



House Environment and Transportation Committee  
March 13, 2026

House Bill 1562 – *Consumer Protection – Telecommunications Service Outage – Automatic Credit (Automatic Telecommunications Service Outage Credit Act)*

**POSITION: OPPOSE**

The Maryland Tech Council (MTC), with over 800 members, is the State’s largest association of technology companies. Our vision is to propel Maryland to be the country’s number one innovation economy for life sciences and technology. MTC brings the State’s life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **opposition** for House Bill 1562.

This bill would require telecommunications companies to automatically issue bill credits to customers during a major service outage. While we share the goal of ensuring reliable communications services for Maryland residents and businesses, House Bill 1562 raises significant legal, operational, and policy concerns that warrant careful reconsideration.

House Bill 1562 risks conflict with federal law governing telecommunications services. Communications networks and service quality are extensively regulated at the federal level by the Federal Communications Commission (FCC) under the Communications Act. Courts have consistently recognized the federal government’s dominant role in regulating interstate communications networks. By imposing state-specific requirements tied to service outages and network performance, House Bill 1562 may intrude into an area subject to federal jurisdiction and create a patchwork of state-level obligations inconsistent with national regulatory frameworks.

The bill may also undermine continued investment in broadband and telecommunications infrastructure in Maryland. Network outages can occur for many reasons outside a provider’s control, including severe weather events, power disruptions, fiber cuts, or third-party infrastructure failures. Imposing mandatory automatic financial penalties for outages, regardless of cause, creates new financial risks that could discourage investment in network expansion and resilience improvements. Providers continually invest significant resources in redundancy, backup power systems, cybersecurity protections, and rapid restoration capabilities. Policies that treat outages as automatic financial liabilities may divert capital away from these long-term resilience investments and toward risk mitigation and compliance costs.

House Bill 1562 would also expose companies to disproportionate legal risk. The bill ties compliance failures to the Maryland Consumer Protection Act, meaning routine operational events could potentially trigger enforcement actions, penalties, or litigation. Because the bill does not clearly define key terms, such as “material service outage” or the precise methodology for calculating credits, companies may face substantial liability even when acting in good faith. This framework risks converting complex technical network management challenges into consumer protection disputes, creating uncertainty for providers operating critical infrastructure.

Finally, the bill introduces significant uncertainty regarding compliance. Telecommunications networks serve large geographic areas and multiple layers of infrastructure, and outages may affect different customers in different ways and for different durations. Automatically determining which customers qualify for credits, calculating credit amounts, and ensuring accurate billing adjustments across large customer bases would require new systems, processes, and auditing mechanisms. Without clear technical standards or uniform outage reporting frameworks aligned with existing federal requirements, companies may struggle to implement compliant systems while avoiding inadvertent violations.

For these reasons, we respectfully request an **unfavorable** report for House Bill 1562.

**For more information call:**

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