

**Opening Statement of Chair Cathy McMorris Rodgers
Subcommittee on Communications and Technology
“Lights, Camera, Subscriptions: State of the Video
Marketplace”
September 8, 2023**

(As Prepared for Delivery)

INTRO

Good morning and thank you Chairman Latta and all our witnesses.

Today’s video marketplace is evolving rapidly.

Americans have more choices than ever on how, when, and where they watch content, as well as what content they watch.

We have seen a profound shift in people’s viewing habits, especially as streaming services have become more available and reliable.

For decades, the only options available were over-the-air television and cable services, where people could watch live TV at a scheduled time on a television.

Now, streaming platforms allow people to watch whatever they want, wherever they want...

...whether that’s on a TV, or on the go using a phone, computer, tablet, or any device that has access to the Internet.

Streaming platforms have reshaped our entertainment habits, made our lives more convenient, and diversified the content available.

This transformation has also introduced complex challenges for entire media industry.

Cable and satellite operators continue to lose a record number of subscribers.

Streaming platforms spend billions of dollars on content in a market that is flooded with competition.

People have experienced major blackouts on cable networks across the country due to a failure by providers and broadcasters to reach carriage agreements...

...including in my district, where this past weekend my constituents were prevented from watching local news and the Seahawks...

...and Hollywood is shutdown as the actors and writers strike carries on.

UPDATING REGULATIONS FOR 21ST CENTURY

In 1992, Congress passed the Cable Act, a landmark piece of legislation that injected much-needed competition and consumer protection to a monopolistic cable and satellite TV industry.

As discussed, the industry has changed drastically since then.

The Internet has created unlimited possibility for innovation, which we have seen with the advent of streaming services.

This shift has created a new environment that the Cable Act was never designed for.

After nearly 30 years, it's time for us to reexamine the law to once again ensure that innovation and competition are encouraged.

REOPENING THE 2014 NPRM

Now, some have called to just simply expand the law to cover the streaming industry, rather than reevaluate it and bring it into the 21st Century.

This approach would be irresponsible and could potentially kill the flourishing streaming industry, locking both online platforms and traditional providers into outdated laws.

Under the Obama administration, the Federal Communications Commission began a process to expand these legacy rules relating to Multichannel Video Programming Distributor, or MVPDs, to new, internet-based streaming providers.

Thankfully, this effort was never finalized.

Recently, however, there have been calls for the FCC to reopen that proceeding.

This is an effort I do not support, which is why, earlier this year, Chairman Latta and I sent a letter to FCC Chairwoman Rosenworcel cautioning the FCC from refreshing the record...

We reminded the Chairwoman that the FCC does not have the legal authority to regulate streaming services.

The FCC and Congress should not be in the business of applying decades-old laws to modern innovative technology...

...especially when much of that technology, and the services it provides, didn't even exist at the time the law was written.

LOCAL BROADCASTING

Congress must also be mindful of the crucial role that local broadcast plays in the media industry.

Local broadcasters have long been pillars of our communities, providing vital information for millions of Americans and a platform for a diversity of voices to be heard.

And rural communities in particular rely on the services provided by local broadcasting, especially when they only have limited or no access to high-speed broadband and streaming services.

Local news fosters a sense of local identity, connecting people through regional programming that reflects the unique perspectives and traditions of their communities.

During emergencies, local broadcasters provide important safety information to the public and first responders.

It's closer to the people, telling the stories and sharing the perspectives that the national news doesn't cover and sometimes ignores.

As the industry changes, we must make sure that local broadcast is preserved.

Closing

Today's hearing will provide expert insight into the evolution of this market, as well as the steps Congress can take to ensure outdated regulations do not hinder innovation and competition.

I look forward to our discussion today.

Mr. Chairman, I yield back.