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National Cable Television Association

Legal Department

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October 8, 1997

**EX PARTE**

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

**Re: Telecommunications Services -- Cable Home Wiring  
Customer Premise Equipment, CS Docket No. 95-184**

Dear Mr. Caton:

On October 8, 1997, Daniel Brenner, Michael Schooler and David Nicoll of the National Cable Television Association ("NCTA") met with Gretchen Rubin of Chairman Hundt's office.

NCTA's representatives reiterated the positions set forth in its comments and reply comments in the above-captioned proceedings. NCTA's representatives addressed with particularity the pricing principles that should apply where an incumbent cable, pursuant to the FCC's mandated procedure, elects to sell its home run wiring to a competitor as part of a negotiation process.

Section 627 of the Cable Act, codified at 47 U.S.C. § 547, provides that where a transfer of ownership of a cable system occurs as a result of action by a franchising authority (e.g., by denial of a franchise renewal), compensation to the incumbent shall be "at fair market value, determined on the basis of the cable system valued as a going concern." This is a useful and reasonable guidepost for the Commission in this proceeding.

The Commission's proposed regulations, as we understand them, would apply where there is a transfer of ownership of a portion of a cable system; i.e., that portion which serves a particular MDU. In this situation also the transfer of ownership through a government-mandated process should include compensation to the incumbent of its home run wiring assets "at fair market value, determined on the basis of the cable system valued as a going concern."

Sincerely,

  
Daniel L. Brenner

cc : Gretchen Rubin, Esquire  
Anita Wallgren, Esquire  
Marsha MacBride, Esquire  
Suzanne Toller, Esquire  
Meredith Jones, Chief, Cable Services Bureau

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