



## House Bill 1562

Date: March 13, 2026

Committee: Environment and Transportation

**Position: Unfavorable**

---

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

HB 1562 would impose unnecessary and overly punitive mandates that would subject telecommunications providers to significant costs and ultimately harm Maryland consumers and businesses.

Specifically, HB 1562 would require providers to automatically issue credits to customers during service outages and would classify any failure to do so as a violation of the Maryland Consumer Protection Act. Telecommunications networks are complex infrastructure systems that are vulnerable to a wide range of disruptions **outside the control of service providers**, including severe weather, utility power failures, construction damage to fiber lines, equipment vandalism, and other third-party actions. As a result, HB 1562 would effectively punish companies for circumstances they did not cause and cannot reasonably prevent.

Moreover, HB 1562 creates sweeping and ambiguous requirements without providing clear standards regarding what constitutes a “material” outage or how credits must be calculated and administered across millions of customer accounts. The operational burden associated with building new automated compliance systems, tracking outages at scale, and administering mandated credits would be substantial. These costs will not simply disappear—they will inevitably be reflected in higher prices for consumers and businesses across Maryland.

The Maryland Chamber is also concerned with HB 1562’s reliance on the state’s consumer protection enforcement framework. By categorizing compliance issues as violations of the Maryland Consumer Protection Act, HB 1562 exposes providers to the threat of litigation, regulatory penalties, and reputational harm for events that are often beyond their control. This heavy-handed enforcement structure creates legal risk rather than encouraging constructive investment in network reliability.

HB 1562 will impede Maryland’s current work to expand broadband access and close the digital divide. Telecommunications providers invest billions of dollars each year to maintain and expand

networks, but HB 1562's imposition of unpredictable financial penalties and litigation exposure will only discourage investment, particularly in rural and hard-to-serve areas where deployment costs are already high. **For these reasons, the Maryland Chamber respectfully requests an unfavorable report on HB 1562.**