

# **SB 790\_Verizon\_FAV**

Uploaded by: Askew, Joseph

Position: FAV



Government Affairs Office  
12 West Street  
Annapolis, MD 21401  
(410) 269-6653

**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:**

Joseph L. Askew, Jr., Esq.  
Vice President – Verizon State Government Affairs

410-269-6653

**RMC\_FAV\_SB0790**

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](mailto:rmc.mda@maryland.gov)  
Website: [www.rural.maryland.gov](http://www.rural.maryland.gov)  
Charlotte Davis, Executive Director

## POSITION STATEMENT

Senate Bill 790 - Information Technology - Communications Lines - Installation  
Finance Committee  
February 25, 2020

The Rural Maryland Council **SUPPORTS** Senate Bill 790 - Information Technology - Communications Lines - Installation. This bill requires the Department of Information Technology (DoIT) to waive all fees applicable under its resource sharing agreement (RSA) standard pricing for all “last mile” broadband telecommunications projects in “unserved areas.” The last mile refers to the local Internet connection that physically reaches into the end user’s home, business, or premises. “Unserved area” refers to an area in which no facilities-based broadband service providers offer minimum connectivity speeds of 25 megabits per second to download and 3 megabits per second to upload.

The bill also exempts a private industry entity from having to have a project, including RSAs, reviewed and approved by DoIT if that entity has a separate legal right of access under State or local law to install communications lines and associated facilities in the State rights-of-way, including telephone and cable companies.

The issue of resource-sharing agreements and the Department of Information Technology was discussed by the Task Force for Rural Internet, Broadband, Wireless and Cellular Service after the issuance of a legislative audit and some of the concerns that were raised by the Department of Legislative Services. During the 2019 calendar year, there were some delays in the issuance of permits to providers through the State Highway Administration because of confusion regarding resource-sharing agreements with the Department of Information Technology. In August 2019, the Department of Information Technology released RSA policy guidance on DoIT’s policy implementation of the Resource Sharing Law (“RSL”), Annotated Code of Maryland, State Finance & Procurement Article (“SF&P”) § 3A-307(c), as it applies to certain private industry installation and use of fiber optic cable in State rights-of-way where the user has a separate statutory right to use of and access to the right-of-way.

Broadband is a critical infrastructure for business, education, and agriculture today and access remains a real issue in the state’s rural areas as almost 20% of rural residents lack internet access. SB790 will facilitate the expansion of rural broadband services by streamlining specific processes and waiving associated fees that have greatly impacted broadband projects in the past. The Council respectfully requests your favorable support of SB790.

*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”

**Easton Utilities\_John Horner\_FAV\_SB0790**

Uploaded by: Horner, John

Position: FAV



# EASTON UTILITIES

Life. Made better.™

---

February 25, 2020

To: Chairman Kelley and Members of the Senate Finance Committee  
Subject: SB 790  
Position: Support

Dear Chairman Kelley and Members of the Committee,

Easton Utilities is one of five municipally owned utilities in the State of Maryland. We are responsible for the operation, management, and maintenance of the electric, water, wastewater, natural gas, cable television and internet utility services for the Town of Easton and portions of the surrounding area, serving over 8,000 internet customers (taxpayers) in Talbot County on the Eastern Shore of Maryland. Easton Utilities does not have any investors and is not publicly traded. A Board of Commissioners appointed by the Mayor, and the Town Council Members elected by the taxpayers (customers), make business decisions based on the best long-term interest of the utility as recommended by Easton Utilities' executive leadership team.

As a broadband provider in a rural area of Maryland (as defined by the Annotated Code of Maryland and the Rural Maryland Council), Easton Utilities fully understands the rural broadband problem. The fundamental issue for resolving the rural broadband problem is associated with density and cost. Improving the density of rural areas is not feasible so the real solution is finding alternatives and opportunities to lower the cost.

Senate Bill 790 provides another option for decreasing the cost of broadband in rural areas by providing waivers from the State of Maryland for the right-of-way fees associated with the expensive last mile installation of broadband. Public / private partnerships are the best method for solving the rural broadband problem, and Senate Bill 790 further solidifies the State of Maryland as a partner in this solution.

Chairman Kelley, for the reasons stated above and in the interest of keeping electric energy rates affordable for the five municipal electric utilities in Maryland, Easton Utilities supports this bill and respectfully requests a Favorable report on SB 790.

Sincerely,

02.25.2020

A handwritten signature in blue ink, appearing to read "John J. Horner, Jr.", written in a cursive style.

John J. Horner, Jr.  
Vice President, Operations  
Easton Utilities  
410.763-9493

Cc: Hugh Grunden  
Steve Ochse



## **Senator Eckardt\_FAV\_SB0790**

Uploaded by: Senator Eckardt, Senator Eckardt

Position: FAV

**ADDIE C. ECKARDT**  
*Legislative District 37*  
Caroline, Dorchester, Talbot,  
and Wicomico Counties

Budget and Taxation Committee

Health and Human Services  
Subcommittee

*Joint Committees*

Administrative, Executive,  
and Legislative Review

Audit

Children, Youth, and Families

Fair Practices and  
State Personnel Oversight

Pensions



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

*Annapolis Office*  
James Senate Office Building  
11 Bladen Street, Room 322  
Annapolis, Maryland 21401  
410-841-3590 · 301-858-3590  
800-492-7122 Ext. 3590  
Fax 410-841-3087 · 301-858-3087  
Adelaide.Eckardt@senate.state.md.us

*District Office*  
601 Locust Street, Suite 202  
Cambridge, Maryland 21613  
410-221-6561

Testimony for Senate Bill 790  
Information Technology - Communications Lines - Installation  
Finance Committee  
February 25, 2020

Madam Chair  and Members of the Committee:

Thank you for the opportunity to present Senate Bill 790: Information Technology - Communications Lines – Installation. This bill codifies existing Department of Information Technology standards with regards to unserved broadband fees.

Senate Bill 790 exempts private entities from certain provisions of resource sharing agreements, providing that they have legal rights of access to install communication lines. This bill also waives fees for last mile broadband projects in unserved and rural areas.

Senate Bill 790 is a continuation of our efforts to provide broadband access to residents in the rural areas of the State. Broadband is an essential service and this bill will help ensure that all Marylanders have access to such service. I respectfully ask for a favorable report of Senate Bill 790. Thank you.

Best Regards,

A handwritten signature in cursive script, appearing to read "Addie Eckardt".

Senator Addie Eckardt