

February 23, 2026

The Honorable Marc Korman
Chair
House Environment and Transportation Committee
Maryland House of Delegates
250 Taylor House Office Building
Annapolis, Maryland 21401
RE: Opposing HB 1037

Dear Chair Korman and Members of the Committee:

On behalf of USTelecom – The Broadband Association (“USTelecom”) and its members—America’s innovative broadband providers—many of whom are actively investing in resilient and reliable internet service throughout Maryland—we respectfully urge you to oppose HB 1037. The broadband industry has invested more than \$2.2 trillion¹ 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. HB 1037 disregards this impressive track record and creates duplicative and unnecessary regulatory burdens on the broadband providers that are making critical investments in modern broadband infrastructure across Maryland.

HB 1037 introduces a new layer of state regulation by granting the Maryland Public Service Commission (PSC) authority to exercise “oversight” of broadband and VoIP and directs the Commission to adopt wide-ranging rules and compliance mandates, including reliability standards, outage reporting, restoration plans, backup power requirements, audits, and remedial actions. Creating these new regulations on broadband, which operates within a competitive marketplace, undermines the free-market principles that attract private investment. In a competitive environment, providers are driven to invest, innovate, and expand to meet consumer demand. Imposing the burdensome regulations outlined in HB 1037 would have serious consequences: it would create uncertainty for providers, open the door to regulatory overreach, and chill private investment—the very investment Maryland is relying on to close the digital divide.

At a time when Maryland is poised to benefit from more than \$79 million in federal broadband funding, this bill threatens to disrupt that progress. In November 2025, NTIA Administrator Arielle Roth publicly affirmed that the agency would withhold BEAD funds from states that attempt to impose regulations on broadband providers.² Indeed last year a California low-income discount bill was pulled by its sponsor

¹ USTelecom, 2024 Broadband Capex Report, October 21, 2025; available at: www.ustelecom.org/research/2024-broadband-capex-report

² 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

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.

From a legal standpoint, the bill also introduces significant risk. Federal law governs broadband as an interstate information service, and courts have consistently found that states may not impose conflicting regulatory regimes that interfere with national broadband policy. The Dormant Commerce Clause also bars state burdens on interstate commerce that are excessive relative to local benefits. HB 1037 would provide no local benefit as Congress and the FCC already have enacted comprehensive regulation of voice service providers. If enacted, this bill would violate the Dormant Commerce Clause as these requirements would inflict high compliance costs to providers while offering little consumer protection benefits to Marylanders.

For these reasons, USTelecom respectfully urges you to oppose HB 1037 and instead pursue policies that foster broadband growth, encourage private investment, and deliver results to Maryland communities.

Sincerely,

/s/ B. Lynn Follansbee

B. Lynn Follansbee
Vice President
USTelecom – The Broadband Association