

Statement of

The Honorable Russ Feingold

United States Senator
Wisconsin
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At the Senate Judiciary Committee Hearing
On Video Competition
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First, I want to thank Senators DeWine and Kohl for calling this important hearing on competition in the cable industry. I believe this is a very important consumer issue that is at a critical stage with proposed mergers and evolving technology changing the marketplace in very significant ways. The unanswered question is whether these changes will provide consumers with more choices, a greater diversity of voices, enhanced local content, and better value for their money.

I have long been alarmed by the soaring cable rates that consumers in Wisconsin and across the country have had to endure. For nearly a decade, dating back to the immediate aftermath of 1996 Telecommunications Act which I opposed, I have been hearing from my constituents about the rising costs of cable services and the difficulties posed by the growing number of other services that are bundled with cable, like high-speed Internet connections, wireless phone service and digital television.

For all of the promises of more services for less money, average cable rates increase each year without much obvious improvement for the consumer. In many states like my home state of Wisconsin, the problem is even worse in rural communities where there often is no meaningful competitor to the local cable operator.

It is essential that we in Congress do everything we can to foster true competition in the cable and video programming industry, and I hope today's hearing will help spur us to act. I am concerned, however, that too often when we speak of competition and fairness, we are focused on the companies involved and miss the mark on what is best for the consumer.

It seems that much of the debate recently has been about Congress picking winners and losers, both between companies in the same industry and between industries as the traditional boundaries shift. While these are certainly important considerations, we should always view these issues through the lens of what is best for consumers, not the providers of the services. I think we often lose sight of this.

For example, local franchise requirements have been a topic of considerable debate. But it seems that the focus is often on whether they give an unfair advantage to the traditional cable companies over traditional telephone carriers. In the din, it is hard to hear the consumers and local communities, who want meaningful competition, but also want to protect the local broadcasts and full community coverage provided through franchise agreements. Where the check goes each month matters much less than having choices, a diversity of viewpoints, local content and reasonable cost for family budgets.

Mr. Chairman and Senator Kohl, thank you again for holding this hearing and for bringing attention to these important issues of consolidation and vertical integration.