

# TOTAH TELEPHONE CO. INC.

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August 1, 1994

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AUG 11 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

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

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

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.

As an officer and director of a rural telephone member and affiliate of NRTC and distributor of the DIRECTV<sup>tm</sup> direct broadcast satellite (DBS) television service, my company is directly and financially involved in bringing satellite television to rural consumers. We want to be a full provider on a level playing field.

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 most of the most popular movie channels 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<sup>tm</sup> are exclusive in nature, and USSB is free to obtain distribution rights for any of the channels available on DIRECTV.

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Mr. Barrett, 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 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.

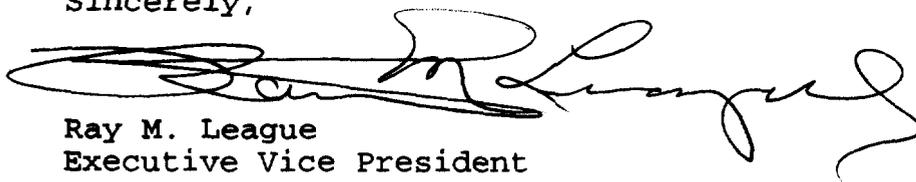
Not having access to the Time Warner/Viacom services has also adversely affected my ability to compete against other sources for television in my area. Consumers have told our staff "If you can't get HBO, I don't want it." But many more have shown great displeasure at receiving monthly bills from multiple programmers.

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. 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 positive consideration in this matter.

Sincerely,

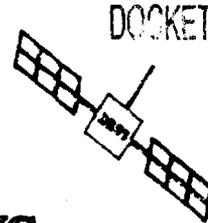


Ray M. League  
Executive Vice President

cc:  
The Hon. Representative Ernest Istook  
The Hon. Senator David Boren  
William F. Caton, Secretary  
The Hon. James H. Quello  
The Hon. Andrew C. Barrett  
The Hon. Susan Ness  
The Hon. Rachelle B. Chong



**DIRECT  
BROADCAST  
SATELLITE  
SYSTEMS, INC.**



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AUG 11 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

July 26, 1994

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

Mr. Barrett,

Enclosed is a copy of a letter sent to FCC Chairman Reed <sup>94</sup> ~~Hundt~~ regarding the Cable Competition Report ~~on Docket No. 93-223~~. 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.

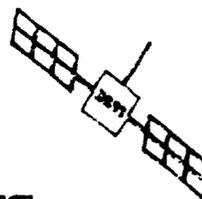
Sincerely,

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

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**DIRECT  
BROADCAST  
SATELLITE  
SYSTEMS, INC.**



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 (PSC, Starline, EchoStar (TSP)) *	Cable MBOs (VCOMCO) *
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**



**MONTANA**  
ELECTRIC COOPERATIVES'  
ASSOCIATION

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Ronald Ostberg  
President

Donald Park  
Vice President

Charles Mlake  
Secretary-Treasurer

Jay T. Downen  
Executive Vice President  
General Manager

August 4, 1994

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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, D.C. 20554

Dear Chairman Hundt:

I am writing on behalf of the vast majority of the 300,000 rural Montanans served by our rural electric cooperatives. These people don't have access to cable television and, consequently, are in critical need of your help. Simply put, this is an issue of fairness.

More specifically, this letter is 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 Statute of Competition in the Market for the Delivery of Video Programming, **CS Docket No. 94-48**.

We strongly believe that the clear intent of Congress is being circumvented. With passage of the 1992 Cable Act, Congress specifically and directly required equal access to cable programming for rural areas.

However, this provision is being blatantly ignored. Exclusive program distribution arrangements still exist, thus denying rural consumers equal access to a number of popular television channels. These arrangements are little more than a way for cable programmers to control new competitors and to continue to shut out rural consumers. Exclusive contracts allow cable programmers to dictate the terms and prices and it is rural people who have been made captives of cable's exclusive deals.

We urge that the Commission act to enforce the wishes of Congress as put forth in the Cable Act and flatly prohibit any exclusive contract that denies NRTC access to cable programming for rural areas. Again, it's a question of fairness.

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Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a horizontal line underneath.

Jay T. Downen  
Executive Vice President

JTD/GW

cc: Senator Max Baucus  
Senator Conrad Burns  
Representative Pat Williams  
Commissioners, Federal Communications Commission  
Secretary, Federal Communications Commission



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**DirectTV® Distributor**  
**Sales & Service**

August 1, 1994

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OFFICE OF SECRETARY

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The Honorable Andrew C. Barrett  
Page 2

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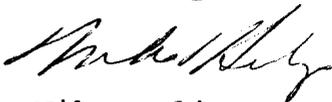
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We believe very strongly that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cabled areas. That is why we supported the Tauzin Amendment, embodied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



Mike Hulings

cc:  
The Hon. Representative Ernest Istook  
The Hon. Senator David Boren  
William F. Caton, Secretary  
The Hon. James H. Quello  
The Hon. Andrew C. Barrett  
The Hon. Susan Ness  
The Hon. Rachelle B. Chong