Committee on Energy and Commerce

Opening Statement
of
Subcommittee on Communications and Technology Ranking Member Mike Doyle

State of the Media Market Place

September 27, 2018

Thank you, Mr. Chairman for holding this hearing, and thank you to the witnesses for your testimony today.

Before I start, Mr. Chairman, I'm concerned that more than a year and a half into this Congress we are just now talking about the state of the media marketplace, and we are doing so with a very broad brush stroke. I don't believe that this hearing or the panel before us will give our members sufficient opportunity to address the multitude of changes that have occurred since the last time we held such a hearing. I sincerely that this hearing is just the beginning of a much broader and deeper investigation into these changes.

That issue aside, I have many concerns about the state of the media marketplace

It seems that the only constant in the is change.

In the video market, this year we have seen both vertical and horizontal consolidation in the forms of the ATT-Time Warner and Disney-21st Fox mergers. We have also seen a continued trend of consumers cutting the cord on traditional pay TV options as they embrace over the top options such as Netflix, Amazon Prime, as well as virtual M-V-P-D options such as Sling TV, Play Station View, and others.

These new options often provide consumers with greater choice and lower prices. Virtual MVPDs offer the added benefit of finally letting consumers provide their own set top box, freeing consumers from hundreds of dollars a year in fees, and eliminating a particularly annoying pain point for video subscribers.

However, the advances in this market are threatened by the FCC's repeal of Net Neutrality rules.

ISPs slowed over the top services such as Netflix in the run up to the 2015 rules, and it was only due to the public outcry and the rules that were put in place under Chairman Wheeler that enabled Netflix and other streaming players to end the slow downs they were experiencing.

These rules provided the regulatory certainty for other players, such as Play Station View, to enter this market, knowing full well they would be competing directly with MVPDs over their own broadband connections.

Since Chairman Pai took over at the FCC, he has repealed the Commission's Net Neutrality rules and ended the investigation into anti-competitive zero-rating practices by ISPs. In the wake of these decisions multiple ISPs have taken to zero-rating their own video streaming products while forcing consumers to use data from their limited data plans.

As Mr. Moffet points out in his testimony, many of these new players operate at a loss. These new entrants are then forced to compete against ISPs that are giving their own services an unfair advantage. These practices by ISPs do not incentivize innovation or competition and are not in the public interest.

While I am encouraged by this nascent market, I believe that Congress should be examining how these markets have been affected by the regulatory vacuum created the FCC's actions in far more depth and with the affected stakeholders.

I'd like to shift to the market for over the air television, including a slew of harmful regulatory changes by the FCC. From reinstating the UHF discount to eliminating the main studio rule, these changes under cut our commitment to localism and only serve to circumvent Congressionally set broadcast ownership limits. I fear that despite Sinclair's failed merger, that these changes will continue to negatively affect the broadcast market for years to come.

Now, the Commission is contemplating making changes to broadcaster's obligations under the Children's Television Act.

These rules, otherwise known as Kid-Vid, require broadcasters to air children's programming weekly.

The Commission is claiming that these rules, that have led to the creation of thousands of hours of highly quality safe educational programing, can be tossed out the window, without harmful consequences.

I'm glad that we have Jeff Corwin here testifying regarding these proposed changes. It seems to me that the Commission's proposal could have a devastating effect on the creation of new children's television content and should be looked at with great skepticism.

I believe that much more examination of these issue is warranted by this Committee.

Thank you and I look forward to the testimony of our witnesses.