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March 27, 2001

FCC MAIL ROOM

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-B204
Washington, D.C. 20554

Via Federal Express
Airbill #826238761150

Re: American Cable Association; Ex parte presentation, GN Docket No. 00-185

Dear Ms. Salas:

Under 47 CFR § 1.1206(b), we provide this notice of an *ex parte* presentation on March 15, 2001. On that date, Matt Polka and Steve Weed of the American Cable Association, and Christopher Cinnamon of Cinnamon Mueller met with the following Cable Service Bureau officials:

John Norton, Division Chief, Policy and Rules Division
Royce Dickens, Deputy Chief, Policy and Rules Division
Anne Levine, Policy Analyst
Steve Broeckhaert, Deputy Chief, Consumer Protection
and Competition Division

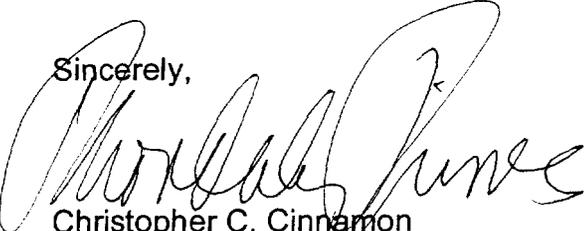
In response to an earlier request by the Cable Services Bureau staff, we met to discuss certain technical and business issues related to the provision of cable modem services by independent operators, like Mr. Weed. As President of Millennium Digital Media's northwest division, Mr. Weed described a cable modem service business model used by his company that did not involve the use of an ISP in a conventional sense. He provided the following information:

- Millennium provides Internet connectivity via cable modems, with no start page or other content-related ISP type services.
- Millennium customers are free to use ISPs or portals for start pages, content and other services.
- Millennium has never been approached by an unaffiliated ISP seeking to negotiate access to systems in its markets, except for companies like High Speed Access and the former ISP Channel, which focused on the independent cable sector.

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- A significant cost for Millennium in providing cable modem services is the connection from the headend to the Internet backbone, usually a leased T-3 line. This cost, which unaffiliated ISPs would have to pay if they obtained access to headends through collocation, may result in unattractive, even negative rates of return for ISPs in smaller markets.
- The margins for cable modem service can be thin in smaller markets, so the administrative burdens and costs of regulated open access combined with regulated rates, would threaten the viability of offering these services in those markets.

Sincerely,



Christopher C. Cinnamon
Rhondalyn D. Primes

cc: Johanna Mikes
Christopher Libertelli
Carl Kandutsch
✓ Douglas Sicker
Robert Cannon
ITS
Matt Polka