



DOCKET FILE COPY ORIGINAL

RECEIVED

JAN 26 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

821 Livingston Court • Suite E • Marietta, Georgia 30067 • (404) 426-9811

January 25, 1993

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 30554

RECEIVED

JAN 26 1993

FOC - MAIL ROOM

Dear Ms. Searcy;

In the Comments National CableSystems Associates sent to the Commission last Friday (January 22) via Federal Express in MM Docket No. 92-262, we inadvertently included the wrong page number 7. An original and ten copies of the correct page number 7 are enclosed. Would you kindly have this correct page inserted in each of the copies of our Comments in lieu of the wrong one.

Respectfully,

Lawrence R. Walz
President
National CableSystems, Inc.
Managing General Partner

LRW:sh

Enclosures

No. of Copies rec'd
List A B C D E

0410

vertically integrated satellite cable programming vendor which sells its programming to a multichannel video distributor, whether directly or indirectly through a third party, be required to offer that distributor the option of receiving such programming directly from the vendor.

RECEIVED

JAN 26 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Pricing, of course, is another area where discrimination is the issue.

vertically integrated satellite cable programming vendors' business dealings with multichannel video distributors, particularly SMATV operators. Legitimate differences, such as volume and performance discounts, are not the issue here. Even certain concessions to the cable companies which have an equity interest in the vendors might be justified on the basis they deserve special treatment because they are at financial risk. But discrimination which apparently is based solely on the fact a multichannel video distributor is not a franchise cable operator is questionable, if not patently inconsistent with the provisions of The Cable Act of 1992. As a glaring example, consider the significant current basic service monthly per subscriber rate differences, based on 100% carriage and before discounts, charged SMATV operators and their franchise counterparts by the following six vertically integrated satellite cable programming vendors:

Vendor	SMATV Rate	Franchise Rate	Difference	
			\$	%
A&E	.19	.14	.05	36
ESPN (w/ NFL Pkg.)	.75	.56	.19	34
MTV	.33	.26	.07	27
Nickelodeon	.33	.26	.07	27
TNT	.52	.42	.10	24
CNN	.45	.37	.08	22