

OPENING STATEMENT
of
COMMISSIONER JAMES H. QUELLO
FEDERAL COMMUNICATIONS COMMISSION
CABLE TELEVISION HEARINGS
LOS ANGELES, CALIFORNIA
FEBRUARY 12, 1990

I am pleased to be here today to participate in what I am sure will be productive hearings addressing programming issues and the cable television industry. The Federal Communications Commission is in the process of collecting information on several aspects of the cable television industry. Under the Cable Act of 1984 the Commission was instructed by Congress to provide a review of the cable industry and report back to Congress later this year. The Commission also has initiated a proceeding examining effective competition. Finally, current Bills in Congress are addressing several aspects of the cable industry.

Cable television has experienced tremendous growth during the past decade. No one can deny cable television's contribution to more varied programming choices available to the American public. Personally, I enjoy cable -- particularly CNN for objective, current news and information, as well as ESPN for their sports coverage. Cable has dramatically changed the video landscape the past five years. When the Cable Act was adopted in 1984 must carry rules were in place and cable was not aggressively maximizing advertising sales. Today, cable television not only has the revenues generated from subscription, but also is now aggressively selling advertising

in competition with local television stations whose programming they carry free and then sell as a basic service. Furthermore, major cable companies are no longer just the transmission pipeline for programming into the home, they are now active owners in programming services and active bidders for sports events. We plan to explore the positive or negative ramifications of vertical integration to the public and to equity in the marketplace.

Overall, these are many new issues generated because of cable changes and expansion and I'm looking forward to the comments of our distinguished panelists.