

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

In the Matter of)
)
Implementation of Section 621(a)(1))
of the Cable Communications Policy Act of 1984) MB Docket No. 05-311
as amended by the Cable Television Consumer)
Protection and Competition Act of 1992)

To: The Commission



**Initial Regulatory Flexibility Analysis
Reply Comments**

I. Introduction.

The American Cable Association (“ACA”) submits these reply comments in response to the Initial Regulatory Flexibility Analysis (“IFRA”) appended to the Commission’s Notice of Proposed Rulemaking (“*Franchise NPRM*”).¹ These reply comments incorporate by reference ACA’s Reply Comments in MB Docket 05-311.

¹ *In the Matter of the Implementation of Section 621(a) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992, Notice of Proposed Rulemaking*, MB Docket No. 05-311 (rel. Nov. 18, 2005), *Appendix, Initial Regulatory Flexibility Analysis*.

Any regulations adopted under Section 621(a)(1) must avoid imposing unnecessary and substantial burdens on small cable entities.

AT&T, Verizon, and BellSouth propose regulations that would allow them to avoid many obligations associated with local cable franchises, including buildout requirements, universal service, and support for local cable-related needs and interests.² If adopted by the Commission, these changes would impose unnecessary and substantial burdens on many small and medium-sized cable companies. By avoiding franchise obligations and commitments in smaller markets, these huge companies would enjoy an unprecedented regulatory advantage over small cable entities. This advantage would erode already dwindling customer bases,³ resulting in fewer subscribers supporting the fixed costs of franchise compliance. This would increase franchise compliance burdens and costs on smaller cable entities, solely to facilitate market entry by the country's largest telecommunications conglomerates.

To avoid imposing unnecessary and substantial burdens on small cable entities, ACA proposes the following:

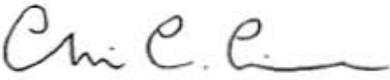
- Adopt the proposal of the National Cable and Telecommunications Association and take no further action in this docket.
- If the Commission does adopt regulations under Section 621(a)(1), the regulations should apply equally to new entrants and small cable entities, and should preempt any existing franchise obligations that a new entrant could avoid.

² See *AT&T Comments* at pp. 5-6; *Verizon Comments* at pp. 27-76; *BellSouth Comments* at pp. 28-47.

³ Leichtman Research Group, Inc., *DBS Now the Leading Video Provider in Rural America*, Research notes at 3-4 (2Q 2005), available at www.leichtmanresearch.com/research/notes06_2005.pdf.

American Cable Association. ACA represents nearly 1,100 independent cable companies that serve more than 8 million cable subscribers, primarily in smaller markets and rural areas. ACA member systems are located in all 50 states and in virtually every congressional district. The companies range from family-run cable businesses serving a single town to multiple system operators that focus on serving smaller markets. More than half of ACA's members serve fewer than 1,000 subscribers. All ACA members face the special challenge of complying with excessive administrative burdens with the limited resources available to small system operators.

Respectfully submitted,

By:  _____

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