

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

In the Matter of)	
)	
Annual Assessment of the Status of)	MB Docket No. 03-172
Competition in the Market for the Delivery)	
Of Video Programming)	

**COMMENTS OF THE
SATELLITE BROADCASTING AND
COMMUNICATIONS ASSOCIATION**

Satellite Broadcasting and
Communications Association

September 11, 2003

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The Satellite Broadcasting and Communications Association hereby submits its comments to the Federal Communications Commission (“FCC” or “Commission”) in the above-referenced Notice of Inquiry.¹ SBCA is the national trade organization representing all segments of the satellite industry. The SBCA is comprised of Direct Broadcast Satellite (“DBS”), C-band, broadband, satellite radio, and other satellite service providers, content providers, equipment manufacturers, distributors, retailers, encryption vendors, and national and regional distribution companies that make up the satellite services industry.

I. INTRODUCTION AND SUMMARY

This year marks the tenth anniversary of the Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming. Since 1992, when C-band satellite subscribers totaled nearly 2 million, the multichannel video market has seen the growth of satellite-delivered television as a viable competitor to the entrenched cable monopolies. This is largely due to the launch of DBS, and its boom as a competitor in the multichannel video

¹ *Notice of Inquiry (“Notice”) in the Matter of Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*, MB Docket No. 03-172, rel. July 30, 2003.

programming distribution (“MVPD”) market. As of June 30, 2003, there were nearly 21 million households in the U.S. that receive multichannel video via satellite.

Per ¶3 of the *Notice*, these comments encompass the July 1, 2002- June 30, 2003 period of multichannel competition. During that time, the number of households that subscribe to Direct Broadcast Satellite (“DBS”) for their multichannel video service surpassed 20 million—20 percent of all multichannel video households. When the 502,191 households that receive C-band (or home satellite delivery, or “HSD”) service are included, 20.86 million households receive multichannel video via satellite.

Many factors have contributed to the growth of DBS in the multichannel video market, including the superior customer service, competitive pricing, and programming selection offered by DBS operators. The expansion of local-into-local service by DBS providers continues to be a principal reason that customers subscribe to DBS. Currently, consumers in 85 markets, or 79% of U.S. television households,² are able to receive local broadcast stations via satellite from at least one DBS operator. The largest DBS providers (DIRECTV and EchoStar’s DISH Network) plan to offer local-into-local service to 125 total markets, reaching 90% of U.S. television households,³ by the end of 2003.

The fast-paced rollout of advanced services has also added to the growth of DBS as a competitor to cable. Today, viewers can receive several high-definition (“HD”) channels, interactive services, and personal video recording services via DBS. This creates stronger competition to cable as well as advances the transition to digital television.

² According to Nielsen Media Research, there are 106.6 million television households in the U.S. as of September 21, 2002.

³ See Attachments D and E.

The regulatory environment must not impede the expansion of DBS as a viable competitor in the multichannel video market. Specifically, DBS providers face uncertainty over the integrity of the DBS spectrum after the Commission reaffirmed the technical service rules for Multichannel Video Distribution and Data Service (“MVDDS”) providers.⁴ A judicial challenge to the Commission’s spectrum-sharing decision is pending.⁵ SBCA and the DBS operators are concerned that MVDDS will cause harmful interference to DBS subscribers, making DBS a less competitive alternative in the multichannel video market.

Although progress is being made in the transition to digital television, several outstanding issues remain. The Commission must take into account the technical differences between wired and satellite providers of multichannel television when the digital regulatory environment is crafted. In particular, carriage requirements for digital and high-definition broadcast stations should acknowledge that DBS operates in a fixed amount of spectrum, and bandwidth is a limited resource. If DBS providers are forced to carry both the analog and digital streams of broadcast stations, multicast information of a station’s digital signal, or high-definition local broadcast signals, it will not be technically possible for them to carry local stations in all of the designated market areas (“DMAs”) that they do today. DBS operators will be forced to shut off local stations to consumers in many or most of the markets that they currently serve because of the bandwidth constraints that such forced carriage regimes would impose on DBS.

⁴ See *Amendment of Parts 2 and 25 to the Commission’s Rules to Permit Operation of NGSO FSS Systems Co-Frequency with GSO and Terrestrial Systems in the Ku-Band Frequency Range*, Fourth Memorandum Opinion & Order, ET Docket No. 98-206, FCC 03-97, rel. April 29, 2003 (“MVDDS Fourth MO&O”).

⁵ SBCA has filed a Petition of Review with the U.S. Court of Appeals for the District of Columbia Circuit of the *Amendment of Parts 2 and 25 to the Commission’s Rules to Permit Operation of NGSO FSS Systems Co-Frequency with GSO and Terrestrial Systems in the Ku-Band Frequency Range*, First Report and Order as well as the Memorandum Report and Order (ET Docket 98-206), filed July 22, 2002.

II. SATELLITE TELEVISION SUBSCRIBER INFORMATION

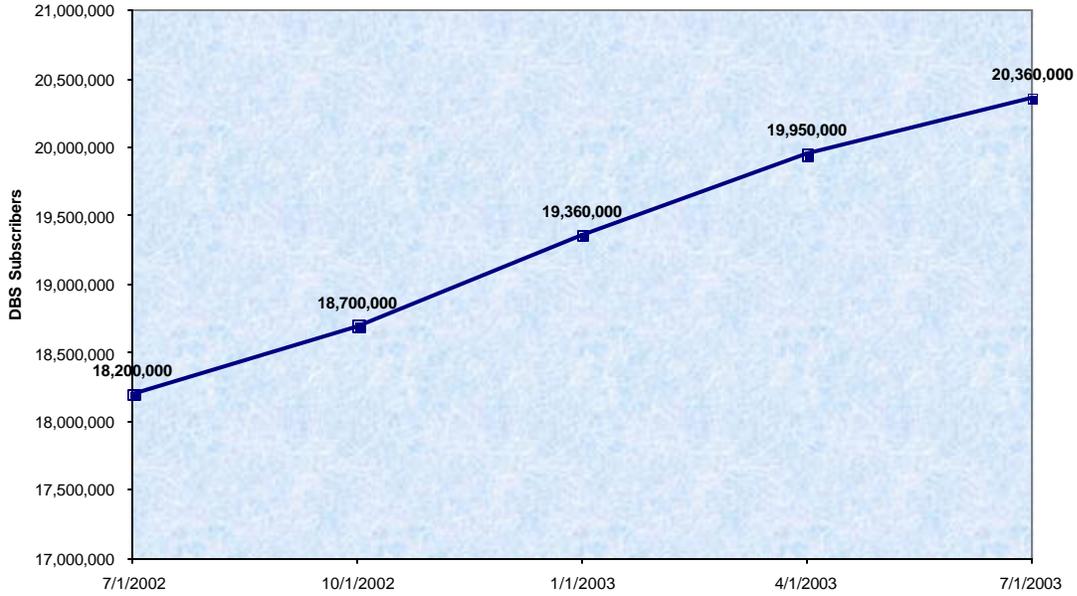
A. Satellite Television Subscriber Counts

Per ¶3 of the *Notice*, these comments encompass the July 1, 2002- June 30, 2003 period of multichannel competition. During that time, the number of households that subscribe to Direct Broadcast Satellite (“DBS”) for multichannel video service surpassed 20 million, reaching 20.36 million households on June 30, 2003.⁶ That is an increase of 12% from July 1, 2002, when there were 18.2 million DBS subscribers. As of June 30, 2003, there were 502,191 households that receive C-band (or home satellite delivery, or “HSD”) service, a decrease from the 700,641 C-band subscribers reported on July 1, 2002. In total, satellite television serves 20.86 million households,⁷ meaning that 20% of television households depend on satellite-delivered technology for their multichannel television service.

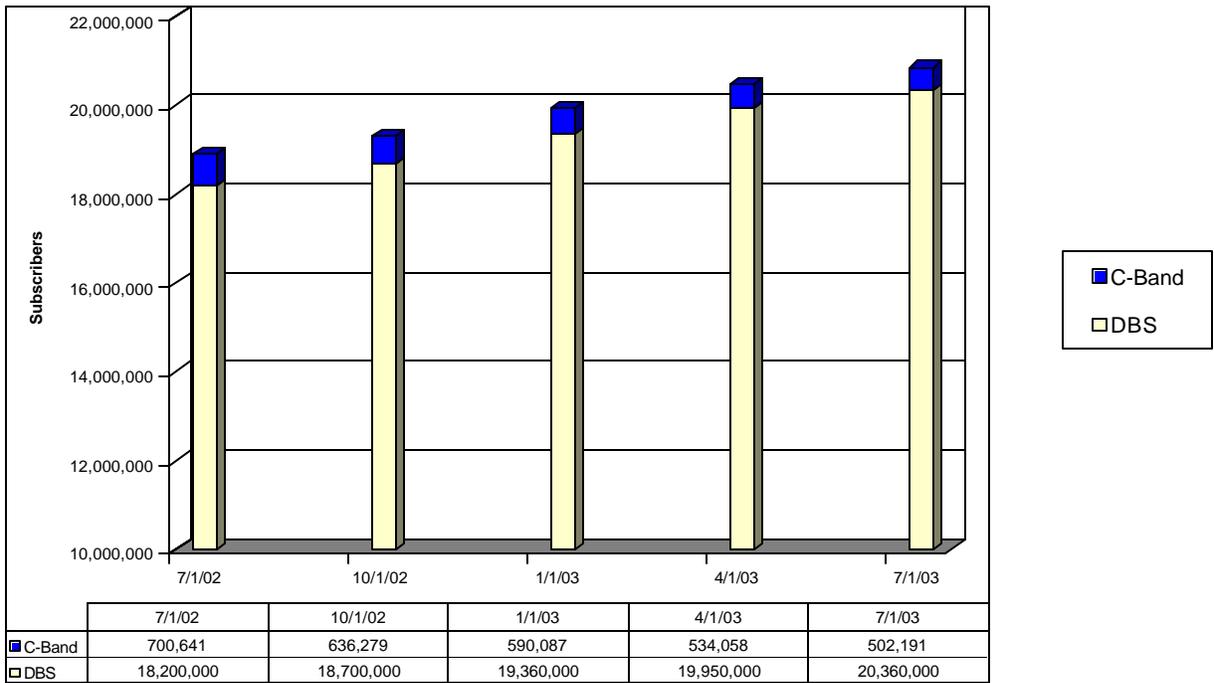
⁶ The two largest DBS providers are DIRECTV, Inc., which had 11.56 million subscribers and EchoStar’s DISH Network, which had 8.8 million subscribers as of June 30, 2003.

⁷ Subscriber numbers are provided by DIRECTV, Inc., EchoStar Communications Corp., and Motorola Access Control Center (which tracks C-band subscriptions).

**DBS Subscriber Growth
July 2002- July 2003**



**Satellite Television Subscriber Totals
July 2002-July 2003**



B. DBS Subscriber Trends

SBCA is pleased to include in its comments data derived from a consumer market research study performed for SBCA by the Taylor Group,⁸ the 2003 SBCA DBS Subscriber Study. The study was performed in April 2003, and includes responses from 1,500 current DBS subscribers. Data from the study answers several specific questions about DBS and multichannel video program distributor (“MVPD”) subscriber trends asked in the *Notice*, indicated by paragraph number in parentheses following the data.

1. Overall, 68 percent of DBS subscribers have access to cable service (§6). Broken down by geographic region: 43 percent of rural DBS subscribers, 91 percent of urban DBS subscribers, and 92 percent of suburban DBS subscribers have access to cable.
2. Twelve percent of DBS subscribers with access to cable subscribe to both services (§6). When looking at all DBS subscribers, the percentage decreases to eight percent. By comparison, in 2000, 20 percent of DBS subscribers with access to cable subscribed to both DBS and cable.
3. Of DBS subscribers who have subscribed to DBS for less than one year, 41 percent live in an urban setting, 32 percent in a suburban area, and 23 percent in a rural location (§34).
4. Seventy-six percent of “new” DBS subscribers (those who have subscribed to DBS for less than three months) have cable available to them, compared to 60 percent of new DBS subscribers in 1999 (§34).

⁸ Established in 1987, The Taylor Research & Consulting Group, Inc. (a privately held company) is an evidence-based consulting firm, providing qualitative and quantitative research to clients in domestic and international markets.

III. DBS AS A COMPETITOR IN THE MVPD MARKET

DBS is the fastest-growing competitor to cable in the MVPD market. There are several factors that have contributed to the development of DBS as a viable competitor in this market. DBS offers subscribers competitive pricing compared to cable, superior customer service, and a growing product line of advanced digital services and an expanding channel line-up (including local broadcast signals to more consumers and high-definition programming). SBCA market research shows that 52 percent of DBS subscribers who have a choice between cable and DBS for MVPD service opted for DBS because of the high cost of cable, 29 percent chose DBS because of dissatisfaction with the available cable provider or cable service, and 27 percent because of the channel selection available from DBS (percentages add to more than 100 because those interviewed may have offered more than one response).⁹

According to a study released by the Commission in July,¹⁰ overall monthly cable rates increased by 8.2 percent from July 1, 2001 to July 1, 2002,¹¹ while overall inflation grew by only 1.5 percent. This disproportionate cable rate increase is not an anomaly—the Commission found that from July 1997 to July 2002, cable subscribers' rates increase an average of 7.1 percent *per annum*, compared to an annual increase in the rate of inflation of just 2.3 percent. The continued rise in cable rates indicates that DBS is not having an impact relative to keeping cable rates from escalating on an annual basis, and full competition in the MVPD marketplace has not actualized.

Customer service is another area where DBS repeatedly bests cable operators. According to several independent surveys, DBS operators are ranked significantly higher than any cable operator. For example, in July 2003, J.D. Power and Associates reported that the two DBS

⁹ See 2003 SBCA DBS Subscriber Study.

¹⁰ See *In the Matter of Section 3 of the Cable Television Consumer Protection and Competition Act of 1992*, MM Docket No. 92-266; FCC 03-136, rel. July 8, 2003.

¹¹ *Id.* at ¶4.

providers, DIRECTV and DISH Network, received the first and second highest scores, respectively, in its 2003 Residential Cable/Satellite TV Customer Satisfaction Study.¹²

In August 2001, SBCA debuted the National Standards and Testing Program (“NSTP”), a course designed to ensure continued professional education DBS installers and a nationally-accepted set of training standards and testing for DBS installations. Since then, SBCA has trained and tested 25,000 DBS installers, and 22,000 of those individuals have earned NSTP certification. Ninety percent of DBS subscribers had their system installed professionally in 2003,¹³ and NSTP training and certification is a contributor to the high customer service marks that DBS subscribers give to their DBS provider. DBS providers and regional distributors agreed to the NSTP standards and participate in the program.¹⁴

The roll-out of satellite-delivered local-into-local service, authorized by SHVIA in 1999, evens the competitive landscape by allowing DBS providers to offer highly-desirable local programming, as cable operators have done for years. The expansion of local-into-local service by DBS providers continues to be a principal reason that customers subscribe to DBS.

Currently, consumers in 85 markets, or 79 percent of U.S. television households, are able to receive local broadcast stations via satellite from at least one DBS operator. That is an increase of 18 markets since July 29, 2002, when at least one DBS operator offered local broadcast stations in 49 markets, reaching 67 percent of the U.S.¹⁵ The largest DBS providers (DIRECTV

¹² See Appendix F.

¹³ See SBCA DBS Subscriber Study.

¹⁴ Participating companies include: DIRECTV, DISH Network, All-Systems Distributing, Apex Digital, Circuit City, CVS Systems, Dow Electronics, DSI Systems, JVI Parts, Installs, Inc., Metron North America, Mid-State Distributing, the National Rural Telecommunications Cooperative (“NRTC”), O’Rourke Bros., Perfect-10, Pegasus Communications, Radio Shack Installation Services, Saturn Distributing, Sirius, XM Satellite Radio and numerous independent retailers.

¹⁵ See SBCA Comments, July 29, 2002, MB Docket 02-145.

and EchoStar's DISH Network) plan to offer local-into-local service to 125 total markets, reaching 90% of U.S. television households,¹⁶ by the end of 2003.

Based on SBCA's market research,¹⁷ 58 percent of DBS subscribers receive broadcast signals from their DBS provider, either through local-into-local service or via distant network signals. Fifty-four percent of DBS subscribers obtain local broadcast stations, while seven percent receive imported signals (the percentages total more than 58 percent because some DBS subscribers receive both local-into-local service and distant network signals). In 2000, the first year that DBS providers were allowed to retransmit local broadcast stations into local markets, only 19 percent of DBS subscribers received local signals via DBS.¹⁸ Clearly, DBS providers have invested significant capital to improve the technology used to offer local-into-local service and to expand their satellite fleets, which resulted in the ability to offer local broadcast stations to an increasing portion of the country, thereby creating a more competitive MVPD market.

The fast-paced rollout of advanced services has also added to the growth of DBS as a competitor to cable. High-definition programming is attractive to DBS subscribers. The HD offerings of DIRECTV and DISH Network together include HD channels Discovery HD Theater, ESPN HD, HBO-HD, HDNet, HDNet Movies, Showtime HD, a national feed of CBS-HD, and pay-per-view movies and special events in HD. Six percent of DBS households have an HD television set,¹⁹ indicating that DBS is leading the way in offering advanced digital services to consumers.

Interactive services, including personal video recording ("PVR"), are also available from DBS providers. Six percent of DBS households use PVR services, and an additional 27 percent

¹⁶ See Attachments D and E.

¹⁷ SBCA DBS Subscriber Study, April 2003.

¹⁸ See 2000 SBCA DBS Subscriber Study, performed by The Yankee Group.

¹⁹ See SBCA DBS Subscriber Study, April 2003.

of those not currently using PVRs are “interested” or “very interested” in the product.²⁰ The continued roll-out of advanced digital services creates stronger competition to cable while advancing the Commission’s goal of reaching a digital broadcasting environment by offering consumers products that encourage the adoption of digital technology.

IV. NEW COMPETITION IN MVPD MARKET

In the past year, two potential entrants—Digital Broadband Applications Corp. (“DBAC”) and Rainbow DBS—came one step closer to offering consumers another choice of MVPD. In May 2003, the International Bureau authorized DBAC to provide two-way broadband and video service to the U.S. from two Canadian DBS satellites and a U.S.-licensed fixed-satellite services satellite.²¹ On July 17, 2003, Rainbow 1, a Rainbow DBS spot-beam satellite, was launched. Rainbow 1 is located at 61.5 ° W.L., and according to Cablevision Systems Corp.,²² will offer consumers a DBS service beginning in October 2003. Cablevision currently provides cable service to nearly 3 million subscribers in three states, including the New York metropolitan area.

²⁰ *Id.*

²¹ See *In the Matter of Digital Broadband Applications Corp., Consolidated Application for Authority to Operate U.S. Earth Stations with a U.S.-Licensed Ku-Band FSS Satellite and Canadian-Licensed Nimiq and Nimiq 2 Satellites to Offer Integrated Two-Way Broadband and Video Service Throughout the United States*, File No. SES-LIC-20020109-00023, DA 03-1526, rel. May 7, 2003.

²² Cablevision Systems Corp. is the parent company of Rainbow DBS. On June 2, 2003, Cablevision announced that the company is pursuing a spin-off of Rainbow DBS. See http://www.cablevision.com/index.jhtml?id=2003_06_02 (visited September 10, 2003).

V. REGULATORY IMPEDIMENTS TO DBS' COMPETITIVE STATUS

A. MVDDS Spectrum Sharing

On April 29, 2003, the FCC reaffirmed the technical service rules set for MVDDS to operate in the 12.2-12.7 GHz spectrum,²³ previously set aside for use by DBS. Petitions for reconsideration filed by SBCA, DIRECTV, EchoStar Communications and SES AMERICOM that asked the Commission to review rules that would hurt the ability of DBS to continue to offer its high-quality service were denied.²⁴ The Commission made two minor changes to the original operating rules, at the request of potential MVDDS applicants, deciding to use DMAs rather than CEAs to determine the MVDDS service area,²⁵ and reducing the build-out time for MVDDS licensees from 10 to five years.²⁶

SBCA and the DBS operators remain very concerned that MVDDS operations in the DBS spectrum band will seriously harm competition in the MVPD market. If terrestrial spectrum-sharing in the 12 GHz band is ultimately upheld, DBS customers will experience a “significant threat of interference” to their reliable DBS service.²⁷ The Commission expects that unavailability of DBS service could increase anywhere from 20 to 30 percent over today’s current levels.²⁸ The consistent customer satisfaction with DBS service will certainly be harmed by this increased interference to DBS subscribers, through no fault of DBS operators.

²³ See MVDDS Fourth MO&O.

²⁴ *Id.* at ¶12.

²⁵ See *Amendment of Parts 2 and 25 to the Commission’s Rules to Permit Operation of NGSO FSS Systems Co-Frequency with GSO and Terrestrial Systems in the Ku-Band Frequency Range*, Third Report & Order, rel. July 7, 2003 at ¶8.

²⁶ *Id.* at ¶15.

²⁷ See The MITRE Corporation’s *Analysis of Potential MVDDS Interference to DBS in the 12.2-12.7 GHz Band* (“MITRE Report”), April 2001, at xvi.

²⁸ See *Amendment of Parts 2 and 25 to the Commission’s Rules to Permit Operation of NGSO FSS Systems Co-Frequency with GSO and Terrestrial Systems in the Ku-Band Frequency Range*,

SBCA, DIRECTV and EchoStar Communications have filed a Petition for Review in the U.S. Court of Appeals for the District of Columbia Circuit. However, if terrestrial spectrum sharing is ultimately upheld by the Court, SBCA believes that competitive bidding is the appropriate method to assign MVDDS licenses, as the Commission concluded.²⁹

B. Regulation of Digital Transition

1. *Cable-Consumer Electronics “Plug-and-play” Memorandum of Understanding (“MOU”)*

DBS providers were the first MVPD to broadcast television signals in digital format, and they continue to be the leaders in the distribution of digital and HD content. SBCA supports the deployment of digital and HD television in the U.S. to benefit all consumers. However, the efforts by the Commission to advance digital and HD television and any resulting regulations should be narrowly crafted to permit free-market competition in the consumer electronics and MVPD industries.

In December 2002, major cable providers and CE manufacturers proposed that the FCC implement rules that create technical standards for “cable-ready” digital television sets. Included in the agreement, submitted to the Commission in the form of an MOU, are several regulations concerning content protection and encoding rules that would be forced upon *all* MVPDs, despite the exclusion of input from other industries, including DBS operators and content providers.

Memorandum Opinion and Order and Second Report and Order, ET Docket No. 98-206, FCC 02-166 (May 23, 2002) at ¶84, note 210.

²⁹ Id. at ¶238.

SBCA, DIRECTV and EchoStar Communications filed comments during the comment and reply period for the Further Notice of Proposed Rulemaking.³⁰ However, just yesterday the Commission adopted the regulations proposed in the MOU,³¹ despite the exclusion of interested parties from the negotiations that crafted the new rules and a proposal from the DBS providers³² as to how the MOU could be altered to maintain the consumer benefits of creating standards for cable-ready digital televisions while not unfairly imposing rules on industries that were not permitted to be part of the discussion when the rules were being crafted.

2. Carriage of HD Broadcast Signals

In January 2003, the Commission declined to require a DBS operator to carry the HD signal of a local broadcast station, pending resolution of several issues surrounding the digital carriage regime for DBS.³³ The spectrum capacity requirements of forced carriage of HD signals likely would reverse the ability of DBS providers to offer local broadcast stations. If the “carry one, carry all” regime prescribed by the 1999 Satellite Home Viewer Improvement Act³⁴ were extended to HD signals, due to the tremendous capacity burden of HD signals, DBS providers may be limited to offering local-into-local service to just one market, nullifying the intent of

³⁰ See *In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices, Compatibility Between Cable Systems and Consumer Electronics Equipment*, Further Notice of Proposed Rulemaking, CS Docket 97-80, PP Docket No. 00-67, FCC 03-3, rel. January 10, 2003.

³¹ See *In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices, Compatibility Between Cable Systems and Consumer Electronics Equipment*, Second Report and Order and Second Further Notice of Proposed Rulemaking, CS Docket 97-80, PP Docket No. 00-67, FCC 03-225, adopted September 10, 2003.

³² See *Letter to Chairman Michael K. Powell from Eddy W. Hartenstein and Charles W. Ergen, Ex Parte Notice, Re: Implementation of Section 304 of the Telecommunications Act of 1996*, CS Docket No. 97-80, PP Docket No. 00-67, filed September 3, 2003.

³³ *In the Matter of Guenter Marksteiner v. EchoStar Communications Corp., Request for Carriage of Station WHDT-DT, Stuart, FL, DA 03-139*, rel. January 17, 2003.

³⁴ Satellite Home Viewer Improvement Act of 1999, Pub. L. No. 106-133 (1999), 17 U.S.C. §122.

Congress when it enacted SHVIA, not to mention eliminating the competitive parity only now being reached between cable and DBS.

3. *Dual Carriage During Digital Transition*

In January 2001, the Commission tentatively concluded that the forced dual carriage of a broadcaster's analog and digital signals during the transition is inappropriate for cable operators, and would infringe upon a cable operator's First Amendment rights "substantially more than is necessary" to advance the government's interests of seeing a swift transition to digital broadcasting, and recovery of broadcasters' analog spectrum.³⁵ SBCA agrees with this conclusion, and supports the Commission implementing comparable regulations for DBS when the Commission feels the time is appropriate.

C. MDU Competition

In the *Notice*, the Commission asks for comment on competition in the multiple dwelling unit ("MDU") submarket.³⁶ The extension in 1998 of the over-the-air reception device ("OTARD") rules to viewers who reside in rental properties in 1998 opened the DBS market to a significant part of the U.S. population. However, the Commission only allows for viewers who are renters and who have an area of "exclusive use or control" to be covered by the OTARD rules.³⁷ This excludes a number of viewers, including those without a patio or balcony, and those whose patio or balcony does not face the necessary direction to receive DBS signal reception. Only 18 percent of DBS subscribers live in a rental property, compared to 34 percent

³⁵ *Id.* at ¶3.

³⁶ *Notice* at ¶8.

³⁷ See *In the Matter of Implementation of Section 207 of the Telecommunications Act of 1996, Restrictions on Over-the-Air Reception Devices: Television Broadcast, Multichannel Multipoint Distribution and Direct Broadcast Satellite Services*, Second Report and Order at ¶29, CS Docket 96-83, rel. November 20, 1998.

of the overall U.S. population.³⁸ This disparity indicates that there are still impediments to expanding MVPD choice and competition in the MDU submarket.

VI. “A LOOK BACK” AT THE PAST TEN YEARS OF MVPD COMPETITION

This year marks the tenth anniversary of the Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming. In the past decade, competition in the multichannel video market has intensified significantly. At the end of 1994, 2.7 million households received television signals from satellite: 2.2 million used C-band technology, 183,000 subscribed to medium-power DBS from PrimeStar, and DIRECTV served 320,000 viewers with its high-power DBS system.³⁹ In the past decade, the number of households subscribing to C-band suffered a decline, from a peak of 2.3 million in 1995 to 590,000 at the end of 2002, and the DBS industry exponentially grew, serving 19.36 million subscribers on December 31, 2002. There are now two high-powered DBS services, DIRECTV and EchoStar Communication’s DISH Network,⁴⁰ and as reported above, DBS subscribership continues to escalate. The first six months of this year have seen the number of DBS households increase by one million, a five percent jump.

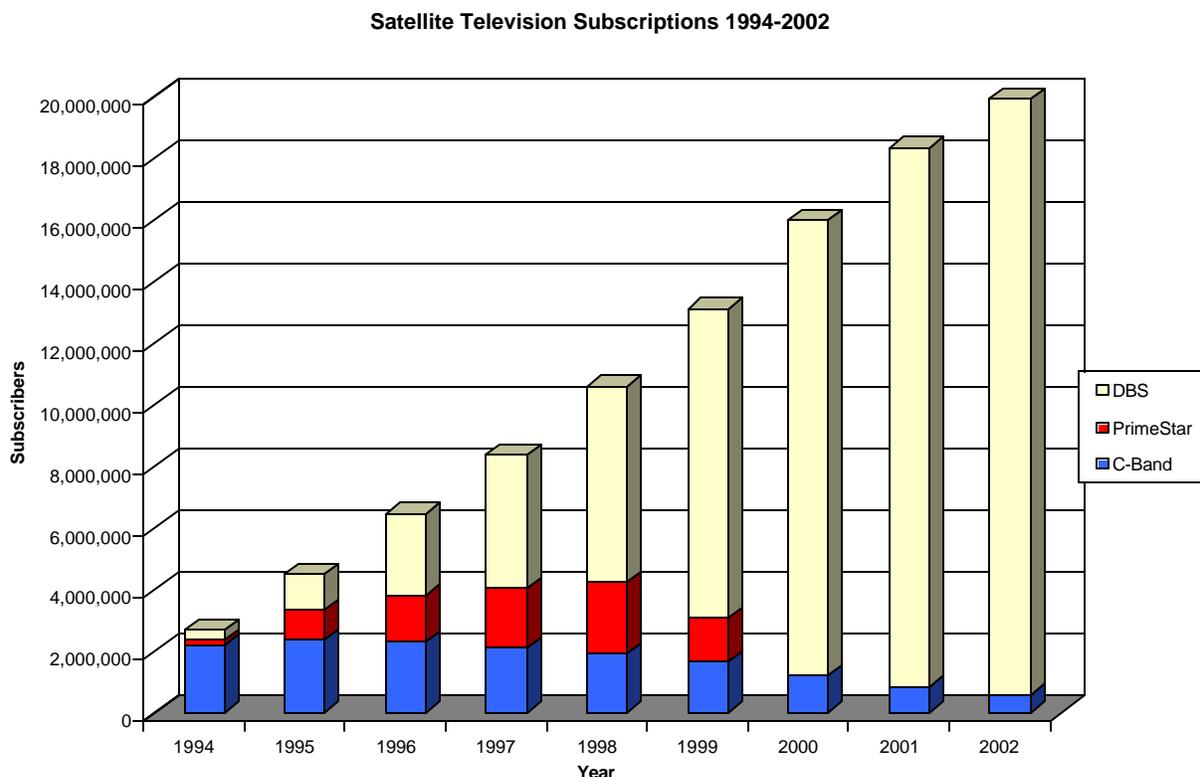
YEAR	TOTAL SATELLITE SUBSCRIBERS
1994	2,702,665
1995	4,515,406
1996	6,509,755
1997	8,400,993
1998	10,615,609
1999	13,137,000
2000	16,000,012
2001	18,372,483

³⁸ See SBCA DBS Subscriber Study. U.S. population information is derived from 2000 Census data.

³⁹ DIRECTV launched its DBS service in June 1994.

⁴⁰ DISH Network launched service on March 4, 1996.

2002	19,950,087
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The advent of satellite-delivered television as a competitor to cable has been augmented by a regulatory environment, crafted by Congress and the Commission, designed to foster competition. The program access law’s prohibition on cable exclusivity,⁴¹ intended to increase competition and diversity in the multichannel video market by requiring vertically-integrated programmer/cable companies generally to sell their programming to all MVPDs at non-discriminatory prices, terms, and conditions, has allowed satellite television providers to offer a wide variety of programming at competitive prices—a factor key to attracting subscribers. As described above, the impact of satellite-delivered local-into-local service, authorized by SHVIA

⁴¹ 47 U.S.C. §548.

in 1999, evens the competitive landscape by allowing DBS providers to offer highly-desirable local programming, as cable operators have done for years. Finally, the creation and implementation of the OTARD Rules, which afford viewers protection from restrictions that unreasonably delay or increase the cost to install, maintain, and use DBS antennas, or restrictions that preclude the reception of an acceptable quality signal, have allowed DBS penetration to continue to increase across the country.

VII. CONCLUSION

The multichannel video market has changed significantly in the past ten years. Satellite-delivered television service has grown from a niche market for technophiles to a viable alternative to cable for many consumers. In order for the satellite television providers to continue to offer consumers superior quality and programming, the Commission must craft and enforce regulations that protect and foster the competitive gains that have been made in the last decade. Outstanding issues surrounding the integrity of the DBS spectrum and the formulation of a fair regulatory environment during the transition to digital broadcasting are necessary for DBS to reach its full potential as a competitor to cable in the multichannel video market.

Respectfully submitted,

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