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# MID-WISCONSIN DBS COOPERATIVE

SERVING: ADAMS, MARQUETTE, PORTAGE, SHAWANO, WAUPACA,  
WAUSHARA & S.E. MARATHON COUNTIES

c/o Amherst Telephone Company  
P.O. Box 279  
Amherst, WI 54406

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July 27, 1994

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

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

RE: Cable Competition Report - CS Docket No. 94-48

Dear Chairman Hundt:

I am writing this letter 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.

As a rural telephone member of NRTC and distributor of the DirectTV direct broadcast satellite (DBS) television service, my company is directly involved in bringing satellite television to rural consumers. Many of our customers live in rural areas that are too sparsely populated to receive cable TV. These rural households have little choice other than satellite for receiving television service.

However, despite passage of the 1992 Cable Act, my company's ability to compete in our local marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom. My understanding has always been that with the 1992 Cable Act this problem had been solved.

This programming, which includes some of the most popular cable networks like HBO, Showtime, Cinemax, the Movie Channel, MTV, Nickelodeon and others, is available only to my principal competitor, the United States Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom.

In contrast, none of the programming distribution contracts signed by DirectTV are exclusive in nature, and USSB is free to obtain distribution rights for any of the channels available on DirectTV.

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The Honorable Reed Hundt  
July 27, 1994  
Page 2

Mr. Hundt, my organization agrees with NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. I believe that the Act prohibits any arrangement that prevents any distributor from gaining access to programming to serve non-cabled rural areas. Under the present circumstance, if one of my DirectTV subscribers also wishes to receive Time Warner/Viacom product, that subscriber must purchase a second subscription to the USSB service. This hinders effective competition, and as a consequence keeps the price of the Time Warner/Viacom channels unnecessarily high. It also increased consumer confusion in the retail level.

Not having access to the Time Warner/Viacom services has also adversely affected my ability to compete against other sources for television in my area. HBO, Cinemax and the other programming mentioned above are very popular with the public. Many of the customers we talk to want these services and therefore are shying away from DirectTV. They do not like the idea of being billed from two separate sources for their monthly billing and don't understand why we can't provide this service to them. As a company we are also questioning why other distributors like PrimeStar, wireless, cable, etc. have access to this programming and we don't.

We believe very strongly that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cabled areas. This is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America. I strongly urge you to banish the type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal.

Thank you for your consideration in this matter.

Sincerely,



Carl F. Bohman  
Vice President

CC:

The Hon. Representative Russ Feingold  
The Hon. Senator Kohl  
William F. Caton, Secretary  
The Hon. James H. Quello  
The Hon. Andrew C. Barrett  
The Hon. Susan Ness  
The Hon. Rachelle B. Chong

**Trans-Cascades Telephone Co.**

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AUG 3 1994  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable Rachelle B. Chong  
Commissioner  
Federal Communications Commission  
1919 M, NW, Rm. 844  
Washington, D. C. 20554

RECEIVED  
~~AUG 11 1994~~  
OFFICE OF  
COMMISSIONER RACHELLE B. CHONG

RE: Cable Competition Report  
CS Docket No. 94-48

July 25, 1994

Dear Commissioner Chong:

I am writing this letter 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.

As a rural telephone member of NRTC and distributor of DIRECTV direct broadcast satellite (DBS) television service, my company is directly involved in bringing satellite television to rural consumers.

However, despite passage of the 1992 Cable Act, my company's ability to compete in our marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming, which includes some of the most popular cable networks such as HBO, Showtime, Cinemax, MTV, Nickelodeon, and others is only available to my principal competitor, United States Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom. The programming contracts signed by DIRECTV are not exclusive in nature. USSB is free to obtain distribution rights for any of the channels available on DIRECTV.

My organization agrees with the NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. It prevents distributors from gaining access to serve non-cabled rural areas. The unavailability of Time Warner/Viacom products to DIRECTV subscribers hinders effective competition. The requirement to purchase a second subscription with USSB keep the prices unnecessarily high for consumers.

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# ClearVision, Inc.

1013 Annandale Drive  
Madison, MS 39110  
601-773-4440 / 601-853-9576

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AUG 01 1994

OFFICE OF  
COMMISSIONER RACHELLE B. CHONG

July 27, 1994

The Honorable Rachelle B. Chong  
Federal Communications Commission  
1919 M Street, NW, Rm. 814  
Washington, D.C. 20554

RECEIVED  
AUG 3 1994  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Dear Honorable Chong:

*My name is Glenn Hughes and I am President of ClearVision, Inc. We are affiliated with the National Rural Telecommunications Cooperative (NRTC) in the DIRECTTV project delivering programming to rural customers who are largely not served by cable. We own programming rights for the new Digital Satellite System in eight counties in Central Mississippi. I am writing this letter in support of the comments of the 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.*

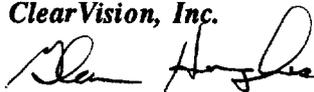
*Many of our consumers live in rural areas that cannot receive cable TV. They need to be able to receive all programming available. As a distributor of DBS satellite television programming, equal access to cable and broadcast programming at fair rates is essential for ClearVision to be competitive in our local marketplace. We thought Congress had already solved this problem two years ago with the passage of the 1992 Cable Act.*

*ClearVision does not currently have DBS distribution rights for Time Warner and Viacom programming, like HBO, Showtime, Cinemax, The Movie Channel, VH-1, MTV, Nickelodeon, etc., because of the "exclusive" distribution arrangements they have made with the United States Satellite Broadcasting Co. Inc. (USSB). These practices hurt rural customers and thwart the effective competition required by Section 19 of the Cable Act. DIRECTV has no exclusive programming contracts and USSB could offer our programming services if it wished to do so.*

*I agree with the NRTC's position that the FCC should act to enforce the wishes of Congress as put forth in the 1992 Cable Act. I would also greatly appreciate your assistance on behalf of rural consumers in Mississippi in encouraging the FCC to correct this inequity.*

Sincerely,

ClearVision, Inc.



Glenn Hughes  
President

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OFFICE OF SECRETARY

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As an affiliate of the NRTC and an investor in the DIRECTV project, we are very concerned about the current exclusive distribution agreement USSB has with Time Warner and Viacom. Their exclusive agreement could drastically effect our ability to compete in the rural television distribution marketplace.

One of the major objectives of the 1992 Cable Act was Program Access at fair rates with the banishment of exclusive agreements. Now USSB has signed exclusive agreements with Time Warner and Viacom which prohibit NRTC affiliates and DIRECTV access to such programming. Yet, USSB has access to any of the programming NRTC/DIRECTV offers. Allowing USSB to keep their current exclusive contracts with Time Warner and Viacom, will be "opening the door" for other television distribution services to obtain exclusive programming deals using the USSB case as an example, thus destroying one of the major objectives intended with the acceptance of the 1992 Cable Act.

We need access to these programs to be competitive and have a fair chance against other video distribution services that have access to any and all programs that they wish to sign, such as USSB, Primestar, C-band distributors, Cable TV and other future video services.

Omega Cable is a small, independent cable system serving 200 homes. We have invested a great deal of money in the DIRECTV project, securing our loans with our entire system. Denying NRTC complete program access might severely jeopardize our investment.

Please consider our position in this matter. Thank You.

  
\_\_\_\_\_  
Scott Alexander - General Partner

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable Andrew C. Barrett  
Commissioner  
Federal Communications Commission  
1919 M Street, NW, Rm. 826  
Washington, DC 20554

EX PARTE OR LATE FILED

Dear Mr. Barrett:

I am writing this letter 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.

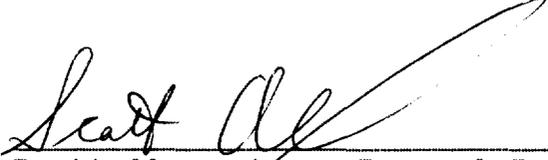
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\_\_\_\_\_  
Scott Alexander - General Partner

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**1013 Annandale Drive  
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July 27, 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**The Honorable Andrew C. Barrett  
Federal Communications Commission  
1919 M Street, NW, Rm. 814  
Washington, D.C. 20554**

**Dear Honorable Barrett:**

***My name is Glenn Hughes and I am President of ClearVision, Inc. We are affiliated with the National Rural Telecommunications Cooperative (NRTC) in the DIRECTTV project delivering programming to rural customers who are largely not served by cable. We own programming rights for the new Digital Satellite System in eight counties in Central Mississippi. I am writing this letter in support of the comments of the 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.***

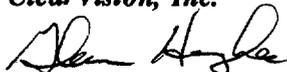
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***ClearVision does not currently have DBS distribution rights for Time Warner and Viacom programming, like HBO, Showtime, Cinemax, The Movie Channel, VH-1, MTV, Nickelodeon, etc., because of the "exclusive" distribution arrangements they have made with the United States Satellite Broadcasting Co. Inc. (USSB). These practices hurt rural customers and thwart the effective competition required by Section 19 of the Cable Act. DIRECTV has no exclusive programming contracts and USSB could offer our programming services if it wished to do so.***

***I agree with the NRTC's position that the FCC should act to enforce the wishes of Congress as put forth in the 1992 Cable Act. I would also greatly appreciate your assistance on behalf of rural consumers in Mississippi in encouraging the FCC to correct this inequity.***

**Sincerely,**

**ClearVision, Inc.**



**Glenn Hughes  
President**

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*Northeast* →

**RURAL SERVICES, INC.**

Subsidiary of Northeast Oklahoma Electric Cooperative, Inc.

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AUG 3 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

July 27, 1994

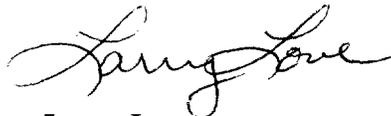
The Honorable Andrew Barrett, Commissioner  
Federal Communications Commission  
1919 M St., NW, Rm. 826  
Washington DC 20554

Dear Commissioner Barrett:

Please find enclosed a copy of the letter sent to Honorable Reed Hundt, Chairman of the Federal Communications Commission. It is concerning the Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, CS Docket No. 94-48.

Your consideration on this issue would be greatly appreciated.

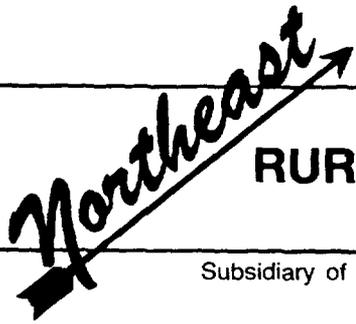
Sincerely,



Larry Love  
Assistant Manager

Enclosure

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## RURAL SERVICES, INC.

---

Subsidiary of Northeast Oklahoma Electric Cooperative, Inc.

July 27, 1994

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

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

RE: Cable Competition Report  
DS Docket No. 94-48

Dear Chairman Hundt:

This letter is to inform you of our support of the National Rural Telecommunications Cooperative's (NRTC) comments 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.

Northeast Rural Services, Inc. (NRS), is a member of NRTC and a distributor of both DIRECTV™ direct broadcast satellite (DBS) television service and C-Band satellite programming. NRS provides programming services for most of Northeast Oklahoma, and has been directly involved in bringing satellite television to rural consumers for over 5 years.

Unfortunately, we are already facing programming access limitations on the new DBS service, as we continue to have with the existing C-Band service. We are frequently asked by potential DBS consumers about the availability of HBO, Cinemax, Showtime and The Movie Channel. It is confusing to the consumer when we tell them we cannot offer these services.

Despite the passage of the 1992 Cable Act, which we believe addressed this rural issue, NRS is still hindered in its ability to compete in the local marketplace because of the lack of access and the higher prices that we are required to pay for programming in comparison to cable rates.

NRS agrees with NRTC that the FCC should enforce the wishes of Congress as set forth in the 1992 Cable Act, which prohibits any exclusive contract that denies NRTC access to cable programming for rural areas. Also, we are asking that you monitor the programming access and rates issues as mentioned above and impose penalties on those that are in violation of the Cable Act.

Sincerely,

A handwritten signature in cursive script that reads "Larry Love".

Larry Love  
Assistant Manager

cc: William F. Caton, Secretary, FCC  
The Honorable James H Quello, Commissioner, FCC  
The Honorable Rachelle B. Chong, Commissioner, FCC  
The Honorable Andrew C. Barrett, Commissioner, FCC  
The Honorable Susan Ness, Commissioner, FCC  
The Honorable Congressman James M. Inhofe  
The Honorable Congressman Dave McCurdy  
The Honorable Congressman Bill Brewster  
The Honorable Congressman Glenn English  
The Honorable Congressman Ernest J. Istook, Jr.  
The Honorable Congressman Mike Synar  
The Honorable Senator David L. Boren  
The Honorable Senator Don Nickles

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FEDERAL COMMUNICATIONS COMMISSION  
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The Honorable Andrew C. Barrett  
Commissioner  
Federal Communications Commission  
1919 M, NW, Rm. 826  
Washington, D. C. 20554

EX PARTE OR LATE FILED

RE: Cable Competition Report  
CS Docket No. 94-48

July 25, 1994

Dear Commissioner Barrett:

I am writing this letter 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.

As a rural telephone member of NRTC and distributor of DIRECTV direct broadcast satellite (DBS) television service, my company is directly involved in bringing satellite television to rural consumers.

However, despite passage of the 1992 Cable Act, my company's ability to compete in our marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming, which includes some of the most popular cable networks such as HBO, Showtime, Cinemax, MTV, Nickelodeon, and others is only available to my principal competitor, United States Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom. The programming contracts signed by DIRECTV are not exclusive in nature. USSB is free to obtain distribution rights for any of the channels available on DIRECTV.

My organization agrees with the NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. It prevents distributors from gaining access to serve non-cabled rural areas. The unavailability of Time Warner/Viacom products to DIRECTV subscribers hinders effective competition. The requirement to purchase a second subscription with USSB keep the prices unnecessarily high for consumers.

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Not having access to Time Warner/Viacom services has harmed my ability to compete against other sources for television in my area. Potential customers have shied away because HBO and Showtime was not available.

I strongly believe that the 1992 Cable Act prohibits any exclusive arrangement that prevent any distributor from gaining access to cable programming to serve non-cabled rural areas. That is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Milliken', with a long horizontal flourish extending to the right.

Robert G. Milliken  
Chief Engineer/Manager  
Trans-Cascades Telephone Co.

July 26, 1994



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AUG 3 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable Andrew C. Barrett  
Commissioner  
Federal Communications Commission  
1919 M St., NW, Rm. 826  
Washington, D.C. 20554

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Dear Commissioner Barrett,

I am writing this letter 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.

CVTV, Inc. is a subsidiary of Colorado Valley Telephone Cooperative, a member of NRTC, and a distributor of the DIRECTV direct broadcast satellite (DBS) television service. My company is directly involved in bringing satellite television to rural consumers.

However, despite passage of the 1992 Cable Act, my company's ability to compete in our local marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming, which includes some of the most popular cable networks like HBO, Showtime, Cinemax, The Movie Channel, MTV, Nickelodeon and others, is available only to my principal competitor, the United States Satellite Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom.

In contrast, none of the programming distribution contracts signed by DIRECTV are exclusive in nature, and USSB is free to obtain distribution rights for any of the channels available on DIRECTV.

Mr. Laughlin, my organization agrees with the NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. I believe that the Act prohibits any arrangement that prevents any distributor from gaining access to programming to serve non-cabled rural areas. Under the present circumstance, if one of my DIRECTV subscribers also wishes to receive the Time Warner/Viacom product, that subscriber must purchase a second subscription to the USSB service. This hinders effective competition, and as a consequence keeps the price of the Time Warner/Viacom channels unnecessarily high. It also increases consumer confusion at the retail level.

Not having access to the Time Warner/Viacom services has also adversely affected my ability to compete against other sources for television in my area. For example, we have

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had people ask us what type of cable programming we are providing without these channels. Consumers do not understand. "Everyone who subscribes to cable always has access to HBO, Showtime, Cinemax, The Movie Channel, MTV, Nickelodeon, and others," one consumer states. "If you do not offer this programming, I do not want it," another irate consumer states after he finds out that he cannot have the same channels that he had when he lived in the city and had regular cable television. Many times it's hard to explain to the subscribers the reasoning behind their programming accessibility. They see that almost every other cable company has the opportunity to obtain these channels, why can't they?

We believe very strongly that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cable areas. That is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America. I strongly urge you to banish the type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal.

Thank you for your consideration in this matter.

Sincerely,



Mark Rutherford  
Vice President/Project Manager  
CVTV, Inc.

MR/dmm

cc: The Honorable Greg Laughlin  
The Honorable Kay Bailey Hutchinson  
The Honorable Phill Gramm  
William F. Caton, Secretary  
The Honorable James H. Quello  
The Honorable Susan Ness  
The Honorable Rachelle B. Chong



133 South Third Street • Suite 330  
Louisville, Kentucky 40202  
Phone: (502) 582-4420  
Fax: (502) 582-4426

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The Honorable Reed Hundt  
Chairman  
Federal Communications Commission  
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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.

DOCKET FILE COPY ORIGINAL

*Northeast*

**RURAL SERVICES, INC.**

Subsidiary of Northeast Oklahoma Electric Cooperative, Inc.

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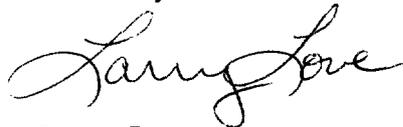
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OFFICE OF SECRETARY

Dear Chairman Hundt:

This letter is to inform you of our support of the National Rural Telecommunications Cooperative's (NRTC) comments 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.

Northeast Rural Services, Inc. (NRS), is a member of NRTC and a distributor of both DIRECTV™ direct broadcast satellite (DBS) television service and C-Band satellite programming. NRS provides programming services for most of Northeast Oklahoma, and has been directly involved in bringing satellite television to rural consumers for over 5 years.

Unfortunately, we are already facing programming access limitations on the new DBS service, as we continue to have with the existing C-Band service. We are frequently asked by potential DBS consumers about the availability of HBO, Cinemax, Showtime and The Movie Channel. It is confusing to the consumer when we tell them we cannot offer these services.

Despite the passage of the 1992 Cable Act, which we believe addressed this rural issue, NRS is still hindered in its ability to compete in the local marketplace because of the lack of access and the higher prices that we are required to pay for programming in comparison to cable rates.



# Iowa Lakes Electric Cooperative

1724 Central Avenue  
Estherville, Iowa 51334-0077  
(712) 362-2694

Address Reply to: P. O. Box 77, Estherville, IA 51334-0077

J. Bruce Bosworth  
General Manager

July 29, 1994

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AUG 3 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

The Honorable Andrew C Barrett  
Commissioner  
Federal Communications Commission  
1919 M Street, NW Rm 326  
Washington, D.C. 20554

RE: Cable Competition Report  
CS Docket No. 94-48

Dear Commissioner Barrett:

I am writing this letter 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.

Iowa Lakes Electric Cooperative (ILEC) is a rural electric cooperative member of NRTC and a distributor of the DIRECTV direct broadcast satellite (DBS) television service. Iowa Lakes has been directly involved in bringing satellite television to rural consumers in eight rural Northwest Iowa counties since September 1987.

ILEC is very concerned that despite passage of the 1992 Cable Act, our ability to compete in our local marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming, which includes some of the most popular cable networks like HBO, Showtime, Cinemax, The Movie Channel, MTV, Nickelodeon and others, is available only to our principal competitor, the United States Satellite Broadcasting Co. (USSB), as a result of a so called "exclusive" contract signed between USSB and Time Warner/Viacom. On the other hand, none of the programming distribution contracts signed by DIRECTV are exclusive in nature, and USSB is free to obtain distribution rights for any of the channels available on DIRECTV.

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page Two

Mr. Barrett, ILEC agrees with the NRTC that these exclusive programming contracts run counter to the clear intent of the 1992 Cable Act. We believe that the Act prohibits any arrangement that prevents any distributor from gaining access to programming to serve non-cabled rural areas. Under the present circumstances, if one of my DIRECTV subscribers also wishes to receive Time Warner/Viacom product, that subscriber must purchase a second subscription to the USSB service.

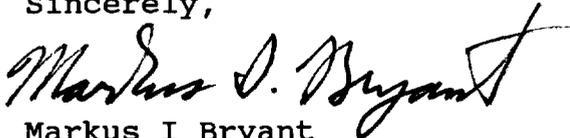
We believe this "exclusive" contract arrangement between USSB and Time Warner/Viacom has been designed to hinder effective competition, and as a consequence keeps the price of the Time Warner/Viacom channels unnecessarily high. It also increases consumer confusion at the retail level over the availability of HBO, MTV, etc., since there is no reason we can not offer these programs other than this "exclusive" contract arrangement. We currently offer them under a C-Band satellite package marketed as "Rural TV", but are prohibited from doing so as a part of our DIRECTV package.

ILEC believes very strongly that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to rural non-cabled area. This is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

ILEC is asking the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America. ILEC strongly urges you to banish the type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal.

Thank you for your consideration in this matter.

Sincerely,



Markus I Bryant  
Assistant General Manager

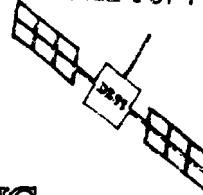
cc:

The Honorable Representative Fred Grandy  
The Honorable Senator Charles Grassley  
The Honorable Senator Tom Harkin  
William F Caton, Secretary  
The Honorable James H Quello  
The Honorable Reed Hundt  
The Honorable Susan Ness  
The Honorable Rachelle B Chong



**DIRECT  
BROADCAST  
SATELLITE  
SYSTEMS, INC.**

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~~AUG 31 1994~~

OFFICE OF  
COMMISSIONER RACHELLE B. CHONG

July 26, 1994

The Honorable Rachelle B. Chong  
Commissioner  
Federal Communications Commission  
1919 M St., NW, Rm 844  
Washington, DC 20554

Ms. Chong,

Enclosed is a copy of a letter sent to FCC Chairman Reed Hundt regarding the Cable Competition Report CS Docket No. 98-48. Direct Broadcast Satellite Systems, Inc. and NRTC need your help in supporting our position on this issue before the FCC.

This is a very exciting time for those of us trying to bring cable-type programming to Rural America. These taxpayers have been deprived of the type of programming that Suburban America has come to take for granted. Now that the technology is right and much more affordable, it is unfortunate that exclusive contract language will limit the competition for programming.

Thank you for your attention. Please advise of any questions concerning this issue. Your help and support is appreciated.

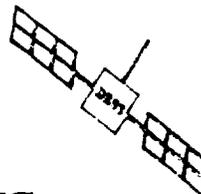
Sincerely,

Roger Beineke - President  
Direct Broadcast Satellite Systems, Inc.  
P. O. Box 1009  
Seymour, IN. 47274  
812-523-3277

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

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

RE: Cable Competition Report  
CS Docket No. 94-48

Chairman Hundt,

This is a test - What is wrong with the attached chart? While the 1992 Cable Act went a long way towards ending discriminatory pricing among programmers, there are still major stumbling blocks preventing Rural America from realizing the benefits of fair competition between service providers. As this chart shows, cross ownership between the major players and the use of exclusive contract language are preventing DIRECTV and the NRTC from providing Rural America an alternate source for programming that has long been financially out of reach.

Technological developments in the area of digital signals and compression technology have made the hardware more affordable for Rural America. These Digital Satellite Systems can now be installed for less than nine hundred dollars (\$900). This is less than the cost of some of the televisions they will be serving. The next arena for Rural America to enter is the arena in which they must fight for affordable programming. Affordable programming is brought about by fair competition between providers. The 'exclusive' distribution arrangements entered into by United States Satellite Broadcasting Co. Inc. currently prevent major programmers like Time Warner and Viacom from allowing us the opportunity to compete with USSB to provide popular programming like HBO, Showtime, Cinemax, The Movie Channel, VH-1, MTV, and Nickelodeon. We believe these 'exclusive' contracts to be in conflict with the intent of the 1992 Cable Act.

Direct Broadcast Satellite Systems, Inc. has invested over three hundred thousand dollars (\$300,000) to provide cable-type programming to areas of Jackson County, Indiana that will never be served by cable because they are too sparsely populated to make cable access financially feasible. To do this, we must have fair and equal pricing and access in order to compete in the marketplace. The end result is a competitive environment that provides Rural America the option to chose the best service at the best price. If it sounds like 'Motherhood and Apple Pie", IT IS!!!!

We ask the FCC to remedy these problems so that the effective competition requirements of section 19 of the 1992 Cable Act become a reality for Rural America. Thank you for your time and consideration.

Sincerely,

Roger D. Beineke - President  
Direct Broadcast Satellite Systems, Inc.  
P.O.Box 1009  
Seymour, IN. 47274

cc: The Hon. Rep. Lee Hamilton  
The Hon Senator Dick Lugar  
The Hon. James H. Quello  
The Hon. Andrew C. Barrett  
The Hon. Susan Ness  
The Hon. Rachelle B. Chong  
William F. Caton, Secretary

# PROGRAMMING ACCESS

Access to Programming Controlled by Vertically Integrated Cable Companies

PROGRAMMER	DIRECTV™	USSB *	PrimeStar *	3 LARGEST C-BAND DISTRIBUTORS (HBO, Showtime, Media [TOP]) *	Cable MSOs (AT&T/COM) *
Cinemax		X	X	X	X
Flix		X	X	X	X
HBO		X	X	X	X
The Movie Channel		X	X	X	X
Showtime		X	X	X	X
Comedy Central		X	X	X	X
MTV		X	X	X	X
VH1		X	X	X	X
Nickelodeon		X	X	X	X
Lifetime		X	X	X	X
American Movie Classics	X	X	X	X	X
BET	X	X	X	X	X
Bravo	X	X	X	X	X
Cartoon Network	X	X	X	X	X
Country Music TV	X	X	X	X	X
CNN/Headline News	X	X	X	X	X
Court TV	X	X	X	X	X
Discovery Channel	X	X	X	X	X
E! Entertainment TV	X	X	X	X	X
Encore	X	X	X	X	X
Family Channel	X	X	X	X	X
Fox Network	X	X	X	X	X
Home Shopping Network	X	X	X	X	X
The Learning Channel	X	X	X	X	X
QVC	X	X	X	X	X
QVC2	X	X	X	X	X
The Nashville Network	X	X	X	X	X
Sci-Fi Channel	X	X	X	X	X
TNT	X	X	X	X	X
Travel Channel	X	X	X	X	X
Turner Classic Movies	X	X	X	X	X
USA Network	X	X	X	X	X
The Weather Channel	X	X	X	X	X

**\* CROSS OWNERSHIP INTERESTS WITH  
USSB/TIME WARNER/VIACOM**