

**Summary of FCC Commissioner Ajit Pai's Testimony
Before the Subcommittee on Communications and Technology of the
United States House of Representatives Committee on Energy and Commerce**

March 19, 2015

- ***Net Neutrality.***—The FCC's party-line vote to apply Title II to the Internet overturned a 20-year bipartisan consensus in favor of a free and open Internet.
 - The Internet is not broken. The FCC didn't need to fix it.
 - With the Title II decision, the FCC voted to give itself the power to micromanage virtually every aspect of how the Internet works.
 - The FCC's decision will hurt consumers by increasing their broadband bills and decreasing the number of choices they have for broadband providers.
 - The FCC has already lost in court twice, and the Title II order has glaring legal flaws that are sure to keep the Commission mired in litigation for a long, long time.
 - The Title II order was not the result of a transparent rulemaking process.
- ***The Designated Entity Program.***—The FCC must take immediate action to end abuse of this program. What was once a well-intentioned program designed to help small businesses has become a playpen for corporate giants. The recent AWS-3 auction is a shocking case in point.
 - DISH, which has annual revenues of \$14 billion and a market cap of over \$34 billion, holds an 85% equity interest in two companies that are now claiming \$3.3 billion in taxpayer subsidies. That makes a mockery of the small business program.
 - The abuse had an enormous impact on small businesses from Nebraska to Vermont, denying them spectrum licenses they would have used to provide wireless customers a competitive alternative.
 - The \$3.3 billion at stake is real money. This money could fund 581,475 Pell Grants, fund school lunches for 6,317,512 children, or help hire 138,827 veterans for 10 years.
 - The FCC should quickly adopt a Further Notice of Proposed Rulemaking so that we can close loopholes in our rules before our next auction.
- ***Process.***—The FCC is at its best when it acts in a bipartisan, collaborative manner. During Commissioner Pai's service under Chairman Genachowski and Chairwoman Clyburn, 89% of votes on FCC meeting items were unanimous.
 - Since November 2013, only 50% of votes at FCC meetings have been unanimous. This level of discord is unprecedented. Indeed, there have been 40% more party-line votes at FCC meetings in the last seventeen months than there were under Chairmen Martin, Copps, Genachowski, and Clyburn *combined*.
 - This Subcommittee has rightly addressed FCC process reform. Policy decisions should be made by the Commission rather than staff acting at the Chairman's direction.
- ***911.***—In January 2014, Commissioner Pai started an inquiry into the status of 911 dialing at properties that use multi-line telephone systems (MLTS).
 - Substantial progress has been made to fix this problem. But the phone systems at many federal buildings are not configured to allow direct 911 dialing. That includes the FCC's headquarters. The FCC needs to lead by example and fix this problem immediately.