

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.

Hearing on “Lights, Camera. Subscriptions: State of the Video Marketplace”

September 21, 2023

Today we continue the work of the Committee and Congress to make high-speed internet service available and affordable to all Americans.

We took a major step in making this a reality last Congress with the Bipartisan Infrastructure Law. This law, which not one Republican on this Committee supported, is investing \$65 billion to bring high-speed, reliable, and affordable internet to every American household. That’s critical because 24 million households today lack internet service – and rural and tribal areas are among those further behind the digital divide.

Thanks to the Bipartisan Infrastructure Law, the National Telecommunications and Information Administration (NTIA) will begin to distribute more than \$42 billion next year to all 50 states, the District of Columbia, and the U.S. territories.

This money will go first to areas completely unserved— communities desperate for robust, affordable internet service the private market has passed over for years. Internet service is finally going to allow these communities to grow their economies for the future and compete with areas that have had broadband access for years. It will be important for states to use the funds wisely, investing in technology that is future-proof and not in technologies in need of replacement in just a few years.

Even once these transformational investments bring internet service to the most rural and remote areas of the country, the mission of connecting all Americans is far from finished. Cost remains one of the most prevalent reasons Americans don’t subscribe to broadband. They simply can’t afford it. This is particularly true in rural America, where a variety of factors often lead to higher prices and lower speeds.

This is troubling when we consider that studies show a strong correlation between broadband availability and adoption and positive economic outcomes. The availability of high-speed broadband networks opens the door to higher employment and creates a better environment for small businesses.

Broadband adoption—actually signing up for the service and being able to afford it each month—is linked to higher incomes and lower poverty rates, greater civic and community engagement, positive health outcomes, enhanced educational opportunities, and better worker

productivity. It is the bridge across the digital divide that connects communities and individuals to opportunity and prosperity. So, our work to close this divide is not necessarily finished just because a fiber line or wireless tower reaches another town.

The Bipartisan Infrastructure Law also addressed broadband affordability by creating the \$14.2 billion Affordable Connectivity Program. This program is the largest and most successful program to address broadband affordability that we have seen. Nearly 21 million households benefit from this program almost equally in both Republican and Democratic districts. And the Federal Communications Commission (FCC) has reported that rural households are signing up at a higher rate than urban households.

We should all keep this in mind as we inch closer to the looming digital cliff of the Affordable Connectivity Program running dry. The program has been so successful at signing people up that it will run out of money sooner than we originally thought it would. Current projections indicate the fund will be depleted early next year. If that estimate holds true, providers may have to start sending 90-day “shut off” notices to consumers as early as December—at the height of the holiday season—informing them that they will lose this benefit and their monthly internet bill will go up.

For many, this could put the cost out of reach, causing folks to cancel their service. We simply cannot allow this to happen. I hope Democrats and Republicans can come together to replenish the fund this year so that these 21 million Americans – in all of our congressional districts – can continue to afford their internet service.

For years, we have talked in this Committee about the opportunity costs for those on the wrong end of the digital divide. It will only be exacerbated with the rush to artificial intelligence and other emerging technologies, unless we ensure that all communities have equal access to robust, affordable internet service, with the digital skills necessary to take advantage of it.

So, I hope this is the beginning of a conversation about how the FCC’s Universal Service Fund can continue to bridge the connectivity gaps in this country for years to come. I look forward to the opportunity to discussing our nation’s continued needs and the role USF programs play in ensuring universal connectivity for all Americans.