

You want ala carte, you got ala carte.

Its called the internet. Every single major cable and telephone company offers high speed access to the internet and they allow you to pick and choose the content you want to view.

The internet is the definition of ala carte program. Every type of programming imaginable. All there for you to find and choose what you want, when you want it. Some with a price tag. Most for free.

Open up your favorite search engine and put in the name of the program you want. Or put in the type of programming you want. Its in the Electronic Programming Guide. If its there and available you can find it.

Want to set up "channels" just so you can make it a little easier for you and the not so literate internet folks to understand ? No problem. There have been standards to define programming channels on the net since IE 4.0.

Or you can just bookmark your favorite kids or family friendly websites and limit use to those sites.

Ala carte. Just the way you want it.

But its not on TV you say ? Well thats easy. Buy a

[wireless RF transmitter for under 70](#) bucks. Plug it into the video out of your PC. Plug the receiver unit to the video in of your TV. Start the video on the PC and boom, you are watching the video on your TV. Any TV. The old black and white or the new plasma.

Its easy. I bet for another 50 bucks, you can get the cable company or any 17 year old to come set it all up for you. There you have it. Unlimited choice. Complete ala carte.

The only thing missing is that traditional programmers havent flocked to create programming for this unlimited choice universe.

its the beauty of capitalism. Where there is opportunity, you can find cash deployed to capitalize. But you cant find it on the net. You can find inexpensive content. If its cheap and easy its created specifically as programming for the net. But is there a single example of a million dollars spent on a show exclusively for the net ?

There should be. The potential customer base consists of 90mm broadband users in the USA. 100s of millions across the world. Any programmer with a high speed data line can reach any of them. Yet no one chooses to invest an amount equal to even the least expensive broadcast network show. Why ?

Because in an ala carte world, the cost of reaching an audience is outrageous. And consumers arent ready to pay the freight to receive that programming.

As i have said before, the movie market is ala carte. Look at which content rises to the top in terms of revenues from consumers and visibility. The content from the biggest companies who have spent the most money to market .

Our movie from [HDNet Films](#), [Enron- The Smartest Guys in the Room](#) cost a relatively small \$770k to make, but we needed to spend millions to create visibility for the film. When we tried to get creative and offer the film day and date with its release on HDNet Films, the big theatrical chains got together and decided they wouldnt carry it. Despite our unique offer to share in the revenues from the sale of the DVD. The point being that if video distribution goes ala carte, the response from the powers that be wont be to embrace the change. It will be to find ways to circumvent the change to their advantage. The movie industry is the perfect example. Despite the fact that anyone with a videocamera and PC can produce a movie, the cost to get it to consumer in an ala carte movie world, precludes all but the biggest and/or very, very fortunate from reaching an audience large enough to break even on a movie release..

Despite the fact that big movie studios could produce many, many movies for consumption, they produce a limited number every year because they have pushed the cost to market a movie to such extremes. In their ala carte movie market, they cant afford the risk. Is that where you want the TV business to go ? Do you want TV production companies and networks to have to spend tens of millions of dollars on each new show to make sure that enough people watch and continue their ala carte selection of the network hosting the show ?

But wait, there is more to consider. There are technological considerations. Let me give you a phrase that you will hear for the next 100 years when it comes to video distribution and I promise you , it will haunt you in an ala carte world. That phrase is : "Bits are bits"

What that means is that digital bits dont care what type of data they carry. They are agnostic. Telephone conversations. Ok. Video. Ok. Internet traffic. Ok. Video Conferencing. Ok. Medical Applications. Ok. Software applications. OK.

Every video distributor is limited in the amount of bits they can carry to the bandwidth they have. The valuation model of the cable industry is quickly turning into a revenue per bit maximization model. Which cable MSO can sell the mix of digitalbits that maximizes the return on the number of bits available. Call it Bit to Revenue Optimization.

If you muck up the video distribution side of the business so that video distributors, be they cable , satellite or telco find that the return for bandwidth allocated to TV programming is less than bandwidth allocated to non video applications, you got a huge problem.

You see, video bits require the most hand holding. They have to arrive with all the other bits that are part of the TV show in a nice, neat continuous stream (net of some buffering of course). When those video bits are part of medical or video conferencing applications, both the originators and the users expect to pay a little more. When those bits are part of a TV show, they expect to pay a lot less. The model works today because the aggregation of all those bits creates a price and experience that not only people are comfortable with, but that consumers feel like they cant live without. Ask a politician whether his constituents will be happy if it turns out that his/her push for ala carte results in less choice and higher prices ?

In an ala carte world, the ala carte applies not just to consumers choosing between TV networks, but distributors choosing which applications to offer. Cable MSOs, Satcosand Telcos want their stock price to go up. They want to make more money. There is the very real possibility, and I would say likelihood that as new software applications come along, and they will, they could successfully compete for bits on distributors networks to the exclusion of TV bits. Im not saying digital TV would go away, it wont. But could substantially less bandwidth be allocated to TV ? Of course.

So, to all of you at the FCC, be careful what you ask for. That knock on your office door that today has people saying they dont want to pay for channels they dont want, tomorrow could be people asking why you let them change everything when it used to work so well.

And a word of advice to take or leave as you see fit. Its always a mistake to listen to your customers. The goal of any organization should be to give their customers or constituents what they will want, not what they did want. Its not the job of the customer to know their future consumption habits. Its your job.