



**TESTIMONY OF JULIA JOHNSON, CHAIRPERSON
VIDEO ACCESS ALLIANCE**

**U.S. HOUSE OF REPRESENTATIVES
THE COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON TELECOMMUNICATIONS AND THE INTERNET**

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Good morning Mr. Chairman and members of the committee. Thank you for your invitation. I am Julia Johnson, Chairperson of the Video Access Alliance. I am honored today for this opportunity to speak to you about video franchise reform. We applaud your leadership and action in working on this very important issue.

First I would like to tell you briefly about the Video Access Alliance. We are a not-for-profit organization dedicated to promoting policies that encourage rapid deployment of innovative new video platforms. We serve as an advocacy and advisory group for independent, emerging and minority networks, content providers, programmers, entertainers and other industry participants. We believe that as more platforms with greater capacity to carry programming are deployed, our independent and innovative voices—minority in particular—can be heard. Our coalition consists of entrepreneurs and executives from several different independent networks including ImaginAsian TV, MultiChannel Ventures, The Employment & Career Channel, The America Channel, and the Black Television News Channel, LLC.

We are on the consumer's side. We are on the entrepreneur's side. We are on the side of economic development for our communities. We believe that all consumers, particularly minorities, have the most to gain from expanded video platforms.

We are not against cable. We are not against telephone companies. Unfortunately for consumers, much of the current debate has turned into a cable versus telecom fight. Much of the dialogue has focused on policies that benefit competitors; we firmly believe the focus should consistently and relentlessly be on the benefits to consumers.

The Alliance is focused on ensuring that there are multiple platforms for the distribution of expanded and more robust content at lower prices for America's everyday consumers.

We believe that consumers deserve more choices for their TV and entertainment services. We strongly support the need for more video distribution systems and encourage the use of advanced digital technologies and broadband deployment into communities to bring consumers innovative options.

We support greater competition in the video delivery market—and we're hopeful this legislation will do just that. We would like to see telecommunications companies expand their video networks as quickly as possible. We'd like to see the cable companies expand their networks as quickly as possible. Doing so could serve as an extraordinary opportunity for minorities and other entrepreneurs. And we again applaud the committees' efforts in working to do so.

Competition **will** super-charge the video delivery market and have a favorable economic impact on our economy. In a competitive and open market, video distribution

networks will provide more opportunities for independent programmers to distinguish their service from their competitors. This will lead to greater content choice for consumers. The FCC found that cable television providers offer at least 6 percent fewer programs in the absence of competition. The mere presence of competing providers would give independent networks—like my members—more opportunities and give consumers greater choice. In fact, already we're seeing new channels come online and programmers reach new audiences—we need to accelerate that process.

We believe that new choice in programming is just one benefit of reforming our video franchise laws. Equally important to the minority communities that many of our coalition members serve are the technological advances and increased capacity that competition would undoubtedly create. When competing companies vie over customers, they create a storm of innovation. We strongly believe that innovation, open markets and fair competition will encourage investment in infrastructure that will allow for the new applications and distribution models. These applications, many of which have yet to be invented, will bring opportunities like distance education, global commerce and telemedicine closer to all consumers. These are innovations that can truly change lives.

Ultimately video franchise reform will provide the incentives for new networks with capacity that we can't even envision today.

As a great number of our members are minorities or focus on minority markets, the issue of availability of these new offerings is of tremendous importance to our supporters.

We have a unique interest—both socially and economically—to ensure that consumers have access to all the amazing innovations video franchise reform will bring.

We believe that the best way to ensure networks are built and available to all is to **let the markets work**. Given minority consumers' enormous buying power, we firmly believe that minority consumers will be particularly attractive to all providers in the video distribution marketplace.

Minority consumers have been shown in recent studies to spend more on media products and services than other demographics. According to a study by Horowitz Associates, minorities are the top subscribers to premium channels and have higher penetration rates for digital television.

A market-driven solution, as proposed in the legislation, is the best solution to ensure all consumers benefit from video franchise reform.

In sum, the more choices consumers have the better. We believe that expanded video distribution networks will result in lower consumer prices, higher quality consumer programming and greater consumer choice. Moreover, we know that with this expansion come greater opportunities for independent, minority and emerging networks to be distributed into all communities.

I again applaud your efforts and ask that you continue to make video franchise reform a priority this year.

Thank you for inviting me to testify today and I would be happy to answer any questions you may have.

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