

Committee on Energy and Commerce

**Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.**

Communications and Technology Subcommittee

Hearing on "Lights, Camera. Subscriptions: State of the Video Marketplace"

September 13, 2023

We are here today to discuss the ever-changing video marketplace – a marketplace that has been experiencing an ongoing transformation in recent years. These changes are dramatically impacting consumer's options and the prices they pay to view the programs and content they want.

It's hard to believe, but there was a time when a discussion of video programming brought to mind a family gathered around a boxy television with rabbit ears that, on a good day, could get all three major television networks. Today, there are a lot more options. We can now scroll through endless channels we get through either a cable or satellite service, or through subscription services accessed through the internet. While the delivery mechanisms differ, at its heart, it is really all the same. It's us watching a video screen, consuming news, sports, art, and entertainment.

And judging by recent surveys, we do a lot of it. In 2022, American adults spent more than six hours a day watching video on over-the-air broadcasting, cable, satellite TV, streaming services, and social media sites.

In some ways, then, it's never been a better time to be a consumer of this video content. Numerous options mean competition, lower prices, and more awareness of what consumers want. Distributors are buying unprecedented amounts of content, generating more opportunities for content creators who are women and people of color and creating more diversity and choice for consumers. And new, competitive streaming services have offered consumers the promise of saving money by only paying for the content they want.

But while the industry remains robust and consumers have, largely, benefited, new players in the market, disruptive technology, changing business models, and outpaced statutes have dramatically altered revenue streams. All of these forces have created a precarious moment in which it isn't entirely clear what the future may hold.

Unfortunately, we're already beginning to see market consolidation, rising prices, junk fees, and disappearing content. Consumers are beginning to experience "subscription fatigue" as they spend upwards of \$100 per month on multiple services to get access to all of the content they want to watch. Television blackouts are rampant. And content creators that are finally

getting a chance to tell their stories are finding that new gatekeepers and take-it-or-leave-it deals are impacting their ability to make a living.

Moreover, we cannot forget that the backbone of all of this is broadband internet access. Unlike our old cable bundles or free, over-the-air broadcasting, access to these new online video services requires a separate subscription to high-quality, reliable broadband. Unfortunately, the digital divide persists and, whether due to affordability or availability, a broadband subscription often remains out of reach for many families.

That is why programs that Democrats have championed, like the Affordable Connectivity Program and the Broadband, Equity, Access, and Deployment Program are so important. They offer so much promise to truly unlock these innovative video services for people across the country who simply did not have access to highspeed internet either because they could not afford it or it simply was not available where they live. We should all keep that in mind as we discuss the positive impact these programs are making on American families around the nation.

We are also challenged in the shifting video marketplace by a changing information landscape. Americans still, by and large, depend on broadcasters and cable for trusted local news, safe children's programming, live events, and emergency information. And newer online streaming services still rely on traditional channels to offer this important content to consumers. What's more, as consumers increasingly turn to social media and online platforms that host user generated content, we've seen a dramatic uptick in misinformation, disinformation, and content harmful to children. This troubling content blurs the lines between fact and fiction, erodes consumer trust, and jeopardizes our democracy.

The evolving video marketplace is complex, and amid this uncertainty, it is more important than ever to put consumers first and make sure that they are not being ripped off by these companies because of high prices and junk fees. My focus will remain on consumers and the timeless principles of competition, localism, and diversity in the Communications Act. And, while our statutes and regulations have clearly not kept pace as the media landscape has changed, the solution is not to throw it all out, give up any oversight, and abandon consumers. Instead, we must remember why those statutes and regulations were enacted in the first place. Only then can we decide how best to carry those values forward on behalf of American consumers.

I look forward to the discussion today, and I yield back the balance of my time.