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Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
“ARRA Broadband Spending”
Subcommittee on Communications and Technology
February 10, 2011

Thank you, Chairman Walden, for scheduling this important hearing. And congratulations on your new role as Chairman of the Subcommittee on Communications and Technology. I want to work with you and Ranking Member Eshoo and our members to accomplish important bipartisan objectives.

Despite some policy differences, we can accomplish a great deal together. I hope we get started by addressing spectrum availability and reform, universal service, and the construction of a nationwide interoperable broadband public safety network.

We also need to conduct appropriate oversight of ongoing programs and the agencies under our jurisdiction. I am pleased that our first Subcommittee meeting is an oversight hearing of two important Recovery Act programs: the Broadband Technology Opportunities Program (BTOP) and the Broadband Initiatives Program (BIP).

When Congress passed the landmark Recovery Act, we built oversight into the very structure of these programs. We knew it was imperative to provide the Departments of Commerce and Agriculture with the tools necessary to conduct vigorous oversight of approximately \$7 billion in broadband spending. The Commerce Department Inspector General was allocated \$16 million and the Agriculture Department Inspector General \$22.5 million to oversee and audit programs, grants, and activities funded by the Recovery Act.

We need to ensure that the IGs and agency program managers have enough resources for this significant task. With billions of dollars invested in hundreds of broadband projects throughout the nation, it would be irresponsible for Congress to skimp on oversight funding.

We had a vigorous debate about the merits of the Recovery Act and the broadband programs at the start of the last Congress, and it is clear that Republicans and Democrats did not agree.

But even if we continue to disagree on the merits, we should all be able to agree that the agencies and their independent inspectors general should have adequate resources to oversee these projects.

I am encouraged that we are going to hear today from the Inspector Generals at the Departments of Commerce and Agriculture as well as GAO. The Department of Commerce IG and GAO have been warning Congress for months that adequate funding must be assured for these activities. We should heed their advice. In our zeal for budget cutting, we must not trade a temporary savings in the area of oversight for significantly larger future losses due to waste, fraud, or abuse.

We will also hear from Eagle Communications, a company that has concerns about the BIP program and how RUS allegedly funded competitors in its service area to the detriment Eagle's business. We should listen carefully to these concerns, but it is unfortunate the Subcommittee did not invite the RUS Administrator to testify today so we could be further enlightened.

I am also pleased that we will hear from the CEO of the nonprofit Merit Network, a Michigan-based research and education network provider that is constructing more than 2,000 miles of "middle mile" shared infrastructure to address Michigan's backhaul needs. Dr. Welch, a former Army Colonel who served as the Dean for Information Technology at West Point and the Chief of Software Engineering for Delta Force, is also a constituent of Mr. Dingell's. His project has bipartisan support from the Michigan delegation, including Chairman Upton, who has previously noted: "This funding provides a tremendous boost to our region, helping a homegrown business expand and create jobs in an effort to deliver broadband to countless families, businesses, schools, libraries and health centers across the state."

Finally, we have before us a Republican legislative proposal to recapture "deobligated" Recovery Act funds. None of us should oppose the prompt return of unused Recovery Act funds to the U.S. Treasury, and I believe that is what current law requires. We should discuss how this new legislation differs from existing statutory requirements.

We also should be careful not to establish a process to defund projects without good cause, especially now that obligated money has been translated into real projects with real jobs in every state.

I would like to thank our witnesses for their participation today. I look forward to your testimony.

Thank you.