



## NATIONAL CABLE TELEVISION COOPERATIVE, INC.

Years ago, when TV was just getting started, some movie theaters showed their patrons a short film that envisioned the customer constantly feeding money into a coin box on top of the TV. The ad was intended to remind movie patrons that TV was meant to be free (and subsequently not take money from the customer that the movie theaters wanted spent in their businesses!) While this low-tech version of pay-per-view was never a reality, most consumers pay monthly for their TV viewing, either through their cable company or satellite provider.

Small cable providers, who are often members of the National Cable Television Cooperative (NCTC), serve many of the country's rural communities. These providers struggle to keep their costs and services comparable to large, national companies and satellite providers.

Many of these small, independent cable companies stay competitive through their membership with NCTC, a not-for-profit programming and hardware buying cooperative headquartered in Lenexa, Kan., that does business only with cable operators. "NCTC helps cable operators in small communities keep their costs as low as possible," said Dan Mulvenon, NCTC's senior vice president of Member Services. "Almost every cable network requires payment for carriage on a per customer basis. The bigger the cable company, the more leverage they have with the programmers to get the best prices. Smaller operators, like those in the Co-op, have almost no leverage on an individual basis. NCTC lets them get the discounts bigger cable operators receive."

Cable television was developed as a way to import distant over-the-air broadcast signals

into rural areas where TV reception was spotty at best. What originally was only 6 or 12 channels of viewing has mushroomed into the 100+ channels now available in many homes. HBO was the first satellite service, and that idea of delivering "cable-only" channels was the impetus for the myriad of viewing choices consumers enjoy in both large cities and in smaller, rural communities across the country.

Along the way, these new networks didn't have the large viewer base of NBC, CBS or ABC, so in addition to selling ads to pay for their programming costs, the cable networks sought per subscriber fees from the cable operators. These monthly license fees allowed the cable networks to offer more and more original programming and become more competitive with the established broadcast networks. The benefit of this subscriber supported TV is evident

