

# The Record

Bergen County, NJ

## Competition Stifled

### Editorial

June 19, 2005

New Jersey needs to revamp its antiquated cable-TV laws in order to foster both competition and innovation.

Telephone giant Verizon is beginning to deliver high-capacity fiber-optic technology to New Jersey homes. Although the new FiOS technology can offer lightning-fast Internet and cutting-edge TV service at highly competitive rates, Verizon at least for now will be able to provide only the new Internet hookups.

Standing in the way of the new cable-like TV service are outmoded state laws that require Verizon or any other company to get the approval of a municipality before it can offer TV service to any of that town's residents.

That hurts Verizon, but it hurts New Jersey consumers even more. A strong new alternative to cable TV would make the industry more competitive and could lower rates.

To no one's surprise, the cable TV industry is revving up its efforts to see those old laws stay in effect. That way, it would take Verizon far longer to compete for the lucrative cable TV business statewide. Some municipalities like the status quo, too, since the cable companies have traditionally given them "pot sweeteners" like free local public-access channels and cable hookups for schools and municipal offices.

But here's a far more important consideration for the Legislature: What is in the best interest of consumers?

New technologies that spur competition and innovation should be fostered, not impeded. The sooner that Verizon can install FiOS statewide - and offer such television services as a huge lineup of TV programming, high-definition TV channels and video on demand - the more competitive cable rates could become.

To provide the FiOS TV programming in a timely and efficient fashion, Verizon wants the Legislature to revise the state laws that now require Verizon to apply for a cable TV franchise in any municipality where the company wants to provide TV service. The company is eligible to apply in any of the 526 municipalities where it provides telephone service.

But Verizon isn't helping its cause. So far, the telecom giant has resisted putting the cable TV reform legislation before the public, and that raises the question of whether it has something to hide.

Earlier this month, Verizon had hoped state lawmakers would ram the measure through in the middle of the annual budget process, with scant public input. When that plan fell through, Verizon said the measure probably would not be introduced until the lame-duck session in November. A Verizon spokesman says that the public will have ample opportunity at that time to evaluate the plan.

That approach doesn't pass muster. How can anyone effectively evaluate the plan without seeing the legislation's fine print? And why should a lame-duck Legislature with zero accountability vote on such an important measure? It's ludicrous.

The FiOS technology sounds great, and consumers would likely benefit from the increased competition for cable TV. But if Verizon wants the public's support, it should urge the measure's prime sponsor, Assemblyman Wilfredo Caraballo, D-Newark, to introduce the bill as soon as possible and put it through rigorous public hearings.