

Before the
Federal Communications Commission
Washington, DC 20554

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

Reply to

Written Statement
Of

The Honorable Kevin J. Martin
Chairman
Federal Communications Commission

Before the
Committee on Energy and Commerce
U.S. House of Representatives

July 24, 2007

Chairman Martin states, in relevant part:

The pro-competition policies that we have been furthering are designed to ensure that consumers benefit from innovation and technological advancements in all of the communications industries. For example, the Commission recently boosted competition in the delivery of voice and video services to people who live in apartment buildings. In a consistent and competitively-neutral fashion, we ensured that new entrants wanting to provide service to people who live in apartment buildings have the ability to use the internal wiring of both incumbent telephone and incumbent cable operators.
(http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-275464A1.pdf.)

Presently, those “who live in apartment buildings” can obtain service only from the party holding an exclusive contract with the building owner. The recent actions pertaining to internal wiring ensure that landlords have more choices of companies with whom the landlords can contract, not that tenants have any choices. Further, this increased competition for exclusive contracts may make it necessary for providers to pay landlords still more money to obtain exclusive contracts, and to pass that cost on to tenants. The tenants, who pay for the services, including the costs of securing exclusivity, and are the real consumers, will only benefit from the increased total number of providers only if there is a corresponding increase in the number of non-excluded providers. As long as contracts exclude all but one provider, no matter how many total providers there may be, the number of providers available to each consumer remains just one.