



One Discovery Place  
Silver Spring, MD 20910

T: 240.662.4747  
F: 240.662.1500

**Judith A. McHale**  
President & Chief Executive Officer

August 10, 2005

***VIA ECFS and Hand Delivery***

The Honorable Kevin J. Martin  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: *Inquiry on Rules Affecting Competition in the Television Marketplace,*  
MB Docket No. 05-28

Dear Mr. Chairman:

As the Commission prepares its report to Congress on the competitive effect of retransmission consent (among other rules), we want to call to your attention the effects of retransmission consent on competition among MVPD programmers.

Appropriately, much of the focus of this proceeding has been on retransmission consent's consumer impacts in the retail marketplace. In addition, however, the record before the Commission amply demonstrates that retransmission consent has had profound effects on competition among MVPD programmers. In the programming marketplace, retransmission consent has enabled channels affiliated with the Big Four networks to dominate at the expense of independent programmers like ourselves, and cable-affiliated programmers as well.

For example, in 1993 only one Big Four-affiliated network – ESPN – was regularly carried on expanded basic. Today the broadcasters' share of expanded basic has risen to over 56%, while the shares of cable-affiliated networks have been reduced by half (to 26%) and the share of independent programmers like ourselves has been reduced by one third (to 18%).<sup>1</sup> For the last twelve years, thanks to retransmission consent, the lion's share of the growth has gone to only four companies.

To a programmer working to launch a new channel or seeking financial support for improvements to an existing channel, the advantages of retransmission consent – and the disadvantages of lacking that leverage – are simply overwhelming. We are very pleased that Congress has asked the Commission to undertake this review. We urge the Commission to issue a strong report, examining the impacts on competition among programmers, as well as on the retail market.

Sincerely,

cc: The Honorable Kathleen Q. Abernathy  
The Honorable Jonathan S. Adelstein  
The Honorable Michael J. Copps  
Marlene H. Dortch, Secretary

---

<sup>1</sup> *The Social Cost of Retransmission Consent Regulations*, by William P. Rogerson, at page 9, attached to *Comments of Joint Cable Commenters*, MB 05-28, filed March 1, 2005.