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OVERSIGHT AND REAUTHORIZATION OF THE
FEDERAL COMMUNICATIONS COMMISSION

TUESDAY, JULY 25, 2017

House of Representatives,
Subcommittee on Communications
and Technology,
Committee on Energy and Commerce,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:03 a.m., in Room 2123, Rayburn House Office Building, Hon. Marsha Blackburn [chairman of the subcommittee] presiding.

Present: Representatives Blackburn, Lance, Shimkus, Latta, Guthrie, Olson, Kinzinger, Bilirakis, Johnson, Long, Flores, Brooks,

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Collins, Cramer, Walters, Costello, Walden (ex officio), Doyle, Welch, Clarke, Loeb sack, Ruiz, Dingell, Rush, Eshoo, Engel, Butterfield, Matsui, McNerney, and Pallone (ex officio).

Staff Present: Ray Baum, Staff Director; Mike Bloomquist, Deputy Staff Director; Karen Christian, General Counsel; Kelly Collins, Staff Assistant; Robin Colwell, Chief Counsel, Communications and Technology; Jordan Davis, Director of Policy and External Affairs; Blair Ellis, Digital Coordinator/Press Secretary; Chuck Flint, Policy Coordinator, Communications and Technology; Adam Fromm, Director of Outreach and Coalitions; Gene Fullano, Detailee, Communications and Technology; Giulia Giannangeli, Legislative Clerk, Digital Commerce and Consumer Protection/Communications and Technology; Zach Hunter, Director of Communications; Peter Kielty, Deputy General Counsel; Tim Kurth, Senior Professional Staff, Communications and Technology; Lauren McCarty, Counsel, Communications and Technology; Hamlin Wade, Special Advisor, External Affairs; Jeff Carroll, Minority Staff Director; Alex Debianchi, Minority Telecom Fellow; Evan Gilbert, Minority Press Assistant; David Goldman, Minority Chief Counsel, Communications and Technology; Jerry Leverich, Minority Counsel; Lori Maarbjerg, Minority FCC Detailee; Jessica Martinez, Minority Outreach and Member Services Coordinator; Dan Miller, Minority Policy Analyst; Tim Robinson, Minority Chief Counsel; Matt Schumacher, Minority Deputy Press Secretary and Digital Director; and Andrew Souvall, Minority

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Director of Communications, Outreach and Member Services.

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Mrs. Blackburn. The Subcommittee on Communications and Technology will now come to order.

The chair now recognizes herself for 5 minutes for an opening statement. And I want to welcome you all to the subcommittee's hearing titled "Oversight and Reauthorization of the Federal Communications Commission." I appreciate the commissioners appearing to offer their testimony today, and we appreciate that we have been able to hear from you in advance of this hearing. The FCC has not been reauthorized since 1990, and its current appropriation is over \$430 million. It is charged with the administration of the Communications Act and other statutes vital to the functioning of our communications policy. We must reexamine the core functions of the Commission and restore a culture of humility that was lacking under the regulatory cloud left by Chairman Wheeler.

The FCC plays a vital role in our increasing lead technology dependent society. The subcommittee has, therefore, released a discussion draft for consideration.

I would be remiss by not discussing net neutrality. The Commission's decision in 2015 to reclassify the internet as a public utility was a power grab laced with the irony of suffocating the most innovative part of our economy with a 1930's era law. This gave new meaning to the term "progressive." Reply comments to the Commission's NPRM are due August 18. Chairman Pai, we hope you are keeping that

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Weedwacker handy, because it has a lot of work to do.

Title II reclassification has created a 5.6 percent reduction in ISP network investment, will lead to rate regulation, and has generated tremendous uncertainty.

However, I know there is disagreement. And while my colleagues on the other side of the aisle had nothing to do with this, internet giants Amazon, Facebook, and Google recently joined with websites such as PornHub and dark money groups fight for the future, demand progress, and free press for a day of action to claim Republicans will break the net. Let me be clear: Republicans have always supported a free and open internet. Let's not have any misunderstanding on that issue. We must move past the partisan rhetoric. Ranking Member Pallone said in 2010 that this is a job for Congress in referring to the net neutrality rules, and I agree.

Other issues confronting the Commission include administration of the Lifeline program, media ownership rules, and process reform. The GAO released another report critical of the Life line program on June 29. It found that 36 percent of the program participants could not be verified for eligibility. Over 6,000 deceased individuals were enrolled after their death, and numerous carriers approved eligibility for the program based on fictitious documentation. Lifeline continues to be plagued by significant deficiencies, including the need for a hard cap.

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Outdated media ownership rules and process reform issues also concern the committee. Commissioner O'Rielly astutely noted that the FCC's quadrennial review of broadcast-to-ownership rules released last August was, and I am quoting, "divorced from the realities of today's media marketplace," end quote.

Finally, process reform has been an issue of bipartisan concern for some time. Bipartisan bills have passed the House 5 of the last 6 years.

Chairman; Pai, you have taken positive steps, including the release of a fact sheet for any proposal to be considered at an open meeting in releasing the text of documents to the public in advance of a vote at an open meeting. However, more must be done to promote and sustain a culture of transparency at the Commission on several other issues noted in the majority memorandum.

I look forward to today's hearing. And at this time, I yield the balance of my time to Mr. Lance.

Mr. Lance. Thank you, Chair Blackburn, and welcome to the FCC commissioners.

The internet is a great equalizer. It provides an open platform to empower innovation, expression, and free speech, as well as other inventions in history. By reclassifying internet services under the depression era Title II, common carrier rules, in 2015, the FCC needlessly risked this great economic engine. Title II opens the door

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to burdensome regulations that harm competition, threaten the investment and broadband needed to close the digital divide and hold back innovation such as 5(g).

I applaud Chairman Pai for initiating a proceeding to review this misguided reclassification. It is important for consumers not to conflate the harmful Title II reclassification with the net neutrality principles as some would suggest. There is strong support among the American people for a light touch approach to internet regulation, and a strong consensus on both sides of the aisle for net neutrality principles. These ideas do not need to be mutually exclusive.

It is my hope that the Commission and Congress can finally resolve the open internet issues, and that we can work together in a bipartisan capacity.

Thank you, Madam Chair.

Mrs. Blackburn. I now recognize the ranking member, Mr. Doyle, for 5 minutes.

Mr. Doyle. Thank you, Chairman Blackburn, for holding this long overdue hearing today, and thank you to the witnesses for appearing before us. It is my sincere hope we can make this a far more regular occurrence.

I have spent my time in Congress and on this committee as a strong advocate of competition, innovation, and opportunity. These are the pillars of a successful marketplace and the driving force of our

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economy. When we act to weaken them, we weaken our own economy and our country.

Chairman Pai, in the time that you have been head of this agency, we have seen an agenda that is anti-consumer, anti-small business, anti-competition, anti-innovation, and anti-opportunity. Right out of the gate, the Commission took a range of actions, including pulling back an investigation of anti-competitive zero rating practices, and a mere progress report on updates to a program to bring broadband to schools and libraries.

The Commission reinstated the UHF discount for what seems to be no other reason than to enable an unprecedented merger between Sinclair and Tribune that would give the combined entity a foothold in nearly 80 percent of American households. The Commission eviscerated competition for business data services in this country. Your order concluded that a market is competitive if it is served by one provider with the possibility of another one might enter at some point. I don't even see how this makes sense.

The Commission ended a program that enabled poor people to get access to broadband, literally pulling service away from people who had already signed up. The Commission is in the process of eliminating the FCC's open internet order, which, as of this morning, 12.3 million have written to you in overwhelming opposition.

These rules are working, they have been upheld in Federal court,

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and they have promoted a virtuous cycle of investment and innovation online. And I don't think this point can be stressed enough. Publicly traded companies are required by law to tell their investors the risk to their company. No publicly traded ISP has made such a claim. However, many online companies, including Netflix and SNAP, have claimed that eroding or eliminating these rules will, in fact, pose a threat to their businesses.

You know, when I read your statements and you talk about investment and your concerns, you only seem to talk about it in relation to ISP investment. I am concerned that maybe you just don't get it. The internet isn't just an ISP's connection to the consumer. It is a vast array of networks, services, and applications. Ignoring the rest of the ecosystem is to ignore the part of the internet that is the most vibrant and innovative.

I am deeply concerned that the FCC is on a wrong path, a path that will hurt small businesses, regular people, and some of the most innovative sectors of our economy.

And on that cheery note, I will yield of balance of my time to Ms. Eshoo.

Ms. Eshoo. I thank the ranking member. And what a superb opening statement you just made.

One of the most important issues currently before the FCC is obviously net neutrality. We have heard a lot from net neutrality

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opponents about the impact of Title II on broadband investment. And while large ISPs tell the FCC that Title II has chilled investment, their executives tell their shareholders a different story. The benefits of Title II protections to every other sector of our economy are enormous. A free and open internet supported the creation of 10.4 million U.S. jobs in all 50 states in 2016. 86 percent of these jobs came outside of major tech hubs.

Despite the broad impact of the open internet on our economy, the FCC is barreling down the road of eliminating these critical protections, and making it clear to the American people, startups, and small businesses that their input is not valued nearly as much as that of Washington's special interests.

So I look forward to discussing this issue further, and ask that my full statement be inserted in the record. I also plan to discuss very directly with you, Mr. Chairman, the whole issue of RT in the intelligence communities public record statement. It is replete with references to RT. And I think that we need to pay a great deal of attention to that.

I thank the gentleman for yielding, and I yield back.

[The prepared statement of Ms. Eshoo follows:]

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Mrs. Blackburn. The gentlelady yields back.

Does the gentleman yield back?

Mr. Doyle. Yes, I yield back. Thank you.

Mrs. Blackburn. The gentleman yields back his time. And I will say to my colleagues, we agree with you that the issues of the health of the internet ecosystem, the issue of net neutrality, the issue of Title II deserve additional attention from this committee, and we look forward to carrying forward with this.

At this time, I recognize the chairman of the full committee, Mr. Walden, for 5 minutes for an opening.

The Chairman. Good morning, Madam Chair, and to all of our witnesses, the commissioners and the chairman, to our guests.

American innovation in the internet space has literally revolutionized the world and everything we do and how we do it. From research and communications to shopping and entertainment, the internet is an essential part of our everyday lives. Given the debate over the rules for internet operations and consumer privacy, it is our responsibility on the Energy and Commerce Committee to fully understand all sides of the internet governance issue. Therefore, I am announcing this morning that I am convening a full Energy and Commerce Committee hearing entitled Ground Rules for the Internet Ecosystem for Thursday, September 7, 2017.

Today I am sending formal invitations to the top executives of

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the leading tech companies, including Facebook, Alphabet, Amazon, and Netflix, as well as broadband providers including Comcast, AT&T, Verizon, and Charter Communications, inviting each of them to come and testify before our full Energy and Commerce Committee.

It is time for Congress to legislate the rules of the internet, and stop the Ping-Pong game of regulations and litigation. And make no mistake, given the importance of this public policy debate, and the work we need to do as a committee, it is essential that we hear directly from the country's top internet and edge provider leaders who frequently speak out publicly about rules of the internet. It is time they came before us, and directly shared their positions and answered our questions.

And with more than a month's advance notice, I am sure they can arrange their schedules to accommodate our invitations.

Now, with regard to today's panel. Chairman Pai, welcome and congratulations on taking over the helm at the FCC. Commissioner Clyburn, Commissioner O'Rielly, we are glad to have you back before us as well. Thank for the work you do.

We begin a new chapter in the history of the FCC, one that will shape some of the most important parts of our national economy: The telecommunications industry, the video distribution industries, and the internet.

In today's hearing, we begin to examine reauthorizing the FCC,

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and that is the first time since 1990 the FCC has come up for reauthorization. By any estimation, this discussion is long overdue, and today, we continue conversations to make the FCC a model agency with proposals for a number of process reforms, many of which will sound very familiar because we have taken them up before in this committee.

When we first took up these open government reforms, I said it was not about who headed the FCC at the time; it was about improving transparency and public involvement in a public process. I believe that under Chairman Wheeler, and I believe that just as much now under Chairman Pai.

I was pleased to see Chairman Pai demonstrated his committee to making the FCC operations more transparent through action by initiating a pilot program to publicly release the text of Commission agenda items at the same time they are presented to the other commissioners for a vote, a measure his predecessor opposed. There are a number of matters pending at the Commission, many of which we will discuss today.

With the forward portion of the incentive auction concluded the next phase, the broadcaster repack is underway. The Commission has set forth an aggressive schedule to move all the broadcasters impacted by this auction. While I have every confidence that Chairman Pai will work to ensure consumers continue to have access to over-the-air television, concerns remain about the sufficiency of the 39-month timeline and the \$1.75 billion budget.

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I take these concerns seriously, and will continue to work closely with the Commission and my colleagues to make sure that over-the-air broadcasting and the viewers they reach on their main channel and on their translators are not adversely affected. And, of course, Chairman Pai has commenced a proceeding to examine returning regulation of the internet to the bipartisan framework that made it the economic engine that it is today.

As we wait for this process to take its course, the future of the greatest economic engine of modern times is clouded with uncertainty with a growing recognition that the time is now for legislative action. We offered a way forward on net neutrality in 2015. I believe now, as I did then, that we should work together to write bipartisan legislation to protect the internet from bad actors who want to use their unfair advantage to block, throttle, or, in other ways, engage in bad behavior. The American people deserve no less. We stand ready to act.

Chairman Pai, Commission Clyburn, Commissioner O'Rielly, thank you all again.

If there are others who want to use the last 15 seconds, I would happily yield. And if not, I yield back the balance of my time.

Mrs. Blackburn. The gentleman yields back. At this time, I recognize the ranking member of the full committee, Mr. Pallone, for 5 minutes for an opening.

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Mr. Pallone. Thank you, Madam Chairwoman.

I would like to thank the FCC commissioners for joining us this morning, our first FCC oversight hearing of this Congress. While I am glad you are here, this hearing should have occurred months ago. The Republican majority had no problem conducting oversight of the previous Obama administration holding quarterly oversight hearings. But now that their own party controls the majority of the Commission, we are six months into the administration, and this is our first hearing with the new Commission. I hope this is not a sign of things to come, because the Commission's own actions have shown the critical need for congressional oversight.

To date, most of the FCC's actions have ignored the needs of consumers. Too often, when given the chance, this FCC has sided with large corporations to the detriment of hardworking Americans. The Commission started this year by making it more difficult for competitors to offer broadband to low-income people through the Lifeline program. It continued with a scheme to encourage more consolidation in the media industry, which would eliminate voices from the air.

Last week, Chairman Pai refused to commit to protecting the funds necessary to close the homework gap as part of the popular E-Rate program in our schools. And then there is the alarming outright refusal by the FCC to protect the security of our broadband networks

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at a time when the Russians and others are looking for new ways to break in.

But the highest profile example of the FCC siding with large corporations over small businesses and hardworking Americans is its attempt to eliminate net neutrality. A free and open internet is crucial for our democracy by giving everyone an equal voice online, especially those communities too often overlooked by traditional media. Each of us gets to decide which videos we watch, which sites we read, and which services we use. Nobody gets to influence that choice. Not the government and not the companies that run the networks.

A free and open internet also allows small businesses to flourish. These small businesses, many of which are owned by minorities and women, are responsible for more than half of the jobs in the country today. If the FCC moves ahead with its net neutrality repeal, the consequences will be severe. Their plan will have a chilling influence on our democracy, cut away at our connections with each other, and limit economic opportunities for the future. The FCC claims that net neutrality repeal is necessary because consumer protections might deter investment in network infrastructure. But this narrow-minded view of the public interest can lead to cruel results. I hope that the commissioners really listen to the millions of comments that are coming in from around the nation and reconsider their dangerous plan

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to eliminate net neutrality.

This is not only an oversight hearing today. The Republican majority recently surprised us all with a 42-page reauthorization bill that had absolutely no Democratic input. And this bill is flawed. It slashes \$18 million from the FCC's budget, the same agency that is having issues keeping its website up and running. This is not serious legislation, and it does not bode well for any serious legislation being developed by the majority of this subcommittee on any major communication issues.

And with that, I would like to yield such time as she wants to Ms. Matsui that I have left.

Ms. Matsui. Thank you very much, Ranking Member Pallone, for yielding me time, and welcome to our FCC commissioners. I represent Sacramento, the capital of the State of California, where innovation is central to the way we do business. My constituents are extremely concerned about vast and fair access to the internet, which is essential for innovation economy to thrive. In fact, I have gotten myself so many comments on my phones and emails in Sacramento and here in Washington, D.C.

Everyone from small business owners to educators and librarians in my district have told me that they are counting on the FCC's net neutrality rules. And it is not just my constituents; it is Americans across this country. Almost 11 million people have contacted the FCC

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about why net neutrality is so important. And these are not just business people. These are students; these are seniors; these are librarians, as I said before. These are people who use the internet every single day, and want it to be there. And I have to say this: Chairman Pai, I urge you to listen to these voices, millions of voices, and not roll back the progress that we have made. It is really important for the future of our country here. It is important for the future of our young people. And I truly believe that, in this way, if we stopped this progress, we will, in essence, stop the progress of our country. So I urge you to listen.

And I yield back the balance of my time.

Mr. Pallone. And I yield back, Madam Chairwoman.

Mrs. Blackburn. The gentleman yields back.

I will remind my colleagues. We had this hearing scheduled in March and gave up our day for the markup of the healthcare bill. And we would have liked to have had this hearing earlier in the year.

That concludes member opening statements. The chair would remind all members that, pursuant to the committee rules, they have an opportunity to make their opening statement a part of this record. We want to thank all of our witnesses for being here and taking the time to testify before the subcommittee. Today's witnesses will have the opportunity to give opening statements followed by questions from the members.

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Our witness panel for today's hearing will include the Honorable Ajit Pai, who is Chairman of the Federal Communications Commission; the Honorable Mignon Clyburn, who is a commissioner at the Federal Communications Commission; and the Honorable Michael O'Rielly, who is also a commissioner at the Federal Communications Commission. We appreciate each of you being here today and for preparing your testimony for the committee. We will begin the panel with you, Chairman Pai. You are now recognized for 5 minutes for your opening statement.

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STATEMENTS OF HON. AJIT PAI, CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION; HON. MIGNON CLYBURN, COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION; AND HON. MICHAEL O'RIELLY, COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION

STATEMENT OF HON. AJIT PAI

Mr. Pai. Thank you, Chairman Blackburn, Ranking Member Doyle, members of the subcommittee. Thank you for giving me the opportunity to testify today.

Since 2012, it has been an honor to work with you on many issues. And now, as Chairman, I look forward to striving together to bring digital opportunity to all Americans. I also want to pay tribute to a distinguished member of this subcommittee, Representative Steve Scalise. I have had the chance to work with him over the past few years. And I have learned a truth known to many of you: To know him is to like him. My thoughts and prayers continue to be with him and his family during his recovery.

The agency has been busy during the past few months. July marked Consumer Protection Month at the FCC. At our open meeting, we targeted a triad of consumer scorchers: unlawful robocalls, slamming and cramming, and rural call completion, all on the heels of taking down

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the largest spoofer in our agency's history.

August will be Rural Broadband Month. On August 3rd, we will consider the next steps towards implementing the Connect America Fund and Mobility Fund reverse auctions. We will also explore how to ensure that our ongoing collection of broadband deployment data is as accurate and efficient as possible. There is, of course, much more that the agency is doing and much more to be done.

I look forward to continuing working together on a bipartisan basis to close the digital divide, promote innovation, protect consumers and public safety, and improve the FCC's processes and procedures.

My testimony today will focus on two issues that I believe are ripe for legislative action. First, I applaud the subcommittee for promoting legislation to reauthorize the FCC for 5 years. I am eager to work with the subcommittee to advance it. I want to highlight one particular provision entitled "Deposits of Bidders to be Deposited in Treasury." That provision is absolutely critical if our Nation is going to lead the world in 5G, because without it, the FCC won't be able to launch large-spectrum auctions in the foreseeable future. Here is why: The Communications Act requires that up-front payments made by bidders in spectrum auctions be deposited in, and I quote, "an interest-bearing account at a financial institution."

But recent regulatory requirements have dissuaded private

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institutions from holding these up-front payments. Public institutions, too, have indicated that, going forward, they have no interest in establishing these special purpose accounts that would be necessary to offer such services. As a result, despite repeated efforts by FCC and Treasury staff, no financial institution is now willing to hold up-front payments in an interest-bearing account for a large spectrum auction. Thus, the FCC currently has no way to comply with the law and no way to move forward with any such auction. That is why I appreciate the subcommittee's willingness to address this situation. With the simple fix contained in the draft legislation, the FCC would, again, be able to schedule large-spectrum auctions by allowing up-front payments to be deposited at the Treasury.

Second, I would like to update the subcommittee on the post-incentive auction transition process. July 12 was the deadline for television broadcasters that are going to be repacked to submit cost estimates to the Commission. And two days later, the FCC announced that the aggregate amount of the estimated costs reported by broadcast television stations and multichannel video programming distributors, or MVPDs, that are eligible for reimbursement, was \$2.115 billion. However, we cautioned that we expected to receive additional estimates from MVPD's and a smaller number of stations.

In recent days, the FCC has received several additional estimates. And the aggregate total of estimated costs has increased

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to \$2.139 billion. Given the estimates that we have received to date, we are confident that, once all initial estimates are received, the total will be below \$2.2 billion.

Now, looking beyond the initial round of estimates, the aggregate total of estimated repacking costs will continue to change through amendment and independent review during the transition process for these reasons: The FCC cannot definitively report today exactly how much the repack will cost. The final number could be lower or higher than the current \$2.139 billion. But we do expect the final number to be above the \$1.75 billion that Congress has provided the Commission to reimburse affected broadcast stations and MVPDs. As a result, unless Congress acts to raise the \$1.75 billion cap, the substantial likelihood is that local broadcasters will be required to pay some portion of the repacking cost out of their own pockets. I would be happy to work with the subcommittee to address this important issue.

Chairman Blackburn, Ranking Member Doyle, members of the subcommittee, thank you once again for holding this hearing. I look forward to answering your questions and to continuing to work with you and your staffs in the time to come.

Thank you, Madam Chair.

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[The prepared statement of Mr. Pai follows:]

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Mrs. Blackburn. And he yields back right on time.

Commissioner Clyburn, you are recognized for 5 minutes.

STATEMENT OF HON. MIGNON L. CLYBURN

Ms. Clyburn. Chairman Blackburn, Ranking Member Doyle, members of the subcommittee, good morning and thank you for the opportunity to again appear before you to share my priorities for advancing competition, strengthening viewpoint diversity, and ensuring that consumers are always put first.

Last week, I had the privilege of traveling to Marietta, Ohio. It was there I heard countless stories from individuals, businesses, and local government leaders who, but for no other reason than their geographic location, and maybe a slight income gap, find themselves on the wrong side of the digital and opportunity's divide in Appalachia. Too many families in rural America, and even many urban communities, are suffering from poor to no connectivity and substandard service that, to add insult to injury is simply unaffordable.

I believe, however, that if we commit as an agency to put the interest of consumers and small businesses first, we will be able to truly say that we are fulfilling our statutory mandate to serve the public interests. Allow me to spend of majority of my testimony today further explaining how the Commission can achieve this goal.

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Among my top priorities is preserving the Commission's 2015 open internet rules. But just what is this administration's response to the more than now 12 million commenters who expressed their views with the Commission? To propose a dismantling of the bright line rules of the road we adopted in 2015 and were upheld by the D.C. Circuit last year.

We need to hit the pause button and begin serious discussions about the broader implications of undoing our classification of broadband as a Title II service. Take, for example, consumer privacy. In a world without Title II, not only will the FCC be forever barred from addressing consumer privacy in a broadband world, it is unclear that any agency will ever hold that authority. Similarly, when it comes to our efforts to expand the deployment of broadband, including in rural America, taking away Title II for broadband undercuts our ability to ensure universal service support for broadband by taking away our clearest choice of authority to make sure all Americans are connected.

Undoing our classification of broadband as a Title II service also harms the FCC's ability to enable competition. Without Title II, it will be far more difficult for the Commission to enact policies to promote competition.

Second, I have been a tireless leader and defender of the FCC Lifeline program and the need for there to be affordable connectivity

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for all American consumers. The reality is that at 80- to \$100 a month broadband bill is simply out of reach for Americans who are struggling to make ends meet.

Moving forward, we have a choice to make as a Commission. Will we be shortsighted and weaken a program designed to assist our Nation's most vulnerable, or will we commit to constructively address and fix any remaining issues?

Third, I remain committed to delivering just and reasonable rates for the 2.7 million children who have been hampered in their quest to communicate with an incarcerated parent. I am thankful for the leadership of Congressman Bobby Rush and others on this subcommittee who, for years, have fought for real reform. Rest assured, I will continue fighting to ensure that inmates and their loved ones do not have to pay several thousand percent of what a non-incarcerated person pays just to stay in touch.

Fourth, I am a strong believer in the need for greater viewpoint diversity across our public airwaves. However, the Commission has taken several highly concerning steps this year to derail that goal, including reinstating that technologically obsolete UHF discount. By reinstating and maintaining this loophole that belongs in a regulatory trash heap, the Commission has signaled its willingness to allow a single broadcast station group to reach nearly 80 percent of the U.S. households in a way that is non-transparent to the public,

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and enables a nearly doubling of the ownership threshold set by this body in 2004.

Finally, I would like to share some views about the Commission's work around broadband-enabled healthcare, if you would. Last month, the Commission's Connect2Health task force released an update of our popular broadband mapping tool. Our latest data shows that there are 214 counties, 175 of which are majority rule, where broadband access is below 50 percent, and diabetes and obesity rates are above the national average. And in a late-breaking update, I am pleased to report that as of Friday, the FCC has reopened its broadband health proceeding for additional comments. Equipped with this information and working with our Federal partners at HHS, the VA, and the FC -- the FCC will be better positioned to target those double-burden counties.

In conclusion, let me say that I always stand ready to work with my colleagues, this subcommittee, State and local partners, and business leaders to advance policies that put consumers first, and ensure our communications landscape remains the envy of the world.

I thank you very much for allowing me more time. I am very enthusiastic about being here, as you can tell by my statement, and I look forward to answering any questions you may have in the remaining time I don't have.

[The prepared statement of Ms. Clyburn follows:]

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Mrs. Blackburn. Thank you Commissioner Clyburn. And we are enthusiastic about having you here, and we thank you for your dedication on those issues.

Commissioner O'Rielly, you are recognized for 5 minutes.

STATEMENT OF HON. MICHAEL O'RIELLY

Mr. O'Rielly. Thank you, Ms. Chairman, Ranking Member Doyle, and members of the subcommittee, for the opportunity to discuss the important topic before you today. I commend the subcommittee for its continued focus on the Federal Communications Commission, and I recommit to making myself available as a resource if I can be any assistance to the subcommittee in any manner in the future.

I sincerely appreciate the efforts of the subcommittee to examine issues relevant to the re-authorizing of the Commission. I believe that it is incredibly valuable and important any time Congress articulates its views via legislation on the Commission's work, including its funding levels, procedures, and substantive issues.

On that note, let me lend my strong support for the draft reauthorization bill before you today. As an aid to the subcommittee's examination of pertinent issues, I humbly suggest 15 additional process improvements in my written testimony that could be included in any reauthorization legislation. Many of these ideas, some of which I have

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discussed before while others are new, would benefit from being included in the statute so that future commissions continue Chairman Pai's process reform direction.

Additionally, I would be remiss if I didn't include a request for modifications to our enforcement authority to address the consistent problem of pirate radio broadcasting. Switching to the issue of broadband deployment, there appears to be great interest by many policymakers, including members of this subcommittee, to provide additional Federal funding for purposes of expanding broadband capabilities to more Americans. One option that has been discussed is to include such funding within a potential larger infrastructure bill. If this were to occur, I hope the subcommittee would adopt or look to the Commission's high cost program as a mechanism to distribute such funding as opposed to using other existing Federal programs or creating a new program.

Additionally, to succeed at the next technological challenge, wireless providers are going to need two important ingredients: Access to sufficient mix of spectrum bands and reduced barriers to the installation of wireless equipment. While the Commission has been actively reallocating existing bands for mobile purposes with hopefully more to come, there remains obstacles imposed by State, local, and tribal governments that are hampering the ability of providers to serve Americans.

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On another topic, as Chairman Pai noted, the Commission is in the early stages of repacking broadcasters that either didn't participate, or weren't selected as part of our generally successful process to reallocate broadcaster spectrum for new wireless services. While the Commission will need to review and scrub the broadcaster cost estimates to ensure that only legitimate charges are reimbursed, it does appear that there may be a need for additional financial resources from Congress.

Accordingly, the subcommittee should keep a close eye on the repacking cost estimates as our process continues, and may want to initiate a related legislative drafting process soon. Certainly, if it is determined that additional limited funding is needed to complete a successful repack, I would fully support such action, and would gladly help the subcommittee and Congress in any way.

This concludes my testimony. Thank you, Madam Chair.

[The prepared statement of Mr. O'Rielly follows:]

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Mrs. Blackburn. I thank the gentleman for his testimony. This concludes; the testimony portion, and we will now move to the questions. And I will begin by recognizing myself for 5 minutes.

As many of you have said, and we have seen in these opening statements, there is an ongoing dispute about the impact of Title II reclassification on investment. We hear it doesn't hurt; we hear it does hurt. In a lot of ways, this is a key metric of the debate as the one thing we can all agree on is that investment is the key to massive broadband deployment that we need to connect to all Americans to the economic engine of the internet. And it affects education; it affects healthcare. As Ms. Clyburn, mentioned, it affects economic development and the creation of jobs. An analysis by Deloitte Consulting estimated that we need an investment of 130- to \$150 billion in fiber infrastructure over the next 5 to 7 years in order to meet our needs. So private investment is critical, but I fear we have put a kink in that investment pipeline with Title II.

As I noted in my opening, we are seeing decreasing capital expenditures by our largest broadband providers. But some of my colleagues contend otherwise based on different studies measuring different parameters.

Senate Markey continued the Senate hearing last week that no publicly traded ISP has reported to its investors that Title II has negatively impacted investment and their net worths.

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But, Chairman Pai, have you seen other information regarding the impact Title II is having on broadband providers?

Mr. Pai. Thank you for the question, Chairman Blackburn. We have seen evidence raised that suggests concerns that these rules have impacted infrastructure investment. And, for example, with respect to the 12 largest facilities-based internet service providers in the United States, we have called the 10Ks of those 12 ISPs, each of which is required under law to report to the Securities and Exchange Commission, any significant risks to the business going forward. Each of them has suggested these Title II regulations do, in fact, represent a significant risk to their businesses. And with the indulgence of the chair, I would like to enter those into the record to be a part of this proceeding.

Mrs. Blackburn. Without objection.

[The information follows:]

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Mr. Pai. Additionally, I have heard for myself, among smaller providers, that these rules have impacted infrastructure investment. I visited for myself a municipal broadband provider in small-town Iowa. I held a roundtable just a couple weeks ago in Hagerstown, Maryland, where Antietam Cable told me that they explicitly pulled back on one phase of their gigabit broadband deployment precisely because of these rules. Now, we want to test the veracity of those propositions, which is precisely why we have opened a notice of proposed rulemaking so we can figure out what the facts are. Again, make the appropriate judgement.

Mrs. Blackburn. Thank you for that. You know, I was -- kind of chuckled a little bit. New York Times had an article in -- I think it was this weekend -- saying that infrastructure is fast becoming an afterthought. But we hear from our local and State electeds, it is the number one infrastructure issue. They want to talk about broadband more than anything else. And they don't care how they get it, whether it is wireline or fiber or fixed wireless, or whatever.

And, Mr. Chairman, you were kind enough to come to my district. And this was something we had planned last fall and executed in February and did a broadband seminar. And you talked about some of the things the Commission is doing to make it easier for providers to deploy wired and wireless broadband. And just touch on some of those components, things that you-all can do that will help ease the way to achieving

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the goal we all want, which is to have the country served by broadband.

Mr. Pai. Thank you for the question. Two big buckets of reforms. One involves the Federal subsidy programs that we oversee, and the other involves regulatory reforms.

With respect to Federal subsidies, the FCC, in my first full month as Chairman, adopted reforms through our Connect American fund, and to our Mobility Fund to ensure that both fixed and 4G LTE broadband is pushed out to unserved parts of America, places where people are on the wrong side of the digital divide.

On August 3rd, we are going to be taking, as I mentioned in my testimony, next steps to ensure that those auctions happen in a timely way.

With respect to regulatory reforms, I set up a broadband deployment advisory committee that is focusing on ways that the FCC, in cooperation with other agencies, Federal, State, and local, can cooperate to promote broadband deployment. We have taken steps to remote things like the great -- easier siting of wireless infrastructure, the towers and small cells and the like. Make it easier to deploy the fiber through things like Dig Once policies to the extent we can and pole attachment reform.

These might not be the highest profile issues that the agency works on. But in terms of your constituents, and I daresay, constituents around the country, this is the number one thing that will

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impact their ability to get on the right side of that divide in the years to come.

Mrs. Blackburn. I thank you for that.

Now, I will just note, the repack we think is also important as we look at the broadband deployment. And the estimates have been filed, and the audit process is started. And we need to give some time for that to play out. But we are going to be watching the repack to be sure it is conducted efficiently and on time so the spectrum is put to work.

At this time, I yield 5 minutes to the ranking member, Mr. Doyle, for questions.

Mr. Doyle. Thank you very much.

Commissioner Clyburn, let me ask you, with regards to the open internet and the comments that are coming in. When you talk to people and review comments about the open internet order, what gives you pause in repealing the rule?

Ms. Clyburn. What gives me pause is hearing what they say they need and what the internet enables. In the conversations, a lot of times we only talk about one part of the equation. But if you are really talking about an equation, you are talking about at least two parts. What is the investment? What do people need? And what they can afford? So we really, really have to talk about what this investment means in the communities, what expectations they have when they are

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starting their businesses and the like. And what I am hearing from people is they want options, they want access, they want opportunities, and they want to be protected by an agency that I am afraid right now is turning their back on.

Mr. Doyle. Thank you.

Commissioner O'Rielly, what kind of comment would cause you to oppose the Commission's open internet order, current proposal?

Mr. O'Rielly. Well, as I have said, I previously expressed my thoughts on the issue at length. And I am looking to the record to determine if anything changes my mind. I am looking for substantive comments over --

Mr. Doyle. So give me an example of a substantive comment that would cause you --

Mr. O'Rielly. Economic analysis and real evidence of harm to consumers, versus some of the material that I have been getting on the comments so far. I mean, people talk about 12 million comments. But many of those comments are empty and devoid of any value, in my opinion.

Mr. Doyle. I am sure there is a few empty and devoid in there. But amongst the \$12.3 million, I would imagine there are some that address some of the concerns you have just mentioned too. And I hope you do go through those comments. And we will hold you to that kind of analysis.

Chairman Pai, the same question for you. What kind of comment

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would cause you to change your mind and not go forward?

Mr. Pai. I think, Congressman, as Commissioner O'Rielly pointed out, if there is an economic analysis that shows credibly that infrastructure investment is increased dramatically, if -- in response to some of our inquiries that we hear from people in the internet, I guess from startups to consumers, that there is credible evidence of these evidence, or the sine qua non of an open internet, and that, without them, there is no way that they would be able to thrive, that the America's overall internet economy would suffer. That is some of the evidence that we take seriously. And that is part of the reason, as I had said last week at my confirmation hearing, that we did not want to issue a declaratory ruling, as some urged the FCC to do, to simply decree, by administrative fiat, that these rules would be null and void. We wanted to have a full and fair notice and comment process to ensure that we heard those voices.

Mr. Doyle. Well, I hope you are looking at that. I will hold you to that analysis. And I hope that as these comments are coming in -- and 12.3 million comments, at least in the time I have been in this Congress, is more public comment than I have seen on an any other issue before the FCC. I am certain amongst them are that type of analysis, and I hope you pay attention to it.

Let me ask you another question, Mr. Chairman. The context of the Open Internet Order, it seems to me that the analysis that you have

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cited about ISP investment seems to be one-sided. You talk about broadband investment by ISPs alone as an indication of the health of the marketplace, but you discount investments that are being made by edge providers. You know, if the thesis of an Open Internet Order was to promote this virtuous cycle of investment and innovation online, why aren't you talking about edge providers, the investments that they are making and the jobs that they are creating?

Mr. Pai. I appreciate the question, Congressman. Obviously, everyone, as Chairman Blackburn pointed out, favors a free and open internet. The great challenge, however, is that there are millions of Americans -- and I visited them -- from Wardensville, West Virginia, to Mission, South Dakota, are on the wrong side of the divide. They are not getting the access they need to be able to participate in the digital economy. And to the extent that these rules are impacting infrastructure investment, my fear is that those folks are going to be left out of some of the benefits that we get in terms of better education and healthcare, and the like.

And so we want to understand how are these rules impacting infrastructure investment, and, along with that, what are the concomitant effects of greater infrastructure investment on those types of companies?

You know, I visited, as I pointed out in testimony before in another committee, I have been to feedlots in Allen, Kansas. And I

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have seen the power that broadband can bring in terms of greater agricultural productivity.

Two weeks ago, I was in Augusta Health in Fishersville, Virginia. And I saw the power that a broadband connection can have to treating an emergency room patient before the patient even arrives at the hospital. I mean, these are critical applications. And so, obviously, going forward, there are greater dimensions than just infrastructure investment. But those core investments in the network are critical if every American is going to be able to thrive in the 21 century.

Mr. Doyle. Madam Chair, I see my time has expired. But I hope we have a chance to submit more questions to the FCC for response.

Mrs. Blackburn. The gentleman's request is noted.

Mr. Doyle. Thank you.

Mrs. Blackburn. I now recognize the chairman of the full committee, Mr. Walden.

The Chairman. Thank you, Chairman. I appreciate that. And, again, to all our commissioners, thank you for enlightening us with your comments and your testimony.

Chairman Pai, there has been talk of uncertainty, continued uncertainty, around future of net neutrality. Are you opposed to net neutrality?

Mr. Pai. Congressman, I have consistently said I favor free and

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open internet, as I think many members of this committee and most Americans do.

The Chairman. All right. Commissioner Clyburn, are you opposed to net neutrality?

Ms. Clyburn. I am not opposed to net neutrality. I am in favor, but using the strongest legal tools at our disposal to uphold it.

The Chairman. Commissioner O'Rielly, are you opposed to net neutrality?

Mr. O'Rielly. I agree with the chairman. I support an open internet. I determined net neutrality means so many different things these days than it once did, so I can't -- having signed up for net neutrality is -- currently, the definition means that every packet has to be treated identically. And that, to me, is not supporting by the current activities of the internet. So I don't support that definition of net neutrality, no.

The Chairman. Well, I know you have to make some decisions based on the comments, but I guess -- one of my questions is, the reply comments are due fairly soon. And, Chairman Pai, do you expect to act quickly once the record closes?

Mr. Pai. Congressman --

The Chairman. What are your thoughts in terms of time lines, not in terms of your decision?

Mr. Pai. Mr. Chairman, we are going to move promptly as we can.

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But, obviously, there is a voluminous record, as Ranking Member Doyle pointed out. And we are bound by the Administrative Procedure Act, in section 706 thereof, to find substantial evidence for whatever conclusion we reach. And we are going to review the record fully and fairly to make sure we make the appropriate judgement. And we are more concerned with getting it right than getting it done quickly.

The Chairman. As you know, part of what we are working on today is a continuation from the last Congress in terms of getting more transparency in the process at the FCC, making more of what you do more public sooner, so more people can participate in the process that we all value.

Are there issues in this draft that we are looking at? It is a discussion draft, too, for all my colleagues. We put it out there well in advance so we can get input and make it bipartisan, hopefully. And I think there are bipartisan positions in it.

Would you care to comment about what we are putting forward and your thoughts on it, and how the Commission might be affected by implementation of the exchanges?

Mr. Pai. Thank you, Mr. Chairman. I think the process reforms suggested in the draft bill are largely improvements upon the way the FCC does business. And I find myself broadly in support, for example. I think there is bipartisan agreement on relaxing the Sunshine Act restriction. I love seeing my fellow commissioners here at the witness

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table. I would love to see them together at the Commission more often so that we can collaborate in ways that benefit the public interest and the FCC's decision-making.

The Chairman. That has been a bipartisan piece of this discussion draft, I think, all along.

Commissioner Clyburn, do you wish to comment on some of this? I know things have shifted at the committee since we last took this matter -- or at the Commission.

Ms. Clyburn. I noticed.

The Chairman. Yeah.

Are you more in favor of more of the transparency provisions in our bill now or --

Ms. Clyburn. Well, I will just broadly say, I am more in favor of transparency. I am more in favor --

The Chairman. I know you are.

Ms. Clyburn. -- of us being able to do, especially the last -- you know, I have been talking about that for a number of years. If there is not a final decision-making process, you know, before us, us being able to talk about things building up to. And so I think that would, with the proper notice and proper protections, you know, that enhances transparency and decision-making. I will be for any platform that will allow that to happen.

The Chairman. And then making the draft text public ahead of

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time, more of that, that we propose, do you support that?

Ms. Clyburn. Meaning our internal draft -- we are still in an evaluation mode. So far, I haven't heard any major complaints.

The Chairman. Okay. Good.

Commissioner O'Rielly, what about what we are putting forward here for consideration? Anything from --

Mr. O'Rielly. I support the legislation -- draft legislation that has been put before us. I think -- I put 15 new ideas in my testimony that could be included, if you were so inclined to do so. I think that the text itself, you know, on Sunshine reform is valuable. I probably would go a little further, but -- I am not trying to criticize the provision. I just know how often we would use it if it is drafted. But I really appreciate the things on, like, cost-benefit analysis, which has been so lacking in our decision-making for so long. So I think it is a very important step for the committee.

The Chairman. Okay. Chairman Pai, do you want to comment on that?

Mr. Pai. If I could just add one observation in addition to what I said previously. One caveat I would add for the committee's consideration is that in enforcement matters, for due process notice and other reasons, it is sometimes maybe impracticable for us to publish those decisions in advance of a Commission vote. And so that is the one note of caution I would add.

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We are obviously, as Commissioner Clyburn pointed out, in favor of transparency. But there are different considerations when it comes to law enforcement matters.

The Chairman. All right. That is a good point.

Thank you, Madam Chair. I realize my time has expired. Again, thanks to all of you. We appreciate your suggestions. We appreciate your counsel and how we might get this right, because, indeed, that is what we want to do is make the FCC the role model for good transparent public process.

I yield back.

Mrs. Blackburn. The gentleman yields back.

Mr. Pallone for 5 minutes.

Mr. Pallone. Thank you, Madam Chairwoman.

I wanted to ask at least two questions, one to you, Chairman, and one to Commissioner Clyburn. So my question to the Chairman is: Numerous press accounts have detailed how your policies have benefited Sinclair Broadcast Group. There has also been speculation that the Trump administration has been in touch with your office about a number of these policies. So I wanted to give you a chance to respond to those allegations. And specifically, can you tell us what the administration has said, either to you or to anyone in your office about Sinclair or the UHF discount?

Mr. Pai. Thank you for the question, Congressman. No one in the

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White House, or the administration generally, has made any representations to me about any FCC proceeding relating to that company. They have not asked me to take any particular action or expressed the views on the merits, and certainly not with respect to the UHF discount.

Mr. Pallone. Now, what about the press accounts that have detailed how your policies have benefited Sinclair Broadcast Group. Did you want to respond to that?

Mr. Pai. Congressman, I would be happy to do so. If you look at any of regulatory actions, they are not designed to benefit any particular company or segment of the industry. They are simply meant to take a view of the marketplace as it stands, and the law as it has been written by Congress. And with respect to the UHF discount, it is a pretty simple matter. As I pointed out in my dissent a year and a half ago, that to the extent the agency considers the UHF discount reforms, it also has to consider the national cap. Now, I am not presupposing what the UHF discount policy should be or what the national cap should be. But the point was simply made then, and I make to you today, is that the two go together; one cannot consider A without considering B.

Mr. Pallone. Thank you.

Let me ask Commissioner Clyburn. I plan to file comments at the FCC in the next few weeks that explain how maintaining net neutrality

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protections at the FCC is essential to protecting free speech online and to creating jobs across the country.

Now, the GOP members of the Commission focus on the legal authority of the FCC but, in my opinion, ignore the benefits of net neutrality that would be lost if it is repealed. I think the GOP plan details potential cost of regulations without mentioning these benefits. So I just wanted to ask you if you could tell me what, in your opinion, benefits exist with strong net neutrality protections at the FCC and what will be lost with the repeal?

Ms. Clyburn. In terms of the benefits, particularly, I mentioned to you that I was in Appalachia. When you have a small business owner that might be worried whether her website or her experience would be throttled or negatively impacted, that is the type of uncertainty that no small business should worry about when it comes to the most enabling platform of our time.

You know, when it comes to people being able to access, you know, a healthcare website or their professional -- healthcare professional, for anybody to wonder whether or not some traffic would be favored one or the other, that is a very unsettling. So when we talk about strong, open internet rules, what we are talking about is the capacity for all of our communities, all of our businesses, all of our individuals to have access, to be better them, thems, to be better business owners, to have the access to content that will enable, educate, and inspire.

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So it is very important for the rules of the road to be clear for people to know that they are protected, for this platform to be open and free and transparent. If not, you are going to have bottlenecks that will throttle experiences and throttle economic and other opportunities.

Mr. Pallone. Thank you so much.

Let me go back to the Chairman, since I have time for a third question.

Last week, I introduced the Viewer Protection Act, and this bill would provide extra funds for the incentive auction repacking process to ensure that consumers don't lose access to the local stations that they can rely on. And I wanted to thank you for your prior commitment to making sure that the stations will not be forced off the air during this process. And I also appreciate your statements that you believe that Congress needs to act to provide additional to funds to this effort.

Now, one issue in my bill that I think has been overlooked is making sure the consumers are properly educated about the process and what they need to do to keep their signal. And I am particularly concerned about minority communities that may rely on foreign language stations.

Can you, Chairman, walk us through how much funding the FCC put aside for consumer education and explain your plans to make sure

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consumers know how to keep their signal? I guess you have 20 seconds, but we will see.

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RPTR PETERS

EDTR HUMKE

[11:01 a.m.]

Mr. Pai. Thank you for the question, Congressman.

And first and foremost, I commend you for that legislation. I think you have tackled one of the issues that is first and foremost in the needs of viewers around the country. The FCC has not been allocated funding by Congress specifically for that function. To the extent that we can, we obviously want to do as much outreach as possible to let people know if there is going to be a channel reassignment or other regulatory decision that might impact their ability to view the stations of their choice. And so I would be happy to work with you and your staff on your bill and going forward.

Mr. Pallone. Thank you.

And thank you, Madam Chairwoman.

Mrs. Blackburn. The gentleman yields back.

Vice Chairman Lance, you are recognized for 5 minutes for questions.

Mr. Lance. Thank you, very much, Madam Chair.

Regardless of your opinion on the 2015 internet rules, I think there is at least one matter on which we should be able to agree, that a legislative fix is preferable to the ping-ponging we have seen play

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out recently at the FCC. Anything the FCC has done in this policy space has proven to be temporary. And I don't think that is good public policy. I believe a vast amount of the agency's scarce resources have gone into this issue for the last 10 years or so. And so to the chair and the distinguished members of the commission, I ask each of you the following question:

What would provide greater certainty for broadband internet providers, online innovators, and internet users, continually changing regulatory regimes or legislation to establish clear authority and bright-line rules of the road that protect consumers and innovators and encourage investment?

And I will start with you, Mr. Chairman.

Mr. Pai. Thank you, Congressman. I believe that legislation would provide greater certainty to consumers and companies alike.

Mr. Lance. Madam commissioner?

Ms. Clyburn. I believe we already have certainty. I believe we have already followed your guidelines with Title II. Title II is a part of a congressional creation. And Title II has been upheld by the courts.

Mr. Lance. And if I might follow up, you don't favor any amendment of Title II in this area?

Ms. Clyburn. I will reserve judgment on that. I will favor anything that will improve and enhance our ability to connect America.

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Mr. Lance. And was Title II initiated, as I understand it, in the 1930s? Is that right?

Ms. Clyburn. You are probably right. Subject to check. So I get a D minus for not knowing the answer to that precisely. I will get that back to you.

Mr. Lance. If you get a D minus, I am probably at the level of F. So we will work together on that.

Commissioner O'Rielly.

Mr. O'Rielly. I fully support legislation. It is the only way we are going to get lasting peace on the issue. My colleague highlighted, I think in her comments, rules of the road need to be clear. But there cannot be clear rules of the road when you have a general conduct standard that roves about and does whatever it wants at any time done by the bureau staff. So I think that legislation is the only way to address this issue.

Mr. Lance. And commissioner O'Rielly, has there ever been a definitive ruling by the Supreme Court of the United States on this issue?

Mr. O'Rielly. No, there has not.

Mr. Lance. Is that the consensus of the commission, that this has not been fully addressed by the Supreme Court? Commissioner Pai? Chairman Pai?

Mr. Pai. Congressman, when you say -- with respect to this, the

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Supreme Court in the Brand X case in 2005 blessed the FCC's application of Title I regulation to broadband.

Mr. Lance. Brand X, roughly 10 years ago, a little more than 10 years ago. Yes.

Given the response of the members of the FCC, and, of course, I hope there will be a full complement of commissioners, I think that we should continue to pursue this question. Because I think the public deserves certainty in this area, as do those in the community, but certainly, in my judgment, this is paramount for the American people.

Another issue, Chairman Pai, it is critically important that the United States win the race to 5G as it means significant investment in job creation here. A recent report has suggested that 5G will bring 3 million new jobs and a half a trillion dollars in increased GDP. I am concerned that other countries may get there first, including China, Japan, and even the EU, a series of countries. In your opinion, how important is it to make sure that the United States wins the race regarding 5G?

Mr. Pai. It is absolutely critical, Congressman. And I say that not just out of parochial concerns, but I do think that America's internet economy has demonstrated itself over the years to be one of the most innovative. And 5G heralds a special promise, I think, when it comes to the ability of high bandwidth applications like virtual reality, and augmented reality, and low bandwidth applications like

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the internet of things. We want those companies, those technologies, to develop in the United States. Those are high-quality jobs that could create a huge amount of opportunity across the country. And speaking for the FCC, at least, I think that we are focused on securing that prize as best we can for the United States.

Mr. Lance. Thank you.

Commissioner Clyburn, your thoughts?

Ms. Clyburn. I am looking forward to working and to continue to do things in an expedited manner. But we need to make sure that it is ubiquitous. No part of this country should be without the opportunities for what 5G has to offer, and only with local and Federal engagement will we be able to win that race.

Mr. Lance. Thank you. My time has expired.

And I will follow up with you, Commissioner O'Rielly, later.

Thank you, Madam Chair.

Mrs. Blackburn. And, Mr. Welch, you are recognized for 5 minutes.

Mr. Welch. Thank you, very much, Madam Chair. I have 5 minutes, and I want to have 3 points. One, about the open internet. Number two, rural broadband. And, number three, the mobility fund.

Just to comment on the open internet, everybody says they are for an open internet. The question I have is why change the existing regime where everyone agrees there is an open internet? And what I understand

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is the ISPs are afraid of, quote, "heavy regulation," but say they won't do anything different. But a lot of folks in the public are concerned that that won't be the case. So that is a question, I think, the proponents of change have to answer: Why change it?

Second, on rural broadband. Chairman Pai, as you know, it is incredibly important to those of us in Vermont, working with Mr. Cramer, as well, to have open internet. Rural America is being left behind. And the promise of the 1996 act has been broken. Rural internet is not the same speeds and the same capacity as we have in urban areas. There is now a potential opportunity with the repacking in the white space, as you are aware. And there is a challenge. Because we want to make sure that our broadcasters have signals that are strong and they don't suffer interference.

But there are many now who are seeing that this white space is a technological development that provides an opportunity for inexpensive build out, in effect, of broadband. And the question I have for you is where you are on that and where the FCC is on that. Anything we can do to get that broadband out, and the deployment is a financial issue, I want to do.

So can you address that?

Mr. Pai. Absolutely, Congressman. I share your ethos. As you just put it anything we can do to get the broadband out there.

Mr. Welch. I am talking white space now though.

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Mr. Pai. Right. And with respect to white spaces, we are still in the early stages of study. Just a couple of weeks ago, I visited Microsoft's project in South Boston, Virginia, and I talked to some of the affected students about that issue. We are actively studying it and trying to figure out ways to work with all stakeholders to figure out the right way for it.

Mr. Welch. All right. So if we can find this technological sweet spot where we are able to protect the signal of our broadcasters. That is important in rural America too. We want to get our TV stations, our local news. But we have that white space where there is a promising opportunity, affordably, to build out, you are going to be aggressive?

Mr. Pai. If the facts warrant it and the law permits it, this FCC will not stand idly by.

Mr. Welch. Ms. Clyburn? Commissioner Clyburn?

Ms. Clyburn. I have long since talked about the promises of unlicensed and white spaces providing opportunities, particularly in rural communities and communities where the business case cannot be made. The promise is there, and I will definitely be a wind beneath that, to push that along.

Mr. Welch. Thank you.

And Mr. O'Rielly? Commissioner O'Rielly?

Mr. O'Rielly. So I support white spaces and have for a long time. I will say I don't support them setting aside full power broadcast

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stations. So if it becomes a fight between the two in the broadcast band, I think --

Mr. Welch. Let me just say, as a rural person, I am urging you and the industry to find a way to protect that broadband signal but to get broadband into rural areas. It has got to happen.

Mobility fund, a second issue that is really important to us in rural America. There is going to be action on that. And the question I have, Chairman Pai, some -- depending on how the project is -- the information is provided, there will be an opportunity for challenge from some of the rural providers who can test how the decisions are made. And they have got to be given an opportunity to do that.

Can you assure us that the commission is moving forward with the rule next week that will ensure that the data collection process will lead to a coverage map that accurately, accurately, reflects the current mobile broadband makeup and that it allows for smaller carriers -- and this is really important to us -- to have adequate time to potentially challenge data that they believe on their own work is inaccurate? Chairman.

Mr. Pai. That is certainly my aspiration, Congressman. And working with my colleagues in the next 9 days, we hope to get across the finish line with a work product that does that.

Mr. Welch. You are going to let them have a seat at the table to challenge?

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Mr. Pai. The carriers or my colleagues?

Mr. Welch. Right.

Mr. Pai. Absolutely. That is the goal. We want to have a robust open challenge process --

Mr. Welch. Commissioner Clyburn?

Ms. Clyburn. You heard that last thing on the record.

You know, one of the things that I have been pushing -- and the chair will affirm this. I have been pushing, you know, for a robust, open challenge process. That is important. And it is important for that information to be granular and Form 477. We have been pushing for that.

Mr. Welch. Thank you.

Madam Chair, my last 4 seconds I want to say thank you to Commissioner Clyburn.

Mrs. Blackburn. I would concur with that. But why don't we give Commissioner O'Rielly the opportunity to answer the question?

Mr. Welch. If you are giving me the time, I give it to him.

Mrs. Blackburn. I am giving you the question to allow him to answer.

Mr. Welch. Thank you.

Mr. O'Rielly. That is okay. I am fine. I am good.

Mrs. Blackburn. So the gentleman yields back.

Mr. Shimkus, you are recognized for 5 minutes.

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Mr. Shimkus. Thank you, Madam Chair. As Peter Welch has shown, there is so many questions and just so little time to deal with what you all deal with on a day-to-day basis. So I am going to pick a few.

First of all, it is no surprise -- just to Chairman Pai, on Next Generation 911. You know, we passed that Advancement Act of 2012. Anna and I have talked about this between ourselves the last couple of weeks. There was a grant program designed but was never initiated by the FCC. We all know money is needed. But what else can be done to help move Next Generation 911 forward?

Mr. Pai. Congressman, I appreciate the question.

We certainly are grateful for the promise of NG 911. But that promise has yet to be realized in great swaths of the country. And as Chairman Blackburn pointed out, I was in Tennessee with her earlier this year. And I visited a 911 call center that is using next gen 911 to deliver functionality that traditional 911 call centers simply don't have. And so we at the FCC are broadly supportive of any efforts that we can take to promote NG 911. It is an IP-based technology, as you know. So promoting the IP-based transition, encouraging the transition away from the old, fading TDM networks towards IP-based networks is absolutely vital.

Without it, some of these public safety answering points which don't have the money themselves to fund that transition are going to be left in the lurch. And that is the number one thing we can do. We

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would be happy to work with members of the committee to figure out if there are legislative tools as well that we can support.

Mr. Shimkus. Because we know there was a grant program authorized but never initiated. So we need to find out. Obviously, that is an issue. But then what else can we do? I do think the community is struggling to try to get to where they want to be, and time is of an essence in the 911 world as we all know.

Let me go to Commissioner O'Rielly and just talk -- we have had other subcommittee hearings. And, you know, the buzz is that there may or may not be an infrastructure bill. And we would always say -- I think members on this subcommittee, both sides, would say if there is an infrastructure bill, then obviously broadband deployment areas that are identified appropriately through a good mapping system should be aided and assisted.

So if there was direct funding to help deployment, what would be your vision on how that could best occur?

Mr. O'Rielly. My argument to the subcommittee in my testimony is that the committee should look to our high cost program and run a universal service as a mechanism to distribute the funding.

In the previous demos under the last administration, we had an NTIA program and some at the Department of Agriculture. I think those programs were suspect and had a lot of difficulties. We have difficulties in our universal service programs no doubt. But high cost

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has been something we spend a considerable amount of time in trying to minimize the amount of subsidy needed and to target the funding to stretch as far as possible, and I think that is a valuable way to go.

Mr. Shimkus. Thank you. And then, last but not least, Commissioner Clyburn, of course, appreciate your passion, which has always been there. But I think your voice is a little bit louder now, which is great.

There is really a two-part question. Can mobile broadband now fill some of the gaps in unserved areas? And, if not, because could you guys follow what is coming next sooner than a lot of us do. If not, is that coming around soon?

Ms. Clyburn. Well, I mentioned that I was in Representative Johnson's district. And mobile broadband is definitely necessary, especially on those roads where I did not have service, especially in those households where they can only afford one connection.

So mobile broadband is definitely -- you know, has to be front and center, which is why we are moving to the next phase of a mobility fund. But we cannot, you know, drop the ball when it comes to legacy. Because there are certain things you cannot do on a mobile.

So it is a complement to the entire telecommunications and communications ecosystem. But we need to go where the people are. Over 300 million of us have mobile connectivity, but it is not all created equal.

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Mr. Shimkus. Thank you. And my colleague, Peter Welch, mentioned the white space issue, so I am not going to talk about that. But I do want to address a bill that we passed through here, H.R. 460, which addresses the call completion problem that occurs. It really is addressing more accountability than just advisory or -- what is your all's position on that bill?

Mr. Pai. Congressman, I haven't had a chance to study all the particulars about the bill. But I can say that I do support efforts to give the commission ample authority to tackle all parts of the problem, not just the carriers but the intermediate providers, and others who are in the chain, so to speak, who might affect the call to a rural area.

Mr. Shimkus. Anyone else want to comment on that?

Ms. Clyburn. We have taken a proactive position in terms of holding people accountable all along, you know, from the time you dial a phone until that expectation on the other end. There are a lot of variables there and a couple of players there. When you have two, and three, and four players between that call, making that call and completing that call, that is a problem that we are identifying and need to fix.

Mr. O'Rielly. One of the reasons that it exists is because some of our old, antiquated rules favor arbitrage. And so that is something we have to get to the fundamental issue going forward.

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Mr. Shimkus. Thank you, Madam Chair.

Mrs. Blackburn. Mr. Loeb sack for 5 minutes.

Mr. Loeb sack. Thank you, Madam Chair. Thanks to all of you for being here today. This is, as always, pretty fascinating talking about a lot of these different issues.

A lot of us on this committee, on both sides of the aisle, are obviously very concerned about wireless in rural areas, rural broadband, all those issues. I usually go through a litany of reasons why that is so important. But I am not going to do that. I just want to say one thing, though, before I ask some questions.

This isn't just a rural/urban issue, as you all know. These things are tied together. So in Iowa, for example, like in Vermont or North Dakota, or whatever, if we have an urban hospital that wants to do telemedicine with rural areas, it is great that that urban hospital has sufficient bandwidth to be able to do that. But, obviously, if a critical access hospital or a skilled nursing facility, whatever the case may be, and rural areas doesn't, then that urban area is going to be affected as well, because that hospital cannot connect sufficiently with those folks.

So it is not just rural/urban. Those areas are tied together. And I think we often forget about that, and we just think in rural terms or in urban terms. Everybody is in this together. That is my speech for today. Now I will ask some questions.

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Chairman Pai, as you know, I was the original drafter of the Rural Wireless Access Act. We have a lot of issues, as I like to say, with garbage in/garbage out kinds of issues when it comes to mapping and how we are trying to figure out what areas are covered and which areas are not. And that legislation would require the FCC to establish standard service definitions, collect its data on wireless coverage in a reliable and efficient way. Because I think we can all agree that that hasn't necessarily been the case in the past. And I understand that the FCC has recognized the problems with the data.

Where are we on that now with creating a new data set? And will it meet the requirements of my bill for the data to be robust, and to be reliable and standardized? Chairman?

Mr. Pai. It is certainly our hope, Congressman, that it is worthy of the legislation that I commend you, too, for advancing. Next week we are going to be voting on some of those steps. And it has been a difficult process, in all candor. We had a decision to make at the get-go, do we rely on the Form's 477 data that we got with respect to the mobility fund or do we create essentially a Bespoke data collection? We decided to go down the latter road, because we recognized that some of the data we had wasn't sufficient.

And so going forward we want to make sure that if the map says that there is coverage, there is, in fact, coverage. And if the map says there isn't coverage, then we direct the funding from the mobility

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fund to those areas.

Mr. Loebsack. Well, can we get a commitment from you today that whatever you come up with will, in fact, meet the requirements of my bill?

Mr. Pai. Again, I haven't seen the particulars of your bill recently, but certainly the spirit of it we will do our best to achieve. And we would be happy to take a look at the legislation and get back to you.

Mr. Loebsack. I mean, it is pretty simple. It is making sure, to the best of our ability, obviously, that the data will be robust, reliable, and standardized. That is all we are looking for.

Mr. Pai. That is certainly what is in the draft item that is public, and we will be voting on on August 3rd.

Mr. Loebsack. Commissioner Clyburn?

Ms. Clyburn. One of the challenges there is how do you get different providers to compress and conform in a uniform manner?

Mr. Loebsack. Right.

Ms. Clyburn. And that is the challenge here. But the objective is there. How do we mine, meld, and mesh that? That is the challenge that we are working to fix.

Mr. Loebsack. And, Chairman Pai, you were in northwest Iowa not that long ago, actually. That is where I grew up, in Sioux City, up in that area, although I represent the southeast part of the State now.

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I have no doubt that when you were traveling between Sioux City and southwest Minnesota, you probably ran into some issues.

Mr. Pai. It was incredible. Driving from Madelia down to Spencer, and Laurens, and then Sioux City, I mean, how many times I had to mention to my colleague in the car, you know, we are just going to have to talk now. Because, you know, we have the inability to check emails or make phone calls and the like. And it is really a gap. And that was just for our own convenience.

Imagine if you are a patient who needs to make a 911 call, or imagine if you are a farmer whose productivity depends on having precision agriculture which, in turn, relies on connectivity. Those are the connections that really do matter.

And so it is not just a professional interest for me, and I dare say for my colleagues, it is a personal interest to me as a rural American to make sure that your constituents, and all rural Americans, get that connectivity.

Mrs. Blackburn. Mr. O'Rielly, do you want to mention anything?

Mr. O'Rielly. I agree with the work we are going to do. I have been pushing for greater data. There is a cost as to how granular you can get, but I think it is very important.

Mr. Loebsack. Well, I want to get this bill passed. I want to get it out of this committee. I want to get it on the Floor. And I want to get it passed and signed into law by the President. Because

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I just think there is very, very significant bipartisan support for this.

And, again, mentioning that it is not just the rural areas but their connection to the urban areas as well. It is absolutely critical. So thanks to all of you.

And thank you, Madam Chair. And I yield back.

Mrs. Blackburn. The gentleman yields back.

At this time I recognize the chairman of the Subcommittee on Digital Commerce and Consumer Protection, Mr. Latta, for 5 minutes.

Mr. Latta. Well, thank you, very much, Madam Chair. And thank you, very much, to our distinguished panel. It is always great to have you before us, and we appreciate your testimony today.

If I can start my question with you, Commissioner O'Rielly. And, again, I want to thank you again, you know, for showing interest and coming out to my district to speak to our folks just this past year. Because I think it is important that folks back home understand that the folks at the FCC are truly listening to their concerns.

And I recently introduced a bill, H.R. 3289, that would require the FCC to list and describe all items to be adopted on delegated authority 48 hours prior to action being taken if those items are given a delegated authority identification number. This will ensure that the commission is appropriately delegating items and not passing decisionmaking to others in cases where items pose new and novel

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questions of policy. I am pleased to see that my bill has been included in the discussion draft that is before us today.

And based on your statement of support of my bill in the last Congress, I believe you agree with this policy. However, in your testimony you mention that this provision could go further. Would you mind expanding on the ways in which we could improve the language in the draft?

Mr. O'Rielly. Sure. So the bill is identification and notification. The commission is required to tell people when it is delegating authority, which is a step -- improvement than we have today.

But I think I should get to the second of the part question, is well, what do you do with the notification? Today, you know, it is to the chairman's request on whether we, as a commission, get an opportunity to vote on those items. In the last commission I was voting about one out of every nine items. So eight out of nine items were being delegated and addressed by staff. We should have the ability to pull up some items that we think should be voted on by the full commission. But we have to do that in a way, in my opinion, that doesn't delay the items.

And so I put forward a plan that I thought would be a way to meld both parts of the equation so we can get better accountability but also do it in a timely manner. And I think that would help frame the issue

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better.

Mr. Latta. Well, thank you.

Chairman Pai, if I could turn to you. I also want to thank you for coming out to my district a couple years ago to meet with my smaller telecoms. And I really appreciate it. Because, also, from your rural roots, where you came from, you understand the issues that we all have out in our rural section of the country.

Under Section 161 of the communications act directs the FCC to review its regulations every 2 years and to repeal or modify those rules it determines have been made unnecessary due to economic competition.

Does the FCC specifically and separately consider, on a regular basis, the impact of its rules on the smaller providers and wouldn't the public's interests benefit from a regular review of whether there is a good cause to exempt small entities from these FCC regulations?

Mr. Pai. Great question, Congressman. I do think that as a part of our biannual review, or simply as a standalone project, it would be worthwhile for the FCC to think about specifically the impact that our regulations have on small businesses. These are the companies that simply don't have the wherewithal to hire the lawyers, the accountants, and others who are filling out the paperwork and otherwise helping them comply with the agency's rules. And I think we need to be sensitive to that going forward.

Mr. Latta. Let me follow up with another question to you,

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Chairman.

Are there other infrastructure deployment issues that the FCC currently lacks the authority to address? And, if so, could you highlight some of the areas additional authority from Congress to the FCC may be needed?

Mr. Pai. Thanks for the question. There are several of them.

First it would be the Gigabit Opportunity Act which I understand has been introduced by Representative Collins, Doug Collins, from the House side, and Senators Capito and Coons on the Senate side. That would go a long way, I think, to providing not just the FCC but the country with the blueprints for greater broadband deployment in low income, urban, and rural areas.

Secondly, it would be helpful to have additional authority with respect to pole attachments. Right now, we don't have authority over all of the poles that are used by broadband providers to attach the infrastructure necessary for high speed internet access. It would be helpful to have that.

Third, it doesn't necessarily effect the FCC directly, but making Dig Once the law of the land would be extremely helpful. I know there is bipartisan support for it, and it would be great to see that advanced into law as well.

Fourth, and finally, I don't know if it necessarily requires congressional action, but we are trying to take whatever steps we can

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to facilitate greater coordination among Federal agencies so that if you are looking to site infrastructure on Federal lands, you have, for example, a single point of contact at various agencies. And if there are ways that Congress could urge that effort forward, that would be extremely helpful.

Mr. Latta. Thank you, very much, Madam Chair. My time is about to expire, and I yield back.

Mrs. Blackburn. Gentleman yields back.

And at this time we go to the author of Dig Once, Ms. Eshoo, for 5 minutes.

Ms. Eshoo. Thank you, Madam Chairman. And welcome, Mr. Chairman, and members of the commission. I hope that the next time we meet that we will have a full commission. It is wonderful to see you, and it is important that you are here.

I have an observation first. And it is with some curiosity that I raise this. The chairman of the full committee asked each one of the commissioners if they supported net neutrality. And each one said yes with some additional comments.

Now, Chairman Pai, your chairmanship rests on the altar of unraveling net neutrality as we know it. So, with all due respect to you, I don't -- you know, I don't think it is a credible statement for you to say that you support it. Because everything that I have read about what you have said is the promise to unravel net neutrality with

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its protections. And so it is easy to say, I am against blocking, I am against throttling, I am against whatever. Who is going to enforce that? Who? How? And so it is an observation. But I think it is an important one to place on the record.

I have raised this before in previous hearings with previous witnesses when they bring up the whole economic case and the chilling of investment in our country because of the handful of sections that are part of Title II that were applied to net neutrality. And we know that publicly held companies, and their CEOs, when they make a statement to their shareholders, under penalty of law, have to be truthful.

And I can't find anything in any record that states where a CEO has said because of Title II there is a chill on the investments of the company that I represent. Now, you say you are studying it. How are you going to -- are you going to compare the statements made by executives to their shareholders, which are said, under penalty of law have to be truthful, to the comments that are filed by those same companies in the proceeding that you are undertaking?

Mr. Pai. Congresswoman, we are going to test all the facts in the record.

Ms. Eshoo. No. I am asking you a specific question.

Mr. Pai. Yes.

Ms. Eshoo. Are you going to take the comments of the CEOs to their shareholders and compare and contrast them with the comments that they

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place to the FCC on this matter?

Mr. Pai. If those facts are in the record, absolutely.

Ms. Eshoo. You are going to compare and contrast them?

Mr. Pai. We will look at all relevant facts in the record.

Ms. Eshoo. Are you going to compare and contrast them?

Mr. Pai. Well, I mean, depends on what facts are in the record.

Yeah. Absolutely.

Ms. Eshoo. All right. That is fine.

Mr. Pai. -- including the 10K's that I cited, and the statements that are in the record.

Ms. Eshoo. I think what is important to note here is that a recent pole found that 70 percent of voters and 71 percent of Republicans across the country think the internet has improved over the last few years. So this is not just the big ISPs. We are talking about everyone, everyone that is a part of this ecosystem. And I really think that that is being overlooked. I think it is disturbing that you have refused to comply, fully comply, with the FOIA request asking for the text of more than 47,000 informal net neutrality complaints filed with the FCC.

I think that you are being selective about what you want to read and what you want to hear. If it fits with the position that you stated before you became chairman and since you have become chairman, then it doesn't count. And I -- so I don't -- you know, you are not a level

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playing field. And that is your prerogative. But I don't think, you know, coming here today and saying I am for net neutrality is really a credible statement.

I want to raise RT, which is Russian television, but they changed the name so that people wouldn't know who they were. They are operating in our country. And I would like to know -- and I didn't understand your response. You stated what you can do at the commission. Can you tell us what your commitment is to do from the commission? Because in a -- both in a classified setting the Congress heard the intelligence community speak to it.

In the declassified public document it is replete with references to RT. They are operating in our country. And I would like to know what role you believe that the FCC should play in this. They are spreading propaganda in our country.

Mr. Pai. Thank you, Congresswoman. The question here is with respect to the FCC's sponsorship identification.

Ms. Eshoo. I understand.

Mr. Pai. Those rules apply to broadcasters.

Ms. Eshoo. Yes.

Mr. Pai. So to the extent that RT or any entity is paying broadcasters for the --

Ms. Eshoo. I want to know what you believe the FCC can do about this.

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Mr. Pai. Congresswoman, I was answering the question. It is with respect to the sponsorship ID rules, enforcing those rules. To the extent that RT or any entity has paid a broadcaster --

Ms. Eshoo. Are you prepared to do that?

Mr. Pai. We will always enforce our sponsorship ID rules, yes.

Ms. Eshoo. Well, why haven't you begun to?

Mrs. Blackburn. The gentlelady's time has expired.

Ms. Eshoo. This is a public realm now.

Mr. Pai. Congresswoman, I am not aware that there are --

Ms. Eshoo. Have you read the declassified report?

Mr. Pai. I have not, Congresswoman.

Ms. Eshoo. I would like you to read that, and then I will follow up with you.

Mr. Pai. I would be happy to do that.

Ms. Eshoo. Thank you.

Mrs. Blackburn. The gentlelady's time has expired.

And now we go to Mr. Guthrie for 5 minutes.

Mr. Guthrie. Thank you, Madam Chairman for yielding for the time. And as you have all heard me say before, and this is for Chairman Pai, I have worked with my friend, and enjoy working with my friend, Doris Matsui over the years on Spectrum issues. And just last week we had the opportunity to host a Spectrum caucus panel on 5G.

So I wanted to start by following up on some things we learned

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through the panel discussion and open by asking you about what is in the Spectrum pipeline.

So in addition to your work on millimeter wave and recent midband, the notice of inquiry, is the commission also looking at reallocating other bands that the industry may be able to aggregate with existing licenses to create similarly large bandwidths or are there additional bands in general that you are looking for future auction.

Mr. Pai. Well, thank you, Congressman, and for your bipartisan work with Congresswoman Matsui. I think it goes to show that when it comes to Spectrum there are no Republicans, there are no Democrats. There are simply people who are interested in the future of wireless innovation.

We at the FCC, too, have spoken with a bipartisan voice when it comes to Spectrum policy. In the Spectrum Frontiers Proceeding we teed up a number of bands above 24 gigahertz, as you are aware. We are actively studying that issue, including bands like 60 and 70 gigahertz to figure out if there are ways that we can allocate high or large swaths of Spectrum for high bandwidth applications.

We are not content to rest on our laurels however, and that is why we teed up for consideration next Thursday a midband NOI. This is the bands between 3.7 and 24 gigahertz. We focused, in particular, on 3.7, 5.9, and 6.4 gigahertz. But we have opened it up largely, as you will see in the Notice of Inquiry, for the public to tell us that

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there are other bands we should be thinking about.

Our goal here is obviously to be as holistic as we can be to ensure that as much Spectrum, licensed and unlicensed, gets pushed into the commercial marketplace. That is the best way, I think, to give innovators they need to deliver wireless services.

Mr. Guthrie. Can you lay out any timeframes, absence of statutory deadlines?

Mr. Pai. There is no particular timeframe since this is a Notice of Inquiry. We anticipate a longer time period because we can't proceed, typically, from a Notice of Inquiry directly to final rules. But we are hopeful that given that this is an urgent issue, of course, that for the wireless consumers and innovators, we can move with relative dispatch to identify areas where there is consensus, move forward on those, and if there are trickier issues, bracket those for further discussion.

Mr. Guthrie. Thank you. And, Commissioner O'Rielly, you have been vocal about potential deficiencies in the draft rules with a 3.5 gigahertz band. What steps should the commission take to make such Spectrum more attractive for licensed mobile use, including to better support 5G service?

Mr. O'Rielly. My apologies. So the commission is looking at whether to change the rules regarding licensing for the one tier, the license tier, of the 3.5 gigahertz band. Renewability is an important

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issue that was ignored under the last commission, and the lengths of the licenses themselves, the terms of the licenses are important.

So both those functions, in my opinion, need to be changed. And we are looking at doing that. The chairman has asked me to focus some of my time on this, and I am. And hopefully we will be able to look at that and a couple other issues. And my goal is to have that completed by the end of the year.

Mr. Guthrie. Thank you. For all commissioners, what lessons should we in Congress learn from the most recent auctions such as H block, AWS-3, 600 megahertz, that can be applied as we look to the future? We want to create the clearest possible rules of the road. So what can we build on? And what should we avoid?

And I will start with Chairman and move down.

Mr. Pai. Boy, that is a good question. I think, first and foremost, is to give the FCC the flexibility that it needs to identify its Spectrum bands that are ripe for auction.

Secondly, to urge the FCC to set up an auction process that allows all participants to compete fully and fairly for that Spectrum.

And, third, to ensure, to the extent possible, that the FCC has the tools that it needs to ensure that that Spectrum is, in fact, used for the public benefit. So last September I outlined my proposal to increase the build-out requirements, particularly in rural areas, to ensure that if this public resource is being allocated through the

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auction process to a private entity, that private entity does, in fact, use it to benefit the public.

Mr. Guthrie. Commissioner Clyburn.

Ms. Clyburn. I have to build on that and ensure that we have efficiencies and the expectations are being met by those who win the right to build. Also, I have been pushing for smaller -- you know, partial and smaller economic areas where it will indeed give persons regardless -- entities, regardless of size, not just the big players, being able to bid in this space. That is important. Because those in your communities, those who have the capacity in your communities, who want to service a smaller footprint, they should be able to do so. And I think that lesson should continue in subsequent auctions.

Mr. Guthrie. So in 10 seconds, can I kind of change it a little bit? Do you consider, Commissioner O'Rielly, the Spectrum Act a success?

Mr. O'Rielly. I consider it a general success, allowing Spectrum to be made available, the amount of Spectrum available is beneficial. But I do believe -- and this gets to the heart of your previous question -- is that we imposed a number of policies that probably were problematic, restricted the number of bidders, restricted the licenses. That shouldn't have been included in the first place.

We should have had a more open structure. And if you compare that to previous auctions, I think you will see that there is a differential

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between the two.

Mr. Guthrie. Thank you for the answer. My time has expired. I yield back. Thank you.

Mrs. Blackburn. The gentleman yields.

Ms. Matsui for 5 minutes.

Ms. Matsui. Thank you very much, Madam Chairwoman. I am a strong supporter of the FCC's Universal Service Programs, especially Lifeline and E-Rate programs which help families, schools, and libraries get connected. Chairman Pai, I have taken issue with many of the actions you have taken as chairman.

But one of the areas that is most troubling to me is the attack on Lifeline, a program that struggling Americans across the country count on. This small amount of support can make a huge difference in whether a family has phone and internet access. Lifeline means a parent can stay in touch with their child's school or has a phone number to put in a job application.

Under the last administration, the FCC made a lot of progress to start the process of Lifeline reforms. As part of the FCC's 2015 Lifeline Modernization Order, the FCC began the process of creating a national verifier for eligibility. This is an important check on a system that would make huge progress in making sure Lifeline funding only goes where it is needed the most.

Chairman Pai, could you provide us with a status update on where

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the FCC is with regards to implementing the national verifier?

Mr. Pai. Thank you, Congresswoman. The national verifier is still not scheduled to be up and running until later this year, and it is not scheduled to be fully operational in all States until 2019. We are working actively with USAC to accelerate that timeframe to the maximum extent possible. Because as identified in the GAO report, many millions of dollars are being wasted in part because we cannot certify that every person getting a Lifeline subsidy is eligible for the program.

Ms. Matsui. Okay. I just really think that that is not very much progress at this point in time.

Mr. Pai. This is the hand we were dealt, Congresswoman.

Ms. Matsui. Well, can you commit to providing this committee with quarterly reports on what the commission staff is doing to speed the implementation of the verifier?

Mr. Pai. I would be more than happy to do that.

Ms. Matsui. I think this is critically important. Because, you know, we should be implementing this reform so we know that we can implement against waste, fraud, and abuse instead of continuing to attacking Lifeline.

I know that Commissioner Clyburn has really been a champion of this also. What can we do to strengthen E-Rate and Lifeline programs?

Ms. Clyburn. We can ensure that we have the reports needed for

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us to better evaluate. What the chairman did not say is some of the reports were put on the back burner. They were rescinded or, you know, they weren't released. And so it is hard for us, particularly when it relates to E-Rate to see how we are doing, what we should be doing, and what are the next steps.

And Lifeline, uncertainty is abound when it comes to that. Because we told nine providers who spent millions of dollars to take part that we approved, that no need to apply, you know. We just rescinded those applications. So what is happening is a lot of uncertainty and a program that can provide the most for the least is in a state of flux. And it was very unnecessary.

Ms. Matsui. Thank you. And I just hope the commission puts a lot more energy behind this program.

Commissioner Clyburn, I share your belief that we need to be strengthening localism and viewpoint diversity in our media. We have a strong tradition of local broadcasting in Sacramento. And it is essential to keeping my constituents engaged and informed. I know that you have concerns about some of the FCC's recent decisions on media, specifically rolling back the UHF discount. How is reinstating the UHF discount opening the door for greater consolidation and local broadcast markets?

Ms. Clyburn. It will allow for a potential licensee to, under the cloak of darkness, to account for 50 percent of a certain license.

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It would only show up as 50 percent. And that means that you would make the assumption that they are under your cap when they actually are not. It is technologically obsolete, and anything that is technologically obsolete will negatively impact the entire ecosystem.

Ms. Matsui. So you believe that this is really under the cloak of darkness?

Ms. Clyburn. Absolutely.

Ms. Matsui. Okay. Okay. At this point, I would like to give a few minutes here, or seconds, to Congressman Cardenas.

Mr. Cardenas. Thank you, Congresswoman Matsui. And thank you, Madam Chair, for holding this hearing.

I just wanted to submit my questions for the record. And I appreciate this opportunity to hear from the commission. And I just want to register some questions that I have, and concerns, to the merger between Sinclair and Tribune, and the massive reach that they would have and the must-run content that they seem to be pushing on the local media.

So thank you very much, Madam Chair. I yield back.

Ms. Matsui. I yield back.

Mrs. Blackburn. Gentlelady yields back.

Mr. Olson for 5 minutes.

Mr. Olson. I thank the Chair. And welcome Commissioner Clyburn, Commissioner O'Rielly, and Chairman Pai.

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Chairman Pai, my questions concern Spectrum for commercial uses. The Spectrum Pipeline Act of 2015 called for the identification and auction of 30 megahertz of Spectrum by 2024. Is that 30 megahertz adequate to meet industry's future needs? And, if it is not, what can Congress, NTIA, and the FCC, do to identify additional bands that could be made available for commercial use?

Mr. Pai. Thank you for the question, Congressman. I think the only constant in the wireless world is change. And that if we anticipate the 300 megahertz that might have been sufficient in 2015, then innovators will find applications that require us to think even more broadly. And so we certainly want to pursue as many of those 300 megahertz as possible. But, as I stated in my response to Congressman Guthrie, we are thinking as broadly as possible. We want to tee up as many bands as possible.

And to the extent that congressional authority might be helpful in identifying further bands or giving the FCC the authority to clear more bands, we would be happy to exercise that authority.

Mr. Olson. In your opinion, what are the repercussions of not meeting Spectrum needs over the next decade? What is going to happen if we blow it?

Mr. Pai. I think the opportunity cost could be extremely significant. As Congressman Loeb sack pointed out, if you are a healthcare provider in a rural area, and that wireless connection might

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be necessary for you to be able to assess and stabilize a patient, that requires Spectrum. For agriculture, for education, all these other things depend on wireless Spectrum.

And as the world goes wireless, the demands on the network go up, and we have to have enough Spectrum to meet those needs both unlicensed and licensed.

Mr. Olson. Commissioner Clyburn, Commissioner O'Rielly, something to add to those questions about the Spectrum?

Ms. Clyburn. Well, one of the things is we are working with our Federal partners. You know, with, you know, NTIH, to ensure that we are on the right track. We are being flexible. We are talking about an all-of-the-above approach, you know, unlicensed, licensed, and shared Spectrum. So I really think the momentum -- I know the momentum is there. We just need to shore up, I think, the public-public partnership side of the equation to make sure that we keep pace.

Mr. O'Rielly. I would say that I have been pushing hard on millimeter wave band and midband to make more Spectrum available for those purposes.

One idea that I put forward was agency Spectrum fees, is putting opportunity costs for Federal agencies that hold Spectrum to try and make a mechanism that they would realize it in their budgets in terms of holding Spectrum. Because right now there is no cost for the hold licenses, and that keeps that bottled up in the Federal agencies.

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So that would be one mechanism I would recommend to the committee for consideration.

Mr. Olson. Thank you.

Chairman Pai, the FCC Authorization draft legislation we are reviewing today would establish a, quote, "Office of Economics and Data," end quote, within the FCC. Do you support this office in the statute? How can this office help the commission do a better job with its rulemakings? Is this necessary?

Mr. Pai. I strongly support the creation of this office, having proposed it in April. It has struck me over the years that for the legal function there is a dedicated office, the Office of General Counsel.

For the engineering function, there is an Office of Engineering Technology. But when it comes to economics, which arguably should guide a lot of our thinking, in terms of cost benefit analysis and the like, the economists are sprinkled throughout the agency. And that impairs our decisionmaking. It gives the economists at the agency less of a feeling that they are incorporated into the culture of that decision making. It also makes it difficult for us to recruit the best and brightest, and when we are competing with the FTC and SEC.

So we are hopeful that with the Congress' support, we are able to create this office in a way that inspires great big-picture thinking from the terrific economists that we have on staff.

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Mr. Olson. Sounds like we should keep it in the bill.

Mr. Pai. I would be supportive of that.

Mr. Olson. Final question for you, Commissioner O'Rielly. We can all agree on the benefits of the next generation of wireless, 5G. Unfortunately, we also hear about delay of sites for new wireless facilities which in some cases can take years. Mr. Pai mentioned sites on Federal lands. What is the FCC doing, and what more can it do in this regard? As a formal Navy aviator, how can Congress help the FCC feel the need for speed?

Mr. O'Rielly. So I appreciate your comments. The chairman outlined a number of things that we are already doing at the commission, including the BDAC, and including three proceedings that we have before us. So, hopefully, we will conclude those in the near term.

But, in addition, anything that Congress can do to clarify the current statute in terms of our authority is very welcome. I think we have broad authority in this space, but anything that Congress is willing to clarify would be very helpful.

Mr. Olson. Thank you. My time, I yield back.

Mrs. Blackburn. Right on time he yields back.

Mr. Ruiz, 5 minutes.

Mr. Ruiz. Thank you, Chairwoman. I want to thank the chairman and commissioners for being here. The FCC is responsible for a vast array of issues, and I welcome the opportunity to discuss a couple of

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them today.

Diving right in. I want to talk about broadband deployment. One of the most important tools the FCC uses to encourage broadband deployment is through the Connect America Fund which helps make deploying and maintaining broadband internet possible in remote, and rural, and underserved areas across the Nation.

These are areas like Mecca, Thermal, Coachella, in my district, where I grew up, where it is a rural area, farm worker area, where we also have some tribes, or a tribe, that also exists in that area. And we know that there are some classrooms in the Coachella Valley Unified School District that doesn't have access to good internet where teachers have to print out a YouTube video and show them as slides so that the kids can get information.

But, also, the CV Unified School District and the community work together to provide every student, K through 12, an iPad or a tablet to boost achievement and narrow that digital divide, where oftentimes when I grew up there we had dilapidated books, and we didn't have the most recent copyrighted book as well.

Unfortunately, however, broadband deployment across the region remains spotty, at best, limiting the ability for students to take full advantage of this technology. In December of 2015 I wrote to the FCC in favor of Frontier Communications proposal to acquire Verizon's Wireless Networks and supporting their commitment in working together

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with my office to utilize the Connect America Fund to deploy high speed internet in those underserved areas in my district. And I urge the FCC to support Frontier's efforts to deploy broadband in my communities and to hold Frontier accountable to their commitments to closing the digital divide through their acceptance of Connect America Funding.

So my first question to Chairman Pai, are you committed to ensuring all Connect America funds recipients are fulfilling their responsibilities under the program?

Mr. Pai. Absolutely, Congressman. Yes.

Mr. Ruiz. And how are you going to monitor that progress?

Mr. Pai. Two different ways. Upfront, we have required the recipients of that funding to build out to 40 percent of their territory by the end of this year, 20 percent by the end of 2018, 20 percent by 2019, and the final 20 percent by the end of 2020.

We require reporting obligations throughout. And on the back end there is accountability. If they do not build what they said they would build out, then we will require the accelerating --

Mr. Ruiz. Thank you.

Mr. Pai. -- back.

Mr. Ruiz. Thank you. This is obviously a critical program not only for the people and families I represent but millions of Americans who still lack access to broadband.

Now switching gears. My next question is about addressing the

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challenge of -- and in some cases the other lack of diversity in media programming, ownership, and viewpoints. For me, this isn't about some statistic. It is about the children in our communities who deserve to see their stories, their communities, their experiences, their role models, their culture, portrayed on the screen in a positive light.

It is about giving our young people more inspiration and more role models to look up to on the screen and behind the screens. And when they believe that they can dream big and fight to make those dreams come true, our Nation as a whole reaps the benefits. I firmly believe that we need to see real progress, real change, and we are going to need to improve the diversity of those decision makers at the top.

As we have seen, several mergers over the years in the evolution of how people consume media content, we must ensure that diversity in programming and content is not diminishing. As the agency who has overseen numerous mergers over the years, the FCC has a responsibility to take public interest into account and in determining whether to approve a particular proposal.

Chairman Pai, very briefly, if you don't mind -- because I do have another question -- does the FCC consider diversity when reviewing proposed mergers under the public interest lens?

Mr. Pai. That is one of the factors that goes into our analysis.

Mr. Ruiz. Thank you.

And Commissioner Clyburn, you have been a champion for this issue

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in the past. How do you think the FCC and Congress can work to improve diversity on and off the camera?

Ms. Clyburn. I think one reason -- one way is through ownership. Just stamping every merger that comes our way is not going to help in terms of diversifying the ecosystem, a tax certificate program. That works extremely well.

An incubator program, that I think would work extremely well where we could possibly relax some of our ownership obligations.

Those are two proven ways, I believe, that we could further infuse and diversify the marketplace.

Mr. Ruiz. Good. I look forward to working with you both on this particular issue in the future. Thank you. I yield back.

Mrs. Blackburn. Mr. Long for 5 minutes.

Mr. Long. Thank you, Mr. Chairman.

Commissioner O'Rielly, a long time ago, in a galaxy far, far away, during the proceedings to establish rules for the incentive auction there was fierce debate about the bidding restrictions set aside in the Spectrum screens. Now that the incentive auction is over, can you say with confidence whether the restrictions to set aside the screen applied increased better participation?

Mr. O'Rielly. I cannot, with all honesty, say that they increased participation. I would say just the opposite, they decreased participation.

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Mr. Long. You what?

Mr. O'Rielly. I would say they decreased participation. The restrictions decreased participation. They set aside a Spectrum for particular bands, for particular licenses, for particular winners.

I think that those rules were harmful to the free market and the free auction, and I think that the auction didn't generate as much as it possibly could have.

Mr. Long. I think I can maybe delete the second part of my question. I was going to say were they necessary and beneficial. But I think you have answered that.

This is for everyone. I will start with Chairman Pai and go down the line. Netflix is the largest paid TV service in America in terms of subscribers and has a content budget of \$6 billion including to produce its own exclusive content.

Amazon Prime, which offers a premium and exclusive video programming will soon see its subscriber numbers pass that of all the so-called traditional pay TV services, such as cable and satellite combined.

Alphabet's YouTube now offers a paid TV service with programming no different than traditional cable and satellite to 35 percent of American households.

My question is this: Do our communication laws and FCC regulations recognize and account for these new and competitive

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services?

Mr. Pai. Good question, Congressman. I don't think they do, and part of the reason is that the law has been frozen in place for a while. And that is why I think it would be helpful to have additional authority, for example, with respect to forbearance.

It would allow the agency to modernize our rules to recognize some of those revolutionary changes you identified.

Mr. Long. I will repeat the last part of the question for Commissioner Clyburn. Do our communications laws and FCC regulations recognize and account for these new and competitive services?

Ms. Clyburn. I say yes and no. You know, we recognize part of the reason why you can mention all of those, you know, companies, is the fact that we have an open internet, an open and a vibrant ecosystem.

So I don't think we should discount that. That is very important. You would not have been able to say those alphabets, literally, you know, several years ago.

So I think we need to concentrate on that as much, you know, recognizing that maybe we need to retool and continue to evaluate rules that are on the books.

Mr. Long. Okay. And, Commissioner O'Rielly, again, do you -- excuse me -- do our communications laws and FCC regulations recognize and account for these new and competitive services?

Mr. O'Rielly. I would agree with my colleagues. It is a yes and

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no in terms of -- sorry, sir.

Mr. Long. That is all right. Pay no attention to the man behind the curtain.

Mr. O'Rielly. In terms of Title VI, I don't think it reflects the current marketplace. That is what generally governs our video services. So I think the law is out of sorts with that. I think in our media ownership we are required to look at those things and required to look at the broad ecosphere and what is happening in the marketplace. And so that does, I believe.

And we didn't do that in the last go-round in our media ownership, the quadrennial review. So the law does in some places and other places it doesn't. It should be modernized.

Mr. Long. Okay. Thank you.

And, with that, Chairman, I yield back.

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RPTR ALLDRIDGE

EDTR ROSEN

[11:59 a.m.]

Mrs. Blackburn. The gentleman yields back.

Mr. McNerney, 5 minutes.

Mr. McNerney. I thank the chair.

Chairman Pai, within 2 weeks of becoming chairman, you rescinded the FCC White Paper on cybersecurity risk reduction, as well as the Notice of Inquiry on the 5G wireless network and device security. You then moved to stay the data security provisions of the Broadband Privacy Rules. Meanwhile, we have seen more unsecured devices come to market, and an increase in the attack surface and the largest online ransomware attack in history.

I am puzzled that you aren't taking the agency's responsibility in the area of cybersecurity more aggressively, given that your own agency was attacked -- was a victim of attack of -- denial of service attack.

Please answer with a yes or no. Will you commit to working with the committee to using your authorities to protect consumers against the growing cybersecurity threats?

Mr. Pai. Yes.

Mr. McNerney. Chairman Pai, on May 7, after airing of John

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Oliver's program that outlined the FCC's efforts to roll back net neutrality, the Commission's electronic comment filing system went down. The FCC's chief information officer alleged that the agency's internal analysis found the website was hit by multiple DDoS attacks. I find it troubling that the FCC could not produce any documentation on these attacks when asked to do so.

Please answer with a simple yes or no. Will you commit to turning over to this committee any reports, requests, memoranda, and server logs related to this incident so that we can get to the bottom of what happened here?

Mr. Pai. Congressman, I hope to consult with the IT staff and the attorneys to see if there are any applicable, technical, or legal prohibitions or restrictions on doing so. But to the extent I can share information with you and the committee, I would be happy to do so.

Mr. McNerney. You will commit to that?

Mr. Pai. Yes, sir.

Mr. McNerney. What is the agency's protocol going forward for documenting DDoS attacks?

Mr. Pai. We consistently work with the career IT staff to monitor the situation, and they work, in turn, with the cloud providers to ensure that they are able to scale up as necessary to address some of the challenges that our system might have. And I am happy to say that they have been able to do so very successfully, judging from the

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voluminous comments we have received to date.

Mr. McNerney. So we will have better visibility, then, in future potential attacks?

Mr. Pai. Sorry. In terms of --

Mr. McNerney. Of what happened. Of what was the attack consisted of.

Mr. Pai. Yes. As pointed out in the letter to Senators Wyden and Schatz, and the attachment from our chief information officer, the career chief information officer, we outlined some of those facts, and we would be happy to produce that to the committee as well.

Mr. McNerney. Well, after passing the privacy CRA, the Republican members of this committee sent you a letter asking that the FCC protect consumers' privacy by using its authority under sections 201 and section 202 of the Communication Act.

Please answer with a simple yes or no. Since receiving this letter, has the Commission taken any enforcement action or issued any guidance for using sections 201 and sections 202 to protect consumer privacy and broadband privacy.

Mr. Pai. Not to my knowledge. We are still studying that issue, the letter that was sent over.

Mr. McNerney. Does the Commission have any plans to take enforcement under -- action under 201 and 202 to protect broadband privacy?

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Mr. Pai. The Enforcement Bureau Guidance that was issued in 2015 is still in force, and so, we are happy to provide further detail if requested.

Mr. McNerney. Thank you.

Commissioner Clyburn, what broadband privacy protections can consumers rely on today?

Ms. Clyburn. To my knowledge and my interpretation, though I am not a lawyer, none. We have basically gotten out of the business of protecting those online. We have made it clear that if you have -- in terms of voice, we are there for you when it comes to broadband. That is up in the air. And to say that the FTC will be your savior, I think is shortsighted in terms of looking at what their authority is.

Mr. McNerney. Well, startups are the key drivers to job creation, innovation, and economic growth. I want to make sure that my startups in my community can continue to expand.

How will the current proposals to roll back net neutrality protections affect the ability of startups to thrive and compete?

Ms. Clyburn. I think in terms of the FCC's ability to do its job in terms of ensuring that there is a way for us to ensure that there is broadband and investment oppose attachments and other types of conduits. It is questionable right now whether or not we have the authority or the ability to do anything to enable all of that.

Moving in the direction which is proposed is going to cause -- is

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going to short-circuit our ability to the things that America expects, and that is to connect them in an expedited, legally sustainable way.

Mr. McNerney. Sure.

If I understand, you feel that Title II rules inhibit investments. How can you test, in an unbiased way, the veracity and universality of your opinion since the rulemaking is lacking comments on the benefits of the existing rules?

Mr. Pai. Congressman, to the contrary. We welcome those comments, and we want to test the veracity of the statements that are made in the 10Ks, the studies that are entered into the record. And that is why -- precisely why, as I suggested to Congressman Doyle, that we aren't proceeding by a declaratory ruling, simply fiatting a particular result. We want to hear all the conflicting facts, sort through those facts, and then make the judgment based on those facts and the applicable law.

Mr. McNerney. Thank you.

I yield back.

Mrs. Blackburn. The gentleman yields back. And, Mr. Bilirakis, you are recognized for 5 minutes.

Mr. Bilirakis. Thank you, Madam Chair. I appreciate it so much, and I thank the commissioners for their testimony today.

Chairman Pai, in past hearings, I questioned your predecessor on his proposal to close various FCC field offices, and the impact it could

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have on the radio frequency interference complaint response times. At the time, you were also concerned that these closures could erode the FCC's enforcement abilities. In the closing days of the last administration, the FCC closed 11 field offices, including one in Tampa. I represent part of the Tampa Bay area. I think you know that.

In light of these closures, what actions has the FCC taken to ensure that interference complaints continue to be timely addressed?

Mr. Pai. Thank you for the question, Congressman. And it is no secret that I had substantial disagreements with the original reorganization plan that was proposed, because it would have impacted the field, including places like Tampa.

Going forward, we have tried, to the best of our ability, to use those resources in the field offices to aggressively attack issues, like pirate radio, that are a problem all across the eastern seaboard. And working with our enforcement Bureau staff, during my tenure, we have issued two notices of apparent liability, four forfeiture orders, 39 notices of unlicensed operations. That is just on the enforcement side. In terms of our rules, going forward, we want to make sure that we take every step we can to put pirates on notice that both the staff at the FCC headquarters and the field office enforcement staff are cops on the beat to guard against that problem.

Mr. Bilirakis. Thank you very much.

Next question. The Commission has done a great job in the last

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few months bringing cases against scammers who violate the TCPA by making millions of unwanted robocalls to innocent consumers. I think we all agree that robocalls are a substantial consumer protection problem. As a matter of fact, you know, I hear about it all the time from my constituents and even family members.

So, Chairman Pai, could you tell us more about the FCC's robocall enforcement efforts? And what makes it so difficult to identify these bad actors?

Mr. Pai. Terrific question. This is the number one consumer protection issue, judging from the complaints that we get from consumers across the country. We took that to heart. And so out of the box, in the first 6 months, we have already taken the -- proposed the largest fine ever proposed by the FCC to go after a robocaller in Florida who imposed 100 million robocalls in just 3 months on America consumers. That is \$120 million proposed fine.

Two weeks ago, rather, we proposed an additional fine to tackle another scammer who was essentially enabling others to make similar robocalls. We also set up, on the rule's side, a reassignment -- we are proposing to set up a reassign numbers database so that those legitimate callers who want to stay in touch with their customers are able to do so free from liability.

We have also empowered carriers, rather, to take steps to block spoofed calls. These are calls that appear to be coming from your area

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code or even the first three numbers of your prefix, but they could be coming from another country. It is somebody masking their identity in order to get you to answer that phone.

We are using every tool in the toolbox that we can, but is very difficult. There are a lot of technical challenges. And that is why, going forward, we have encouraged what is called a call authentication anchor. This would enable you to know that, if you see a number on your phone, you can be assured that it is from the person who is assigned that telephone number. For a variety of reasons that we don't have time to get into, it is very technically complex to do that, but we have the best and brightest folks at the agency and in the industry working together to try to figure out this problem.

Mr. Bilirakis. Very good. Thank you. Thanks for taking that action. Again, it is so important to our constituents.

Ensuring that our elderly and disabled populations retain full access to technology is very important to me. And, again, we don't want our elderly or any constituents being bothered with these unwanted robocalls, as you know.

But on another issue, just this month, the FCC adopted rules to provide more video-described programming to blind and visually impaired Americans.

Chairman Pai, can you describe what this will do for visually impaired population, and explain the timeline for implementation of

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the new standard.

Mr. Pai. Thank you for the question, Congressman. I am very proud of our work in this area. So many of the things that we talk about when we are with our families involve movies or TV shows that we have seen. But imagine if the core scenes in a movie or a TV show required you to understand the nonverbal cues. Those are things that blind and -- people simply can't take advantage of unless they have an audio description of what is going on. And so that is why, working together, we advanced more video description capability. That is somebody narrating, essentially, the critical elements of a movie or a film. This is something that Congress gave us the ability to do, and we have exercised that authority in order to give those with disabilities the maximum chance to participate.

We have done that across a number of different areas, by the way, not just on the video side, but with respect to those who are deaf or hard of hearing. We have taken a number of steps to ensure that they have the ability to enjoy communication services as well. And so using the tools that Congress has very generously given us, we want all of these communities to be digitally empowered, especially those with disabilities.

Mr. Bilirakis. Thank you very much. I want to thank the Commission for making it a priority.

Mr. Pai. Thank you.

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Mr. Bilirakis. So very important that our constituents have access.

Thank you.

Mrs. Blackburn. The gentleman yields back.

Mrs. Dingell for 5 minutes.

Mrs. Dingell. Thank you, Chairman Blackburn, and thank you, again, to all the witnesses. I know you probably like being here as much as you like going to the dentist.

I want to start with the issue of cybersecurity and build on my colleague, Mr. McNerney's questions. And I know it is very important to all the members on both sides of the aisle. It is really a nonpartisan issue, and it is something we have got to get right.

The distributed denial-of-service attack that the FCC suffered on May 7 is concerning to all of us, especially because the Commission has not been very forthright concerning what actually happened.

Chairman Pai, I do appreciate your response to some of Senator Wyden's questions on this issue, and to Mr. McNerney's. But I want to follow up on that.

You have presented your plan to mitigate bottlenecks in the electronic comment filing system, API. Could you talk about this plan in greater detail, and would you be willing to update members of this committee when the plan has been implemented?

Mr. Pai. "Yes" is the answer to the second question,

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Congresswoman. With respect to the first, we have worked to ascertain what the necessities are in terms of scaling up our ECFS system to accommodate a large amount of traffic. And that is why I think we now see 12.3 million comments in the system, is that our career IT staff working with our commercial cloud providers have the ability now to make sure that, if we anticipate a great surge in interest in a particular proceeding, we are able to scale accordingly. And so that process has worked pretty well, as far as I know, over the last several weeks, and hopefully, going forward it will as well. But we would be happy to keep you briefed on --

Mrs. Dingell. And let us know if there are problems again as they occur?

Mr. Pai. Absolutely.

Mrs. Dingell. Chairman Pai, in October of last year, the DNS provider Dyn fell victim to a massive distributed denial-of-service attack. Without diving too deep into the woods, can you give us a quick overview of some steps you are taking to mitigate the risk of this happening again? The threat is only going to grow more and more if more and more devices are connected to the internet.

Mr. Pai. I couldn't agree more, Congresswoman. Cybersecurity is a critical issue. And it seems like we hear about a new story like that every month or -- if not every week. The problem as we see it is the FCC's authority here is relatively circumscribed. If Congress

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would give us additional authority, we would be more than happy to administer it. But as we read the Act, we don't have the ability to directly issue, for example, cybersecurity regulations of the type that would address issues like that.

We are in a consultative role with the Department of Homeland Security and other agencies. And I personally have been in briefings at the where FCC's secure facility where I have been briefed about some of the cyber threats that we see. And I obviously can't discuss those in open setting. But I can tell you that we are focused on this issue, and we would welcome any additional authority.

Mrs. Dingell. So I think it is great to hear that you are, because I have been worried that it has all been shunted off to Homeland. And maybe in a session, we can work with what you think you need to have more authorization, because I think the FCC has a critical role as more goes on. So thank you.

Switching gears to another top priority of mine, the Lifeline program. It is critical to so many hardworking Americans across the country. Americans are living paycheck to paycheck and struggling to get by in the new economy. All of us have constituents like this, and we see them every weekend when we go home. We can't afford to leave Americans behind. So I am going to ask all of the commissioners this: Do each of you -- to each of you: Will you commit that you won't take Lifeline away from these hardworking Americans by artificially

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limiting the Lifeline program?

Mr. Pai. Congresswoman, I am not sure what you mean by artificially limiting the program. But I have said consistently that Lifeline is a critical part of the equation to addressing the digital divide. And so long as I am Chairman, broadband will remain a part of the Lifeline program.

Mrs. Dingell. Chairman Clyburn.

Ms. Clyburn. I am absolutely concerned about the program; I am concerned about the posture; I am concerned about the rhetoric. And if we do not fix it as opposed to criticizing it, then this program will be in jeopardy.

Mr. O'Rielly. I have no interest in dismantling Lifeline. I am not sure exactly what you mean by your question. But, you know, I am happy to work with my colleagues. There are a number of improvements needed to be made in this area, including having a budget for the program.

Mrs. Dingell. I will expand more on that in questions after. I am going to do a really fast one.

Commissioner Clyburn, do you think rolling back net neutrality would undermine free speech online? Why or why not?

Ms. Clyburn. Absolutely. I think if any outside force is able to influence a limit where you can travel or where you can access online, that is very limiting not only, you know, to free speech but other

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enabling opportunities that you may have.

Mrs. Dingell. One more. If someone with a vibrant small business community in my district, I have heard many of them that rolling back net neutrality can undermine their growth in jobs, small business.

Commissioner Clyburn, why would small businesses be so uniquely affected by the rollback of net neutrality?

Ms. Clyburn. Because they don't have the power of being able to buy more expanded, robust service offerings or faster speeds. We heard from a lady in the -- Congressman Johnson's district that said she lost 300 or \$400 a month because fraud rolling and her inability to enhance -- to promote her artwork. These are very real problems that are happening to very real people. And if they don't have a level playing field, it will continue.

Mrs. Dingell. Thank you, Madam Chairwoman.

Mrs. Blackburn. The gentlelady yields back.

Mr. Kinzinger, 5 minutes.

Mr. Kinzinger. Thank you. Thank you, Madam Chair, for holding the hearing. And to the commissioners, thank you for being here today. I am pleased to see the FCC reauthorization discussion draft includes provisions from legislation I introduced last Congress that would require the FCC to publish the draft of any item that is circulated on vote at the Commission. And I am also pleased to see the FCC Process

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Reform Act included in the bill that I cosponsored with Chairman Walden in the past few Congresses to improve transparency and fairness.

Mr. Chairman, you stated you are going to make transparency a priority, and I am very encouraged, actually, by the efforts you have already made. While it has only been a few months, what benefits have you seen from some of the reforms that you have implemented?

Mr. Pai. Thank you for the question, Congressman. It has been tremendous. The first and foremost reform is the pretty simple one: Letting the American people know what we are going to do at our public meetings at least three weeks before we do it. And that is something that we had been told for legal reasons we couldn't do, or for policy reasons we shouldn't do. But in my second week, I instituted that reform, adopted Commissioner Clyburn's suggestion to accompany those items, the one-page fact sheet that explains in plain English what we are doing. And the results speak for themselves. People, including Members of Congress, are able to see the specific details of what the agency is proposing to do.

I would say for myself, that it has made the meetings we have about -- internally, about those proposed items much more productive. Instead of this game of telephone where one party says, Well, we hear that X, Y, and Z is in the item. Can you confirm? And the commissioner, or the commissioner's staff, Well, we can't disclose non-public information, but you might be on the right track. Those

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meetings simply don't happen anymore, because everyone can see what is in it. Or if there is a meeting, we focus on the meat of an issue. You know, Chairman, you are wrong for this reason. Chairman, you are right for that reason. So it has been much more productive.

Other process reforms we have instituted have been similarly helpful, and we certainly look forward to more of those going across the finish line in the time to come.

Mr. Kinzinger. Good.

And we have draft legislation that seeks to advance that even farther.

I will start by asking you and then turn to your colleagues briefly. What do you see in the legislation that will be helpful and what tools might we be considering as this legislation advances?

Mr. Pai. A lot of good ideas in the process reform section of the bill. Obviously, the creation of the Office of Economics and Data is something I am very supportive of. I think it would be helpful to create a culture of big picture economic thinking at the agency, and having Congress's support would aid that mission. Making sure that we institute more -- deadlines for Commission action is something that would certainly come into the Committee's attention. That is one of the things that we talked about before is that the agency can accept all these petitions and applications, but there is no accountability on the back end, because we have no deadline for acting. So having

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those deadlines, having sunset clauses and the like would help our work.

As I mentioned earlier, and I am not sure if you were in the room, but the one caveat I would add is that for enforcement actions, it is often important for us not to disclose the content of those actions until after the Commission has voted. That is one area where transparency is, as important as it is, is counterweighed, I think, by considerations of due process and notice and the like.

Mr. Kinzinger. Understood. Commissioner Clyburn.

Ms. Clyburn. I will be a one-hit wonder on here and talk about the Sunshine rules. I was a chair of the universal service joint boards, and that was definitely a barrier to communications. So, you know, that -- pushing that ahead is a positive, and to the now current chair.

Mr. O'Rielly. Well, thank you.

I support the bill. I think there is many good improvements to our process. I think the Sunshine, as I mentioned, to the chairman of the full committee, that the Sunshine changes probably could be broader, in my opinion. I think they are a little limited, but that is -- they are improvements, so I will take them. But I am not sure they will used all that often.

But I have put forward 15 ideas in my testimony that I think could be added to the bill to make it a little stronger. There are things I was pushing when I was a minority commissioner, and have advocated

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since. And, you know, it doesn't matter from the minority or majority. I am worried now about this Commission. I think Chairman Pai has been a great leader in improving the accountability and transparency. But it is two, three, four failed chairmans from now I am worried about.

Mr. Kinzinger. There are benefits to codifying.

And, Chairman Pai, last question. You updated us on the post-incentive auction transition process. And you mentioned that the \$1.75 billion we provided is insufficient to cover the total cost of repack, likely.

You didn't mention whether the 39-month deadline will be enough time to complete the process. Is it too early to tell whether there will be enough time to move it all within 39 months?

Mr. Pai. It is a little too early to tell. We have allocated the broadcasters who need to be repacked into different phases. And thus far, we haven't yet commenced full analysis of whether those phases will be sufficient. But I can commit to this committee that we will keep you apprised promptly of any developments on that front if we get the sense the 39 months will not be able to be met.

Mr. Kinzinger. Thank you. And, Madam Chair, I will give you 29 seconds back.

Mrs. Blackburn. Sounds great.

Ms. Clarke, 5 minutes.

Ms. Clarke. Thank you, Madam Chair. Thank our ranking member.

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I also thank our commissioners. And it is great to have you here before us to answer questions today.

My first question is actually to you, Mr. Chairman. It is good to see you.

Mr. Pai. You too.

Ms. Clarke. Since the close of the FCC's broadcast incentive auction in April, you have begun granting license applications. I believe 25 have been granted, including two applications to incumbent nationwide wireless carriers, and the country's largest cable and direct broadcast satellite providers.

Of the 24 remaining applications that have not been placed on public notice, 13 seek bidding credits as small businesses, and 10 seek bidding credits as rural service providers, and you have announced in July that you are prepared to pay the winning bidders in the reverse auction.

So now that these payments are ready to go out, and now that the FCC has largely processed applications for winning bidders it has previously put on notice, I believe that the FCC should now move to be ready to process remaining license applications, many of which are for small businesses. So can you tell me what the timeline is for putting the remaining license applications on public notice, and how are you prioritizing these applications to ensure that there is timely deployment of these valuable spectrum to consumers?

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Mr. Pai. I appreciate your concern, Congresswoman, because, obviously, that is a great limiting step for those winning bidders to be able to deploy that spectrum to benefit consumers.

We are moving as quickly as we can. Obviously, we want to process those applications quickly. With respect to designated entities, there are particular procedures that the FCC is required to follow in addition to the standard procedures we have to follow for winning bidders to ensure that those designated entities are, in fact, entitled to bidding credits under our rules and the applicable law. We will move as quickly as we can working through those procedures to ensure that they get the spectrum that they have bid for. And we would be happy to keep you apprised as things go forward.

Ms. Clarke. I am just concerned, because the little guys always get short shrift, and the rules always get short shrift.

Mr. Pai. Right.

Ms. Clarke. And it would be great to flip the script this time and make them a priority, because the big guys -- you know, they have got all the wherewithal to do what needs to be done; the little guys that we are trying to elevate.

Mr. Pai. Exactly. And you have got my commitment on that front, Congresswoman.

Ms. Clarke. Awesome. Awesome. Awesome.

This question is for Commissioner O'Rielly.

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The FCC is currently considering whether to approve a new broadband standard, the ATC 3.0. And I am interested in the new services that this standard could bring to consumers, including access to more in-depth news on topics, interactive educational programs, and a robust emergency alert system. What is the time frame for the FCC action on this new standard and, also, its deployment by broadcasters?

Mr. O'Rielly. So I think the Chairman may be better to answer timelines on that point. I would hope to be expeditious on this. I would like to do it this year, if possible. But he may be better able --

Ms. Clarke. This year?

Mr. O'Rielly. The chairman can answer your timeline probably --

Ms. Clarke. Okay.

Mr. Pai. Well done, Commissioner O'Rielly.

So we do hope to be able to conclude the -- to approve the new standard, if possible, by the end of the year. But obviously, we want to follow the facts where they take us. And so we are studying the record actively. And hereto, we hope to work collaboratively to figure out whether we can -- we can, in fact, approve that standard by the end of --

Ms. Clarke. Well, we are moving down that track. And having said that, I was just wondering whether you would all make a commitment to make sure that no consumer will lose service, no consumer will have

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to spend any money to keep viewing broadcast channels.

Mr. Pai. Yes, Congresswoman. As I am recall the NPRM, it has been a few months now, but I specifically remember that most consumers have ATSC 1.0 enabled television sets and devices in their homes. And so we obviously don't want to make a flash cut to ATSC 3.0 and leave those viewers in the lurch. So that is part of the reason the way we structured it was that you could experiment with ATSC 3.0 so long as that 1.0 signal was also still out there and able to be viewed.

Ms. Clarke. Okay. Wonderful.

And then recently, two licenses -- licensees, excuse me, FiberTower and Straight Path, sought FCC authority to sell spectrum after doing little or nothing with those licenses for many years.

If auction consistent with FCC rules, this spectrum would fetch billions of dollars for the U.S. Treasury. Why should the FCC reward FiberTower and Straight Path with private riches for not deploying service to the public? And why should FiberTower and Straight Path collect billions of dollars in payments instead of having to give that money to the U.S. Treasury for the benefit of all Americans? Can you guys give me a sense of, you know, what is the deal here?

Mr. Pai. Good question, Congresswoman. So there is some tricky legal issues that we are trying to sort out, and policy issues as well.

Ms. Clarke. Tricky.

Mr. Pai. But, obviously, as I have said in response to, I

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believe, Congressman Olson, that this is a public resource, and we want to make sure that it is allocated in a way that benefits the American public.

Ms. Clarke. Awesome.

Anyone else have any thoughts?

Okay. I yield back. Thank you very much, Madam Chair.

Mrs. Blackburn. The gentlelady yields back.

Mrs. Walters, 5 minutes.

Mrs. Walters. Thank you, Chairman Blackburn, and to our witnesses for being here today.

The siting of wireless infrastructure is a key component of expanding broadband throughout our Nation while creating jobs. In fact, investment in 5G deployment has the potential to create over 2,300 jobs in my district. However, Accenture, Deloitte, and CTIA recently found that barriers remain to the deployment of broadband infrastructure. These reports have identified a number of impediments, including a lengthy and indefinite permitting process, or an unwillingness to grant reasonable access to poles or right-of-ways.

In my home State of California, several cities require wireless providers to show gaps in service just to access the right-of-way, while one city is asking for excessive annual fees to access the right-of-ways.

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Chairman Pai, do these issues constitute obstacles to the broadband deployment?

Mr. Pai. Thank you for the question, Congresswoman. You know, many cases they do. And if you are looking to build a new wireless network, especially if you are a smaller competitor, you need to be able to deploy that infrastructure in a timely and cost-effective way. And if you face barriers like that, it can, indeed, be an obstacle to you getting into the marketplace.

The Chairman. Well, what can the Commission do to address these issues?

Mr. Pai. A part of it involves the authority that has been granted to us by -- under the Communications Act, sections 253, 332, and to the -- and possible 6409 of the Spectrum Act. So we are looking at different areas like that.

Also, I have set up, as I mentioned earlier, the broadband deployment advisory committee, part of which is setting up model State and model local codes for deployment that could address these issues. They will also tee up different barriers to entry like that to see if there are ways to work collaboratively. I have also supported legislation in Congress that could help address some of these issues in areas where the Commission does not currently have the authority.

Mrs. Walters. Okay. Thank you.

Along those same lines, wireless infrastructure sitings is

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necessary to expand broadband deployment. And I am hopeful Congress and the FCC can work together to find ways to streamline siting procedures.

Commissioner O'Rielly, does the Commission have plans to review its procedures to ensure that siting applications do not face unnecessary obstacles?

Mr. O'Rielly. Well, as the chairman mentioned, we have three proceedings that we are looking at in this front: one on wireline and two on wireless; one of small cells particularly. So we are working on these things aggressively. And as he mentioned, he has the new task force. The Commission is looking at these issues as well. I just spoke in front of them and participated in their activities. So we are aggressively looking to solutions. Anything that Congress wants to add or clarify in our authority would be welcome, but I think we have authority and we should move forward aggressively.

Mrs. Walters. Okay. Thanks.

And specifically, how does the Commission plan to address siting issues, like deemed granted and environmental assessments?

Mr. O'Rielly. So those things are a part of the items that I spoke of, and are before us, and we are taking comments and making some decisions, so hopefully later this year.

Mrs. Walters. Okay. Are there immediate actions the FCC can take to begin laying the groundwork for 5G?

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Mr. O'Rielly. I think there is the two parts, as I have mentioned in my testimony. One is making sure there is spectrum available. And the second is this piece you and I just spoke about. And we are working aggressively on both fronts as hard as possible, I think.

Mrs. Walters. Okay. And, Commissioner Clyburn, would you share your thoughts?

Ms. Clyburn. A couple of things that you made me think about in asking that question, I am wondering in a world without Title II, how would you know that 253 apply? And so that is a concern of mine and should be a concern of yours.

And another thing, we need to make sure that our local communities do what we can to ensure that local communities have the tools they need to sift through these applications. If you go into Montgomery County right across the border, they have had hundreds of applications and maybe just one or two people to sift through them. So not everyone is trying to stand in the way. And so we need to make sure, as a collective infrastructure family, that we make sure that everyone, you know, has the oxygen they need to move forward.

Mrs. Walters. Okay. Thank you. And thank you again for being here. And I yield back the balance of my time.

Mrs. Blackburn. Mr. Engel, you are recognized for 5 minutes.

Mr. Engel. Thank you, Madam Chairman. And welcome to everyone here today.

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You know, just as a consumer, when I am running around, I notice my phone rings much more now than ever before in terms of all these annoying robocalls and -- you know, they even have the nerve to be stern with you. "We called you last week, and you didn't respond." So the average person would think, gee, I did something wrong and maybe go along with it.

When I was first in Congress a while ago, we passed a bill which developed a no-call -- no-call -- yeah, a no-call zone where people weren't allowed to call. Why can we not exchange that? Are there technical obstacles to developing new standards for call certification? Why can't we have a do-not-call list like we once had several years ago for regular telephones? Anyone who cares to answer?

Mr. Pai. I would be happy to start that, Congressman. Part of the problem is that we have a lot of unscrupulous actors, some of whom are beyond our borders who find it profitable, frankly, to prey on American consumers with these robocalls despite the fact that they are on the do-not-call list. And I can tell you that I have raised this with some of my counterparts in foreign countries to emphasize that this is a major consumer protection issue for the United States, and we need their cooperation in terms of cracking down on some of those call centers that are just disobeying our do-not-call rules. And we also wanted to use the authorities we have, and that is part of the reason why we set up what is called a do-not-originate database -- or

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functionality. Essentially, if a consumer does not want his or her number used for any purposes other than his or her own, they can tell the carrier, Do not place a call if it does not come from me, essentially. And that is one complement to the do-not-call list that we hope bears fruit in the time to come.

Ms. Clyburn. And I agree. Any proposed rules going forward, they don't apply to people who are unwilling to abide by them. And so that is the big challenge. And that is why we created this task force, to make -- because we know we can't do it alone at the FCC. We don't have the tools. And so we are attempting to enable the providers, you know, to have more teeth, so to speak, to make sure that they can be a part of fixing this problem. It will be ongoing. And I wish I could tell you next year we would have a different conversation. We might not, but hopefully we will be able to move forward.

Mr. Engel. Well, thank you. Because just as a consumer, I am running from meeting to meeting. All of a sudden, I answer something, and it is just so annoying. And it is increasing every single day. Well, thank you.

Commissioner Clyburn, let me ask you this: Privacy and data security, according to the Identity Theft Resource Center, last year, U.S. companies and government agencies suffered over 1,000 data breaches, which is a 40 percent rise from 2015. And they exposed everything from Social Security numbers to log-in names and passwords.

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Congress gave the FCC a clear role and responsibility in overseeing our Nation's commercial communication networks, but there is a growing consensus that we are falling behind.

So our privacy protections seem to be frozen. Provisions were gutted requiring ASPs to notify consumers of data breaches. And we might never know the full scope of these breaches, because many are undiscovered and underreported.

So let me first start with Commissioner Clyburn.

Do you think the FCC should issue rules on this issue?

Ms. Clyburn. Do I think -- do I think we should issue rules? I'm sorry?

Mr. Engel. Yes, on the issue of privacy.

Ms. Clyburn. I think we should. I am not sure we can. I don't know what the impact of the Congressional Review Act is. I am trying to, you know, figure out what our next steps are. Particularly, you know, when it comes to voice, I think it is clear. But when it comes to broadband, we are increasingly moving to IP. I don't know what direction which we are headed.

Mr. Engel. What role should the FTC play?

Ms. Clyburn. I think it is a complementary role. When it comes -- they don't have any type of authority, as my interpretation is, as it stands now, when it comes to common carriers. And so if -- so as it stands right now, the FTC -- I don't see what role they could

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play in terms of broadband protection.

Mr. Engel. If we leave regulation up to the States, what happens?

Ms. Clyburn. I think there are some States that are looking at this that were responsive after the CRA. But we will have a patchwork of regulation. I don't think that works well for businesses who have a nationwide footprint.

Mr. Engel. What are the consequences of leaving data security up to the ISPs?

Ms. Clyburn. I think uncertainty. I think, again, that hodgepodge. I don't think the American public would be very comforted to know that, depending on who they call or who their provider is and where they go online, that they might have different levels of expectations or protections.

Mr. Engel. Thank you. Thank you, Madam Chair.

Mrs. Blackburn. The gentleman yields back.

Mr. Johnson you are recognized.

Mr. Johnson. Thank you, Madam Chair. And Chairman Pai, Commissioner Clyburn, and Commissioner O'Rielly, thank you all three for being here today to talk about such an important issue.

Chairman Pai, a lot of questions have already been asked, but I am going to give you an opportunity here to talk more in a broad context.

What has the FCC done during your time as commissioner in the Commission to facilitate the deployment of broadband networks?

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Mr. Pai. Boy, a lot. So we have been pretty busy on this front. Number one, in February, we kicked off the process for the Connect America Fund, phase two, as well as Mobility Fund, phase two. Next week we are going to be voting on some of the next steps to make sure those auctions happen in a timely and effective way.

Number two, we have taken a very aggressive stand in terms of modernizing our rules to recognize that broadband deployment is our top priority. We kicked off, for instance, a wireless infrastructure item, voted on unanimously, I would add, that would enable the deployment of some of the nuts and bolts of these wireless networks in an easier and timely way.

On the wireline side too, we teed up a number of different ideas for promoting the deployment of fiber and the other guts of a network that go into the ground and on poles to make it easier for broadband providers to deploy.

Additionally, using the discretion that is granted the chairman, I set up early on a broadband deployment advisory committee to help us create model codes for States, model codes for localities and other issues -- tee up other issues that are for the Commission's consideration, for us to think broadly about ways to promote broadband deployment.

I would also add that I am working cooperatively with my counterparts at other agencies. Just this morning, as a matter of

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fact, at the most recent meeting of the rural prosperity working group convened by the Secretary of Agriculture, I had a chance to meet with him, Secretary Chao, Secretary Price, and others to figure out ways to synthesize our efforts across all these different agencies to make sure that we are delivering rural broadband connectivity, because broadband is not simply good in and of itself. It delivers high quality healthcare, high quality education, precision in agriculture, job creation. So many of these verticals that are lacking currently in places like in your district, as Commissioner Clyburn has seen.

Mr. Johnson. Sure.

Mr. Pai. We have been really active, but there is a lot more to do. That is why closing the digital divide is our number one priority. And I hope to work with Congress to make that divide a thing of the past by the time we are done.

Mr. Johnson. Well, I appreciate it. And I applaud the work that you and the Commission are doing now. And I am happy to be leading in this effort.

Commissioner Clyburn, thank you for your testimony on affordable, reliable broadband, specifically as it relates to rural areas, especially those like Ohio and my district. I share your goal in that regard. My only regret is that I wish I had known that you were coming to my district with enough advanced notice that we could have participated with you and your summits and your meetings there,

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because --

Ms. Clyburn. I was told we called your office. I am sorry if you do not --

Mr. Johnson. No. I didn't know anything about it until I read about it in the newspaper afterwards.

Ms. Clyburn. Okay.

Mr. Johnson. But if you want to come back again, I would certainly encourage that, because people in my district know what a struggle it is in our areas without broadband connectivity. Is this an obstacle --

Ms. Clyburn. Yes.

Mr. Johnson. -- you can identify for us that prevents a tech company from deploying their own fiber network so that this becomes less of an issue in rural America and places like --

Ms. Clyburn. As it stands now, making a business case. You know, it could be a very beautiful country and beautiful people. But, you know, it is not necessarily the highly -- most densely populated region.

Mr. Johnson. Right.

Ms. Clyburn. There is some economic challenges in some of the pockets. And so money is not -- investment is not going to organically flow without a universal service construct. And, you know, you know what I know. There are some basic things that some of your constituents

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were talking about in terms of landline service. When it rains, it literally pours, and they don't have connectivity. We have got a job to do. We are talking about 5G. They are talking about legacy service that there are issues with. So I look forward to continuing to talk -- return.

Mr. Johnson. Sure.

Ms. Clyburn. Trying to work on that cell coverage on 69 and 70, you know, the highways. But looking forward to return, because we have got some very fundamental problems that we need to address.

Mr. Johnson. I can actually personally relate to some of what you just said, because I -- living right there in Marietta, I mean, I live in town, and we have got broadband connectivity. But every time it storms, it goes down.

Ms. Clyburn. Yes, sir.

Mr. Johnson. The internet goes out. And it is a problem. I can only imagine the frustration that the unserved areas of my district face. So I look forward to working with you.

Ms. Clyburn. Absolutely.

Mr. Johnson. Thank you. Thank you all three very much.

Madam Chair, I yield back.

Mrs. Blackburn. The gentleman yields back.

Mr. Doyle.

Mr. Doyle. Thank you, Madam Chair. I would like to request

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unanimous consent to introduce into the record a document with quotes from a number of ISP executives claiming that the Open Internet Order will not affect broadband investment, as well as a report by the public interest group free press on broadband investment and online video markets that shows investment is thriving under the current rules.

Mrs. Blackburn. Without objection, so ordered.

[The information follows:]

***** COMMITTEE INSERT *****

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Mrs. Blackburn. And Mike and I have been sitting up here discussing privacy and data security and solving all of those problems. Aren't you all thrilled. And I am glad -- we just are so appreciative of you-all taking your time.

There are no other members in the queue to ask questions of the panel. So pursuant to committee rules, I remind all members that they have 10 business days in which to submit questions for the record. And we do know that there are additional questions that are going to be submitted to you all as we did miss the hearing we had planned for the first quarter. And then we will ask for your responses within 10 days of receipt of those questions.

So there being no further business, committee adjourned.

[Whereupon, at 12:42 p.m., the subcommittee was adjourned.]