



# NEWS RELEASE

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*The Federal Reserve Bank of St. Louis*  
St. Louis Little Rock Louisville Memphis

## I WANT MY MTV -- AND CNN AND ESPN AND TBS AND...

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ST. LOUIS -- Congress is considering deregulating the cable television industry after re-regulating it just three years ago. Is deregulation the answer? How will cable customers be affected?

St. Louis Federal Reserve Bank Economist Adam M. Zaretsky thinks that if enough players provide cable, customers could win with better service at fair prices.

In "I Want my MTV--and CNN and ESPN and TBS and ...The Cable TV Industry and Regulation," the lead article in the summer issue of The Regional Economist, the St. Louis Fed's quarterly review of business and economic issues affecting the Eighth Federal Reserve District, Zaretsky examines the economics of cable regulation.

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## I WANT MY MTV/2

Since cable television's re-regulation in 1992, debate to deregulate has been fueled by advances in technology and the desire of the regional telephone companies (or Baby Bells) to enter the cable market.

Is it better to regulate or deregulate? According to Zaretsky, there is no simple answer. But if other companies--like the Baby Bells--are allowed to enter the cable market, Zaretsky believes there will be great improvements in both service and offerings without the gouging price hikes many fear.

"Nevertheless, with or without regulation, we should expect big changes in the cable industry in the next five to 10 years," adds Zaretsky.

Two additional articles complete the publication: "District Economy Takes Off in '94," by Kevin L. Kliesen, who expects Eighth District economic growth in 1995 to be slower than in 1994. "Should We Ax the Capital Gains Tax?" by Andrew P. Meyer, examines the benefits and costs of a capital gains tax reduction.

The Federal Reserve Bank of St. Louis has branches in Little Rock, Louisville and Memphis. It serves the Eighth Federal Reserve District, which includes all of Arkansas, eastern Missouri, southern Indiana and Illinois, western Kentucky and Tennessee, and northern Mississippi.

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