

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 987
Economic Matters

(Delegate Taylor, *et al.*)

Public Service Commission - Broadband Internet Service

This bill requires the Public Service Commission (PSC) to adopt regulations requiring each broadband provider to submit a quarterly report on the deployment of broadband service that exceeds 768 kbps (kilobytes per second). The report must detail • where the provider’s customers are located; • what percentage of households in a service territory subscribe to the provider’s broadband service; • the upload and download data transmission speeds; • the average price per megabyte of download transmission speeds for each customer group; and • new and upgraded services. All report information must be broken down by zip code plus four. PSC must publish each report on its web site.

Fiscal Summary

State Effect: None. PSC could handle the requirements of the bill with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Three federal agencies – the Federal Communications Commission (FCC), the Department of Justice, and the Federal Trade Commission (FTC) – have federal jurisdiction to address broadband Internet access. FCC has concluded that cable, wireline, powerline, and wireless broadband Internet access services are “information

services” that are not subject to common carrier requirements. As an industry, Internet Service Providers are not regulated by PSC.

Background: FCC currently collects and reports broadband download and upload statistics on a bi-annual basis. In April 2007, FCC announced two proceedings focused on evaluating broadband deployment: whether broadband services are being deployed to all Americans in a reasonable and timely fashion, and explore ways to collect information FCC needs to set broadband policy in the future.

On June 27, 2007, FTC issued a report called the *Broadband Connectivity Competition Policy* where it recommended moving with caution towards immediate net neutrality restrictions. Net neutrality considers the interest of content providers against the interest of broadband carriers when determining the architecture and openness of the Internet as technologies and applications for this resource expand. FTC commented that it had yet to see any abuses by the telecom companies, and it was seeing more, not less, competition in broadband markets.

State Expenditures: PSC indicates special fund expenditures could increase by \$16,000 in fiscal 2009 to purchase additional software and hardware to allow the required quarterly reports to be filed online. Legislative Services advises that PSC could handle the requirements of the bill with existing resources. In addition, by implementing the online application, PSC will not have to add any additional personnel to process hard copy applications.

Additional Information

Prior Introductions: HB 1069 of 2007, a similar bill, was referred to the Economic Matters Committee but was later withdrawn.

Cross File: SB 515 (Senator Raskin) – Finance.

Information Source(s): Department of Business and Economic Development, Public Service Commission, Office of the People’s Counsel, Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2008
mll/hlb

Analysis by: Michael P. Lee

Direct Inquiries to:
(410) 946-5510
(301) 970-5510