

The à la Carte Debate

“I just want to buy a dozen or so channels. What’s wrong with that?”

By Michael A. Kashmer ■ *Broadband Properties*

Cable operators have been complaining mightily about the Federal Communications Commission’s recent push to loosen the way cable television channels are packaged and sold. Cable companies claim that the packages of 75 or so channels that they currently offer (they vary slightly from operator to operator) are actually better for consumers than letting them pick a dozen or so channels à la carte. Cable says that this approach will actually cost more.

Here is an interesting project for you. Dig out that channel lineup from your local cable company and check off the channels on that long list that your family actually watches and would pay for. I think you will be surprised! And your local franchised cable op should be too.

In my case, there are scores of movie nets I pay for that I never watch. I get them because they come automatically with HBO – a service that my family would not do without. These other nets feature what used to be called B-movies. For my current situation I can say that they are hardly a “value” that I need to pay for in order to receive what I really want.

This is a common story. A recent ad-hoc poll of Easter/Passover dinner companions echoed a common complaint. Adults commented, “Why am I paying for ESPN, when I don’t watch sports, tons of kids nets, when I don’t have children and a slew of music video channels when I just like to **listen** to music and not have to watch it too!”

Kids said “why not more shows aimed at tweens? There is just ‘kids’ stuff” on

À la carte is like buying a hot dog and bun from separate companies – or so cable operators say.

and nothing for me to watch. And how about some cool shows featuring topics that I can use at school? The Web is full of them. Why not cable?”

That gives you an idea of who comes to my home on any holiday but I think the comments would ring true in any sampling.

Teenagers might not like C-SPAN, the History Channel and Discovery. Kids wouldn’t be interested in more mature fare. That’s natural. So, why not be able to pay for just the channels you watch?

Indecent Proposal?

Well, cable television is not that simple. Especially when it comes to a handful of media giants mixing it up with the federal government. Forget about the indecency nonsense that continues to get lots of attention because of the fines and “decency” constraints on upcoming shows. That subject gets us all sidetracked from the real issues confronting us of how cable fits into the new way consumers watch video.

Cable says the à la carte option is like buying a hot dog and bun from separate companies. Forget about the mustard!

Kagan Research reports that the average price of extended basic cable, taken by most of the nation’s 73 million cable

subscribers, is \$41 a month. Bare-bones basic, broadcast stations plus a few very basic cable networks can cost about \$13 a month, depending on where you live.

Cable operators claim that all the investment they have put into the infrastructure (pipes, boxes, servers, truck rolls, and so forth) depends on a business model that requires tiers and packages. Clearly, their business model hasn’t been updated to fit today’s marketplace. So much has been invested, shareholders need to be appeased, so much is at stake, how can we change horses in mid-stream? The prudent answer is that corporate business-model change is necessary to keep up with technology changes.

The rise in price of cable service has stayed well ahead of the rise in consumer prices generally, so subscription cost is another point of contention. Community groups nationwide question this growing expense. Competitive overbuilders like municipalities, utility and phone companies increasingly offer an attractive alternative. Consumers also want to have more control over the entertainment and information they receive.

All of this will surely become an even more bitter battleground this year as we inch toward a rewrite of the Telecom-

Maybe the time of tiers and packages is over.

munications Act. A prolonged cable/FCC battle delays the national decision to truly get into the interconnectivity generation.

Other Programming News

Comcast is rebranding its Outdoor Life Network (OLN, at www.olntv.com). The new network, called "Versus," will feature programs for outdoor sports enthusiasts. Shortly after OLN picked up the cable rights to the National Hockey League, the net began mulling over a switch to an all-sports format. It is reported that this change will cure a continuing ratings slide although the initial game ratings proved anemic. I think it is just a case of let-

ting the target viewers find the games, coupled with on-target grass roots promotion and some new media tie-ins.

New sports nets abound. Rugby and hurling fans gather around! Sentanta Sports is offering a new 24/7 package of live European and Commonwealth top tier sports on cable.

This programming has only been available to bars and private venues up to now. Some really exciting events. Check out www.sentanta.com for further information. **BBP**

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