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COMCAST
CORPORATION

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October 15, 1998

Ex Parte

Ms. Magalie R. Salas, Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, DC 20554

Re: Notification of Permitted Ex Parte Presentations –
CS Docket No. 98-102
CS Docket No. 98-146

Dear Ms. Salas:

Pursuant Section 1.1206(a)(1) and (a)(2) of the Commission's Rules, Comcast hereby submits an original and one copy of this letter and enclosure regarding permitted ex parte presentations in the above-referenced docket. On Wednesday, October 14, Jim Coltharp, & Mark Coblitz, of Comcast Corporation and Sena Fitzmaurice of The Wexler Group met with Deborah Lathen, Chief, Barbara Esbin, Meryl Icove, John Norton, Marcia Glauberman, Royce Dickens and Andy Wise of Cable Services Bureau to discuss the Commission's annual assessment of the status of competition in markets for the delivery of video programming and matters contained in Comcast's comments regarding the Commission's inquiry into deployment of advanced telecommunications capability pursuant to Section 706 of the 1996 Telecommunications Act. Attached to this notice are handouts that were provided on Video Competition and Deployment of Advanced Telecommunications Capabilities during the meeting, which summarize the issues. If you have any questions, please contact the undersigned.

Sincerely,

James R. Coltharp

James R. Coltharp
Senior Director, Public Policy

cc: Deborah Lathen, Barbara Esbin,
Meryl Icove, John Norton
Marcia Glauberman, Royce Dickens
& Andy Wise (w/encl.)

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COMCAST: Deployment of Advanced Telecommunications Capabilities

Comcast Corporation:

- Nation's fourth largest cable operator: 4.3 million customers in 21 states.
- 314th on FORTUNE 500 listing.
- $4.912 billion in revenues (1997).
- 17,600 employees.
- Comcast Cellular: PCS service to over 800,000 customers in PA, NJ, DE and MD. Wired local exchange service in FL and MD, and long-distance service in 14 states.

High-Speed Internet services:

- Seven markets reaching over 865,000 residential customers.
- Comcast@Home now has 30,000 customers.
- Comcast invested $1.48 billion in past three years to upgrade cable systems.
- Cable modem markets: Baltimore, MD; Sarasota, FL; Philadelphia, PA; Chesterfield, VA; Union, NJ; Suburban Detroit, MI; Orange County, CA.

The marketplace is already moving to deploy advanced telecommunications services:

- Cable companies are marketing cable-delivered high-speed Internet services.
- Data-oriented CLECs are deploying xDSL-based high-capacity loops.
- Teledesic building $9 billion space-based network
- Qwest and Level 3 each building $3 billion networks
- Interexchange carriers are increasing the capacity of their interstate fiber networks, with announcements by Sprint ION network and AT&T INC network.
- Internet backbone providers are deploying new high-speed routers to serve as gateways.
- Broadband wireless providers are using newly acquired spectrum to deliver high-bandwidth local loops to end-users.
- DirecPC, offered by Hughes downloads Internet data at 400 kilobits/second to subscribers at home or office. Other satellite services, such as Celestri, can be effective in rural and remote areas.
- Any shortage of backbone or last mile capacity is a transitory issue that the market is solving, so no Commission action under Section 706 is warranted.

Congressional Intent of Section 706:

- The policy goal of Congress is to ensure the deployment of "advanced telecommunications capability" in "a reasonable and timely fashion."
- If the market is not leading to reasonable and timely deployment, Section 706 itself does not grant the Commission independent authority, but rather directs use of existing Title II authority to accomplish certain goals.
- Even if a grant of authority is assumed, any Commission action must lessen, not increase, the regulatory burdens on current and potential providers of advanced services.

Comcast supports pro-competitive, deregulatory actions to spur further deployment of advanced services:

- Use regulation and forbearance powers to ensure regulation of CLECs is kept to a minimum.
- Use regulation and forbearance powers to deter unduly aggressive efforts by local authorities to regulate new facilities-based providers.

It is premature to develop a single regulatory model for all providers of advanced services:

- The 1996 Act, including its provisions affecting Title II, recognizes key differences between ILECs and CLECs based on their distinct market situations.
- Entities such as cable operators that can create advanced telecommunications capability are subject to extensive regulatory obligations designed to implement policy goals other than telecommunications competition.
- The Commission should focus on how to foster a multi-provider, future market that will include technologies already available and those developing through market-driven investment.
- Nothing in Section 706 or elsewhere in the 1996 Act suggests a congressional intent to undo carefully crafted legislative distinctions for regulating sub-classes of firms in the same broad market differently.
- Section 706 is not a mandate for regulatory parity.

Sec. 706 does not authorize an expansion of Title II regulation to include entities or services not currently subject to Title II:

- There is no statutory basis for requiring cable operators to act as common carriers when they offer Internet access services. It is impossible to treat cable operators as common carriers without treating all ISPs as carriers as well.
- It has been demonstrated that Congress intended cable operators to be able to offer information services, such as Internet access, as cable services.
- To the extent that ISPs or others want common carriage alternatives, they should be sought from ILECs, CLECs, and other market entrants that hold themselves out as "carriers."
- If there is a basis for concern that carriers will not deploy adequate advanced telecommunications capability to meet the demands of independent ISPs or others, the statute already provides appropriate remedies to mandate service and carriage -- non-carriers should not be conscripted to solve the problem created by unresponsive carriers.

October 14, 1998