

February 10, 2026

The Honorable Kriselda Valderrama
Chair
Economic Matters Committee
Maryland House of Delegates
231 Taylor House Office Building
6 Bladen St.
Annapolis, MD 21401

Subject: HB 382 – Oppose

Chair Valderrama and Members of the Committee:

USTelecom – The Broadband Association (“USTelecom”)¹ and its members, America’s innovative broadband providers, are committed to delivering resilient and reliable broadband internet service to their hundreds of thousands of Maryland consumers. The broadband industry has invested more than \$2.2 trillion² in network infrastructure throughout the country since 1996—with approximately \$89.6 billion invested in 2024 alone—and USTelecom members are among the country’s top investors.

We respectfully oppose HB 382, which would impose government-mandated rate regulation on broadband providers, distort Maryland’s broadband market, and ultimately undermine private-sector investment in digital infrastructure. HB 382 sets unrealistic speed mandates, establishes eligibility criteria so broad that it would encompass most of the state’s population, and threatens to upend Maryland’s broadband ecosystem by forcing providers into unsustainable business models.

Broadband providers operate in an intensely competitive marketplace, where pricing remains consistent across states and is shaped by market dynamics rather than arbitrary government mandates. Regulatory intervention in pricing fails to account for the substantial and ongoing costs of maintaining a 24/7 network capable of delivering world-class connectivity to Maryland residents and businesses. Infrastructure deployment, network maintenance, and technology upgrades require sustained investment—investment that is jeopardized when artificial price controls undermine the financial sustainability of broadband networks.

HB 382 is De Facto Rate Regulation That Will Harm Investment & Innovation

HB 382’s attempt to mandate an “affordable broadband plan” is a government-mandated price control in disguise. By requiring providers to offer service at state-defined rates, regardless of the cost of infrastructure, network maintenance, or market conditions, the bill:

¹ USTelecom is the premier trade association representing service providers and suppliers for the communications industry. USTelecom members provide a full array of services, including broadband, voice, data, and video over wireline and wireless networks. Its diverse membership ranges from international publicly traded corporations to local and regional companies and cooperatives, serving consumers and businesses in every corner of the country.

² USTelecom, 2024 Broadband Capex Report, October 21, 2025; available at: www.ustelecom.org/research/2024-broadband-capex-report

- **Disincentivizes private investment** – Broadband providers have invested billions in Maryland’s networks, yet price controls deter further deployment, especially in rural and high-cost areas.
- **Does Not Reflect Market Trends** – Because of robust competition in the marketplace, real prices for the most popular broadband plans—those delivering between 100 and 940 megabits per second—fell 8.7 percent in just one year. Even gigabit broadband prices declined 6.2 percent in real terms. Since 2015 broadband prices have fallen 43 percent while overall consumer prices have risen 35.8 percent.³
- **Ignores Existing Affordability Programs** - The federal Broadband Equity Access and Deployment Program, (BEAD) already requires recipients to offer one low-income broadband plan and the federal Lifeline program provides eligible customers a \$9.25 broadband discount. Additionally, ISPs offer their own voluntary low-income programs, such as Verizon Forward, Comcast’s Internet Essentials, Access from AT&T, Spectrum Internet Assist, Cox’s Connect Assist and Connect2Compete, Optimum Advantage, Astound Internet First, Breezeline Internet Assist, and Mediacom Xstream Connect.⁴

Building broadband networks (particularly fiber) is incredibly expensive, especially in rural and mountainous areas. Price caps like the one adopted in New York artificially lowers the potential return on investment, making it harder for providers to justify the massive, high-risk capital needed for these builds. The threat of government rate regulation also creates significant uncertainty, discouraging new competitors from entering the state and chilling private investment.

This mandate would jeopardize Maryland’s BEAD funding. In November 2025, NTIA Administrator Arielle Roth publicly affirmed that the agency would withhold BEAD funds from states that attempt to impose price regulations on BEAD providers.⁵ Indeed last year a similar California low-income discount bill was pulled by its sponsor over fears that it would jeopardize the state’s BEAD allocation. Virginia also decided not to pursue this type of legislation over concerns with BEAD funding. Furthermore, the BEAD program is designed to do exactly what Maryland is seeking to achieve – provide all Marylanders with access to reliable and affordable broadband, however, risking that much needed funding by placing new mandates on broadband providers is contrary to that effort.

HB 382 is an Unprecedented Overreach That Will Undermine Maryland’s Broadband Market

While ensuring broadband affordability is an important policy goal, HB 382 takes an extreme and counterproductive approach that will deter private investment, destabilize pricing, and set dangerous regulatory precedents. Instead of heavy-handed price controls policymakers should work with broadband providers on sustainable, targeted affordability initiatives.

If Maryland is to remain at the forefront of innovation and economic growth, policymakers must encourage broadband expansion, not inhibit it through restrictive rate-setting policies. We urge you to work with industry to modify your proposal as currently drafted by focusing on solutions that foster

³ USTelecom, 2025 Broadband Pricing Index (November 19, 2025); available at <https://ustelecom.org/research/2025-bpi/>

⁴ CNET, Low Income Guide For All 50 States (July 19, 2025); available at <https://www.cnet.com/home/internet/low-income-internet-guide-for-all-50-states/>

⁵ See *Frequently Asked Questions and Answers Broadband Equity Access and Deployment Program*, NTIA (V16) https://broadbandusa.ntia.gov/sites/default/files/2025-11/BEAD_FAQs_V16.pdf

continued investment and ensure long-term connectivity for all Marylanders.

For these reasons, **we strongly oppose HB 382** and look forward to working with you on market-driven solutions to expand affordable broadband access across Maryland. We look forward to continuing to work with your office and committee staff on a feasible solution that achieve the goals stated in the legislation.

Respectfully,

/s/ B. Lynn Follansbee

B. Lynn Follansbee
Vice President, Strategic Initiatives & Partnerships