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## PUBLIC SERVICE COMMISSION

Chair Kriselda Valderrama  
Economic Matters Committee  
230 Taylor House Office Building  
Annapolis, MD 21401

### **RE: HB 1584 – Information – Delivery Network Companies and Delivery Network Services - Regulation and Transparency**

Dear Chair Valderrama and Committee Members:

The Public Service Commission (“the Commission”) appreciates the opportunity to provide this informational testimony for HB 1584. The Commission has regulatory authority over transportation companies operating for-hire within the State of Maryland. Under this authority, the Commission, in general, issues permits and licenses to companies and vehicles upon receiving documented evidence of adherence to certain criteria and requires the filing of certain reports on an annual basis by the regulated entities. This legislation would add a new class of regulated service to the Commission. Specifically, this bill applies to those companies that provide delivery of goods and services ordered through an online platform or application and delivered by an independent contractor on behalf of those companies.

HB 1584 would create an addition to the already existent subtitle 10 in the Maryland Public Utilities Article (“PUA”) by creating PUA §10A-101 through 109. This new section of PUA would outline the statutory and regulatory framework for the newly defined Delivery Network Services (“DNCs”) and the drivers providing those services. This legislation would require the Maryland Public Service Commission to adopt regulations that would ensure that DNCs and their operators are making reasonable efforts to make delivery network services accessible to all people and to provide a process that uses electronic means for submission of the applications. Additionally, although this legislation would require that the Commission permit the companies and the Delivery Network Operators (“DNO”), the legislation does not stipulate by what standards these permits are issued.

Section § 10A-105 of the legislation provides a process for acquiring company permits and operator licenses for DNCs that mirror the current licensing and permitting requirements for Transportation Network Companies and Transportation Network Operators. In addition to the already mandated regulatory requirements in this legislation, the Commission would likely have to promulgate additional regulations that would make clear the standards for company permits and driver’s license denials. Currently, Memorandums of Understanding (MOU) exist between the Commission and the State’s two larger TNCs that allow a driver to apply directly to the TNC, and to have the driver’s criminal history check and driving record, as well as any

insurance certifications and vehicle inspections, submitted to the TNC and verified prior to operating for-hire. Those records are then forwarded to the Commission electronically and reviewed for accuracy. It is expected that a similar arrangement will need to be made with the newly permitted delivery companies. If a MOU is not executed prior to October 1, 2026, it may be necessary for each driver to apply to the Commission directly, which may slow the application process. It is unknown how many new drivers would now fall under regulatory authority of the Commission, but it is likely in the tens of thousands. Further, the Commission would be required to investigate and potentially adjudicate complaints arising from driver licensure denials and regulatory violations.

Sections §10A-106, 107, and 108 add sections to the PUA that are related to an operator's pay, tips, and receipts provided to the operators, not the rates charged to the recipient of the delivered goods. Maintaining alignment with the statutory and regulatory framework established in PUA, Titles 9 and 10, raises concerns regarding the appropriateness of this language within the PUA. It may be more suitable for inclusion in the Labor and Employment Article. The Commission so far has not regulated wages paid by the companies under its jurisdiction.

The Commission would be required to hire substantial resources to establish the regulatory framework of this new class of regulated entities, process licensure applications for companies and drivers, undertake vehicle inspections and investigate and adjudicate complaints. The Public Service Commission is specially funded through assessments levied on regulated companies. However, HB1584 does not amend the definition of a public service company to include this new class of regulated companies and drivers. This would mean the Commission is prohibited from assessing exclusive regulatory fees on these companies. Public service companies would be subsidizing the additional expenditures of the Commission to implement the new regulatory duties over these companies.

The Public Service Commission appreciates the opportunity to provide this informational testimony for your consideration for bill HB 1584. Please contact the Commission's Director of Legislative Affairs, Niki Wiggins at [niki.wiggins3@maryland.gov](mailto:niki.wiggins3@maryland.gov), if you have any questions.

Sincerely,



Kumar P. Barve  
Chair, Maryland Public Service Commission