

POSITION STATEMENT

BILL: HB 1121 - Information Technology - Public-Private Deployment Initiative

COMMITTEE: House Economic Matters Committee

POSITION: Oppose

DATE: March 12, 2009

The Rural Maryland Council (RMC) is an independent state agency and the state's federally designated State Rural Development Council. Our charge is to identify challenges unique to rural communities and help craft solutions. We also share the rural perspective with state lawmakers about the effects laws and regulations have on Maryland's 18 rural communities and 1.6 million residents.

For more than ten years, the RMC has been a strong supporter of extending broadband services into rural areas as a means of increasing economic opportunity and economic development. The *Rural Broadband Communication Services Act of 2006* provided both funding and an infrastructure for building and deploying a long-overdue statewide broadband network, with special focus on the state's rural and underserved areas. The Act:

- Created the Rural Broadband Assistance Fund, which is administered by the Department of Business and Economic Development, and includes both state and federal funds appropriated for rural broadband projects;
- Created the Rural Broadband Coordination Board, which oversees the construction and deployment of broadband infrastructure in rural and underserved areas and approves all disbursements from the Broadband Assistance Fund;
- Mandated \$10 million over three years in state funding for broadband build out; and
- Required the RMC to provide staff support to the Coordination Board.

This legislation specifically charged the Rural Broadband Coordination Board with four major tasks:

1. Assist in the deployment of broadband communication infrastructure in rural and underserved areas of the state;

2. Cooperate with public, private and nonprofit entities to obtain, coordinate and disseminate resources for the establishment of broadband communication services in rural and underserved areas;
3. Review and approve the disbursement of state and federal funds in the Rural Broadband Assistance Fund; and
4. Perform other functions that are consistent with the intent of this bill.

House Bill 1121 *Information Technology - Public-Private Deployment Initiative* duplicates much of the intent of the *Rural Broadband Communication Services Act* and it duplicates much of the charge of the Rural Broadband Coordination Board.

HB 1121 would establishment a public/private partnership to undertake a variety of task; however, this partnership already exists in practice. That partnership is comprised of:

- The Rural Broadband Coordination Board, a nine-member board with representatives from four state agencies, including the RMC, and five regional councils;
- The Maryland Broadband Cooperative, a private nonprofit organization that has over 30 members, more than half of them are private telecommunication service providers. Another 11 members are government or public service providers;
- The five rural regional planning and development councils, quasi-public agencies which represent 15 rural counties and address the economic development issues of their regions. The Councils are also represented on the Coordination board, the Cooperative's Executive Board as well as the RMC Executive Board; and
- Numerous state agencies have been involved in the construction to date, from the Department of Business and Economic Development to the Maryland Transportation Authority to the State Highway Administration and many, many others.

In two years, this partnership has achieved enormous success. Wallops Island has been connected to Salisbury to support NASA, and fiber has been laid from Wallops Island to and across the Bay Bridge. In addition three universities (i.e., UMES, Salisbury State and Chesapeake College) and 12 public safety sites have been linked to the new network. Some smaller connections have been completed under resource-sharing agreements with local providers to provide better service in local areas. And current construction in Worcester County is creating needed redundancy.

The most important tasks required by the partnership proposed under HB 1121 – in addition to expanding broadband services -- are already being done, with some variation. For instance, the Cooperative has completed a statewide deployment plan, which the Coordination Board has approved; it has a statewide inventory of available fiber and gaps in service, which it has been able to gather with non-disclosure agreements; there is current GIS capacity to provide maps, as needed, to illustrate network build out; and the Cooperative and the Coordination Board are working together now to apply for federal funds under the American Recovery and Reinvestment Act in order to deploy the network into rural and underserved areas more quickly.

Clearly, not all task required by HB 1121 are underway but would require extensive resources for any entity to undertake. For instance, there are no regional technical teams now in place; however, those teams could be established much more quickly and cost effectively if they were assigned to an organization which has already been created to do such work. In this case, the state's five regional councils, *with proper state resources*, would be able to develop these teams as part of their charge to foster economic development in their regions.

The Rural Maryland Council continues to support efforts to extend broadband services to rural and underserved areas and would welcome any additional resources that would extend this service more quickly; however, HB 1121 would likely use precious limited human and financial resources to create a partnership that already exists to undertake tasks that are largely underway to achieve a goal that is already in the process of being met. Any goals and purposes described in HB 1121 that are not being fulfilled now but that are deemed necessary by the Governor and General Assembly to facilitate broadband deployment could be accomplished more efficiently if tasked to the Rural Broadband Coordination Board, under its charge to perform functions that are consistent with the intent of the 2006 Rural Broadband Communication Services Act, or to the Rural Maryland Council which is statutorily obligated to staff the Board.

Last year, a nearly identical bill was introduced. HB 1144-- *Information Technology - Public-Private Deployment Initiative* received an unfavorable report by this committee. The RMC would urge a similar outcome for HB 1121 this Session.