

streaming / innovation / alliance

February 21, 2024

Senator Ann Cummings, Chair
24 Colonial Drive
Montpelier, VT 05602

Dear Chair Cummings,

We write to express strong opposition to any Committee proposals that would impose costly and regressive streaming taxes on Vermont consumers.

SIA is the united voice of the streaming community, working to tell streaming's positive story to state and federal policymakers. We seek to drive forward a new era of creativity, opportunity, value, and choice in home and mobile entertainment by advocating for smart policies that will support innovative streaming services and the viewers who love and depend on them. Our members are AfroLandTV, America Nu Network, BET+, discovery+, For Us By Us Network, Max, MPA, MotorTrend+, Netflix, Paramount+, Peacock, PlutoTV, Telemundo, Televisa Univision, VAULT, Vix, and The Walt Disney Company.

For several reasons, we oppose any regressive new taxes or fees that single out streaming video services and the Vermont consumers who value and use them.

First, such new fees would drive up streaming costs for Vermont households. While [recent polling](#) shows that 7 out of 10 registered voters view streaming favorably, over half of those polled express concern over cost. And because streaming is [especially popular](#) with younger and lower-income consumers who cannot afford large traditional bundles, imposing franchise fees on streaming would be especially regressive and harmful to people and communities least able to afford them.

Second, imposing costly fees on streaming services but not other forms of digital entertainment would distort and destabilize intensely competitive and vibrant online markets. Doing so would stifle innovation and unfairly penalize some market participants while giving an implicit subsidy to others. Vermont should not pick winners and losers in the market in this way but should let consumer choices shape the future of streaming in the State.

Third, new fees could be especially harmful to the diverse streaming options that are making vital progress in elevating new voices and telling relevant stories to historically underserved communities. SIA members like AfroLandTV, Vix, For Us By Us network, VAULT and more are reaching diverse audiences and offering a wide range of independent and underrepresented views and programming. But costly new taxes and fees could cut consumers off from these vital sources of multicultural programming, by driving up prices, limiting programming, or forcing some services to shut down altogether. At a time when greater program diversity is a top priority, this would be a serious step backwards for Vermont audiences.

For all these reasons SIA respectfully requests that you reject any proposal to impose new taxes or fees on video streaming.

Sincerely,

Streaming Innovation Alliance