



**Testimony of
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**In Opposition to
Vermont H 121**

**Before the
Vermont House Committee Energy and Digital Infrastructure**

February 14, 2025

Chair, Vice-Chair and members of the committee, on behalf of CTIA®, the trade association for the wireless communications industry, I am testifying in opposition to House Bill 121 related to broadband pricing.

Current Approach Benefits All Consumers

For the past 20 years, intense competition and record-setting wireless industry investment in next-generation networks have resulted in what is an affordability success story for consumers accessing wireless services, leading to substantial benefits for hundreds of millions of Americans nationwide, including low-income consumers. This includes:

- *Lower Prices:* Nationally, the real (inflation-adjusted) price of wireless service has declined by 18-19% since 2017, according to the Bureau of Labor Statistics. Conversely, from 2020 to 2023, the prices of consumers good and services such as cable, electricity and food all rose approximately 10%.
- *More Value:* Wireless speeds are up 117x since 2010. Over that same period, annual mobile data use increased 258 times, from 388B to a whopping 100.1T MB of data, while the price per MB of data decreased by 99%.
- *More Choice:* 5G wireless home broadband is the fastest growing broadband connection in the nation, delivering real competition to wireline home broadband services. Over the past three years, 5G wireless home broadband accounts for 99% of all broadband



net adds. Finally, nearly 20% of 5G wireless home broadband subscribers are new to broadband altogether.

This environment paves the way for continued progress that ultimately benefits consumers. Competition drives record network investment, with wireless providers investing \$30 billion in 2023 and \$190 billion since 2018 to build, upgrade and maintain wireless networks.

Vermont consumers can currently choose competitively priced mobile plans from AT&T, T-Mobile, UScellular, and Verizon, as well as several mobile resellers. Cable providers are also increasingly offering mobile service to compete with wireless providers. Related to home broadband, AT&T, T-Mobile and Verizon each offer fixed wireless in portions of the state. With this intense wireless broadband competition, providers need to offer competitive pricing to consumers, including low-income consumers.

Evidence Demonstrates Mandates Raise Prices and Lowers Competition

The evidence is clear that fierce competition from wireless drives down broadband prices and fosters investment and innovation. There is also widespread evidence that artificial price mandates and state-level rate regulation, while well-intended, ultimately increase prices and harm all consumers.

First, a recent analysis by Compass Lexecon found that price floor, rate-setting types of policies often hurt the consumers they are intending to help. Examples include gasoline price mandates in Hawaii resulting in higher costs for consumers; rent-control markets across the country seeing reduced investment and a lack of housing options; and price caps on interchange fees leading to higher costs and fewer low-income consumer benefits.

Second, a recent report conducted by the Advanced Analytical Consulting Group and Northeastern University found that the competitive nature of the wireless industry has served consumers much better than utilities like water and electricity service subject to rate-regulation. In Vermont, between 2012 and 2022, electricity rates increased 17% while wireless rates decreased 44%.

Third, state price mandates drive competitors from the market and deprive consumers of real choice in home broadband service. It is notable that a wireless provider recently pointed to New



York's state broadband "affordability" mandate as a reason for ending its 5G wireless home broadband service offering in that state.

H. 121 Creates Significant Compliance Confusion

Finally, it cannot be overstated the degree to which H. 121 creates significant confusion related to compliance and implementation should it become law. This creates a significant likelihood H. 121 conflicts with federal law prohibiting states from regulating rates charged for wireless services and puts the responsibility of deciding this legal question on state government.

CTIA's member companies throughout the wireless industry are proud of their ongoing work to expand connectivity to more communities and provide affordable connection options for Vermont consumers at a time when bridging the digital divide is paramount. Specific to wireless, policy approaches that embrace competition and innovation – and reject price mandates and rate-regulation required by House Bill 121 – are proven to work.

For these reasons, we strongly oppose House Bill 121.