

**STATEMENT OF
CHAIRMAN KEVIN J. MARTIN**

Re: In the Matter of Exclusive Service Contracts for Provision of Video Services in Multiple Dwelling Units and Other Real Estate Developments, MB Docket No. 07-51

Fostering greater competition in the market for video services is a primary and long-standing goal of federal communications policy. Congress recognized that competition in the video services market benefits consumers. Indeed, one of the Communications Act's explicit purposes is to "promote competition in cable communications." Competition and choice in the video services market results resulting in lower prices, higher quality of services, and generally enhancing the consumers' experience by giving them greater control over the purchased video programming.

All of us here on the Commission have expressed concern about rising cable prices and the importance of encouraging greater competition in the delivery of multichannel video programming.

As we recently found, from 1995 to 2005, cable rates have risen 93%. In 1995 cable cost \$22.37 per month. Communications Daily has reported that prices for expanded basic are now about \$50 per month. The trend in pricing of cable services is of particular importance to consumers. Since 1996 the prices of every other communications service have declined while cable rates have risen year after year after year.

The GAO and the Commission's most recent cable price survey also found that while cable does face some competition from DBS, DBS and cable do not seem to compete on price. But when a second cable operator is present, cable prices are significantly lower - -almost 20% (\$43.33 without competition vs. \$35.94 where there is competition).

Potential competitors seeking to enter the video marketplace have expressed concerns that the use of exclusive contracts for "multiple dwelling units" (MDUs) are barriers to entry, preventing consumers in MDUs from receiving the benefits of video competition. This Notice of Proposed Rulemaking demonstrates the Commission's commitment to ensure that all consumers—including those living in apartments—benefit from video competition. Through this Notice, the Commission seeks to further cable competition and help ensure that lower cable prices are available to as many Americans as possible as quickly as possible.