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2007
PAMELA J. ALTHOFF

STATE SENATOR • 32ND DISTRICT

98-120

October 26, 2007

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Dear Chairman Martin and Members of the Commission:

Please allow me to introduce myself as a newly appointed member of the Commission's Intergovernmental Advisory Committee. I am a State Senator from Illinois with a background in local, as well as state government. Moreover, some years ago I was employed as a broker of cable systems and other media ventures. I am thus familiar with cable system operations and valuations, as well as the substantial capital requirements of the industry and the extended periods of time required to realize any return on those investments.

From this vantage point, I would strongly caution the Commission that the proposed ban on exclusive service agreements for multiple dwelling units, while well-intended, will likely have several unintended consequences for both the Commission and consumers.

- While the suggested increase in competition is intended to keep rates low (the desired outcome), it may well have the opposite affect by reducing the ability of MDU owners and managers to negotiate more favorable rates and/or services given their market power in the very competitive MDU video service sector.
- The abrogation of existing contracts will, undoubtedly, lead to protracted litigation which will not serve consumers or the Commission well and may lead to more far-reaching legal consequences than the Commission would like to see.
- State Government is a more appropriate level of government to address the concerns the Chairman has raised. Given the widespread demographic differences between states, a one-size solution to these competitive and consumer issues is unlikely to work well in all 50 states. Many states such as Illinois have long addressed the access to MDU premises issue in a way that encourages competition but does not discourage investment.
- The further development of competitive telephone, broadband, and video services may all be compromised by a well-intended but overreaching rulemaking which favors one competitor over another and thus skews investment in a way which reduces competition rather than enhances it.

Thank you for your consideration.

Respectfully Yours,

A handwritten signature in cursive script that reads "Pamela Althoff".

Pamela Althoff
State Senator, District 32

A very faint handwritten signature, possibly in blue ink, which is difficult to read but appears to be a name.

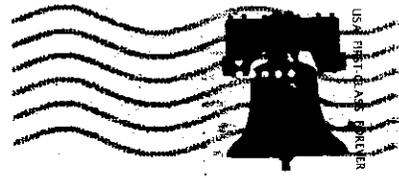
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