

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, MB Docket No. 06-189, Notice of Inquiry

I am pleased to support this Notice of Inquiry because it not only complies with our statutory obligation to “annually report to Congress on the status of competition in the market for the delivery of video programming,” but it also should provide this Commission the data and information necessary to perform an objective analysis of the myriad issues involving competitive entry, distribution, programming and the consumer experience in the video marketplace.

The market for the delivery of video programming has experienced significant changes since the 2005 Report, and it is important for the Commission to assess the impact of these developments. For instance, fifteen states – California, Texas, New Jersey, Virginia, Indiana, Arizona, Kansas, North Carolina, South Carolina, Kentucky, Connecticut, Vermont, New Hampshire, Alaska and Hawaii – have either passed video franchise legislation to facilitate competitive entry or mandated state franchise terms. Reportedly, AT&T has video franchising relief for more than 50 percent of its lines, and Verizon has regulatory relief for approximately 40 percent of its lines. These are indeed very positive developments. The Commission should analyze how these and other regulatory, technological, and marketplace changes have impacted competitive entry, price competition, programming choices, quality of service and the introduction of advanced services.

In the past, I have expressed concern with the analytical depth of some of the information that the Commission has presented. I voted to approve the 2005 Report because it was a promising improvement over previous years, as it attempted to provide at least a semblance of thoughtful analysis. Today’s notice, which seeks information for the 2006 Report, is a comprehensive and appropriate way to start. It contains meaningful questions which, if answered fully, would be useful for the Commission, the Congress and the public. We should again strive to make sure that we are doing all that an expert agency can to grasp and relay to Congress the dynamic aspects of the video programming delivery market.

Given the technological transformations upon us, it is more important than ever that the Commission gather the necessary information on which we and the Congress can make appropriate policy determinations.