



September 15, 2009

Bring Video Competition to Jefferson Parish!

Dear Councilmember:

On behalf of the National Taxpayers Union's more than 3,200 Louisiana members, I urge you to bring the same choice and competition to the Jefferson Parish video services market that residents in the rest of the state now enjoy. The current franchising model in the Parish allows for a monopoly operation that drives up the cost of cable television and limits the options available to customers.

Jefferson Parish consumers are looking for any help they can get in this tough economic climate and eliminating this monopoly will help ease their burdens. Without the pressure of new entrants into the market, local cable monopolies have no incentive to cut prices or to offer increasing value to their customers. Consistent with this fact, cable companies raised rates 45 percent between 1996 and 2006 – more than three times the rate of inflation.

There is also evidence that competition works in the delivery of video services. When Texas passed statewide video franchising laws in 2005, the incumbent cable company cut its prices by 25 percent within weeks. Nationwide, a Federal Communications Commission (FCC) report issued in 2007 concluded that, “[P]rices charged by cable systems where the Commission has not made an effective competition finding were 20.6 percent higher than the prices charged by cable systems found to be facing competition from a second cable operator.”

Those availing themselves of other telecommunication services are likewise no strangers to the benefits that flow from free market principles. The cost of long-distance phone calls has plummeted as customers are presented with more options. The same is true with the Internet and wireless telephone providers.

It's time to bring the same successful precepts to video. Residents of Jefferson Parish deserve the fruits of the free market – choice, quality, and low prices – when they turn on their televisions. For too long, residents have been beholden to the price-setting whims of just one terrestrial firm. Our membership hopes you will take the strongest and most expeditious action possible to reform this outdated and unfair franchising model.

Sincerely,

Joshua Culling
State Government Affairs Manager