

## **Committee on Energy and Commerce**

### **Opening Statement**

**of**

### **Subcommittee on Digital Commerce and Consumer Protection Ranking Member Jan Schakowsky**

#### ***Review of Emerging Tech's Impact on Retail Operations and Logistics***

**March 8, 2018**

The Internet has revolutionized how Americans shop. Consumers and businesses are less bounded by geography. E-commerce opens up the door to new opportunities and greater competition.

E-commerce doubled from 2011 to 2016. In fact, it's growing five times faster than traditional retail. These numbers come as no surprise given the number of delivery trucks we see on our streets and the packages piled up on doorsteps and in mailrooms across the country.

As with other technological changes this Subcommittee examines, e-commerce comes with new challenges. Businesses must attract consumers to their websites, provide a convenient and secure shopping experience, and then literally deliver the goods. The U.S. Postal Service and private delivery services must transport a growing number of packages. Our infrastructure – physical and digital – must handle orders as they come in and ship out. States and cities must deal with changes to their revenue – not to mention collection of trash and recycling. And workers must adapt as jobs move from retail stores to customer service, tech support, and supply chain.

The shift of consumers to the Internet is especially difficult for small businesses. They have fewer resources to build a strong online presence. While a big player like Amazon can offer free shipping and get consumers to sign up for annual memberships, small businesses generally don't move enough product for that kind of business model.

The unique challenges of building a successful business online only add to longstanding struggles such as access to capital and attracting quality workers. As we improve the resources that the federal government makes available to small business owners, we must factor in the growth of online retail.

We also need to consider e-commerce as we advance infrastructure legislation. The Internet can connect a business in rural Vermont, for instance, to a consumer in suburban Chicago – but both need access to reliable broadband. If we invest in broadband, we can expand business opportunities in both our largest cities and smallest rural communities. But if broadband only reaches the areas where it is most profitable, millions of entrepreneurs, workers, and consumers will be left behind.

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In addition, expanding opportunity through e-commerce requires a fair playing field. Net neutrality is fundamental to the innovation we have seen on the Internet.

The FCC's vote in December to undo net neutrality protections puts that innovation at risk. Without net neutrality, a broadband provider can charge a business extra to make its website load faster. The big names in e-commerce can afford to pay off broadband providers. But for a small business trying to sell nationwide, paying new fees to every broadband provider to load its website as fast as a big corporate competitor's may be prohibitively expensive.

Consumers deserve better. That's why I have cosponsored Congressman Mike Doyle's legislation to restore net neutrality and protect a fair online marketplace.

Before I finish, I'd like to take a moment to introduce David Borris. Mr. Borris founded Hel's Kitchen, in Northbrook, Illinois. In addition to running a successful business, Mr. Borris serves on the executive committee of the Main Street Alliance – a national network of small businesses committed to being inclusive, sustainable, and trusted members of their communities.

I look forward to hearing from Mr. Borris and the rest of our witnesses as we explore the challenges and opportunities presented by e-commerce. Thank you, Mr. Chairman. I yield back.