



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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Pallone Statement at Hearing on Delivery Systems

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks at a Digital Commerce and Consumer Protection Subcommittee hearing on “Disrupter Series: Delivering to Consumer:”*

This hearing will explore the new and innovative ways consumers will receive goods in the future or in some cases, right now. Today, two-day delivery of a package is commonplace, and now, we are seeing on-demand delivery in under an hour. These deliveries are not just being carried out by people, but now also by robots, and in the future, drones.

As I have stated at past hearings regarding new technologies, privacy, data security, and cybersecurity must be baked into the devices and the software. We only need to look to the front page to see that cyberattacks, such as Russian hacking, have become an everyday occurrence. Creators and manufacturers of internet connected technology must take responsibility for mitigating this problem.

This Committee has had more than ten hearings as part of the Disrupter Series. These hearings have given members a taste of the latest technologies that are changing how our economy works. This exposure is important.

However, I am hoping at today’s hearing we can begin to discuss how these disruptions affect the American worker. While no one is advocating for slowing down innovation—and in fact, we are continually pushing for more innovation—we should not forget that these new disrupters can bring challenges.

As policymakers, we should acknowledge that some of the ways industries mechanize and automate can also cause job loss or wage loss. So, while the national economy benefits, individual workers may suffer.

Disruption is nothing new. While the agriculture sector has become vastly more productive, it now is a smaller percentage of the overall workforce. And as this Committee is well aware, the total number of manufacturing jobs have shrunk, in part due to automation.

The automation we are discussing today could, for example, have an impact on truck drivers and delivery services. Economists have studied long-haul truck driver jobs and believe those jobs are at risk as driving becomes more automated. Today, 1.7 million people are employed driving these routes. These are good wage jobs that will be displaced. This hearing is mostly focused on short-distance delivery services, which employs over one million workers. Some of these jobs are surely at risk too.

I do not want to be alarmist, and in fact I believe we as a society can meet the challenge. But we need to be thinking about the potential job impacts now and so we can prepare for the future. We need to revisit whether our education systems are preparing the next generation for the shifting workplace. We need to ensure that retraining programs are effective. And we need to invest more in research and development to ensure that the United States continues to lead the world in innovation. It is time we try to plan ahead instead of letting ourselves be caught off-guard when it's too late.

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