



COMMITTEE ON
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DEMOCRATS
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Pallone Remarks at Media Marketplace Hearing

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Communications and Technology hearing on “State of the Media Marketplace.”*

The way Americans consume media and the variety of content available to them has grown significantly over the past decade. In addition to traditional televisions and radios, consumers are using their phones, computers, smart speakers, and tablets to access a variety of programs, podcasts, and videos.

And today anyone can become a producer of content. Over 400 hours of video are uploaded to YouTube every minute and over 1 billion hours are viewed every day.

Last week, a woman in D.C. posted on Twitter a short video of Marines running to help residents in an apartment fire a few blocks from here. News organizations quickly started using the clip in their on-air stories, and two days later, the footage was used by the Marines in a tweet about their heroic efforts. This is the dynamic world that we live in today.

At the same time, it is important to remember that not everyone has equal access to the latest technology. It is too easy to focus on the benefits of broadband, new media, and multitude of cable and satellite TV channels and forget how many people lack access to such opportunities. This includes lower income families and seniors.

According to the Federal Communications Commission’s 2017 media industry report, 11 percent of television households relied exclusively on over-the-air broadcast service. That is 12.4 million households, a million more than the year before. According to the National Association of Broadcasters, over-the-air reliance is higher among lower-income homes. For these families, paying for cable may take a backseat to feeding their kids.

Meanwhile, broadband, which is necessary to access a growing wealth of educational, social, and entertainment content, also faces an economic and age divide. According to Pew Research Center, only 45 percent of people making less than \$30,000 and 50 percent of people 65 and over are home broadband users. Even when you add mobile broadband users, a significant divide still exists both in adoption and the quality of the experience.

As good as smartphones are, they don't provide the same functionality or experience as a large screen device.

The Communications Act focuses on certain timeless principles when it comes to media: localism, diversity and competition. In the modern age, broadband access should be added to that list. Whether it is watching videos for school projects, taking educational courses at home, engaging with friends and family, applying for a job, or utilizing government resources, broadband is becoming a necessity for all Americans. And having broadband available in your neighborhood isn't enough. Consumers should be able to afford the cost of the service and equipment necessary to use the tools of the 21st Century.

Unfortunately, the current FCC has been actively undermining these principles for Americans.

Chairman Pai eliminated the FCC net neutrality rules, which protected consumers, small businesses and free speech. Net neutrality protected competition and access to the media content at the focus of this hearing. But those protections are gone now. Chairman Pai also proposed to rollback the Lifeline program in a way that could cut phone or internet service for approximately 8.3 million people. Chairman Pai's actions are not the way to promote access, localism, diversity, and competition.

In the area of media ownership, Chairman Pai sided with corporations over consumers and loosened television ownership rules in ways that undermine competition. The changes encourage more consolidation and less local and diverse viewpoints. I encourage the FCC to change course and focus on what is important to consumers.

For example, the FCC should rethink its bizarre proposal to unwind its safeguards designed to protect children watching broadcast television, known as the Kid Vid rules. The rules require that broadcasters provide three hours of quality, educational programming per week on their free, over-the-air service. Three hours out of the 105 hours of core programming in a week. Is that too much to ask? Apparently, Chairman Pai and Commissioner O'Rielly think it is.

For the 12 million over-the-air households without access to cable programming, I don't think so. For the millions of low-income families without access to broadband alternatives, I don't think so.

I appreciate Jeff Corwin being here today to discuss his experience producing children's programming and the impact the elimination of the Kid Vid rules would have on broadcast children's programming.

I also thank our other witnesses for appearing before us to discuss the changing media marketplace, and I yield back.

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