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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Re: ^{CS}~~CD~~ Docket #94-48

Dear Mr. Caton:

Pursuant to Sections 1.1203(b) and 1.1204(b)(7) of the Commission's Rules and Regulations, transmitted herewith on behalf of United States Satellite Broadcasting Company, Inc. ("USSB") is a letter addressed to James W. Olson, Chief, Competition Division, Cable Services Bureau, responding to a request for additional information by the Commission's staff.

Should there be any questions concerning this matter, please contact the undersigned counsel.

Very truly yours,

Marvin Rosenberg
Counsel for United States Satellite
Broadcasting Company, Inc.

MR:ik
Enclosure

cc: James W. Olson, Esq. (w/enc.)
Paul Gallant, Esq. (w/enc.)

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Robert W. Hubbard
Executive Vice President

September 12, 1994

Mr. James Olson
Chief, Competition Division
Federal Communications Commission
1919 M Street NW, Room 222
Washington, DC 20554

Dear Mr. Olson:

This letter is in response to your request for information regarding ^{CS}~~CS~~ Docket #94-48 Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming.

On June 17, 1994, Thomson Consumer Electronics began consumer delivery of Digital Satellite System (DSS™) receivers. Simultaneously with the delivery of equipment, USSB and DIRECTV began to offer programming services. Consumers can currently buy equipment at consumer electronics retailers and TVRO dealers in the following 23 states:

- | | | |
|-----------|-----------------------|----------------|
| Alabama | Minnesota | Oklahoma |
| Arkansas | Mississippi | Pennsylvania |
| Colorado | Missouri | South Carolina |
| Indiana | Nebraska | Tennessee |
| Iowa | New Jersey (southern) | Utah |
| Kansas | New Mexico | Virginia |
| Kentucky | North Carolina | West Virginia |
| Louisiana | Ohio | |

By the end of October, consumers in all 48 of the lower contiguous states and the District of Columbia will be able to purchase DSS™ receivers in their respective states. By the end of 1994, DSS™ receiving equipment should be available for sale in approximately 10,000 retail locations and there is expected to be approximately 500,000 households receiving television programming through the DSS™ system.

As of the end of last week, there were approximately 40,000 households receiving television programming through the DSS™ system. USSB offers all consumers a free month of our most extensive programming package. This offer allows virtually all DSS™ households to sample our programming.

The following programming packages are currently available through USSB:

Entertainment Plus

\$34.95/month

HBO
HBO 2
HBO 3
HBO West
HBO 2 West
Showtime
Showtime 2
Showtime West
Cinemax
Cinemax 2
Cinemax West
The Movie Channel
The Movie Channel West
Flix
All News Channel
VH-1
Lifetime
Nick/Nick at Nite
MTV
Comedy Central

HBO Plus

\$24.95/month

HBO
HBO 2
HBO 3
HBO West
HBO 2 West
Cinemax
Cinemax 2
Cinemax West
All News Channel
VH-1
Lifetime
Nick/Nick at Nite
MTV
Comedy Central

Showtime Plus

\$24.95/month

Showtime
Showtime 2
Showtime West
The Movie Channel
The Movie Channel West
Flix
All News Channel
VH-1
Lifetime
Nick/Nick at Nite
MTV
Comedy Central

HBO Package

\$10.95/month

HBO
HBO 2
HBO 3
HBO West
HBO 2 West

Showtime Package

\$10.95/month

Showtime
Showtime 2
Showtime West

Essentials

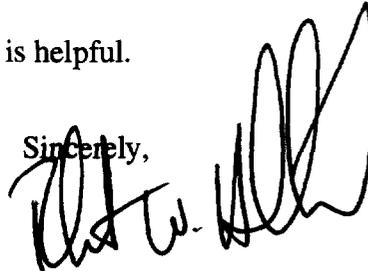
\$7.95/month

All News Channel
VH-1
Lifetime
Nick/Nick at Nite
MTV
Comedy Central

We are finding that the majority of households subscribe to programming services from both USSB and DIRECTV.

I hope that the preceding information is helpful.

Sincerely,



Robert W. Hubbard

cc: William Caton, Acting Secretary
Paul Gallant, Esq., Competition Division