

SENATOR E.J. PIPKIN
36th Legislative District

Caroline, Cecil, Kent and
Queen Anne's Counties

Finance Committee



Annapolis Office
416 James Senate Office Building
Annapolis, Maryland 21401-1991
410-841-3639 • 301-858-3639
Fax: 410-841-3762 • 301-858-3762
1-800-492-7122 Ext 3639
E-Mail ej_pipkin@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401-1991

December 1, 2003

The Honorable Robert L. Ehrlich, Jr.
Governor
100 State Circle
Annapolis, MD 21401

Dear Governor Ehrlich:

The following report seeks to fulfill the first reporting requirement of the Task Force on Broadband Communications Deployment in Underserved Rural Areas as set forth by the passage of House Bill 697 (cross-filed with Senate Bill 487) by the 2003 Maryland General Assembly.

The first report covers Task Force progress up to December 1, 2003 and next steps of the group. In addition, we are pleased to announce a number of new initiatives that are already improving broadband access in rural Maryland.

In the coming months, the Task Force will attempt to meet its goal of improving broadband access in rural Maryland by taking a comprehensive approach to the "chicken and egg" dilemma that has hindered deployment. The Task Force also must work through the challenge of resolving a 'diversity of interest,' where private sector communications providers and public sector providers sometimes exhibit significant differences in their prioritization of activities. Private sector providers, in general, have not seen a return on investment (ROI) in their capital expenditures on broadband deployment, especially when compared to other industry segments like cellular and long distance. However, the public sector continues to focus on the technology as critical to improving government services, citizen's access to information, and as a potential incentive to attract new business development in rural areas.

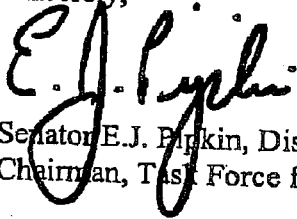
The Task Force encourages local and State officials to see broadband deployment as a basic utility and not as a luxury. A utility that must be incorporated into a broader strategic vision of the economic development plans in rural Maryland. The goal of this Task Force is to facilitate the removal of a potential disadvantage for rural communities that on its own may not guarantee increased economic prosperity, but without high-speed communication services a community can not thrive.

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The Task Force looks forward to your comments and questions.

Sincerely,



Senator E.J. Pipkin, District 36
Chairman, Task Force for the Deployment of Broadband in Rural Maryland

cc:

Honorable Thomas V. Mike Miller, Jr., President of the Senate;
Honorable Mike Busch, Speaker of the House;
Honorable Ulysses Currie, Chair, Senate Budget and Taxation Committee; (and all Committee members)
Honorable Dereck Davis, Chair, House Economic Matters Committee; (and all Committee members)
Honorable George Edwards, Chair, Western Maryland Delegation;
Honorable John F. Wood, Jr., Chair, Southern Maryland Delegation;
Honorable Addie Eckhardt, Acting Chair, Eastern Shore Delegation; and
Honorable Barry Glassman, Chair, Harford County Delegation