

National Cable Television Association

David L. Nicoll
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May 17, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

EX PARTE

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W.- Rm. 222
Washington, D.C. 20554

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Re: CS Docket No. 96-46

Dear Mr. Caton:

On May 16, 1996, Dan Brenner, Jill Luckett and David Nicoll of the National Cable Television Association ("NCTA") met with Jackie Chorney of Chairman Hundt's office.

The matters discussed are covered in NCTA's comments and reply comments in the above-captioned proceeding, and are summarized in the enclosure.

If you have any questions concerning this matter, please contact the undersigned.

Sincerely,



David L. Nicoll

DLN:smp

Enclosure

cc: Jackie Chorney, Esq.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF TELECOM

NCTA POSITION-OVS

--FIRST AND FOREMOST, THE COMMISSION MUST HAVE EFFECTIVE COST ALLOCATION RULES IN PLACE *BEFORE* CERTIFICATION REQUESTS ARE CONSIDERED. THE COMMISSION SHOULD STAY ITS OVS REPORT AND ORDER UNTIL COMPLETION OF RECONSIDERATION, AND SHOULD NOT ISSUE THE RECONSIDERATION ORDER UNTIL ITS ISSUES ITS ORDER ON TELEPHONE-VIDEO COST ALLOCATION.

--THE ACT PROVIDES TELEPHONE COMPANIES WITH A CHOICE. IF THEY WANT TO CONTROL MOST CHANNELS LIKE CABLE OPERATORS, THEY SHOULD BE LOCALLY REGULATED LIKE CABLE OPERATORS. IF THEY *VOLUNTARILY* CEDE EDITORIAL CONTROL OF MOST CHANNELS TO COMPETITORS, THEY AVOID LOCAL REGULATION.

--THE COMMISSION'S RULES MUST MAKE THIS CHOICE REAL. OVS WILL BE A SHAM IF TELCOS ARE ABLE TO CONTROL MORE THAN ONE-THIRD OF THE CHANNELS (INCLUDING MUST CARRY AND PEG, BUT EXCLUDING SHARED CHANNELS) AND DISCRIMINATE AGAINST COMPETITORS.

--TOWARD THIS END, COMMISSION RULES MUST:

--ENSURE JUST AND REASONABLE RATES FOR COMPETITORS.

--ESTABLISH A NONDISCRIMINATORY CHANNEL ADMINISTRATION PROCEDURE.

--ESTABLISH JOINT MARKETING AND SEPARATE SUBSIDIARY SAFEGUARDS.

--PERMIT CABLE OPERATORS TO PROVIDE OVS.

--ESTABLISH AN EFFECTIVE PRE-CERTIFICATION PROCEDURE