

NATIONAL ASSOCIATION OF BLACK OWNED BROADCASTERS

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Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Notice of Proposed Rulemaking* in MB Docket No. 15-53

Dear Ms. Dortch:

The National Association of Black Owned Broadcasters is concerned about the Commission's proposal to change the underlying procedures for determining whether a cable operator faces "effective competition" in any given community. NABOB requests that the Commission limit any action it takes in this proceeding to adoption of procedural and administrative steps necessary to streamline the effective competition filing process for small cable operators, as required by Section 111 of the STELA Reauthorization Act of 2014.

There are more than 20,000 communities in the United States that still have not been deemed effectively competitive by the Commission. Via the proposal contained in the NPRM, the Commission would invalidate the certifications of local franchise authorities in those communities, eliminating their ability to regulate cable operator rates and check price increases for basic service. We do not believe this proposal is in the public interest.

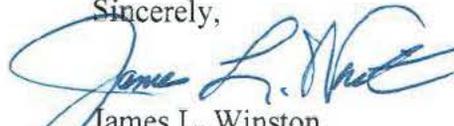
There are many potential unintended consequences that could result from a mass deregulation of cable rates across the country. Most concerning to our organization is what this proposal could mean for cable's mandate to provide a basic tier of local channels, and how it will impact communities of color that rely disproportionately on basic cable service for relatively low-cost access to critical news and information.

According to recent data, 22 percent of African-American households that subscribe to pay TV subscribe only to the basic tier, a significantly higher rate than the general population.¹ Further, more than half of all basic tier only subscribers make less than \$35,000 per year.² In an age when spending \$200 per month on cable service may be common for some, there remain millions of households that still need low-cost access to essential local programming. Given the cable industry's clear track record of raising rates at a pace much faster than inflation, there is ample evidence to suggest that once freed from any kind of local rate regulation, large cable operators will increase the price of access to even the most basic tier of service. For many households – especially those that cannot access free over-the-air TV because they live in an apartment or assisted-living community – significant increases in cable TV costs could be the difference between being able to watch the local news, getting access to critical emergency information when they need it, and not.

Additionally, as broadcasters, we are concerned that elimination of local franchise rate authority will enable cable operators to manipulate their tiers of service so that essential local programming cannot be accessed without paying for more expensive cable network programming first. If cable customers are required to pay for cable networks *before* they can access local stations – a reversal of the existing basic tier requirements – broadcast stations, especially those serving minority audiences, will likely suffer, ultimately resulting in diminished local service.

By almost all measures, the Commission's proposal to radically alter the procedures for determining the existence of effective competition is bad for consumers, serving only to fill the already deep pockets of big cable companies. Accordingly, we urge the Commission to limit any action it takes in this proceeding to adoption of procedures for streamlining the process for filing effective competition petitions for small cable operators.

Sincerely,



James L. Winston
President

¹ GfK, Home Technology Monitor, 2014 Ownership Survey and Trend Report.

² *Id.*