

Statement of

The Honorable Herb Kohl

United States Senator
Wisconsin
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Thank you, Mr. Chairman, for holding this hearing today. Besides food and energy, perhaps no industry is as important to millions of American consumers as telecommunications. From making a phone call, to watching television, to using the internet, the telecommunications industry touches every American dozens of times every day. And we all depend on choice and competition to deliver these services at the lowest possible price and at the best possible quality.

We have today reached a pivotal point in the telecommunications industry, and the policies we adopt will affect competition in this crucial industry for years to come. Many industry critics believe that the enormous gains in innovation and competition we have all seen are now threatened by the emergence of a few dominant telecom companies. As we revise our telecom laws, our Committee - as the guardian of antitrust law and competition policy - has a central role to play, and so I commend you, Mr. Chairman, for placing these crucial issues on the forefront of our agenda.

We can start by ensuring that our antitrust enforcement agencies are at full strength to protect competition in the telecom industry. Under current law, the Federal Trade Commission is prevented from exercising any jurisdiction over telecom "common carriers." This common carrier exemption should be repealed so that the FTC can protect consumers from unfair methods of competition in this industry as in any other.

Another crucial issue that we must consider is "net neutrality." Many fear that the relatively few large phone and cable companies that provide high speed internet access for millions of consumers could become the gatekeepers with respect to internet content. We must ensure that consumers have unfettered access to all internet content free from discrimination. And we must prevent broadband providers from being able to determine winners and losers on the information superhighway. At the same time, broadband providers need to be able to manage their networks so that the profusion of video content does not degrade the internet experience for everyone.

Roadblocks to video competition also need to be addressed. The deployment of video services by the phone companies brings the prospect of much needed competition for video, but the requirement of obtaining literally thousands of local franchises threatens to seriously retard this promising development. We must ensure that local franchise requirements are not a barrier to competition, while at the same time respecting the role of states and municipalities. Also central is the existence of robust program access law, so that these new competitors have access to the "must have" programming necessary to compete.

In sum, consumers have benefited from an abundance of new technologies and new choices over the last 25 years. Yet today's wave of telecom consolidation means that we must be wary that new dominant providers do not stifle competition and harm consumers. We must do everything we can to ensure that competition in telecom does not go the way of the rotary telephone and the telegram.