

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC**

**In the Matter of** )  
 )  
**Annual Assessment of the Status of** )  
**Competition in the Market for the** ) **MB Docket No. 06-189**  
**Delivery of Video Programming** )

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**REPLY COMMENTS OF THE FIBER-TO-THE-HOME COUNCIL**

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The Fiber-to-the-Home Council (“FTTH Council”)<sup>1</sup>, through its undersigned counsel, hereby respectfully submits its reply comments to the Federal Communications Commission (“Commission”) in response to the Notice of Inquiry issued in the above-captioned proceeding.<sup>2</sup>

In these reply comments, the FTTH Council is submitting a just-completed study it commissioned on the effect of the Texas state-issued video franchising law on the deployment of FTTH networks in that state. The study was performed by RVA Render & Associates (RVA) and is entitled: *A Study of the Effects of the Texas State-Issued Video Franchise Law on Fiber to the Home Deployments and Video Competition* (“Render Study”).

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<sup>1</sup> The FTTH Council is a non-profit organization established in 2001. Its mission is to educate, promote, and accelerate Fiber-to-the-Home (“FTTH”) and the resulting quality of life enhancements. The FTTH Council’s members represent all areas of the broadband access industry, including telecommunications, computing, networking, system integration, engineering, and content-provider companies, as well as traditional service providers, utilities, and municipalities. As of today, the FTTH Council has over 135 entities as members. A complete list of FTTH Council members can be found on the organization’s website, <http://www.ftthcouncil.org>.

<sup>2</sup> *Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*, Notice of Inquiry, MB Docket No. 06-189, FCC 06-154. (rel. Oct. 20, 2006) (“*Video Programming Inquiry*”)

The Texas State-Issued Video Franchising Law was signed by Governor Perry on September 7, 2005.<sup>3</sup> The new statute streamlines the video franchising process enabling providers to obtain a state-issued franchise within 17 days of filing a complete application and without incurring onerous obligations. Since it was enacted, approximately 40 state-issued franchises have been granted to incumbent and competitive telephone companies, cable companies, and other entities.<sup>4</sup>

The Render Study, conducted 15 months after enactment of this new law, concludes:

1. 82% of all Texas FTTH providers – and 100% of the larger FTTH providers – believe the new law is accelerating their deployments of video enabled FTTH, thereby bringing greater video competition to consumers.
2. The reasons for these perceptions are that the new law, by ending time-consuming and expensive negotiations with municipalities for franchises, is substantially decreasing the costs of entry and operation, including by eliminating unreasonable and unrelated requests during negotiations and by lowering ongoing costs to administer agreements.
3. Since the new law was enacted – and due in large measure because of the new law – video enabled FTTH has grown 8 times faster in Texas than in the rest of the country.

The FTTH Council believes the results of this study demonstrate that new policies to remove barriers in the video franchising process have significant beneficial effects for consumers

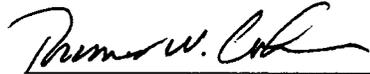
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<sup>3</sup> State of Texas Public Utility Regulatory Act (PURA), Chapter 66, sections 66.001-66.004.

<sup>4</sup> See, [http://www.puc.state.tx.us/cable/directories/SICFA/SICFA\\_Directory.htm](http://www.puc.state.tx.us/cable/directories/SICFA/SICFA_Directory.htm).

seeking lower prices for video programming and greater access to high-speed broadband networks. As such the Render Study lends support to policies that tear down the barriers in the video franchising process, such as those just adopted by the Commission in MB Docket 05-311.<sup>5</sup>

Respectfully submitted,



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<sup>5</sup> See, FCC Press Release, December 20, 2006,  
[http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-269111A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-269111A1.doc).