

**Statement of Representative Anna G. Eshoo**  
**Subcommittee on Communications and Technology**  
**House Committee on Energy and Commerce**  
*Common Carrier Regulation of the Internet: Investment Impacts*  
**2123 Rayburn House Office Building**  
**October 27, 2015**

We've heard the doomsday scenario brought on by the FCC's open Internet rules that stock prices of major broadband providers would fall; investment in new infrastructure would decline rapidly; and consumer's monthly bills would become saddled with new taxes. The sky is not falling and we have broadband providers' own data to prove it.

According to an analysis by Free Press of 18 publicly traded broadband providers, more than half increased their capital spending during the second quarter of 2015, compared to spending during the second quarter of 2014. Earlier this year, Sprint's Chief Technology Officer stated that he "does not believe that a light touch application of Title II, including appropriate forbearance, would harm the continued investment in, and deployment of, mobile broadband services." He was right. Sprint increased their investments by 88 percent between the second quarter of 2014 and 2015. During this same time period, Comcast increased their capital expenditures by 12 percent; Verizon Wireless by 13 percent; and T-Mobile by 27 percent. Smaller providers also saw major increases including Cincinnati Bell by 81 percent and Frontier by 31 percent.

Following Chairman Wheeler's announced plan in early February to pursue a 'light-touch' Title II approach, the stock prices of major cable companies surged. Some suggested this was an anomaly. Yet over the past 6 months, while the NASDAQ, S&P and Dow have been in the negative, many of the nation's largest communications providers, including Comcast, Time Warner Cable and T-Mobile have outperformed the market average.

Finally, the story of investment should include not just broadband providers but the broader Internet ecosystem of mobile apps, social media, streaming video services and so much more. According to a recent study by PricewaterhouseCoopers, venture capitalists invested \$5 billion in 290 Internet-specific companies during the second quarter of 2015. The study found that this investment represents an impressive 64 percent increase in dollars and a 25 percent rise in deals compared to the first quarter of 2015.

Eight months ago, the FCC took the historic step of enacting robust, enforceable net neutrality rules that ensure millions of American consumers and entrepreneurs can continue to rely on the Internet they know and love. These rules provide certainty for the entire Internet ecosystem and can do so without curtailing investment. I welcome our witnesses and thank each of you in advance for your important testimony.