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February 24, 2026

The Honorable Pamela Beidle  
Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

Re: Opposition to SB 571 – Commercial Law – Broadband Access – Low-Income  
Consumer Programs

Dear Chairwoman Beidle and Members of the Committee:

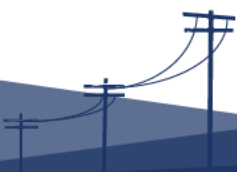
I am writing on behalf of Choptank Electric Cooperative and our wholly owned subsidiary, Choptank Fiber LLC, to oppose SB 571. If implemented, this bill has the potential to lower subscription revenues below the level needed to maintain and operate our community-owned broadband business.

As drafted, SB 571 includes an overwhelming list of eligibility criteria that would place most of Choptank Fiber's customers in the "low-income consumer" category. Specifically, eligibility for households with income below 350% of federal poverty guidelines (\$115,500 for a family of 4) includes most of the Eastern Shore, where median household income ranges between \$64,943 and \$113,347. The bill also requires broadband companies to collect and analyze personal financial data about customers, which is something we are not set up to do and believe our customers will resist.

As many of you recall, Choptank Electric Cooperative worked with this Committee in 2020, on legislation to make it possible for us to construct broadband infrastructure to serve families across the Eastern Shore who had been left behind by other providers. At the time, at least 40% of Choptank Electric Cooperative's member-owners had no access to reliable, high-speed internet service. With the help of this Committee and an overwhelming majority in the Maryland General Assembly, Choptank was allowed to form a broadband business and construct infrastructure to offer internet access where other companies could not or would not go.

With the cooperative model guiding our business development, Choptank Fiber was formed as a subsidiary of Choptank Electric Cooperative with a break-even financial plan to allow the maximum investment in infrastructure development and broadband service offerings.

We partnered with local governments and the Office of Statewide Broadband to leverage grant funding to be as efficient as possible. And we borrowed money with the expectation of a long payback period to make recovering the investment affordable for our subscribers.



We are proud to report that over the last 5 years Choptank has made broadband internet service available to over 14,000 previously unserved families. We currently have 5,600 subscribed customers and are working to increase our take-rate in our service territory. One of the primary cooperative principals is “Concern for Community.” To this end, Choptank Fiber offers a **Low-Income Access Program** to customers who qualify for energy assistance in Maryland. Those customers receive a \$30 per month discount on their broadband subscription, bringing our 100Mbps symmetrical service down to \$54.95. We have no data caps and no equipment rental fees. We also provide managed Wi-Fi and internet safeguards through our Command IQ app, which is also offered free of additional charge to our customers.

Our subscription rates and our business model were designed to support the construction, maintenance and debt service of our fiber business over the long term. To maintain a high quality of service, we must be able to upgrade the technical components at regular intervals.

In a recent customer satisfaction survey of Choptank Fiber subscribers, our Net Promoter Score (NPS) was +80. The goal of an NPS survey is to be on the positive side of a range between -100 and +100. Our customers praised the quick response of our local teams when addressing questions or outages, particularly those specific to rural communities where large farm equipment and hunting seasons can impact service. Choptank Fiber was voted Best of the Best in the Community Choice Awards for the Chesapeake region in 2024.

Unfortunately, as drafted, HB 382 has the potential to upend all the work put into creating our no-home-left-behind broadband company. We do not want to turn away families in need of broadband or otherwise limit service availability to only 9,999 customers to stay under the exemption level in the bill. We have suggested the following amendment:

On page 2 of SB 571, after line 20 insert:

THIS SUBTITLE DOES NOT APPLY TO A COMMUNITY OWNED INTERNET SERVICE PROVIDER ESTABLISHED BY A NOT-FOR-PROFIT COOPERATIVE OR MUNICIPALITY IN MARYLAND.

Without this amendment, Choptank Electric Cooperative recommends an UNFAVORABLE REPORT on SB 571.

Sincerely,



VALERIE T. CONNELLY  
Vice President of Government Affairs & PR