

Bright House Raises Cable Rates by Caren Collins

My hands are tied. The SWOCC (Southwestern Oakland Cable Commission) offices receive calls from cable customers every time the cable operator, Bright House, chooses to raise its cable rates. And, we received our rate increase notice last month, like you. Unfortunately, there's little SWOCC can do.

Congress deregulated cable rates in 1999, so cable companies can charge whatever they like for the upper tier of channels (anything above channel 23). Your city or cable commission has a very limited ability to regulate rates for basic service only (channels 1-20), and that's the only Bright House service that did not go up this round of rate hikes. Yes, you can still get cable for \$11 a month, but you have to specifically ask for it.

The majority of the approximately 40,000 cable subscribers in Farmington, Farmington Hills and Novi subscribe to the Expanded Basic Service (channels 23 and up), and will pay an extra \$2.00 per month. Your new rate is \$41.95, not including extras like converters, remotes or premium channels. This is a five percent increase over 2004 rates. Whereas, last year rates increased six percent.

Cable operators contend these increased are due to the increasingly high prices they pay for programs. They also say we're getting more bang for our buck – like more channels and better services. If it's any consolation, we're not alone. Here in the Detroit area, Comcast raised rates as much as 7.9 percent in several communities and Wide Open West (WOW) went up 8.3 percent. In the Detroit area rates range from \$40.99 to 43.49, putting Bright House subscribers closer to the low end.

Many disgruntled subscribers cry out for cable competition. Although Bright House has a non-exclusive contract in our cities, no other cable operators have come forward. They contend it's a high-cost venture for little return. On top of that, even communities with cable competitors are seeing these rate hikes. And actually there is competition out there – from the satellite providers. In Farmington, Farmington Hills and Novi, cable subscribers have decreases while dishes are popping up on rooftops. But that option has its drawbacks in reception and local TV channels. Cable is still the only place you can get the Public, Educational, and Governmental Access channels. Satellite providers have also raised rates with the average monthly bill in the ballpark of \$49.

And what about those other fees on your cable bill? Those are not taxes. In fact, they don't contribute to any increase in the bottom line. In its contract with the cities (in exchange for using the public rights-of-way), the cable operator pays a franchise fee and certain other costs to the cities. They've been doing so since 1982. The city uses these franchise fees to maintain the rights-of-way and operate access TV. But since the FCC allows them to break it out on the bill, cable operators often do so to push the blame off them. That would be like buying a pair of jeans at the mall and getting an itemized receipt indicating that a certain percent of what you paid went to mall rental space. We all know there are numerous costs factored into any vendor's sticker price. It's not often that we see it broken down.

So, If you're not happy about these rate hikes, what can you do?
First, look at your options. If you require only channels 1-22, call Bright House and tell them you want the basic-only service at \$11 month. Next, let your Federal

representatives know how you feel. They are the ones who did away with rate regulation. Farmington and Farmington Hills residents can call Congressman Joe Knollenberg at (248) 851-1366. Novi's Congressman is Thaddeus McCotter at (734) 632-0314.

Caren Collins is the Executive Director of the Southwestern Oakland Cable Commission.

The next SWOCC meeting is 7 p.m., Wednesday, April 27 at Novi City Hall.

SWOCC is a consortium of the cities of Farmington, Farmington Hills and Novi, which oversees the contract with the Cable Company pertaining to regulatory matters. SWOCC also promotes the community TV channels for public, educational and government access.