



Government Affairs Office
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BILL NO. : Senate Bill 790
TITLE: Information Technology – Communication Lines - Installation
COMMITTEE: Senate Finance
HEARING DATE: February 25, 2020
VERIZON POSITION: Support

PURPOSE OF BILL: Providing that certain provisions of law governing resource sharing do not apply to any private industry entities that have separate legal rights of access under State or local law to install communications lines and associated facilities in the State right of way; and requiring DOIT to waive certain fees of all last mile broadband telecommunications projects in underserved areas.

COMMENTS:

Verizon Maryland LLC is a Maryland-based company headquartered in Baltimore with over 5,000 employees who are Maryland residents. Each year, Verizon invests tens of millions of dollars on infrastructure improvements throughout the State and pays millions of dollars in fees to the Public Service Commission, Fios franchise fees to county governments, and property taxes throughout the State.

Senate Bill 790 makes two clarifications to the State’s resource sharing law to avoid interpretations that are discouraging broadband deployment and infrastructure investment. First, the bill requires the Department of Information Technology (DoIT) to waive fees applicable under the resource sharing statute for “last mile” broadband telecommunications projects in those areas that are deemed “unserved.” Second, the bill makes clear that certain private industry entities are exempt from the requirement that projects be reviewed and approved by DoIT if those entities have a separate right of access granted by State or local law to install communications lines and associated facilities. Verizon Maryland already has this right of access as a telephone company under Sections 8-103 and 5-410 of the Maryland Public Utilities Article.

Verizon has participated in the State’s telecommunications resource sharing policy since its establishment in 1996. Just last year, in 2019, DoIT updated its resource sharing program policy and placed obstructive and onerous requirements while holding up construction permits and stopping our ability to provide much needed upgrades to our system. This update was an attempt by DoIT and the State Highway Administration (SHA) to undermine Sections 8-103 and 5-410, which resulted in SHA refusing to issue permits to Verizon from January to August for construction of its fiber optic network unless Verizon agreed to pay SHA RSA fees, which is was not legally required to do. DoIT ultimately reversed course and instructed SHA to once again start issuing permits to Verizon.

Just three days ago, we received additional requirements from the SHA with a new round of ‘certifications’ designed to further impede the development of Verizon’s infrastructure.

Without such clarity in the RSA requirements/law in Maryland residents will experience significant delays in

their construction plans moving forward resulting in significant and unnecessary financial loss to them and decrease in service availability to their customers. It has and could also lead to delays in expanding, enhancing or maintaining wireless and broadband services, in particularly in rural areas who have limited to no alternatives. All of which was the case for six to eight months in 2019 due to the uncertainty in the RSA requirements associated with occupation of the public right of way.

Verizon does not dispute the value of resource sharing arrangements in certain instances. But DoIT's attempt to impose resource sharing fees on Verizon by circumventing existing state law would impose costs on Verizon on top of the substantial fees Verizon already pays in the State. This counterproductive interpretation of the resource sharing law provides a huge disincentive to investment and network build out that could cost jobs in Maryland and inhibit the expansion of the telecommunications network for our customers. To provide a state-of-the-art information network, the State of Maryland should be encouraging a prompt efficient regulatory environment.

This legislation will address and fix this problem. We appreciate you taking the time to address this important issue and we respectfully ask for a favorable report on Senate Bill 790.

FOR ADDITIONAL INFORMATION CONTACT:

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