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NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE  
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## CABLE TELEVISION

### CONSUMERS LOSE IN REGULATION ATTEMPT; REFORM STILL NEEDED, DOLE SAYS

THERE'S NO QUESTION THAT CONSUMERS ARE JUSTIFIABLY ANGRY AT THE RATES AND SERVICE SHORTCOMINGS FREQUENTLY IMPOSED ON THEM BY CABLE MONOPOLIES. I CAN'T RECALL A TOWN MEETING OR CHAMBER OF COMMERCE BREAKFAST BACK IN KANSAS DURING THE PAST TWO YEARS THAT I DIDN'T HEAR AT LEAST ONE COMPLAINT ABOUT THIS INDUSTRY.

SO THE URGE TO DO SOMETHING IS UNDERSTANDABLE. BUT THAT "SOMETHING" SHOULDN'T BE A MEASURE THAT WILL CUT OFF THE DEVELOPMENT OF THE PROGRAMMING AND INFORMATION THAT CONSUMERS REALLY WANT, SHOULDN'T BE A REREGULATORY SCHEME WHICH WILL ENTRENCH AND PERPETUATE THE EXISTING CABLE MONOPOLIES, AND ABOVE ALL, SHOULDN'T BE SOMETHING THAT IN THE END WILL LEAVE CONSUMERS PAYING MORE FOR LESS, STILL CAPTIVE TO A REGULATED MONOPOLY PROVIDER. DESPITE THE FACT THAT S. 12 HAS BEEN THREE YEARS IN THE MAKING, IT STILL FALLS WELL SHORT OF GIVING THE CONSUMERS THE

KIND OF PROTECTION FROM THE VERY REAL PROBLEMS I HAVE JUST OUTLINED.

WE NEED TO ADDRESS THE CABLE TV PROBLEMS, BUT THIS LEGISLATION IS NOT THE ANSWER. AND PRESIDENT BUSH AGREES. IN A LETTER TO ME LAST WEEK HE MADE HIS POSITION CLEAR -- HE WILL VETO THIS LEGISLATION.

IT IS IMPORTANT TO NOTE THAT THE CONFERENCE REPORT IS NOT THE SAME BILL WE PASSED IN JANUARY. IT REQUIRES CABLE OPERATORS TO INSTALL "ADDRESSABLE CONVERTERS" IN ALL SUBSCRIBER HOMES - THE ORIGINAL BILL DID NOT. THIS REQUIREMENT ALONE WOULD RAISE COSTS OF CABLE OPERATORS UP TO AN ESTIMATED \$5.8 BILLION.

THE BILL WE PASSED IN JANUARY ATTEMPTED TO PROMOTE COMPETITION IN RURAL AREAS BY PERMITTING TELEPHONE COMPANIES TO OFFER CABLE SERVICES TO COMMUNITIES WITH POPULATIONS SMALLER THAN 10,000. THIS PROVISION WOULD HAVE GONE A LONG WAY TOWARD REASONABLE CABLE RATES FOR RURAL AMERICA.

THE CONFERENCE REPORT ELIMINATES THIS PROVISION COMPLETELY.

THE BILL WE PASSED IN JANUARY AUTHORIZED THE FCC TO ADOPT NATIONAL CUSTOMER SERVICE STANDARDS. THE CONFERENCE REPORT, INSTEAD, ALLOWS LOCAL OFFICIALS UNRESTRICTED POWER TO EXCEED THESE FCC STANDARDS, WHICH WILL FURTHER RAISE COSTS.

LET'S NOT FOOL OURSELVES, THIS MEASURE IS EXPENSIVE. THE SO-CALLED "S. 12 PRO-CONSUMER ADVOCATES" SAY THESE NEW COSTS DON'T HAVE TO BE PASSED ONTO CABLE CUSTOMERS. THAT MAKES ABOUT AS MUCH SENSE AS CALLING TAXES AN INVESTMENT. LET'S FACE IT. WE ALL KNOW WHO IS GOING TO GET STUCK WITH THIS BILL. THE CONSUMER.

S. 12 IS ALSO TOUTED AS PRO-COMPETITIVE, AS IT FORCES CABLE COMPANIES TO SELL ITS PROGRAMMING TO ITS COMPETITORS. WHEN I PLAYED BALL IN HIGH SCHOOL, WE DIDN'T INCREASE COMPETITION BY GIVING OUR PLAYBOOK AWAY, BUT BY ADDING THE BEST TEAMS TO OUR SCHEDULE. WHILE S. 12 DOESN'T UNDERSTAND COMPETITION, THE FCC DOES. EARLIER THIS YEAR IT AUTHORIZED TELEPHONE COMPANIES TO DELIVER VIDEO PROGRAMMING TO CONSUMERS THROUGH "VIDEO DIALTONE" SERVICES. TRUE COMPETITION SPURS BETTER SERVICES, INNOVATION, AND JOBS. ON THE OTHER HAND, S. 12'S OUTDATED APPROACH WILL WEAKEN AMERICA'S POSITION IN THIS MARKET.

WE BEGAN THIS DEBATE TO ADDRESS CONSUMER CONCERNS. CONSUMERS WERE FED UP WITH SEEING THEIR MONTHLY CABLE BILL GO UP; THEY WERE TIRED OF NOT HAVING THEIR SERVICE CALLS ANSWERED; AND THEY WERE ANGRY BECAUSE NOBODY LISTENED TO THEM.

THEY ASKED US TO HELP. AND HOW HAVE WE ANSWERED THEIR FRUSTRATIONS? BY COMING UP WITH A CONFERENCE REPORT THAT IS NEITHER GOOD COMMUNICATIONS POLICY NOR GOOD FOR THE CONSUMER. WE KNOW THERE IS A PROBLEM AND I BELIEVE SOMETHING SHOULD BE DONE ABOUT IT. BUT, THIS CONFERENCE REPORT IS NOT THE ANSWER. I URGE MY COLLEAGUES TO OPPOSE THE CONFERENCE REPORT.