

House Bill 1339

Cybersecurity – Critical Infrastructure and Public Service Companies (Critical Infrastructure Security Act of 2022)

LEGISLATIVE POSITION: Request Further Study

Dear Chairman Wilson and Members of the House Economic Matters Committee:

On behalf of Artesian Water Maryland and our customers in Cecil County, I am writing to express our concerns with regard to **HB 1339**.

The importance of protecting our critical infrastructure from cyber risks is without question and something that Artesian is diligently focused upon in our daily operations. However, we believe that certain provisions of HB 1339 require clarification and further definition, and that the implementation of some provisions may involve practical hurdles that require further consideration before action on the bill proceeds.

In proposed section 5-305(C)(3), Public Service Companies would be required to include specific requirements in contracts with third-party information technology or operational technology providers. As a practical matter, that might not be possible in the case of existing contracts. We respectfully request that such a requirement should only apply to new contracts entered after enactment. Even with that change, there remains the possibility that no provider would agree to the provisions required by the proposed sub-sections (i) and (ii), leaving the Public Service Company in a potentially untenable position of not being able to obtain a required service in compliance with the statute, or the cost of such service increasing significantly.

Another concern with section 5-305(C)(3) is that it could be interpreted to apply to any informational or operational technology vendor contract, whether or not the service provided has any cybersecurity risk. We believe it would be beneficial to more clearly define the types of services and data that are of concern and which should be subjected to the proposed requirements.

Section 5-305(C)(3) also requires the collection and preservation of data for cybersecurity analysis, but does not define the type of data nor the length of time for its preservation. Also, in Section 5-305(C)(3)(ii), it should be clarified that a vendor under contract with the Public Service Company is required to share data only in the event of a breach.

Section 5-305(C)(5) requires encryption of all data, not just personally identifiable information. As data is not defined, and as not all data is sensitive in nature, this provision could place an unnecessary additional burden on the utility.

As of the date of this written testimony no fiscal or program analysis has been published regarding the potential impact of this legislation. No action should even be considered without a fully vetted analysis.

For the reasons noted above, the potential impact of this legislation is concerning and therefore we respectfully **request further study**.

Thank you for your attention and consideration.

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