

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Electronic Delivery of MVPD)	WC Docket No. 17-317
Communications)	

REPLY COMMENTS OF PINE BELT COMMUNICATIONS

Pine Belt Communications (“Pine Belt”), by counsel, hereby submits these reply comments regarding the *Public Notice* (“Notice”) in the above captioned proceedings.¹ The Notice seeks comment on the proposal filed jointly by the National Association of Broadcasters (“NAB”) and NCTA – The Internet and Television Association (“NCTA”) to amend the carriage election procedures between cable operators and broadcasters (“Joint Proposal”).² Under the Joint Proposal, the Federal Communications Commission (the “Commission” or “FCC”) would replace current carriage election notification procedures with a mechanism for providing electronic notice. Only two parties – the American Cable Association (“ACA”), and DIRECTV, LLC (“DIRECTV”) and DISH Network L.L.C. (“DISH”), jointly – filed comments in response, both expressing conditional support for the Joint Proposal.³ Pine Belt generally supports ACA’s position that there should be a separate timeline established for “small cable operators who rely on COALS to make their contact information available to broadcasters.”⁴ Additionally, the

¹ Media Bureau Seeks Comment on Industry Proposal for Carriage Election Notice Modernization, *Public Notice*, MB Docket No. 17-317 (rel. Dec. 13, 2018) (“Notice”).

² Letter from Rick Chessen, Senior Vice President, Legal and Regulatory Affairs, NCTA, and Rick Kaplan, General Counsel and Executive Vice President, Legal and Regulatory Affairs, NAB to Michelle Carey, Chief, Media Bureau, MB Docket Nos. 17-317, 17-105 (filed Dec. 7, 2018) (“Joint Proposal”).

³ Comments of the American Cable Association, MB Docket No. 17-317 (filed Mar. 18, 2019) (“ACA Comments”); Joint Comments of DIRECTV, LLC and DISH NETWORK L.L.C., MB Docket 17-317 (filed Mar. 18, 2019) (“DIRECTV/DISH Joint Comments”).

⁴ ACA Comments at 2.

Commission should refrain from streamlining broadcaster carriage election procedures or applying any additional burdens to cable operators while there is still a need for retransmission consent reform, as many small operators are being held hostage by heightened retransmission fees and other undue burdens resulting from the carriage election process.

Due to the need for retransmission consent reform, Pine Belt again urges the Commission to review the extreme increases in broadcast retransmission rates and the overall lack of good faith negotiations by broadcasters prior to taking any steps to streamline the broadcast carriage election procedures. While the broadcasters continue to try to lessen their own regulatory burdens, the “negotiations” that take place between the broadcasters and the cable companies directly harm consumers, because when broadcasters demand more for retransmission fees, those fees normally get passed directly to customers. The resulting rate increases are a detriment to low income, rural consumers that live in areas where they cannot receive free, over the air reception of the broadcast channels. Rural operators, such as Pine Belt, who serve areas that are on the lower end of most socio-economic measures have an interest in protecting the consumers who are unilaterally hurt by these unfair pricing tactics. As Pine Belt has previously told the Commission, there should be a cap placed on the current retransmission rates that broadcasters impose on independently owned cable companies, which serve less than 250,000 subscribers in predominately rural areas.⁵

Another common-sense way to reform retransmission negotiations which would, in turn, completely eliminate the carriage election notification burdens for cable companies and

⁵ Letter from Donald L. Herman, Jr., Counsel to Pine Belt Communications, to Marlene Dortch, Secretary, Federal Communications Commission, at 2 (filed Oct. 30, 2017) (Pine Belt *Ex Parte*). For the purposes of this rule, “rural” should be defined as one hundred (100) people or less per square mile.

broadcasters, is to eliminate arbitrary Designated Market Areas (“DMAs”) borders altogether so that retransmission consent can be negotiated in an open market. Eliminating DMAs or utilizing an alternative market determination system would reduce the geographical constraints placed on rural operators and enable cable providers to choose which broadcast stations they wish to receive and negotiate accordingly.

I. Conclusion

Pine Belt supports the Commission’s efforts to update its media regulations. However, the inherent disadvantage that rural operators face when some broadcasters lack good faith in retransmission consent negotiations should be at the forefront of these carriage election modernization discussions, rather than the reduction of any regulatory burdens on the broadcasters. In order to effectively reduce unfair pricing tactics, the Commission should cap retransmission rates for independently-owned cable companies that serve fewer than 250,000 subscribers in predominately rural areas. Similarly, operators in rural markets are faced with unique challenges resulting from the current market determination system, DMAs. Therefore, the Commission should eliminate DMAs to enable open market negotiations to set the terms for retransmission consent.

Respectfully submitted,

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