

ONE HUNDRED FOURTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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May 12, 2016

The Honorable Michael O'Rielly
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Commissioner O'Rielly:

Thank you for appearing before the Subcommittee on Communications and Technology on Tuesday, March 22, 2016, to testify at the hearing entitled "Oversight of the Federal Communications Commission."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Thursday, May 26, 2016. Your responses should be mailed to Greg Watson, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to Greg.Watson@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Greg Walden
Chairman
Subcommittee on Communications and Technology

cc: Anna G. Eshoo, Ranking Member, Subcommittee on Communications and Technology

Attachment

Attachment—Additional Questions for the Record

The Honorable Steve Scalise

1. As you are aware, prior to the FCC's Open Internet Order, ISPs were subject to the FTC's oversight with respect to their privacy practices. Do you believe that consumers' privacy rights were adequately protected during that time? If not, please provide specific examples where consumers' privacy rights were being violated without action by the FTC to remedy the situation.
2. Yes or no – do you think it makes sense to bifurcate oversight of the privacy practices of the Internet ecosystem between the FTC and the FCC? If no, which agency should have sole jurisdiction over this issue?
3. Do you think consumers expect different privacy rules to apply depending on the type of entity collecting their information online rather than the type of information being collected and the intended use of such information? If so, upon what do you base that conclusion?
4. The legislative history regarding Section 629 shows that Congress rejected the type of approach the FCC is contemplating in the set top box NPRM. The House version of Section 629 included broader language that would have promoted access not only to services “provided by” MVPDs “over” MVPD systems, but also to third-party video and data subscription services provided “by various distribution sources.” However, the Conference Report rejected that broader approach – saying that “[t]he scope of the regulations” covered by the final bill was “*narrowed* to include only *equipment* used to access services *provided by multichannel video programming distributors*.” Mr. Wheeler took plenty of time during the vote on the NPRM to read portions of Section 629 of the Act but he conveniently left out this important fact. Can you explain how the FCC approach can be squared with the plain language of Section 629 and the legislative history? Isn't this Rule ripe for even more litigation?

The Honorable Brett Guthrie

1. I am concerned that the new set-top box proposal is short-sighted and could potentially hamper long term growth and innovation in the content and video marketplace. I am also concerned that the agency is racing toward premature standardization in this rapidly growing and robust technological area. Do you share these concerns, and can you comment on whether, if we follow the path proposed by the Chairman, we may be foreclosing competing approaches and ultimately harming innovation?

The Honorable Mike Pompeo

1. On June 18, 2015, the commission adopted a new TCPA Order that many, who are governed by the law, believe will increase the potential for liability. For example, the reassigned phone number issue does not allow a company to rely on the owner's prior consent to avoid TCPA liability. Companies will now need to develop procedures to avoid strict liability for contacting reassigned numbers.
 - a. Can you explain the rationale behind this and why the commission believes that it is the responsibility for companies to use a private commercial database, one that is only accurate 80% of the time, to track reassigned numbers?
 - b. Do you believe that this additional regulatory burden should be shouldered by companies?
2. Prior to the June 18, 2015 TCPA Order the Commission's interpretation of autodialer, required that equipment be able to dial telephone numbers without human input. Following the Order, it appears that the decision as to what constitutes an autodialer will be made on a case-by-case basis. It would appear that the FCC is adding to the burdens of individuals and businesses by clouding the autodialer issue rather than clarifying. As you know, this is one of the many reasons why we have seen so many lawsuits on this very issue.
 - a. Can you inform the committee as to why the commission adopted this new interpretation and why the change was necessary?
 - b. Can you tell the committee whether the impact of the new TCPA Order on specific industries, such as healthcare, was contemplated before making the change what specific issues these industries may face under the new Order the commission considered?
3. As you are aware, there are a number of petitions before the commission regarding the July 18, 2015 TCPA Order. When can the committee expect the commission to resolve these petitions?
4. The 2015 TCPA Order rejected the use of prior business relationships as a test regarding prior express written consent? What was the rationale for this change and what work has the Commission done to measure the impact the change will have on American businesses?
5. Can you explain to the committee the timeline for developing the new regulations required as a result of Section 301(b) of the Bipartisan Budget Act of 2015?
6. The bipartisan letter sent to Chairman Wheeler on November 17, 2015, requested that the FCC work closely with the Consumer Financial Protection Bureau to develop a coordinated approach on the limited number of calls permitted under Section 301 of the

Bipartisan Budget Act of 2015. Has the commission done what the letter requested? If not, why the delay?

7. The FCC is currently receiving comments on a proposal to impose new privacy regulations on broadband Internet service providers that will not apply to so-called “edge” providers. The FTC currently oversees a successful program to ensure consumer privacy is protected online that, until the Open Internet Order, applied to both access and edge providers.
 - a. Given the disparity between what the FCC has proposed and the FTC’s existing regime to ensure online privacy, please provide analysis demonstrating that the Commission has considered whether its imposition of new rules will create confusion for Internet users.
 - b. What impact would application of the FCC’s proposed rules to edge providers have on the products and innovations that consumers currently enjoy? Please provide specific examples of popular services that would remain free from impact if the proposed rules were applied to them as well as services that would be impacted.
8. Moody’s Investors Services recently reported that the FCC’s proposed rules will disadvantage ISPs as they seek to compete with other digital advertisers. Do you acknowledge that the FCC’s rules will amount to the FCC picking winners and losers in the digital advertising marketplace? If not, how do you explain Moody’s reaction to the FCC’s proposal?
9. The Chairman's proposal regarding set top boxes raises many questions on who is ultimately liable for security issues. Under this proposal, any third party box manufacturer – including manufacturers from North Korea, Iran, Russia or China – can self-certify and then offer boxes to US consumers with links used to infect consumers in the United States with malware.
 - a. If those boxes contain malware or pose other security issues, who is ultimately liable to the consumer for losses?