



Testimony on S.255 - An act relating to regulating consumer fees for communications equipment

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About VPIRG

- Vermont's largest environmental and consumer protection advocacy organization
- 50,000+ members and supporters statewide
- Members in every town in the state
- For 50 years, VPIRG has advocated for the public interest in policy debates concerning the environment, health care, consumer protection, and democracy

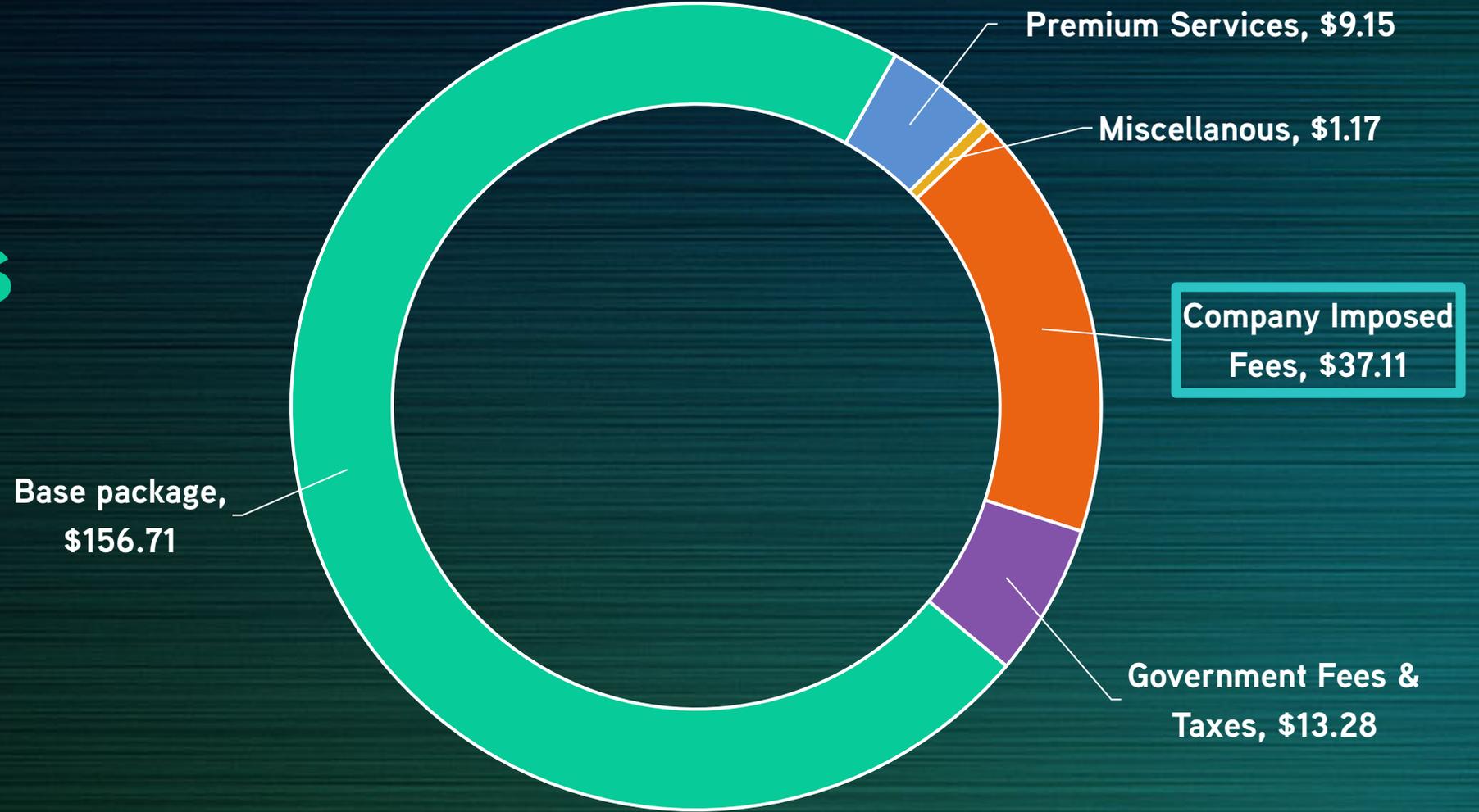


Support for S.255

- **Simple, straightforward consumer protection bill**
- **Telecom equipment rental fees are frustrating and costly for consumers**
- **Their application is fundamentally unfair**

Fees are a major cost driver for consumers

Cost of Cable Fees in an Average Monthly Cable Bill (2018)



Equipment rental fees in the U.S. are uniquely high

Location	Average monthly modem/router rental cost
Europe	\$2.13
Asia	\$1.88
U.S.	\$12.56

Equipment rental fees are uniquely unfair

Consider a hypothetical Vermonter who:

- Subscribed to a bundled internet/cable service through Comcast in 2015
- Received and is renting a combo modem/router through Comcast as part of the package
- Has continued the service until today

600%

MARKUP

COST TO CONSUMER

\$1092

RETAIL PRICE

\$150

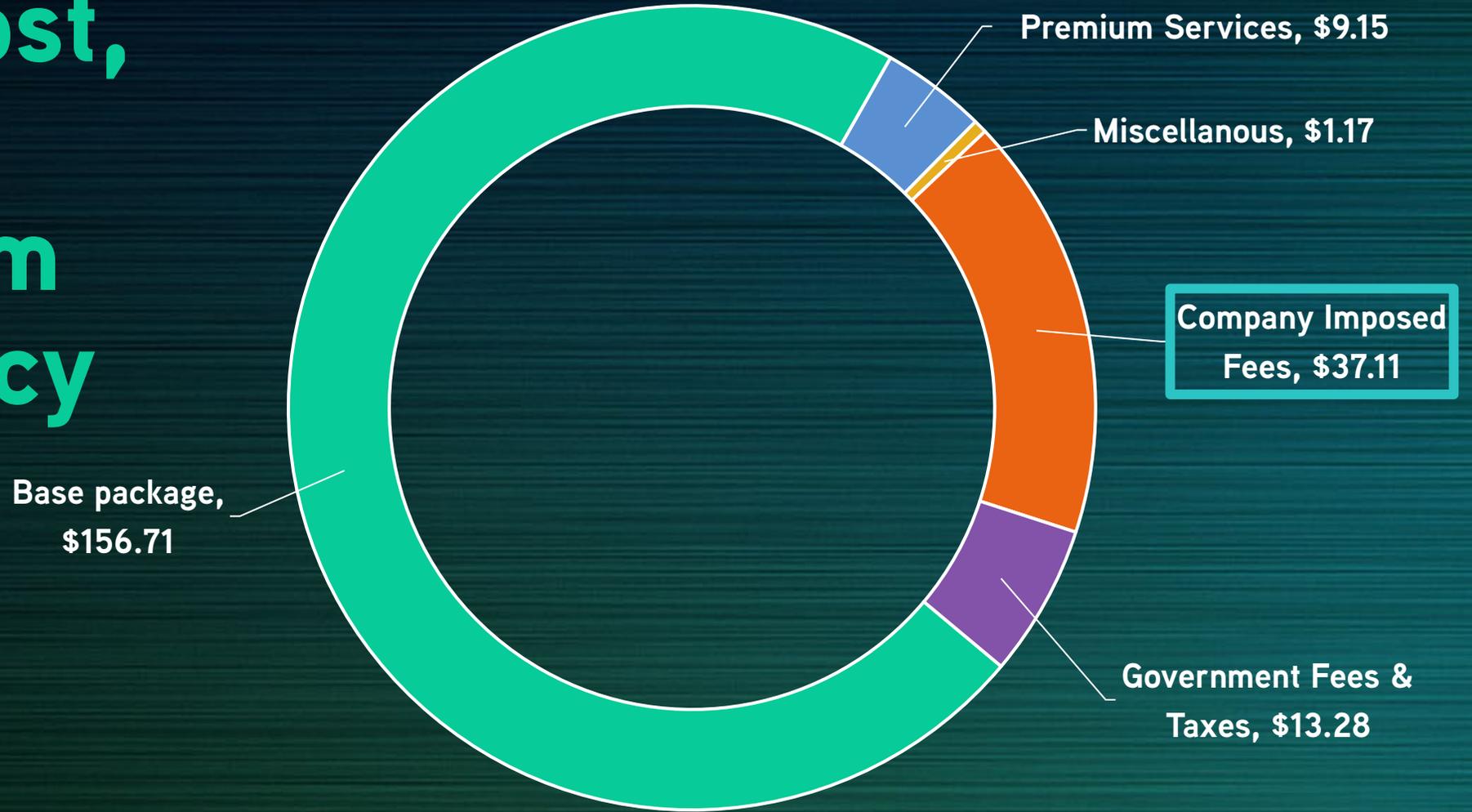


Barriers to consumers buying their own equipment

- **May not be available**
- **May not be able to afford upfront cost**
- **May be reluctant to forgo the support and guaranteed compatibility of using company-owned equipment**

If providers shift the cost, consumers benefit from transparency

Cost of Cable Fees in an Average Monthly Cable Bill (2018)



Source: Consumer Reports 'What the Fee' Report, 2018: <https://advocacy.consumerreports.org/wp-content/uploads/2019/10/CR-Cable-Bill-Report-2019.pdf>

Illinois H.B. 0841

(10) Cable or video providers shall cease charging customers for modems and routers, whether rented together or separately, when the customer has paid to the provider the wholesale cost of the modem or router, or modem and router if rented together, plus a reasonable mark-up not to exceed 5% of the modem, router, or modem and router wholesale cost to the provider. Cable and video providers shall provide notice regarding the discontinuance of rental charges to the customer in each billing statement. The notice shall include a disclosure of rights and responsibilities relating to the maintenance of modems and routers.



THANK YOU

PLEASE SUPPORT THIS BILL!