to remove the Cooperative from the jurisdiction of the Public Service Commission (Commission). Under SB540, Choptank would become a member-regulated cooperative, as newly defined in the Corporations and Associations Article, upon unanimous vote of the Board. While the bill purports to subject the member-regulated cooperative to provisions of the Public Utilities Article (page 6, lines 7-21),¹ the bill

¹ These PUA provisions primarily relate to exercise of franchises generally, electric company powers, payment of environmental surcharges for the Power Plant Research Program, siting of generating facilities and transmission lines, and meter inspection and testing. The only exception is PUA §5-303 (Standards of Service). As discussed in OPC's testimony, given the removal of jurisdiction, none of these exceptions allow the Commission to maintain the existing oversight over rates, safety and reliability, and consumer protections for Choptank's customers.

effectively removes Commission jurisdiction, and therefore any authority, over Choptank. Most importantly, the bill would allow the removal of external oversight over the rates, fees and services provided by Choptank to its electricity customers, and the safety and reliability of Choptank's distribution system. Importantly, Choptank's residential customers would lose the benefits of the Commission's detailed consumer protection regulations governing service to those customers. The result is that Choptank's approximate 54,000 customers will be treated differently than all other electricity customers in the State including the customers of Southern Maryland Electric Cooperative (SMECO), the other electric cooperative in Maryland.

Under the current system, Choptank, when it seeks to change its rates for electricity, files an application with the Commission similar to those filed by investor owned utilities, other cooperatives and municipal utilities throughout the state. Since Choptank is not an investor-owned electric company, rate of return issues or the profit margin of investor owned utilities are excluded from the proceeding. Similarly, given the reduced size of the cooperative as compared to investor owned utilities, the overall examination is streamlined in the review. The Staff of the Commission and OPC review the costs, assets, facilities and revenues of Choptank in providing safe and reliable electric services to the customers along with any proposed changes in rates, and provide recommendations to the Commission. The Commission then reviews the assessments by Choptank, Commission Staff, and OPC to determine whether the costs incurred by the Cooperative are proper and prudent, the services provided are reliable and safe and the rates charged are just and reasonable. This review is undertaken by Staff accountants and

engineers, as well as OPC and its outside consultants. Due to the relatively small size of Choptank, as with municipal utilities, these proceedings often are streamlined.

Under SB540, when Choptank is removed from Commission jurisdiction, the rate setting review and approval will be performed by Choptank's Board of Directors. This body is also the entity that reviews and approves the rate application to the Commission under the current system. While the bill requires that the Cooperative provide financial and operational information about the Cooperative and its functions to the customer-members of Choptank, this review will lack the independent scrutiny employed by the Commission's Staff and OPC's consultants. Under the bill, if Choptank seeks to change the rates for electric service, Choptank must provide notice of the rate change and an opportunity for its members to offer comments on the proposed rates. However, these comments are submitted to Choptank's Board of Directors, the entity which devised the rate change proposal and ultimately approves it.

SB540 provides that after Choptank is removed Commission's overall jurisdiction, the Cooperative will remain subject to some provisions of the Public Utilities Article. This structure seems to be an attempt to create a hybrid jurisdictional structure. However, at a minimum, it creates uncertainty about what role or oversight the Commission would have, and how it would exercise even that limited oversight. More importantly, the specific exceptions from the "no jurisdiction" provision (page 3, line 33 to page 4, line 2) are very limited, and specifically do not extend to financial review and rate setting, regulatory safety, reliability and service standards, and the Commission's consumer protection requirements.

Of particular concern to OPC, the Cooperative is required now to establish policies regarding service applications, security deposits, bill responsibility, as well as termination of service, and restrictions thereon, to residential customers, consistent with the Commission's regulations. Customers also have access to the Commission's independent complaint process. Residential customers will lose these important consumer protection benefits under Senate Bill 540. OPC regards the protections provided to customers and the procedures to be followed by electric companies in terminating services as an important matter to the customers of the Cooperative. Additionally, it is unclear how the Commission would undertake review and enforcement of regulatory safety, reliability and service standards for an entity that was not fully regulated.

The title of SB540 –Rural Broadband for the Eastern Shore Act of 2020) – identified this bill as a means to deliver rural broadband services to Eastern Shore residents and businesses. Except for the preamble, however, the bill is a Choptank deregulation bill. The bill uses the removal of Choptank from Commission jurisdiction as the means to facilitate the deployment of broadband services in the Choptank service area.

While broadband deployment is not regulated by the Commission, it is subject to FCC oversight. OPC recognizes that broadband deployment in rural areas of the State like the Eastern Shore is an important state policy goal, and is important to residents in underserved areas. Broadband deployment will provide benefits in areas of economic development, educational opportunities, health and social services. OPC is concerned that the separation of Choptank from Commission jurisdiction in the setting of rates for

electricity distribution services, the primary and historic function of the Cooperative is a drastic step that reduces important protections for its electricity customers.

OPC has a specific statutory role to represent the interests of residential electricity customers throughout the State. At present, those customers include Choptank customers. From the point of view of those interests, the customers will lose benefits provided to them under current law. Furthermore, since deployment of broadband will quite likely be a significant investment and enterprise by Choptank, even with potential federal grants, the financial integrity of the Cooperative is a paramount concern. Any unanticipated financial situation resulting from the broadband deployment will directly affect the electric operations of the Cooperative, the main asset of Choptank, and consequently the rates charged to customers.

The issues surrounding rural broadband deployment are real and of serious concern to residents and businesses along the Eastern Shore. However, electric service also is a critical concern to those residents and businesses, and decades ago, Maryland decided that the Public Service Commission, an independent body, should exercise oversight over all electric companies, whether owned by investors, government or cooperative members. The General Assembly has taken into consideration the special circumstances of municipal utilities and cooperatives on numerous occasions, and appropriately exempted them from specific requirements applied to investor-owned companies. In this instance, the well-established regulatory oversight of Choptank should not be abandoned. OPC would urge the General Assembly and the State to address the important goal of broadband deployment throughout the Choptank service area through other means.

For these reasons, OPC respectfully recommends an unfavorable report on Senate Bill 540.

PSC_INFO_SB0540

Uploaded by: Stanek, Jason

Position: INFO



JASON M. STANEK
CHAIRMAN

MICHAEL T. RICHARD
ANTHONY J. O'DONNELL
ODOGWU OBI LINTON
MINDY L. HERMAN

PUBLIC SERVICE COMMISSION

February 25, 2020

Chair Delores G. Kelley
Finance Committee
3 East Miller Senate Building
Annapolis, MD 21401

RE: INFORMATION – SB 540 – Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020)

Dear Chair Kelley and Committee Members:

Senate Bill 540 would allow regulated electric cooperatives on Maryland's Eastern Shore to convert to "member-regulated" cooperative status and begin offering broadband services.¹ The proposed legislation would largely remove member-regulated cooperatives from the Commission's regulatory authority under the *Public Utilities Article* (PUA) and limit the Public Service Commission's ability enforce existing regulations under COMAR.² As such, many of the regulatory processes that currently exist to protect the interests of electric utility customers would be removed, reduced, or modified under the proposed legislation.

The proposed legislation would affect customer-members of an electric cooperative that elects to self-regulate in various ways. **First**, the Commission, its Technical Staff, and the Office of People's Counsel would no longer be involved in a rate setting process which evaluates and balances the interests of the customer, the utility and state policies. **Second**, the Commission would no longer oversee and enforce standards related to service quality and reliability. **Third**, the Commission would no longer have the authority to adjudicate and resolve disputes between customers and the cooperative. **Fourth**, the applicability of certain obligations under the PUA and Commission regulations would be inapplicable, or in some cases unclear, creating additional administrative burdens. **Fifth**, the elimination of Commission assessments on member-regulated cooperatives would require an increase in the assessment amounts for the remaining Commission-regulated companies and effectively subsidize the Commission's continued responsibilities relating to member-regulated cooperatives.

¹ The legislation provides a process for an electric cooperative to elect member-regulation and re-regulation.

² Under SB 540, member-regulated cooperatives would remain subject to an enumerated list of PUA sections that preserve its franchise authority and status as a monopoly distribution utility, among other provisions.

Exemption from the Rate Setting Process

Currently, electric cooperatives may not change rates or terms of service without Commission approval. Any proposed changes to distribution rates occur in response to the cooperative's filing of a rate case application, which triggers an extensive process where the cooperative submits testimony and documentation demonstrating the basis and need for each proposed rate change for all affected rate classes. The Commission's Technical Staff and the Office of People's Counsel, as well as any other interested parties, submit detailed expert testimony on the proposed rate and tariff changes. Opposing parties review all of the cooperative's actions and spending decisions for prudence and to ensure that customers only pay for items that provide a concurrent benefit.

During a rate case, the Commission considers customer bill impacts, avoidance of rate shock, and impacts on state policies such as energy efficiency. Under the proposed legislation, the process for changing rates would not require external expert analysis and would not be subject to the level of scrutiny and public review currently provided by the Commission's process. In addition, state agencies would no longer play a role in reviewing or limiting rate increases or encouraging rate designs that align with state policies, as established by the Maryland General Assembly.

An additional function of the Commission, Technical Staff, and other parties is to ensure that electric distribution rates do not recover unrelated costs (*e.g.*, costs relating to transmission, broadband, or other affiliate functions.) In the absence of Commission oversight and state agency expertise in reviewing an electric cooperative's revenues and expenses, electric-only customers may subsidize customers receiving broadband service if sufficient accounting restrictions are not in place and monitored regularly.

Service Quality and Reliability

At present, electric cooperatives in Maryland are subject to comprehensive service quality and reliability standards under PUA §7-213 and the Commission's regulations. The Commission tracks utility performance based on a variety of metrics to ensure customers receive adequate electric service. The Commission also sets minimum standards regarding the duration and frequency of service outages and interruptions. In addition, the Commission tracks utility performance during major weather events, declared states of emergency and other impacts to the electric distribution system.

The Commission also ensures that the utilities maintain customer service and responsiveness standards. For example, one responsiveness standard requires a utility to respond to a report of a downed electric wire in a certain amount of time. This standard was implemented to limit the strain on public safety first-responders when they likely would be needed elsewhere, such as in a severe weather event or other emergency. This standard, and the attendant utility performance, would likely no longer be tracked or enforced by the Commission under this bill.

The proposed legislation appears to exempt a member-regulated cooperative from §7-213 and the associated minimum reliability standard regulations. Without Commission oversight, the cooperative would not be subject to annual reliability reporting, and its members could not seek Commission assistance regarding service quality issues.³

Consumer Protection and Customer Complaints

The Commission has established consumer protection standards related to starting and stopping utility service, disconnections and general disputes. For example, the Commission's regulations specify the maximum amount for customer deposits for utility service, standards for late payments and associated utility charges, and require utilities to distribute customer rights pamphlets to their customers. The Commission also regulates service termination including limitations, notification, and restrictions during extreme weather conditions, or for health and safety reasons. Finally, the Commission has standards for billing requirements, investigation requests, and record keeping.

In contrast to these regulations, the proposed legislation would allow a member-regulated cooperative to set its own standards for these activities independent of the existing COMAR requirements, which would no longer apply to a member-regulated cooperative. Additionally, under the proposed legislation, a customer of a member-regulated cooperative would be unable to access the Commission's administrative processes and regulatory protections.

In lieu of the Commission's regulations, the proposed legislation outlines the creation of a binding, formal dispute resolution process that a member-regulated cooperative would establish to adjudicate customer complaints. The proposed legislation outlines an escalation process that could raise a complaint up to the level of the electric cooperative's chief executive and board of directors. While the Commission's Consumer Affairs Division would no longer play any role in disputes between the customer and a member-regulated cooperative, the Maryland Office of the Attorney General's Consumer Protection Division may have some jurisdiction over certain complaints brought by customers of a member-regulated cooperative.

Administrative Burden and Limited Commission Authority

While the PUA prescribes the obligations of electric utilities beyond providing safe and reliable distribution service, the statute also establishes and governs programs relating to energy efficiency (*i.e.*, EmPOWER), renewable portfolio standards, net metering, electric

³ The proposed legislation subjects a member-regulated cooperative to certain parts (*i.e.*, Parts I & II) of PUA Title 7, Subtitle 5 ("Electric Industry Restructuring"). Among the sections in Title 7, Subtitle 5, §7-506(c), requires a utility to maintain reliability and incorporates by reference §7-213 ("Service quality and reliability"). This reference may reflect the intent to subject a member-regulated cooperative to all of the Commission's reliability standards. The Committee may wish to resolve any ambiguity regarding the applicability of §7-213 and the associated regulations.

vehicle charging infrastructure, and community solar. If a member-regulated cooperative seeks to subject itself to selected provisions under the PUA, there is potential for confusion regarding the applicability of Commission orders and regulations, particularly those related to electric reliability. Any remaining ambiguities in the statute have the potential to impose administrative burdens on the PSC and other Maryland agencies, as outlined above, relating to consumer protections.

Finally, in those areas where the Commission retains jurisdiction over a member-regulated cooperative, the Commission would have significantly fewer options for enforcement. The Commission typically does not issue financial penalties against cooperatives for violations of the PUA, as this simply punishes the cooperative's members. Additionally, without rate setting authority, the Commission's tools to correct violations of the remaining statutory sections are severely limited.

Exemption from Commission Assessment

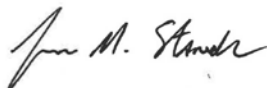
The Commission and the Office of People's Counsel are funded through assessments paid by regulated public service companies. The proposed legislation would exempt member-regulated cooperatives from Commission assessments.⁴ However, the Commission would still be required to devote fiscal and operational resources to member-regulated cooperatives for remaining regulatory obligations, without an ability to collect assessments from those same entities. The lost assessment revenue would be recovered by increasing the assessments of the remaining public service companies. Thus ratepayers of the remaining regulated public service companies would subsidize the Commission's residual oversight of member-regulated cooperatives.

Conclusion

The Commission's regulations and processes that are used to protect electric cooperative ratepayer interests may be removed, reduced, or modified, under the proposed legislation. As a result, SB 540 would subject certain cooperative members on the Eastern Shore to monopoly service without the protection afforded by, and ability to appeal to, an independent regulatory authority.

Thank you for your consideration of this information. Please contact Lisa Smith, Director of Legislative Affairs, at 410-336-6288 if you have any questions.

Sincerely,



Jason M. Stanek, Chairman

⁴ For example, Choptank Electric Cooperative's FY20 assessment was \$310,281.90.