

Statement of Congressman John D. Dingell
Ranking Member
Committee on Energy and Commerce

**SUBCOMMITTEE ON TELECOMMUNICATIONS AND THE INTERNET
MARKUP TO CONSIDER THE COMMUNICATIONS OPPORTUNITY,
PROMOTION AND ENHANCEMENT ACT OF 2006**

April 4, 2006

"Mr. Chairman, we all want consumers to be able to choose among competing video, voice, and broadband providers. Competition brings consumers more choices, better service, and lower prices. But it is one thing to promise a new day of competition; it is quite another to deliver.

"We undoubtedly will hear bold pronouncements today about this bill's benefits. Will we also hear about the number of households that could be hurt by this bill? Will we also hear about the effect of a new Internet toll tax on the evolving World Wide Web?

"If this bill were to pass in its current form, many consumers could face a potential loss of cable service, delayed upgrades, shoddy service, or higher prices.

First, some consumers may actually lose cable or other service. The cable industry admits that once cable companies obtain a national franchise under this bill, they need not continue serving all of the subscribers they currently are required to serve. That is, the bill would not prevent nationally-franchised companies from withdrawing cable or other service from customers. Are we willing to have our constituents lose these services?

Second, even if a cable operator does not withdraw cable service from anyone, the bill may let operators avoid upgrading certain neighborhoods or deploying new services in those areas. In fact, the cable industry's witness last week could not promise that cable operators would maintain their current levels of service. Do we want different levels of service depending on the demographics of a neighborhood?

Third, the bill removes a current requirement on cable operators that as part and parcel of using the public rights-of-way, the operators must provide service to all households in a franchise area. And no such requirement is placed on new entrants. The bill will create the digital equivalent of gated communities in our cities, towns, and countryside. Why should companies be able to use the public rights-of-way but not eventually extend service to the entire public?

Fourth, the bill risks consumers paying higher prices. When a national franchisee enters the more lucrative side of town, the cable company will likely lower prices there to meet the competition. What happens in the other side of town? Again,

the cable industry concedes that the cable operator may raise prices for those customers who lack competition. Do our constituents know that for all the winners from price competition in some areas, there will be many losers in other areas?

"Another issue that has received nationwide attention is "net neutrality." The bill before us permits the private taxation of the Internet. Private tax collectors could single out certain consumers and content providers to pay extra fees. They could also single out others for preferential treatment. The open and innovative Internet has flourished under network neutrality legal protections until last year. Why should this Committee turn over control of the free flow of the Internet to the cable companies and the telephone companies?

"Finally, a few other questions need to be asked:

"Why are State and local consumer protection laws preempted without strong Federal requirements?

"Why does the bill lack an overall strong enforcement regime?

"Do the beneficiaries of this bill even qualify for national franchising? In response to my letter, AT&T contends its new video service is not a cable service as defined by law. So why are we not addressing that?

"As drafted, this bill promises benefits to telephone companies and to cable operators. But it promises many consumers more harm than good. I cannot support it."