



Washington

wants to know



Will Increased Cable Competition Mean Savings?

By Robert K. Johnson

(NAPSA)—Many cable subscribers say that each year they seem to be paying more and getting less. Now the cable companies are working frantically to block companies that want to compete with better services. For customers, it's like trying to leave during a bad movie, only to learn the theater doors are locked.

Help is on the way in the form of Congressional proposals to curtail the cable monopoly and put video competition on the fast track. The Video Choice Act of 2005 would streamline the franchising process required when competitors enter local cable markets.

It is easy to see why such a law is needed. The FCC reports that cable consumers faced an average monthly price increase of about five percent in 2004—on top of a nearly eight percent increase the year before. The Consumer Federation of America reports that average cable rates have risen by nearly 60 percent since 1996. The price of other technologies—from cell phones to Internet access—has plunged while services improved. Yet a survey by J.D. Power & Associates found that customer satisfaction rates for cable consistently lag behind other technology-based services.

Competition makes all the difference. A Government Accountability Office study found that in markets where consumers had a choice, average prices were 15 percent lower than in cable monopoly markets. But such markets are rare. Out of 33,760 municipalities with cable service, less than four percent have any real competition.



Consumers may soon get their hands on better and less expensive cable service if competition is allowed to flourish.

Some telecommunications companies want to compete with cable companies by offering video services over high-speed networks. Consumers could expect lower prices, more services and better quality.

Any federal solution would require competitors to pay fees equivalent to those paid by cable companies—and carry the same public, government and educational channels as well. Local governments would also have the authority to enforce consumer protection laws.

Unless Congress gives rival networks a chance to compete, consumers will continue to face poor service and rising prices—leaving cable monopolies to reap the benefits. To let your legislator know your opinion on this or any issue, write to U.S. Senate, Washington, D.C. 20510 and the U.S. House of Representatives, Washington, D.C. 20515.

• *Robert K. Johnson is executive director of Consumers for Cable Choice (www.consumers4choice.org), an advocacy alliance of public interest groups dedicated to bringing video choice to consumers.*