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OPINION

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Satellite and cable need competition

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Something happened recently in Texas that will give consumers a choice and that should move Congress to act on legislation that will create competition nationwide for subscription pay-television services such as cable and direct-broadcast satellite services.

One of the Baby Bells took a bold step and introduced TV service in the city of Keller, Texas. In doing so, they have rolled back the cost of subscription-TV services 10 years, and set the stage for future competition between businesses that never have competed with each other.

While the prices of consumer technologies of all kinds have steadily fallen, cable- and satellite-TV services remain a stubborn exception. Last year a study by the GAO found that in markets where there was competition, prices were considerably lower than where there were no choices for subscription-TV services. The Consumer Federation reported that subscription-TV services have raised rates by nearly 60 percent since 1996.

Competition in the marketplace will come very fast, if Congress clears the way for telephone companies to offer TV services. Lower prices, such as the \$40 a month being charged to subscribers in Keller, could become a reality for millions of consumers who today are paying higher fees due to lack of competition.

There is much more at stake for consumers than just lower fees, because

the same pipeline that delivers broadband Internet services also has an unlimited potential to provide consumers quality educational and video programming that serves the needs of underserved communities such as the Hispanic community, which my organization serves.

But the playing field remains uneven at the local level, where telephone companies must negotiate separate franchise agreements with thousands of local officials to enter these markets and provide services to consumers. Such agreements may have been good public policy when cable providers first sought to win exclusive geographic rights, but they are a dinosaur in today's ever-evolving, technology-based marketplace. This archaic system suppresses investment and holds back the development of new technologies, impacting video programming, phone service and access to high-speed Internet -- and, ultimately, quality of life and economic advancement.

While some industries need some regulation, technology seems to be an area that even the best regulatory systems cannot keep up with. In the case of video services, it makes sense to develop a national framework that clears the way for competition, and Congress needs to act now to ensure that future investment, creativity and services have the freedom in the marketplace to fully develop.

Clearing the way for development and competition in subscription pay-television services such as cable and direct-broadcast satellite services by passing the Video Choice Act of 2005 would be an enormous leap forward in achieving this goal.

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