

January 30, 2026

Rep. Kathleen James, Chair
Committee on Energy and Digital Infrastructure
Vermont State House
115 State Street
Montpelier, VT 05633

Rep. R. Scott Campbell, Vice Chair
Committee on Energy and Digital Infrastructure
Vermont State House
115 State Street
Montpelier, VT 05633

Rep. Laura Sibia, Ranking Member
Committee on Energy and Digital Infrastructure
Vermont State House
115 State Street
Montpelier, VT 05633

Alex Michalka, Committee Assistant
Committee on Energy and Digital Infrastructure
Vermont State House
115 State Street
Montpelier, VT 05633

RE: Opposing 26-0726

Dear Chair James, Vice Chair Campbell, Ranking Member Sibia, and Committee Assistant Michalka:

USTelecom – The Broadband Association (“USTelecom”)¹ and its members, America’s innovative broadband providers, are committed to delivering resilient and reliable broadband internet service to their hundreds of thousands of Vermont consumers. The broadband industry has invested more than \$2.2 trillion² in network infrastructure throughout the country since 1996—with approximately \$89.6 billion invested in 2024 alone—and USTelecom members are among the country’s top investors. USTelecom opposes 26-0726, because it conflicts with federal law and interferes with our members’ work to expand access to next generation networks throughout the state.

Federal Law Preempts State Regulation

The proposed legislation seeks to regulate broadband and VoIP service which is in direct conflict with federal law given that federal law governs broadband as an interstate telecommunications service, and courts have consistently found that states may not impose conflicting regimes that interfere with national broadband policy. As the FCC has explained in preempting states from imposing “traditional ‘telephone company’ regulations” even as to intrastate VoIP services,³ there is no “plausible approach to separating [VoIP services] into interstate and intrastate components for purposes of enabling dual federal and state regulations to coexist without ‘negating’ federal policy and rules.”⁴ The Eighth Circuit

¹ USTelecom is the premier trade association representing service providers and suppliers for the communications industry. USTelecom members provide a full array of services, including broadband, voice, data, and video over wireline and wireless networks. Its diverse membership ranges from international publicly traded corporations to local and regional companies and cooperatives, serving consumers and businesses in every corner of the country.

² USTelecom, 2024 Broadband Capex Report, October 21, 2025; available at: www.ustelecom.org/research/2024-broadband-capex-report

³ Memorandum Opinion and Order, *Vonage Holdings Corp. Petition for Declaratory Ruling*, 19 FCC Rcd 22404, para. 1 (2007).

⁴ *Id.* para. 23; *see id.* paras. 32, 46 (explaining that this “practical in severability” exists for all VoIP services, including those offered by cable companies).

upheld the FCC's preemption of such intrastate VoIP regulation and, later, reaffirmed that preemption in the context of a cable VoIP service.⁵ Therefore, 26-0726 is not permissible.

The Bill Risks Delaying Network Modernization in Vermont

Highspeed broadband infrastructure is critical to expanding economic growth and opportunity, strengthening public safety, and supporting a more connected future. It is driving a more innovative work environment, opening new pathways to higher education through online learning, and supports greater access to critical telehealth services. Building more modern, resilient networks also keeps consumers connected and enhances coordination among first responders during natural disasters and other public safety events. The unnecessary and burdensome reporting requirements outlined in 26-0726 diverts resources away from our members' efforts to expand access to next generation networks and the benefits that come with it.

The Bill Inhibits Broadband Deployment

Establishing state level reporting regulations that differ from federal frameworks or other state requirements creates a patchwork of varying compliance costs that complicates planning for broadband deployment. Providers will not have clarity on how new administrative burdens and potential enforcement exposure could impact their projects. This regulatory framework would only discourage the capital investment needed to ensure all communities throughout Vermont have modern connectivity.

For the reasons, USTelecom urges you not to advance 26-0726.

Sincerely,

/s/ B. Lynn Follansbee

B. Lynn Follansbee
Vice President, Strategic Initiatives & Partnerships
USTelecom—The Broadband Association

⁵ See *Minnesota Pub. Utils. Comm'n*, 483 F.3d at 578-82; *Charter Advanced Servs. (MN), LLC v. Lange*, 903 F.3d 715, 720 (8th Cir. 2018).
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