

**Statement of Senator Patrick Leahy
Chairman, Senate Judiciary Committee
Hearing on “An Examination of Competition in the Wireless Market”
February 26, 2014**

Today, the antitrust subcommittee is examining the competitive state of the wireless industry. This is an important hearing that raises a number of critical issues for consumers. As our lives become more and more connected with the Internet, wireless devices like smartphones have become an integral part of the online experience in addition to a tool for voice calls. Ensuring that the wireless market is built on a competitive foundation well into the future should be a priority for policymakers and regulators.

According to 2013 reports from Nielsen, 94 percent of consumers in the United States use a mobile phone and more than 60 percent of those users own smartphones. The near-ubiquity of mobile phone use highlights the importance of competition in the wireless provider market. In an already concentrated market, any further steps towards consolidation should be reviewed carefully. The rapidly increasing market share of smartphones also shows the need for a strong and responsible net neutrality policy that promotes and protects competition in the rapidly growing mobile Internet ecosystem.

An important way to increase competition among providers is to make it easier for consumers to switch carriers. Allowing consumers to “unlock” their devices after they have fulfilled the terms of their contract is common sense and pro-competitive. Smaller wireless providers may not have access to the most up-to-date devices, but if consumers can take their phones with them to a provider that offers terms or services that better fit their needs, they should be able to do so.

I was pleased that the Federal Communications Commission (FCC) and the wireless industry came together to craft a voluntary agreement that will allow consumers to unlock their phones. I will be continuing to monitor the implementation of that agreement. In addition, the House yesterday passed a version of the Unlocking Consumer Choice and Wireless Competition Act, legislation that I authored with House Judiciary Committee Chairman Bob Goodlatte to restore cell phone unlocking rights. I will look closely at the House-passed bill and continue my work with stakeholders to ensure that consumers have the ability to easily switch carriers.

Another key way in which we can promote competition in the wireless market is with our spectrum policy. Mobile broadband use is exploding, and this means that some cities are facing a shortage of scarce spectrum resources. Congress and the executive branch need to do our part to make sure that our spectrum usage is as efficient and forward-looking as possible. The upcoming voluntary auction of broadcast television spectrum is a step in the right direction. I hope that the FCC works within the bounds of the law to use that auction to promote competition in the wireless industry.

The challenge is different in rural areas like Vermont, which do not face a looming spectrum crunch but instead are confronted with spotty coverage and unused spectrum resources. Consumers in Vermont want and deserve the same kind of coverage as people in Minneapolis or Salt Lake City. As more valuable spectrum resources are allocated to mobile broadband use, I

urge regulators and companies to ensure that spectrum is not allowed to lie fallow in rural America.

I thank Senator Klobuchar and Senator Lee for holding this hearing today and looking forward to the testimony of the witnesses.

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