

Statement of Representative Anna G. Eshoo (as prepared)
Subcommittee on Communications and Technology
House Committee on Energy and Commerce
Oversight of the Federal Communications Commission
2123 Rayburn House Office Building
November 17, 2015

More than a decade ago, Columbia Business School Professor Eli Noam examined the relationship between entrepreneurship and government in telecommunications. He concluded that entrepreneurial firms exist in the telecom sector not *despite* of government but rather *because* of it. Let's assess how.

Competition has been foundational in the Communications Act for more than 80 years. Actions such as the Carterfone decision, the breakup of AT&T and the 1996 Telecom Act demonstrated that when incumbents fail to innovate, the government has stepped in to protect consumers and promote competition. But what should competition policy look like in the second decade of the 21st century?

In the Internet age, it begins with open, interconnected networks that empower consumers and businesses to use the devices and services of their choosing. Robust, enforceable open Internet rules prevent broadband providers from blocking or throttling lawful online content or engaging in paid prioritization. It means reforming legacy video laws that hinder innovation and consumer choice, while protecting incumbent interests. And it means ensuring consumers can buy a set-top box from someone other than their pay-TV provider. The lack of competition in the set-top box space has left consumers paying on average a whopping \$231 per year on rental fees alone.

To promote competition, we also need commonsense policies that make it easier for new companies to enter the broadband market. A 'dig once' policy is one such example of how to reduce the barriers to broadband deployment, increase competition, and do so while saving taxpayer dollars. When new competition is unlikely to emerge, such as in the \$40 billion a year special access market, the FCC must act decisively to reform the market and stop anti-competitive practices.

Finally, competition should be embedded in the decisions we make on spectrum. A balanced spectrum policy that recognizes the importance of both licensed and unlicensed spectrum will enhance competition, drive down prices and unlock new innovation.

My special thanks to Chairman Wheeler and fellow Commissioners for being here today. With your commitment to a competitive telecommunications agenda, the second decade of the 21st century can be the decade when entrepreneurs finally prevailed.