

# Chairman Dingell, Subcommittee on Telecommunications and the Internet Hearing entitled, "Digital Future of the United States: Part VI: The Future of Telecommunications Competition"

Statement of Congressman John D. Dingell, Chairman  
Committee on Energy and Commerce

SUBCOMMITTEE ON  
TELECOMMUNICATIONS AND THE INTERNET  
HEARING ON "DIGITAL FUTURE OF THE UNITED STATES: PART VI: THE FUTURE OF TELECOMMUNICATIONS  
COMPETITION"  
October 2, 2007

Mr. Chairman, thank you for holding this hearing. I am pleased that we have this distinguished panel before us today, and I thank the witnesses for being here.

The focus of today's hearing is on the future of telecommunications competition. We will hear about four issues concerning broadband and the pace of broadband deployment. Underlying any decision must be the twin goals of promoting greater broadband deployment and greater choice for consumers.

The first issue I wish to highlight is that of regulatory forbearance. Section 10 of the Communications Act permits the Federal Communications Commission (FCC) to forbear from applying certain statutory requirements to telecommunications carriers. It is unusual for Congress to vest such power with a regulatory agency. For that reason, when Congress passed Section 10, we included several provisions to protect consumers and protect the ability of Congress to conduct oversight.

Unfortunately, to date, I believe that the forbearance process lacks the necessary level of transparency. In one instance the FCC permitted a petition to be "deemed granted" and did so without issuing a written order. I am not expressing an opinion on the merits of that petition. However, the lack of a written order renders unclear the scope of relief, prevents the Congress from conducting appropriate oversight, and may hinder the FCC's ability to defend such action in court. This cannot be permitted to happen again.

Second, entities petitioning for relief have been permitted to make substantive changes to their petitions at a very late date "so late that opposing parties have been denied a meaningful chance to respond. I believe that we must make sure that the forbearance process is fair, open, and transparent in the future.

Next on the list is special access. The FCC granted providers a measure of regulatory relief in 1999, and is now reviewing the marketplace to determine what, if any, changes are necessary to protect consumers and promote continued investment in infrastructure. Much has changed since 1999. The market structure changed when the largest local and long distance companies merged. And the incumbents are facing new competition from cable and wireless companies and others.

The FCC must have all the relevant data if it is going to make an informed decision. I am troubled by reports that those seeking re-regulation have thus far been less forthcoming than they might be with data about their facilities. I expect to

hear commitments from the witnesses today that they will make sure that the FCC is kept properly informed.

Similarly, it is not the business of the Government to simply affect the transfer of funds from one set of private actors to another. Therefore, I also hope to hear specific commitments concerning how consumers will benefit from any reductions in special access rates.

Finally, I want to mention municipal broadband.

Municipal broadband networks are becoming more important in ensuring that all Americans have access to advanced broadband services. Provided that all competitors are treated fairly, it makes little sense for the law to prohibit investment in advanced broadband networks by municipalities, particularly in those areas least likely to attract private sector investment. I wonder if the panel and the Members of this Committee can reach agreement around that simple principle.

Again, I am pleased that we are holding this hearing today, and I look forward to the testimony of the witnesses.

Prepared by the Committee on Energy and Commerce  
2125 Rayburn House Office Building, Washington, DC 20515