



# NEWS

## AMERICANS FOR TAX REFORM

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## **Regulators Preserve Investment, Innovation by Denouncing “a la carte” Cable Pricing**

WASHINGTON, DC – The Federal Communications Commission (FCC) today took another step toward maintaining a consumer-friendly, pro-innovation regulatory environment by recognizing that per-channel, or “a la carte” pricing for cable and satellite networks would lead to higher prices and fewer choices.

“A la carte pricing of cable programming is not beneficial to consumers and the FCC report today confirmed that again for a third time,” said Grover Norquist, president of Americans for Tax Reform, a non-profit tax policy organization. “Consumers would ultimately end up paying more for fewer channels than they do today for large packages. Consumers clearly won a victory in Washington today.”

Independent economic studies conducted by both government and private experts have concluded that permitting per-channel charges for some television viewers would result in rate increases for all – a problem many a la carte proponents would solve by capping the rates cable and satellite operators can charge customers. But when the FCC tried rate regulations in the 1990s, operators lacked the revenue necessary to invest in next-generation services, reducing quality while prices rose an average 2.4% per year.

Since the industry was deregulated, the price per channel has decreased and new services, such as video-on-demand, digital broadcasting and high-speed Internet access, are nearing ubiquity.

“Three different groups of experts – Congress’ exploratory division, impartial financial analysts and now the FCC – support our position,” Norquist added. “Per-channel charges would only serve as two steps back after a giant leap forward.”

*Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Chris Butler at (202) 785-0266 or by email at [cbutler@atr.org](mailto:cbutler@atr.org)*