



Wes Moore | Governor
Aruna Miller | Lt. Governor
Katie Savage | Secretary

TO: House Environment and Transportation Committee
FROM: Department of Information Technology
RE: House Bill 1037 - Public Service Commission - Broadband and Voice Over Internet Protocol Service - Oversight (Broadband Accountability and Affordability Act)
POSITION: Letter of Concern

The Honorable Marc Korman, Chair
House Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

Dear Chairman Korman,

The Department of Information Technology (DoIT) respectfully submits this letter of concern regarding House Bill 1037.

DoIT supports the goal of improving oversight of the quality, reliability, and resilience of broadband and Voice over Internet Protocol (VoIP) services. However, as drafted, the bill raises several significant concerns that may limit its effectiveness and create unintended consequences.

Our primary concerns are detailed below:

Legislative Mandate and Scope

- **Mandate vs. Authority:** The bill states the Public Service Commission (PSC) “may” exercise oversight related to quality, reliability, and resilience. If the intent is to place requirements on the PSC, the language should be changed from “may” to “shall” in order to mandate the Commission exercise full oversight.
- **Regulatory Authority:** The legislation removes Sections 8-601 and 8-602, which contain relevant regulatory language that could be modified to support the legislative intent.
- **Comprehensive Regulation:** The legislation should require the PSC to assess or oversee regulatory fees, certification requirements, and the filing or approval of tariffs, which are standard for other regulated services the Commission oversees.

Definitions and Clarity

- **Broadband Service:** DoIT objects to the legislation's proposed definition of "Broadband Service." We contend that the State should adopt the current federal definition.
- **VoIP Service:** The bill's definition of "VoIP Service" is overly broad and inconsistent with prevailing federal and industry definitions. We recommend adopting the current CFR definition of "Interconnected VoIP," which is the distinct service the legislation appears to address.
- **Telephone Service Distinction:** To prevent confusion, DoIT believes the Maryland General Assembly should clarify that VoIP is not traditional telephone service. To do this, DoIT is providing an Amendment to the bill sponsor. The Amendment seeks to amend Public Utilities Articles (PU) to explicitly exclude broadband internet service providers and VoIP providers from the definition of "Telephone Company" via (PU 1-101 (nn)(2)), and exclude lines for VoIP or broadband services from the definition of "telephone lines" via (PU § 1-101(oo)).

Fiscal and Infrastructure Impact

DoIT manages the State's IT and communications infrastructure, including agreements that allow private providers to access State rights-of-way and other assets.

Through these agreements, the State currently receives:

- Approximately \$5 million in annual revenue
- Approximately \$50 million in in-kind infrastructure benefits

To protect the State's oversight of IT and communications infrastructure, the DoIT amendment will ensure that any new authority granted to the PSC over broadband and interconnected VoIP will not impact the State. Without the DoIT Amendment, the State could be impacted by:

- Loss of revenue
- Reduced in-kind infrastructure support
- Diminished ability to manage critical communications assets

Without a comprehensive regulatory framework, the bill may unintentionally weaken the State's ability to oversee and protect its infrastructure. DoIT has drafted an Amendment and stands ready to work with the Committee to clarify scope and definitions to ensure the legislation achieves its intended goals without adverse impacts.



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For these reasons, we respectfully request an unfavorable report on House Bill 1037 as drafted.

Thank you for your consideration.

Best,

Katie Savage
Secretary
Department of Information Technology