



# POSITION STATEMENT

## TESTIMONY PRESENTED TO THE HOUSE ECONOMIC MATTERS COMMITTEE

### HOUSE BILL 1655 -- COMMERCIAL LAW - PRIVACY AND NET NEUTRALITY PROTECTIONS

March 7, 2018

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

#### **Position: Oppose**

The Greater Baltimore Committee (GBC) opposes House Bill 1655, which among other provisions, requires that State funds only may be used to procure services from an Internet Service Provider that does not: (1) block lawful content, applications, services, or nonharmful devices, subject to reasonable network management; (2) impair or degrade lawful internet traffic on the basis of internet content, application, or service, or use of a nonharmful device; and (3) engage in commercial traffic preferencing, including traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management, either in exchange for consideration from a third party, or to benefit an affiliated entity.

If Maryland moves forward with regulating the Internet, the GBC would be concerned about reduced investments, curbed employment growth, impaired innovation-related economic development and a weakened climate for competitiveness. The GBC supports and encourages innovative companies to continue substantial investments in Maryland's technology infrastructure, including the building out of broadband networks and deployment of state-of-the-art telecommunications services.

The GBC also maintains that regulation of the Internet should be the exclusive domain of the federal government, including the implementation of legal or regulatory changes regarding net neutrality. House Bill 1655 encroaches on the purview of the federal government and is at odds with existing federal law. As recently as February 26, 2018, the 9th Circuit Court ruled in favor of the Federal Trade Commission (FTC), showing that the FTC has full regulatory authority over privacy and open Internet issues related to Internet Service Providers.

This bill is also inconsistent with one of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth. The pillar provides:

**Government leadership that unites with business as a partner.** Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.

**For these reasons, the Greater Baltimore Committee urges an unfavorable report on House Bill 1655.**

*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 63-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*

**GREATER BALTIMORE COMMITTEE**

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