

**SEPARATE STATEMENT OF
CHAIRMAN MICHAEL K. POWELL**

Re: Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming

As evidenced by this year's *Report*, at the forefront of the digital migration taking root in every sector of the communications landscape and bringing vast benefits to Americans across the country, stands the television industry. Whether one focuses on distribution or programming, today's video marketplace is the most competitive and diverse in our nation's history. The good news for the viewing public does not, however, end here. The continued proliferation of emerging broadband digital platforms and services promise a future of more competition, diversity, localism and personalization in the video marketplace.

The past decade has brought great change to the video distribution marketplace. A blip on the radar screen ten years ago, direct broadcast satellite (DBS) now serves one in four pay television subscribers. Almost every household in the country can enjoy video programming from a multitude of providers including over-the-air local broadcasters, one cable operator (and in several communities a cable over-builder) and at least two DBS providers.

The analog systems of yesteryear are giving way to digital platforms, as over 1,400 broadcast stations are broadcasting in digital, and almost all cable systems and DBS providers deliver some or all video programming digitally. The digital migration in the video distribution market is also bringing new players into the market. The major incumbent local exchange carriers have announced plans to offer video service over new, fiber-based distribution platforms. Broadcasters such as Emmis and USDTV are leveraging their digital assets to offer low-cost pay-television services to several communities across the country. Continuing advances in broadband Internet speeds and compression technologies are allowing thousands of channels to emerge on the Internet, offering streaming video to millions of PCs at both home and work. Finally, this next year promises to bring more video to mobile devices, offering the public the ability to get their news, information and entertainment anywhere, anytime.

The power of digital video services and technologies to enhance consumers' ability to enjoy and participate in the video marketplace is greater than ever and only increasing. Personal video recorders continue to flood the marketplace, making the viewer, not the executive, the programmer. This year promises advances in long-awaited interactive television services, giving the public more control over their viewing experiences. Even more important, individuals are using video and the Internet to be active programmers—some creating their own documentaries or entertainment programs and finding distribution on the Internet. Most exciting in this area may be the proliferation of Vblogs—the evolution of web logs is now going video.

We stand at a remarkable time in the development of the video marketplace. A time at which we can say with great confidence that the monopolies of the past have given way to the most competitive video marketplace at any point in history; yet continuing developments in the video marketplace will ensure that today is also the least competitive the marketplace will ever be. A bevy of new platforms, services, devices and programming options promise infinite new choices for Americans in the days, months and years to come.