

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 1242 (Delegate Ruth)  
Economic Matters

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**Public Utilities - Lead Telecommunications Cables - Regulations and Report**

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This bill requires each company that applied for a grant under the federal Broadband Equity, Access, and Deployment (BEAD) Program to submit a report by October 1, 2024, to the Maryland Department of the Environment (MDE), the Office of Statewide Broadband (OSB) in the Department of Housing and Community Development (DHCD), and the General Assembly containing specified information related to known telecommunications cables containing lead, associated health risks, the risks and challenges of removal, and the economics of removal or remediation in certain situations. MDE is also authorized to adopt regulations regarding the testing and remediation of telecommunications cables containing lead. **The bill takes effect June 1, 2024.**

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances or operations, as discussed below.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Bill Summary:** The required report must detail:

- the approximate location and extent of any known telecommunications cables containing lead that are owned or controlled by the company in the State and whether the cables are currently used for transmission, including aerial, ground, and water-based cables;

- an assessment of the risks of the cables to public health due to lead contamination of soil or water;
- an assessment of the risks and challenges of the removal of the cables; and
- an assessment of the economics of removal or remediation simultaneously with the deployment of high-speed networks in areas where the location of the cables overlaps with unserved or underserved areas eligible for BEAD Program funding.

**Current Law:** The federal Infrastructure Investment and Jobs Act (IIJA) of 2021 includes more than \$60 billion in funding nationally for broadband programs. The largest program is the BEAD Program, which provides \$42.5 billion nationally for grants to states, allocated by a formula based on the proportion of unserved locations in each state as well as unserved locations in high-cost areas. In June 2023, the National Telecommunications and Information Administration announced that Maryland’s BEAD allocation will total \$267.7 million in addition to \$5.0 million that DHCD already received as a planning grant. The fiscal 2025 capital budget as introduced includes the entirety of Maryland’s BEAD award across fiscal 2024 and 2025. More information can be found on the DHCD [website](#).

MDE, pursuant to Environment Article, §§ 4-405(a)(7), 7-208(e)(10), and 7-208(f), has adopted [regulations](#) that establish procedures for controlled hazardous substance assessment and remediation. A hazardous substance includes lead. MDE regulations specify that when MDE has reason to believe that there is a release or substantial threat of release into the environment of any hazardous substance, the department may:

- add the location of the release or the threatened release to the State Master List of proposed hazardous sites;
- assess risk to human health and the environment;
- decide whether a response should be carried out under State superfund or other enforcement authority;
- evaluate and perform or manage removal or remedial response actions; and
- request assistance from the federal or local governments.

MDE’s Controlled Hazardous Substances Enforcement [Division](#) oversees, and conducts as necessary, assessment and cleanup.

**State Fiscal Effect:** Assuming that the bill applies to companies that apply *to DHCD* for BEAD Program funding, since direct recipients of federal funds were governmental entities, DHCD can receive the required reports within OSB’s existing case management system and can, therefore, handle the bill’s requirements with existing staff and resources. There is also no additional operational or fiscal effect on MDE, as relevant regulations have already been adopted. This analysis does not include any potential actions by MDE that could result from information provided in the reports.

**Small Business Effect:** Any small businesses that apply for (not receive) BEAD grant funding from DHCD must meet the bill's reporting requirements, which may have a significant cost. However, the bill does not specify any enforcement mechanism or penalty for noncompliance.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of the Environment; Department of Housing and Community Development; Public Service Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2024  
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