



LEGISLATIVE POSITION:

Unfavorable

House Bill 1064

Commercial Law – Maryland Net Neutrality Act of 2021

House Economic Matters Committee

Wednesday, February 24, 2021

Dear Chairman Davis and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

HB 1064 would prohibit a mass-market retail service that provides the capability to transmit and receive data from using, disclosing, selling, or providing access to customers personal information without their consent. Additionally, this bill prohibits Internet Service Providers (ISPs) from being eligible for state grants or contracts to procure services unless they consent to not block certain content applications, services, and impair or degrade certain internet traffic. This bill aims to restore regulations rolled back by the Federal Communications Commission (FCC), at the State level.

The membership of the Maryland Chamber of Commerce is concerned that regulating the internet on a state-by-state basis would create a patchwork of laws and regulations, harming a businesses' ability to operate across state lines and creating uncertainty in the business climate. This discourages investment in our state's cyber infrastructure and harms consumers and businesses that rely on the internet and telecommunications.

Additionally, there is concern that this bill would add additional regulations and oversight to telecommunications companies in potential violation of the Telecommunications Act of 1996. This federal law specifically gives the FCC preemption authority over state laws when they create barriers to advancement or investment in the telecommunications sector. Standing in contradiction to federal law discourages expansion or relocation into our state's business climate.

This bill would place a larger burden on smaller Internet Service Providers as they lack the same ability as larger companies to adjust to the additional regulatory burdens and costs. As such, they are disproportionately excluded from state grants or contract opportunities. For these reasons, the Maryland Chamber of Commerce respectfully requests an **Unfavorable Report** on HB 1064.

