

**NMRC PANEL: BILLIONS IN COST SAVINGS AT STAKE FOR U.S.  
CONSUMERS IN COMPETITIVE CABLE TV MARKET**

*Franchise Reform Key to Changing the Way Consumers Get Their TV,  
Expert Research Shows Consumers Are Ready For New Video Providers*

**LAS VEGAS, NEVADA//March 22, 2006//**Four leading telecommunications experts today proclaimed that expanded competition for video services will offer extraordinary social and economic benefits for consumers and communities. The scholars, who have each independently surveyed and studied how reformed franchising requirements will positively affect the video service market, illustrated how boosting the number of cable TV providers could deliver new video services to consumers at lower prices. The panel concluded that further delay in franchise reform could cost consumers and communities billions.

During a panel hosted by the New Millennium Research Council (NMRC) at the USTelecom *Telecom-Next* conference, experts highlighted research findings that show consumers in competitive cable markets can and are saving money. In addition, small businesses can reap financial benefits from increased video competition. Presenters also noted that consumers are interested in having a choice of video provider. The panel, entitled, **“The Cable Consumer’s Future: A Collection of Expert Commentaries on the Benefits of Video Choice,”** provided numerous reasons for policymakers to promote competition through a streamlined franchising process.

**David P. McClure**, President & CEO of the U.S. Internet Industry Association (USIIA) cited numerous examples of how increased competition can help different communities better utilize broadband and video services. Franchising reform can spur usage by populations traditionally underserved by the incumbent video providers. McClure said: “Video choice represents a thoughtful and balanced approach to spurring broadband through video competition. The nation cannot afford to have its plans for broadband derailed by the financial needs of the few; rather, Congress must act expeditiously in the best interest of consumers and the nation.”

Speakers also discussed current day examples where cable competition is thriving. The state of Texas has reformed franchising regulations, allowing competitors to more expeditiously enter the local cable market. The American Consumer Institute found that consumers in Texas’s newly competitive markets are enjoying lower prices from both the new providers and the incumbent cable company, ranging between \$22.30 and \$26.83 in monthly savings. American Consumer Institute President **Steve Pociask** noted: “Our research shows that cable TV competition produces quick and sizable benefits for consumers, and that what is happening in Texas needs to happen elsewhere.”

**Larry Spiwak**, President of the Phoenix Center for Advanced Legal and Economic Public Policy Studies, said that Americans stand to lose \$8.2 billion in consumer welfare if competitive entry in the video market is delayed by one year. He said, “If the bubble of the 1990s taught us anything, it is that entry is extremely expensive and that there is no

guarantee of success. As video is the key economic driver to justify the huge expense of deploying advanced broadband networks to residential consumers, so long as the local franchise process continues to raise entry costs for new firms, we may end up with no entry at all.”

**Robert Johnson**, President of Consumers for Cable Choice, discussed how both consumers and small businesses are missing benefits of the technological revolution. In a study of small businesses, Consumers for Cable Choice found a majority would subscribe to video services offered by competitive providers if they were available. He also noted that delaying competition is an economic mistake, concluding: “\$22 million a day. That is how much consumers lose each day there is not a competitive cable market. Consumers are demanding a solution, and they want it now.”

Presentations from the panel discussion are available on the NMRC’s website at [www.thenmrc.org](http://www.thenmrc.org).

### **ABOUT NMRC**

The New Millennium Research Council (NMRC) was created in 1999. Its mission is to develop workable, real-world solutions to the issues and challenges confronting policy makers, primarily in the fields of telecommunications and technology.

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