



**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**

**ANNUAL ASSESSMENT OF THE STATUS OF
COMPETITION FOR THE DELIVERY
OF VIDEO PROGRAMMING**

MB Docket No. 05-255

TESTIMONY OF LORI PANZINO-TILLERY

ON BEHALF OF THE

NATIONAL ASSOCIATION OF TELECOMMUNICATIONS OFFICERS AND ADVISORS,

NATIONAL LEAGUE OF CITIES,

UNITED STATES CONFERENCE OF MAYORS,

NATIONAL ASSOCIATION OF COUNTIES,

FEBRUARY 10, 2006

KELLER, TEXAS

Good morning, Chairman Martin, and members of the Commission.

As the chairman mentioned, I'm wearing many hats today – or, since we're in Texas, perhaps I should say I'm wearing one big ten-gallon hat that covers a lot of organizations.

In any event, I appreciate the opportunity to appear before you today to share the views of local government officials from every state in the union about the status of competition for the delivery of video programming to households all across America.

I want to make clear from the outset that local government in the United States favors robust competition for video franchises. We believe that competition helps control prices, improve service, and broaden access to video programming. Local franchising authorities nationwide welcome competition and are eager to issue additional franchises to compete with existing cable operators.

Unfortunately, as you know, competition with traditional cable operators has been slow to grow. The reasons for this are numerous – and some of them are even true. But one reason which some have advanced is demonstrably not true. The franchising process of local governments – recognized in Title VI of the Communications Act – are not and have not been a drag on competition.

Instead, we believe there is ample evidence to suggest that what has caused this lag in the growth of competition is the insistence by new applicants for franchise terms that are often materially different from those in existing cable franchises and are frequently contrary to municipal code.

We find it somewhat ironic that certain potential video franchisers who are clamoring for competition are simultaneously seeking changes in the law that would distort the very meaning of the word competition. Providing certain potential franchisers with advantages their competitors don't enjoy is not competition, it's favoritism.

I also believe that those who suggest that local governments impede the growth of competition for video programming, are ignoring the simple fact that local government and local economies will benefit from such competition. The economies of rural America will not be vibrant without access to broadband, and local governments are there to ensure our communities are not left out. We want to see great access to broadband, not only because it provides greater choice to consumers, but also because it can be a driver of economic growth

Contrast our position with that of those who seek to curtail or even remove local franchising authorities from the process. They are seeking what we see as an unfair, and undeserved, advantage over their competition.

It's worth noting that for most of the time since the Telecommunications Act of 1996 was passed, many of the Regional Bell Operating Companies made no new effort to enter the multichannel video market. In fact, many cable franchises which were held by these entities were abandoned or sold off as being an unattractive nuisance. And while that decision was theirs

to make, they should not then turn around and blame the local franchising process for the slow pace of competition. That's a bit like the lottery player who complains that the game must be rigged because he never wins, even though he never buys a ticket. You can't compete if you throw your ticket away or don't even take the field.

I cannot cover in the time allotted the numerous other reasons why competition in the delivery of video programming has not expanded as quickly as any of us hoped. As has been noted by many who responded to the Commission's Notice of Inquiry, issues such as program access, exclusive contracts and regulatory loopholes are significant barriers to true video competition. What I can report, however, as we sit here today in Keller, Texas amidst video competitors, is that no provider has been denied a franchise for the delivery of competitive services and, as of yet there is no evidence that local government involvement in the granting of such franchises has stifled or slowed competition.

In fact, in the 20 years since the passage of the Communications Act of 1984, Title VI has provided real benefits to residents of cities and towns across America, including through much-needed public, educational, and governmental access capacity for community use. Indeed, right here in Keller, meetings of the City Council along with those of various boards and commissions are televised on Charter Cable's Municipal Channel 7. We look forward to Verizon carrying those same channels out to the consumers who are able to take their competitive offering.

Mr. Chairman and members of the Commission: as you prepare your annual report to Congress on competition in the video broadcasting area, I urge you to ignore the red herring which some are waving before you and look instead at the long record of success which the local franchising process has ensured those who have stepped up to the plate.

We are not an impediment to competition as some have alleged; we embrace it. I know you do, as well.

Thank you.