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July 27, 1994

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW, Rm. 814
Washington, DC 20554

Dear Chairman Hundt:

I am writing in support of the Comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, CS Docket No. 94-48.

Direct Programming Service is an affiliate of NRTC in the DIRECTV project whose goal it is to deliver quality television programming to rural areas not served by cable. Here in the state of Kentucky, many consumers only alternative to poor, off air reception of one or two channels is satellite television. We need complete access to all programming at fair prices, comparable to those paid by our competition, in order to compete in our marketplace. We had believed that Congress had already solved this problem with the passage of the 1992 Cable Act.

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Direct Programming Service currently does not have DBS distribution rights for Viacom and Time Warner programming like HBO, Showtime, Cinemax, The Movie Channel, MTV, VH-1 and Nickelodeon because of the "exclusive" distribution arrangements they have made with United States Satellite Broadcasting Company, Inc.(USSB). Other distributors of programming like Primestar, cable companies in Kentucky and local and regional wireless cable organizations have gained access to these Viacom and Time Warner services while we have not. This severely damages our ability to compete in Kentucky which in the final analysis will be detrimental to consumers in the state.

This existing situation has caused much confusion among consumers. Under the current arrangement, customers who wish to subscribe to DIRECTV programming and include Time Warner and Viacom services must subscribe to two separate, competing packages. The consumer then will receive two separate bills for their programming and be forced to call two different numbers to add to or change their service. We have spoken to many consumers who do not understand why they cannot purchase HBO and Showtime from our organization. In fact, we have had some customers who have decided to not purchase DIRECTV programming because we could not offer them the convenience of receiving one programming statement per month.

If these services were offered by both DIRECTV and USSB, consumers would be able to choose their programming provider. This would result in improved and effective competition which always leads to benefits to the consumer. These are, of course, improved service and lower prices.

One situation that exists that we do not understand is the fact that none of the programming contracts signed by DIRECTV are exclusive, which we believe is the way things should be. USSB could offer these services if they chose to. On the other hand, we are locked out of providing our customers with the Time Warner and Viacom services.

We agree with the NRTC's position that the FCC should act now to enforce the wishes of Congress and the American people as put forth in the 1992 Cable Act. Please, Mr. Chairman, closely monitor this situation and banish this type of exclusionary agreement represented by the USSB/Time Warner/Viacom deal.

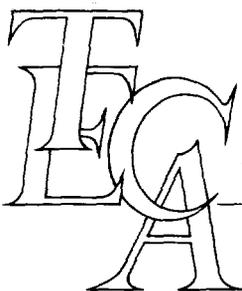
Thank you for your time and consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Corley", with a long horizontal flourish extending to the right.

Bill Corley
President

cc: The Hon. Representative Romano Mazzoli
The Hon. Representative Hal Rogers
The Hon. Representative Jim Bunning
The Hon. Representative Scotty Baeseler
The Hon. Representative Ron Lewis
The Hon. Senator Wendell Ford
The Hon. Senator Mitch McConnell
William F. Caton, Secretary —
The Hon. James H. Quello
The Hon. Andrew C. Barrett
The Hon. Susan Ness
The Hon. Rachelle B. Chong
Steve Bing



TENNESSEE ELECTRIC COOPERATIVE ASSOCIATION

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Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D. C. 20554

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Dear Chairman Hundt:

I am writing this letter in support of the position taken by the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, CS Docket No. 94-48.

As an Association representing 23 rural electric cooperatives in Tennessee, we are concerned about the fact that many of the consumers in the rural areas throughout our State do not have acceptable television reception and do not have access to cable television service. Many of those consumers have asked the electric cooperative industry to provide assistance, especially in the area of satellite dish programming services. We have responded to their requests through our national organization, NRTC, and are now delivering television programming to almost 1,200 rural consumers who are not served by cable.

However, over the past five years of providing this service, we have not been successful in gaining access to all programming, nor have we received fair rates, comparable to those paid by the cable television industry.

In making Congress aware of this problem that adversely impacts the rural people, we were quite pleased when the 1992 Cable Act was passed to solve such a disparity. However, since the passage of that law, we continue to pay significantly more for cable and broadcast programming than comparatively-sized cable companies in our respective areas. We are perplexed as to why cable companies in our area should be entitled to receive programming at lower rates than our system.

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Chairman Hundt, please understand that discriminatory pricing hurts our rural consumers, especially if they have no other choice for programming other than satellite. They are forced to pay higher rates than those who have access to cable.

In summary, our Association in Tennessee agrees with NRTC's position that the Federal Communications Commission should act to enforce the wishes of Congress as presented in the 1992 Cable Act. We ask your help in monitoring and combating these discriminatory problems by not allowing abusive practices by rule and by making it clear that damages will be awarded for Program Access violations.

Thank you for your help in this very important issue.

Respectfully yours,



Tom Purkey
Executive Vice President and
General Manager

jm

cc: Mr. William F. Caton ✓
Secretary, FCC

The Honorable James H. Quello
Commissioner, FCC

The Honorable Andrew C. Barrett
Commissioner, FCC

The Honorable Rachelle B. Chong
Commissioner, FCC

The Honorable Susan Ness
Commissioner, FCC