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## Bills would create digital 'haves' and 'have-nots'

Cable TV prices only seem to move in one direction -- up and then up some more.

So in theory, letting phone companies shift into the TV business should be a good thing. But a bill now moving through the Tennessee legislature that promises more video competition could actually leave most Tennessee consumers with higher bills and fewer benefits.

An army of AT&T lobbyists in Nashville are aggressively pushing legislation (Senate Bill 1933/House Bill 1421) that would eliminate long-standing consumer protections and local oversight of cable TV providers. Currently, local governments negotiate "cable franchises" to establish customer-service standards; provide funding for public, educational and government (PEG) access channels; and ensure that consumers can call local officials to resolve problems with their cable company.

Most important, nearly all local franchise agreements require the cable provider to offer service to all residents in the service area, rather than just "cherry picking" the most profitable or wealthiest neighborhoods.

These "build-out" requirements are vital to ensure that all consumers in a cable company's area have access to all services -- not just TV but high-speed Internet as well.

But the AT&T-backed bills would bypass this system of local accountability and replace it with a single statewide agreement that doesn't guarantee consumer protections, competition among providers or choice for cable subscribers. In fact, they would prohibit local governments from placing critical build-out requirements on companies providing video services.

Any video service law that doesn't require new providers to eventually serve all consumers within a franchise area is detrimental to Tennessee residents. The Tennessee bills would allow new entrants to offer service only to wealthy neighborhoods, leaving behind middle- and low-income consumers who most need relief from high cable rates.

They would also let companies lower prices to attract customers on the rich side of town while jacking up prices where there isn't competition in rural and poorer areas. Indeed, these consumers actually could be subsidizing lower rates for their wealthier neighbors.

Reasonable build-out requirements are about more than television. Cable and phone companies dominate the market for "broadband" Internet services as well. Absent a build-out requirement, underserved areas could be permanently stranded on the wrong side of the digital divide.

If Tennessee hopes to compete with the rest of the country -- and the world -- all of its residents must be able to get high-speed Internet access.

What's more, if these bills pass, Tennessee communities could lose the public channels that have been preserved by local agreements. Many residents depend on PEG channels to watch their government at work and for diverse, local and independent programming they can't find

elsewhere. But AT&T doesn't want to pay for this programming, and cable companies would be more than happy to get out of their agreements as well.

And under this bill, local authorities will be left with no power to enforce customer service protections or prosecute violations. If a local resident feels like they were unfairly denied service, the bill creates a complaint process so cumbersome it protects the phone companies rather than citizens.

AT&T argues that negotiating with communities impedes competition -- an argument as transparent as it is inaccurate. AT&T already has struck deals to offer its service with many communities under the existing consumer-friendly rules. But it is clear AT&T doesn't plan to offer its service everywhere.

Tennessee needs more competition for video service -- but all of its communities should share in the benefits. This bill is an obvious attempt to wiggle out from the strong consumer safeguards already inherent in the local process. Tennessee legislators should reject Senate Bill 1933 and House Bill 1421.

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