



EASTON UTILITIES

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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