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Free cable TV providers from local regulators

Assembly Bill 526 would allow video service providers to serve all of Nevada with a single license, much as other utilities do now. Assembly Bill 526, subject of a hearing in Carson City Thursday, will bring cable television regulation into the 21st century. It deserves support.

AB526 would end the requirement that video service providers -- the industry already is far more than "cable" today -- negotiate a franchise agreement with every city or county in Nevada where they want to do business. Instead companies would need only obtain a single license from the state, much as other utilities do, and then could offer their services anywhere in the state.

Current franchise agreements would continue under AB526, and municipalities would still control their rights-of-way and collect franchise taxes, but the proposal would make it easier for firms to enter the video market

with new technologies. It would level the playing field for all comers and, eventually, give consumers more choices and maybe even lower prices.

Our current regulatory scheme is an anachronism, the product of a different time and a different technology. A half-century ago, cable TV became available when someone put up a couple of very high antennas to pull in distant TV signals. Those signals were distributed to consumers over a coaxial cable hanging from telephone poles.

At the time, the systems were relatively small and competition unlikely. It made sense for providers to negotiate a franchise agreement with city and county officials to use their rights-of-way. The local governments often took advantage, getting as much as possible from the cable company, which in turn was granted a license to make a lot of money from homeowners who couldn't get those distant TV

stations with rabbit ears or a rooftop antenna.

The system was good for everyone, the local governments and the growing cable TV companies. It also slowed innovation in the market, promising no incentives and a few disincentives for companies to look at new technologies.

That's no longer true. The federal government essentially has deregulated the industry, limiting the ability of local governments to put stiff requirements on providers and banning exclusive franchises. (Reno officials already have franchise agreements with Charter Communications and AT&T.)

The time has come to take the next step, to let the marketplace provide its own form of regulation to an industry that is about to explode with new technologies and new content. AB526 offers an appropriate path into the future.