

February 24, 2026

The Honorable Pam Beidle  
Chair  
Senate Finance Committee  
Maryland Senate  
3 East Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

*RE: SB 605 (M. Washington) - Public Service Commission - Broadband and Voice Over Internet Protocol Service - Oversight (Broadband Accountability and Affordability Act) - Unfavorable*

Dear Chair Beidle and Members of the Committee,

On behalf of TechNet, I'm writing to share comments on SB 605.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes 103 dynamic American businesses ranging from startups to the most iconic companies on the planet and represents five million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

SB 605 represents an unprecedented expansion of state utility commission oversight over broadband and VoIP services. This legislation would make Maryland an outlier by imposing traditional utility-style regulations on internet services that have thrived under a light-touch regulatory framework.

### **Interstate Nature of Broadband Services**

The Federal Communications Commission (FCC) has exclusive regulatory authority over interstate broadband services under the Communications Act of 1934, as amended. The FCC maintains jurisdiction over "broadband access, fair competition, radio frequency use, media responsibility, public safety, and homeland security". Section 706 of the Telecommunications Act of 1996 grants the FCC broad authority to "encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans". State regulation of broadband service quality, reliability, and network infrastructure directly conflicts with federal authority. Furthermore, satellite services, as included in the bill as a "broadband service," are subject to exclusive federal jurisdiction. The FCC has consistently

applied a light-touch regulatory framework to broadband services to promote deployment and innovation—Maryland's utility commission oversight model contradicts this federal policy.

Broadband service is inherently interstate and cannot be bifurcated for state regulation. Internet traffic routinely crosses state lines. A single broadband connection transmits data to and from "all or substantially all Internet endpoints" nationwide and globally. Maryland cannot regulate the "quality, reliability, and resilience" of inherently interstate services without impermissibly burdening interstate commerce.

### **Regulatory-Induced Digital Divide**

Maryland's geographic position creates a unique vulnerability to regulatory overreach, like that proposed in SB 605. The state is surrounded by Virginia, Pennsylvania, Delaware, and West Virginia—jurisdictions that do not impose utility-style regulation on broadband providers. Broadband providers may be forced to deprioritize Maryland due to regulatory burden. The communities that need broadband most will be harmed by SB 605. Rural Marylanders will lack access to services available to residents of Virginia, Pennsylvania, Delaware, and West Virginia. This regulatory-induced digital divide will harm economic development, educational opportunities, and quality of life in rural Maryland.

### **Backup Power Requirements (Section 5-107(C)(4))**

Section 5-107(C)(4) of SB 605 authorizes the Maryland Public Service Commission to establish "minimum requirements for backup power generation" for broadband providers. This seemingly technical requirement creates multiple layers of legal, technical, operational, and policy problems. In 2019, the FCC explicitly eliminated mandatory backup power requirements for telecommunications providers after extensive analysis. The FCC found that mandates are costly, ineffective, and inferior to market-based solutions. Furthermore, the backup power requirements are technically impossible for low Earth orbit (LEO) architecture. LEO systems rely on individual customer-owned terminals distributed across homes and businesses—providers cannot mandate or control backup power at customer premises. SB 605 assumes a terrestrial network model where providers own and control infrastructure—this assumption is fundamentally incompatible with satellite broadband architecture.

### **Evaluation and Audit Power (Section 5-107(E))**

Regarding audit authority, SB 605 grants the Public Service Commission (PSC) authority to "conduct an evaluation or audit of an Internet service provider's facilities and infrastructure". Maryland cannot audit or mandate changes to satellites in orbit—these are federal assets regulated exclusively by the FCC. Moreover, the PSC lacks technical expertise to evaluate whether LEO network performance is "unjust, unreasonable, unsafe, improper, or inadequate" under satellite-specific operational constraints.

SB 605 also creates regulatory uncertainty and risk. The PSC may require "remedial actions" if services are found "unjust, unreasonable, unsafe, improper, or

inadequate"— all subjective terms. Every customer complaint could trigger PSC investigation, audit, and mandated network changes. Legal defense costs and potential remedial action expenses create open-ended financial exposure that prudent businesses will avoid.

SB 605 will put Maryland at a competitive disadvantage, compared to neighboring states who do not impose utility commission oversight on broadband services. For the reasons mentioned above, TechNet is opposed to SB 605. Thank you for your consideration of our concerns and please don't hesitate to reach out with any questions.

Sincerely,

*Margaret Durkin*

Margaret Durkin  
TechNet Executive Director, Pennsylvania & the Mid-Atlantic