

Statement of Commissioner James H. Quello

In re: Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992: Rate Regulation Sixth Order on Reconsideration and Fifth Report and Order

Going forward rules have at long last been adopted. Programmers and cable operators finally know the federal rules of the road. This will, hopefully, allow the programming marketplace to develop, particularly in the realm of New Product Tiers, with respect to which cable operators have been given substantial flexibility to be creative in packaging and marketing packages of exciting new channels.

Nevertheless, these rules, like any rules, represent our best attempt to correctly balance competing interests in the absence of competition. From this perspective, I must repeat what I have emphasized so often in the past: the best mechanism for ensuring that the programming marketplace flourishes is not government regulation, however carefully crafted. Rather, it is the arrival of genuine competition to cable in every franchise area in the country. Competition will ensure that new programming services have every opportunity to succeed based on their merits -- not on whether this Commission has adopted rules that provide sufficient incentives for operators to add new channels. Competition will ensure that subscribers are charged reasonable rates for cable service -- not because of rate regulation but because competitors in a thriving marketplace are providing the best of all possible checks on rates. Competition will ensure that subscribers are able to choose the programming they desire -- not because cable operators are responding to government oversight but because cable systems are competing with alternative providers to offer consumers what they want. Competition will ensure that the cable industry grows and prospers -- not because it is a government-regulated monopoly but because it is free to compete with video dialtone, wireless cable, and other multichannel providers, without the shackles of regulation. Competition will also free this Commission of the extremely difficult and resource-intensive job of rate regulation, enabling us to instead spend our time nurturing the many actual and potential competitors in the video marketplace.

The day that competition arrives is a day I anxiously await. In the meantime, the Cable Act of 1992 looms before us, and we will do our best to ensure that its provisions are fully and fairly implemented.

