



May 11, 2015

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

Re: Notice of Ex Parte Communication, MB Docket No. 15-53

Dear Ms. Dortch:

On Friday, May 8, 2015, I participated in a phone conference with Federal Communications Commission Chief of Staff Ruth Milkman concerning the Commission's implementation of Section 111 of the STELA Reauthorization of 2014 (STELAR).¹

During the call, we discussed the potential ramifications of reversing the current presumption that cable systems do not face "effective competition" in all markets. I stated that the Commission's proposal to deregulate the cable industry overnight – including the largest operators – is unlawful and goes well beyond STELAR's limited directive to modify the petition filing process for small cable companies. I explained that there are already a number of proposals in the record that would afford small cable operators the administrative relief that Congress sought without also threatening a subsequent rise in cable rates.²

The Chairman has asserted repeatedly that his current client is the American consumer and that his mantra is "competition, competition, competition." American consumers, however, are very likely to be severely harmed by the Commission's current effective competition proposal. Moreover, if adopted, the proposed change will have a disproportionate impact on those Americans least able to afford high cable rates, as historically disadvantaged groups

¹ *Amendment to the Commission's Rules Concerning Effective Competition; Implementation of Section 111 of the STELA Reauthorization Act*, Notice of Proposed Rulemaking, MB Docket No. 15-53, FCC No. 15-30 (Mar. 16, 2015)(NPRM).

² NAB Comments in MB Docket No. 15-53 (Apr. 9, 2015); Joint Ex Parte Letter of NAB, Alliance for Community Media, American Community Television, Common Cause, and Public Knowledge in MB Docket No. 15-53 (Apr. 17, 2015).

1771 N Street NW
Washington DC 20036 2800
Phone 202 429 5300

rely far more on a robust, lower-priced basic tier for their news, information and entertainment. Any notion that this approach will have no impact on consumer rates is belied by the cable industry's heavy lobbying on the issue, which would be far less aggressive if the change was really much ado about nothing.

As NAB has noted throughout its filings in this proceeding, there is a significant disconnect between claiming to be pro-competition and arbitrarily flipping a switch to declare all cable operators to be operating in competitive markets. The FCC is proposing to use generalized nationwide data to assume that an "effective" level of competition exists in literally every one of the thousands of local franchise areas in the country. That shortcut approach to determining competition should not be acceptable to an administration that has prided itself on data-driven approaches to ensuring a competitive marketplace. At the very least, the potential downsides do not make such a dramatic change worth it.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rick Kaplan", with a long horizontal line extending to the right from the end of the signature.

Rick Kaplan
Executive Vice President and General Counsel
Legal and Regulatory Affairs

cc: Ruth Milkman
Maria Kirby