

**Chairman Shelley Moore Capito Opening Statement
Committee on Appropriations Subcommittee on Financial Services
and General Government**

**Hearing to Review the FY2018 Budget Request
for the Federal Communications Commission**

June 20, 2017

(As prepared for delivery)

Good afternoon. The subcommittee will come to order.

Today marks the first hearing of the Financial Service and General Government Subcommittee for the 115th Congress. This is also my first hearing in my new role as chairman of this subcommittee and I am pleased to serve alongside with my ranking member, Senator Coons.

As we begin this important review of the budget request of the Federal Communications Commission, we welcome our witnesses: FCC Chairman Ajit Pai and FCC Commissioners Mignon Clyburn and Michael O’Rielly. We look forward to hearing from you all about the FCC’s budget request and the work you are doing to carry out the agency’s mission.

For fiscal year 2018, the Commission has requested a total of \$322 million. While the FCC’s funding is offset by fees that does not minimize our duty to ensure that the agency is operating effectively and the funds are being spent responsibly. This is especially important since these fees are directly passed on to American consumers.

The FCC’s policies and actions have an enormous impact on our country's economic growth and potential. That impact is especially critical in rural America. Communities in my state of West Virginia have been hard hit by job loss and decline, creating a major drag on the state’s economy and our quality of life.

One of my top priorities has been to promote policies that spur new investment and boost economic growth. Broadband access can provide West Virginians with opportunities that lead to new jobs and higher wages, providing the momentum our state’s economy needs. Potential investors need to see that West Virginia and its workforce are open for business and ready to get to work in the 21st Century economy.

According to the FCC, more than 30 million Americans lack access to high-speed broadband Internet, including a disproportionate number of rural communities. Without this connectivity, these communities struggle to compete in today’s Internet-based world.

In 2015, I launched my Capito Connect plan, jumpstarting a statewide conversation about the need to connect West Virginia. Broadband should be easily available and affordable. It’s that simple — and, at the federal level, I have been leading efforts to make this a reality.

The benefits of broadband access are numerous. But too many parts of rural America can't attract the investment they need to get online. Despite significant federal and private funding, West Virginia is less connected than nearly every other state in America. We've been hamstrung by a lack of competition between service providers and burdensome regulations, and failed to maximize existing resources.

West Virginia's rural communities have so much potential. Communities like Thomas and Davis in Tucker County or the whitewater resorts in Fayette County need robust broadband to fully capture the potential of a tourism economy. These communities can capitalize on their natural beauty and attract a technology-based workforce that simply needs a computer and strong, stable connectivity to reach clients around the globe.

In order to help these communities realize their potential we must equip them with the right tools to succeed.

That's why I introduced legislation to accelerate the development of high-speed internet in low-income communities. The Gigabit Opportunity or GO Act encourages new investment to connect these rural and urban areas.

By empowering governors and states to direct investments to areas with the greatest need, this proposal ensures that communities with the highest potential for economic development are prioritized for funding. For providers, the proposal eliminates barriers to new investment in broadband infrastructure and incentivizes competition.

Under the GO Act, the Federal Communications Commission is directed to release a framework to streamline broadband laws that states, counties and cities can voluntarily adopt. This will eliminate the myriad of duplicative and inconsistent laws that currently exist and complement existing broadband legislation in states like West Virginia.

Once adopted, governors would be able to nominate a portion of their state's low-income areas as Gigabit Opportunity Zones. Businesses that invest in these zones or make upgrades to speed up their networks would benefit from targeted tax and other incentives.

Internet access should be broadly available regardless of whether you live in a small town or big city — and this connectivity is essential to growing West Virginia's economy. With all the focus on rural America, now is the time to level the playing field and close the digital divide.

Thank you. I will now turn to ranking member Senator Coons for his opening statement.

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