

Cable 'a la carte' gets boost

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Consumers may find a happier ground with their cable companies now that the recent cable "a la carte" pricing report from the FCC favored allowing cable subscribers to purchase channels of their choosing.

The "Further Report on the Packaging and Sale of Video Programming Services to the Public" found that it could lower monthly cable bills by 13 percent as well as make it easier for new channels to be aired on cable system allowing for better response to consumer demand for diverse programming.

A re-evaluation from the original 2004 report that was first requested by Sen. John McCain, R-Ariz., two years ago, it found that data had been misinterpreted suggesting that the average consumer who purchased his or her own channels would face a monthly rate increase of between 14 percent and 30 percent.

"The report confirms what I have believed for years -- if consumers are allowed to choose the channels their families view then their monthly cable bill will be less," McCain said in a statement. "Choice is far preferable to being forced to buy a host of channels they don't even watch."

McCain further said it was "regrettable" that cable companies balked at the "a la carte" idea while continuing to raise prices for bundled offerings.

"I hope that the cable industry will appreciate the ability to choose

despite their failure to provide meaningful choices to their customers," McCain said.

Meanwhile, Jeannine Kenney, senior policy analyst for Consumers Union, said that the organization backed an "a la carte" system and consumers should praise McCain and FCC Chairman Kevin Martin.

"Consumers should praise FCC Chairman Kevin Martin and Senator John McCain for striking at the heart of the cable industry's flawed pricing scheme which forces consumers to buy packages of television channels they don't want and shouldn't have to pay for," she said.

"Today's action kick starts the national effort to give consumers' wallets a break and allow them more control over their television programming choices and cable bills," added Kenney.

But Kyle McSarrow, National Cable & Telecommunications Association president and chief executive officer, says otherwise.

"Most studies conclude that a mandated a la carte regime would be more expensive for consumers and result in less diversity in programming," McSarrow said. "It is disappointing that the updated Media Bureau report relies on assumptions that are not in line with the reality of the marketplace. Over the last 25 years, the American free enterprise system created the most diverse video programming on Earth with the best value for the customer."

Rather, he says, the video programming marketplace is based on the vigorous competition between cable, satellite and broadcast providers.

"The notion that the government knows better how to improve on a competitive marketplace is not supported by the evidence," he said.

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