

Before the
Federal Communications Commission
Washington, D.C. 20554

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In the Matter of)
)
)
Implementation of Section 3 of the Cable)
Television Consumer Protection and Competition)
Act of 1992)
)
)
Statistical Report on Average Rates for Basic)
Service, Cable Programming Services and)
Equipment)

MM Docket No. 96-266



ORDER

Adopted: May 30, 2002

Released: May 31, 2002

Responses Due: July 15, 2002

By the Chief, Media Bureau:

1. Section 623(k) of the Communications Act, as amended by the Cable Television Consumer Protection and Competition Act of 1992 ("1992 Cable Act"),¹ requires the Commission to publish annually a statistical report on average rates for basic cable service, cable programming service, and equipment.² The Act also requires the Commission to compare the average rates of cable operators subject to effective competition with those of operators not subject to effective competition.³

2. To implement the requirements of Section 623(k), the Commission is directing certain cable operators to respond to a price survey questionnaire designed to solicit information concerning rates for basic service and cable programming services, and equipment used to receive such services. A copy of this questionnaire is attached to this Order as an Appendix.

3. We are mindful of the need to limit administrative burdens associated with this price survey. We anticipate that the burdens faced by responding cable operators should be quite limited, as the

¹ Section 623(k) was adopted as Section 3(k) of the 1992 Cable Act, Pub. L. No. 102-385, 106 Stat. 1460, codified at 47 U.S.C. § 543(k).

² 47 U.S.C. § 543(k). The 1992 Cable Act defines basic cable service as that tier of service that includes the retransmission of local television broadcast signals. *See* 47 U.S.C. § 543(b)(7). Cable programming service is defined as any video programming other than (A) video programming carried on the basic service tier, and (B) video programming offered on a per channel or per program basis. *See* 47 U.S.C. § 543(k)(1)(2). Equipmt. refers to a converter box, remote control, and other equipment necessary to access programming. *See* 47 U.S.C. § 543(b)(3).

³ Effective competition exists where the Commission has found that a multichannel video programming distributor ("MVPD") meets one of four tests within its franchise area: (1) fewer than 30% of households subscribe to the service of the cable system (herein referred to as the "low penetration test"); (2) at least two MVPDs serve 50% or more of households and at least 15% of those households take service other than from the largest MVPD (the "overbuild test"); (3) a municipal MVPD offers service to at least 50% of households (the "municipal test"); (4) a local exchange carrier ("LEC") or its affiliate (or any MVPD using the facilities of the LEC or its affiliate) offers video programming service (other than direct broadcast satellite ("DBS") service) comparable to the service of an unaffiliated MVPD (the "LEC test"). *See* 47 U.S.C. § 543(1)(1)(A-D).

information requested is of the type that should be readily available to operators. Suggestions for reducing the burden may be sent to the Commission.⁴

4. The survey asks questions about an operator's monthly charge for the basic service tier, cable programming services tiers, and equipment lease, and the charge for service installation. In addition, the survey asks for the number of subscribers and information on the channels in each tier. The survey also seeks information concerning system capacity and services. The survey requires cable operators to provide each of these pieces of information as of July 1, 2002 and July 1, 2001 for most questions. A limited amount of information is required as of July 1, 2000. The survey also seeks information that would explain the causes of changes in monthly charges during the 12-month periods ending July 1, 2002 and July 1, 2001.

5. To effectuate comparisons between competitive and noncompetitive systems, data will be collected on each group. A random sample of 283 cable communities will be selected from the group of systems where the Commission has made a finding of effective competition. A random sample of 472 cable communities will be selected from the group of systems not subject to effective competition. The price survey questionnaire is being sent to these selected cable operators to obtain the necessary information. We request that these cable operators download the questionnaire in spreadsheet format from the Commission's Internet site, in accordance with the instructions in the Appendix to this Order.

6. The cable operators selected for our sample must complete and return the questionnaire(s) no later than July 15, 2002, in accordance with the instructions in the Appendix to this Order. A completed questionnaire is required for each community selected for the survey. If more than one community is selected from any cable system, then that cable operator should complete a separate questionnaire for each community unit identification (CUID) number selected. All data submitted in response to this survey will be considered part of the public record and will be provided upon request without the identifying information provided in Part A of the questionnaire.

7. Accordingly, IT IS ORDERED, pursuant to Section 3 of the 1992 Cable Act (Section 623(k) of the Communications Act of 1934, as amended), 47 U.S.C. § 543(k), and Section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. § 154(i), that cable systems subject to the price survey requirements described herein shall complete and return the questionnaire set forth in the attached Appendix no later than July 15, 2002.

FEDERAL COMMUNICATIONS COMMISSION

W. Kenneth Ferree
Chief, Media Bureau

⁴ For further information, see the notice contained in the Appendix to this Order regarding the Privacy Act and Paperwork Reduction Act.

Appendix

2002 Cable Price Survey

**FCC NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE
PAPERWORK REDUCTION ACT**

The solicitation of information in this form is authorized by Section 623(k) of the Communications Act, as amended. The Commission will use the information provided in this form to compare prices charged for basic cable service, cable programming services, and equipment by cable operators that are subject to effective competition with those not subject to effective competition. This form has been approved by the Office of Management and Budget, under OMB control number 3060-0647 (expires 04/30/2003).

The public reporting burden for this information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and entering the data needed, and completing and reviewing the questionnaire. Suggestions for reducing the burden may be included on the note page contained in the questionnaire. Alternatively, send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Federal Communications Commission, Records Management Division, Washington, D.C., 20554. (Do not send completed survey questionnaires to this address.)

The above notice is required by the Privacy Act of 1974, Pub. L. No. 93-579, 88 Stat. 1897, codified at 5 U.S.C. § 552a(e)(3), and the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 109 Stat. 163, codified at 44 U.S.C. § 3507.

INSTRUCTIONS FOR FCC ANNUAL CABLE INDUSTRY PRICE SURVEY

General Information: Complete the attached questionnaire to the best of your ability. Please read these instructions before completing the survey form. In addition, refer to footnotes in the questionnaire for specific guidance to answering questions. This is important to ensure that all operators use the same definitions for each question.

Unless otherwise instructed, limit price information to the prices charged within the community being surveyed, if different from the prices charged in other areas of the franchise. Other information is generally requested at the franchise level, although we ask for the number of households and subscribers at both the franchise and system level. A questionnaire must be completed for each community unit identification (CUID) number listed in the attachment to the letter accompanying this questionnaire.

Background: The 1992 Cable Act requires that the Commission publish an annual statistical report on average rates for basic cable service, cable programming service, and equipment. The report must compare the prices charged by cable operators subject to effective competition with those that are not subject to effective competition. This survey is intended to collect the data needed to fulfill that statutory requirement.

The survey form is being sent to cable operators serving selected communities to obtain the necessary information. The survey asks questions about an operator's monthly charge for the basic service tier and cable programming services tiers, the monthly charge for equipment lease, and the charge for service installation. In addition, the survey asks for the number of subscribers taking each tier of service, type of equipment leased, and information on the channels in each tier. The survey also seeks information on system capacity and services. The survey requires cable operators to provide each of these pieces of information as of July 1, 2002 and July 1, 2001 for most questions. A very limited amount of information is required as of July 1, 2000. The survey also seeks information that would explain the causes of changes in monthly charges during the 12-month periods ending July 1, 2002 and July 1, 2001.

Basic Service Tier (BST) is the package of channels (or tier) that typically includes the retransmission of local broadcast stations; public, educational and government (PEG) channels; commercial leased access of local origination; and other local stations. It sometimes may include a few satellite or regional channels.

Cable Programming Services Tier (CPST) is any package or tier of channels other than the BST or programming offered as pay-per-program or pay-per-channel.

Responding Official: A company official who is familiar with the services offered and rates charged by the cable system should complete this survey.

How to download the survey from the Commission's Internet web site: Download the questionnaire in computer spreadsheet format at <http://www.fcc.gov/mb/2002>, located on the Commission's Internet site. The questionnaire is available as both a Microsoft (Excel 97) workbook and Lotus 1-2-3 (Release 9.5) workbook. If you have earlier versions of these programs, or wish to use other compatible software, or have questions regarding the use of Excel or Lotus 1-2-3 software, please contact Kiran Duwadi or John Scott of the Media Bureau at (202) 418-2330.

How to return the survey to the Commission: Responses must be received no later than **July 15, 2002**. Because of last year's mail contamination, the Commission has taken precautions with respect to mail handling. As a result of these precautions, the method for returning a completed questionnaire differs from previous surveys. Previously, we asked respondents to save their completed questionnaire(s) in

Excel or Lotus format to a 3.5-inch floppy disk and send it through regular mail to the Commission's main address. However, as a result of the precautions the Commission has taken with respect to mail handling, a 3.5-inch floppy disk sent by regular mail to the Commission's main address will likely be rendered useless.

To facilitate the return of completed questionnaires, we encourage you to return the questionnaire as an attachment to an e-mail. Alternatively, we request that you hand or messenger deliver the questionnaires, or deliver by commercial overnight carriers to the addresses specified below. In selecting any of these options, please ensure that the electronic survey file you send is virus free using virus-detection software. If filing by e-mail, no paper copy of the completed questionnaire need be sent. If using one of the other options listed below, please send one paper copy and one 3.5-inch floppy disk containing the completed questionnaire. If you do not have access to a computer, two paper copies will be accepted in lieu of an electronic filing.

E-Mail: We encourage the use of e-mail to facilitate the return of completed questionnaires. Attach the completed questionnaire as an Excel or Lotus attachment to an e-mail message sent to the following address, which was established uniquely for this purpose: pricesurvey@fcc.gov. Only FCC employees participating in the analysis of the survey will have access to this account. Responses will be protected to ensure that, after being received by the FCC, they are secure from unauthorized access. No paper copy of the survey need be sent.

Commercial overnight delivery: You may file via commercial overnight delivery service. Responses should be delivered to 9300 East Hampton Drive, Capitol Heights, MD 20743, from 8:00 a.m. to 5:30 p.m. Address to Media Bureau, Federal Communications Commission, Attention: Cable Price Survey. Deliver one paper copy and one 3.5-inch floppy disk containing the questionnaire in Excel or Lotus format.

Hand delivery or messenger delivery: The Commission's contractor, Vistronix, Inc., will receive either hand-delivered or messenger-delivered filings at 236 Massachusetts Avenue NE, Suite 110, Washington D.C. 20002, from 8:00 a.m. to 7:00 p.m. Envelopes must be disposed of before entering the building. Therefore, attach a cover page to one paper copy of the questionnaire, addressed to Media Bureau, Federal Communications Commission, Attention: Cable Price Survey. Fasten together that paper copy and a 3.5-inch floppy disk containing the questionnaire in Excel or Lotus format, and deliver to the above address.

Confidentiality: All data submitted in response to this survey will be considered part of the public record and will be provided upon request without the identifying information in Part A of the questionnaire.

If You Need Help: If you have any questions regarding either the content of the questionnaire or the method of filing, please call Kiran Duwadi or John Scott of the Media Bureau at (202) 418-2330, Monday through Friday, 9:00 a.m. to 5:30 p.m. Eastern Standard Time, for assistance.

2002 FCC ANNUAL CABLE PRICE SURVEY

Note: Save this file under the CUID number

A. Operator Information

Community

- 01 6-digit community unit identification (CUID) number
- 02 Name of community
- 03 Name of county (primary, if this community overlaps counties)
- 04 5-digit Zip Code associated with highest number of subscribers in community
- 05 Has the FCC made a finding of "effective competition" within this community? (yes or no)
- 06 Is this community's basic service tier charge subject to local regulation? (yes or no)

Cable System (defined as area served by a single headend)

- 07 Name of cable system serving this community
- 08 Name of cable operator (if different)
- 09 Street address and/or post office box
- 10 City, state and Zip Code
- 11 Highest system capacity, in MHz (e.g., 750), as of July 1, 2001
- 12 Highest system capacity, in MHz, as of July 1, 2002
- 13 Year in which this capacity was achieved
- 14 Is this system affiliated with a multiple system operator (MSO)? (yes or no)
- 15 Is this system part of a MSO cluster of two or more systems? (yes or no) *

* In close geographic proximity and sharing personnel, management, marketing, and/or technical facilities.

Parent Entity

- 16 Ultimate parent entity name
- 17 Name of survey contact person
- 18 Telephone number of contact person
- 19 Number of cable subscribers that parent entity serves nationwide

Certification

I certify that I have examined this report and all statements of fact therein are true, complete, and correct to the best of my knowledge, information, and belief, and are made in good faith. Willful false statements made on this form are punishable by fine and/or imprisonment (US Code Title 18, Section 1001), and/or forfeiture (US Code, Title 47, Section 503).

If filing by e-mail, "x" in this box denotes certification

Signature

Date

Printed Name

Title

B. Households and Subscribers, by Community and System Areas

		July 1, 2001	July 1, 2002
20	Total number of households	Community	
21		System	
22	Number of households passed	Community	
23		System	
24	Number of subscribers to your cable TV service.....	Community	
25		System	
<i>Estimate number of subscribers (enter 0, if none):</i>			
26	Competing wireline or terrestrial wireless systems....	Community	
27		System	
28	Direct broadcast satellite (DBS).....	Community	
29		System	

C. Percent of Subscribers Offered and Taking Other of Your Services in System Area

Below, enter the *percent* appropriate to each service; e.g., enter "20" for 20%, or "0" if you do not offer that service. Give your best estimate, if the exact percent is unknown. These questions refer to the system, defined as the area served by a single headend, to which the community belongs.

		July 1, 2001	July 1, 2002
Digital Cable			
30	Percent of subscribers offered digital cable		
31	Percent of subscribers taking digital cable		
Cable-Modem Internet Access			
32	Percent of subscribers offered cable Internet access		
33	Percent of subscribers taking cable Internet access		
34	Percent of your Internet customers who are not also TV subscribers		
Telephony Service			
35	Percent of subscribers offered telephony service		
36	Percent of subscribers taking telephony service		
37	Percent of your telephony customers who are not also TV subscribers		
Video on Demand			
38	Percent of subscribers offered video on demand		
Interactive Television (other than video on demand)			
39	Percent of subscribers who can interact directly with content		

D. Equipment Lease and Installation Charges in Community

Enter in dollars and cents the monthly charge for each type of equipment lease, as of each date listed below. If you do not lease a particular converter: enter "0" if free; "b" for buy if you sell but do not lease a particular converter; or "na" for not applicable if the cost of the converter is bundled with other services. Also, enter in dollars and cents the charge for each type of installation or "0" if installation is free of charge.

		July 1, 2000	July 1, 2001	July 1, 2002
Monthly Charge: Converter plus Remote Control				
40	Non-addressable converter plus a remote control			
41	Addressable analog converter plus a remote control			
42	Digital converter plus a remote control			
Percent of Subscribers Leasing a Converter				
43	Analog converter (e.g., "50" for 50%, or "0" if none)	----	----	
44	Digital converter	----	----	
One-Time Installation Charges				
45	Unwired home installation (before discounts)	----		

- 46 Pre-wired home installation (before discounts)
- 47 Reconnection of service (before discounts)

E. Programming Service Charges in Community

In the following, the "basic cable service tier" or **BST** is the service tier that includes the retransmission of over-the-air broadcast signals and may include a few satellite or regional channels. A "cable programming service tier" or **CPST** is any other tier containing programming other than that on the BST, pay-per-channel, or pay-per-view. **CPST1** refers to the major CPST and typically meets two criteria: It has the most channels and most subscribers among the CPST tiers (if more than one CPST is offered). Sometimes a "mini-tier" with considerably fewer channels has the most subscribers among the CPSTs. This mini-tier is considered **CPST2**, whether or not it has the most subscribers.

Monthly Charges for Programming Services

	July 1, 2000	July 1, 2001	July 1, 2002
48 Monthly charge for BST			
49 Monthly charge for CPST1			
50 Monthly charge for BST plus CPST1 (rows 48 + 49)			
51 Year-to-date change in monthly charge on row 50	----		

For July 1, 2001 and July 1, 2002, allocate the change shown on row 51 by estimating the dollars and cents that each factor, below, contributed. The total of these factors (row 58) should equal the change on row 51.

52 License or copyright fees, <i>existing</i> programs	----		
53 License or copyright fees, <i>new</i> programs	----		
54 Headend or distribution facility investment	----		
55 General inflation, not included elsewhere	----		
56 Other cost changes (positive or negative)	----		
57 Non-cost-related factors (positive or negative)	----		
58 Total of rows 52-57 (must equal row 51)	----		

Additional charges (above BST and CPST1) for:

59 CPST2 (mini-tier)			
60 Digital TV service (most highly-subscribed digital tier)			

F. Number of Channels

Analog Channels (except audio/music)

	July 1, 2000	July 1, 2001	July 1, 2002
61 Channels on BST	----		
62 Channels on CPST1	----		
63 Channels on CPST2	----		
64 Other <i>except</i> pay-per-channel or pay-per-view	----		
65 Channels that are pay-per-channel or pay-per-view	----		
66 Total analog channels (total of rows 61 - 65)	----		

Digital Channels (except audio/music)

67 Basic (non-pay) on most highly subscribed tier	----		
68 Number of other digital channels, basic and pay	----		
69 Total number of digital channels (rows 67 + 68)	----		

Number of Audio/Music Channels

70 <i>Analog</i> audio/music channels	----		
71 <i>Digital</i> audio/music channels	----		

G. Channel Lineup, as of July 1, 2001 & July 1, 2002

Divide channels into **BST**; **CPST1**; **other analog** (CPST2, pay-per-channel, pay-per-view, and other); & **digital**. Enter the number of channels next to the type of channel or name of network. If a type of channel or name of network is not listed below, then identify and enter the number of channels in a blank row under either **local**; **regional**; **premium** or **pay-per-view**; or **other national networks**. Enter 0.5 for part-time networks.

Number of Channels								
Local Channels	BST		CPST1		Other Analog		Digital	
	July 01	July 02	July 01	July 02	July 01	July 02	July 01	July 02
Local broadcast stations			----	----	----	----	----	----
Public, educational & govt. access			----	----	----	----	----	----
Local commercial leased access								
Others (List below):	----	----	----	----	----	----	----	----
Regional (News, Sports, & Other)	BST		CPST1		Other Analog		Digital	
	July 01	July 02	July 01	July 02	July 01	July 02	July 01	July 02
No. of Premium or Pay-Per-View in Each Major Group	BST		CPST1		Other Analog		Digital	
	July 01	July 02	July 01	July 02	July 01	July 02	July 01	July 02
BET Movies group	----	----	----	----				
Canales group	----	----	----	----				
Cinemax group	----	----	----	----				
ESPN Extra / pay-per-view	----	----	----	----				
Encore / Starz group	----	----	----	----				
HBO group	----	----	----	----				
iNDemand channels	----	----	----	----				
Playboy-owned group	----	----	----	----				
Showtime group	----	----	----	----				
The Movie Channel (TMC) group	----	----	----	----				
TVN channels	----	----	----	----				
Others (List below):	----	----	----	----	----	----	----	----
	----	----	----	----				
	----	----	----	----				
	----	----	----	----				
	----	----	----	----				
	----	----	----	----				
National Networks (A)	BST		CPST1		Other Analog		Digital	
	July 01	July 02	July 01	July 02	July 01	July 02	July 01	July 02
Across Media Network								
American Movie Classic								
America's Collectibles								

Russian TV Network (RTN)								
SBN (Vietnamese)								
Sci-Fi Channel								
Shop at Home								
Shop NBC								
SoapNet								
Speedvision								

National Networks (T)	BST		CPST1		Other Analog		Digital	
	July 01	July 02	July 01	July 02	July 01	July 02	July 01	July 02
Telemundo satellite feed								
TNN: The National Network								
Toon Disney								
Toon Disney Espanol								
Total Living Network								
Travel Channel								
Trinity Broadcast Network								
Turner Broadcast Service								
Turner Classic Movie								
Turner Classic Movie 2								
Turner Network Television								
TV Asia								
TV Guide Channel								
TV Guide Interactive								
TV Guide Sneak Prevue								
TV Japan								
TV5 (French)								
National Networks (U - Z)	BST		CPST1		Other Analog		Digital	
	July 01	July 02	July 01	July 02	July 01	July 02	July 01	July 02
USA Network								
ValueVision								
VH1 (total of all networks)								
WAM!								
WE: Women's Entertainment								
Weather Channel								
Weather Radar								
Weatherscan								
WGN Chicago Superstation								
Word Network								
ZEE TV (South Asian)								
Other Channels or Networks	BST		CPST1		Other Analog		Digital	
	July 01	July 02	July 01	July 02	July 01	July 02	July 01	July 02

Notes and Comments