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Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
“Legislative Hearing on H.J. Res. 37”
Subcommittee on Communications and Technology
March 9, 2011

Thank you, Chairman Walden, for agreeing to our request for a legislative hearing on H.J. Res. 37, a resolution of disapproval under the Congressional Review Act (CRA).

Democrats on this subcommittee feel strongly that before we rush to consider this legislation, we would all benefit by hearing from companies, public interest groups, and economists.

My concern is that there is an enormous disconnect between the facts and the majority’s policy objectives. As we will learn today, technology innovators oppose the disapproval resolution; consumers oppose the resolution; and economists oppose the resolution.

Even broadband providers do not support the resolution. In a letter the Committee received on Monday, the cable industry said that it supports the FCC order because – and I quote:

(1) it largely codifies the status quo to which the industry has voluntarily committed; (2) it contains helpful clarifying language around ... what constitutes “reasonable network management”; (3) it provides greater certainty about our ability to manage and invest in our broadband services ...; and (4) the alternative of Title II regulation ... presented a stark and much worse risk.

We will hear similar testimony from AT&T today.

Yesterday, the Consumer Federation of America and Consumers Union released a poll showing overwhelming public support for an open Internet. By a two-to-one margin, consumers oppose congressional action to block the FCC rule.

But none of these facts seem to matter.

The reason we are debating the disapproval resolution is that Republicans claim that FCC regulation will stifle the Internet and hurt our economy. But the fastest growing, most innovative companies in America – companies like Google, Amazon, Netflix, and others – say exactly the opposite.

They urged the FCC to adopt open Internet rules because – and I quote – “baseline rules ... [are] critical to ensuring that the internet remains a key engine of economic growth, innovation, and global competitiveness.”

In fact, most of the Internet companies wanted stronger rules than those adopted by the FCC.

I wanted to get independent advice, so my staff contacted economists at Stanford, NYU, USC, and other leading academic institutions. They told us that the FCC got the rules right. The phone and cable companies have near monopolies as providers of Internet access, especially wireline Internet access. Without sensible regulation, they could choke off innovation by charging Internet companies for the right to communicate with consumers.

One of the costs of this misguided resolution is that it is distracting us from important telecommunications issues that we should be addressing. We should be working together to grow our economy by freeing up spectrum. We should be working together to make our nation safer by building a broadband network for public safety. We should be protecting taxpayers and consumers by enacting Universal Service reform.

But we are doing none of those things. Instead, we are wasting time arguing about a destructive resolution that would threaten openness and innovation on the Internet.

Thank you to our witnesses for being here. I look forward to your testimony.