

September 10, 2007

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

Ex Parte Notice

In the Matter of Carriage of Digital Television Broadcast Signals: Amendment to Part 76 of the Commission's Rules, CS Docket No. 98-120, FCC 07-71.

Dear Ms. Dortch:

On Friday, September 7, 2007, Chris Moore and Amy Blankenship, Legal Advisors to Commissioner Deborah Taylor Tate met with Thomas Wacker and Daniel Mitchell with the National Telecommunications Cooperative Association (NTCA). The purpose of the meeting was to discuss NTCA's and the American Cable Association's (ACA's) concerns with the possible adoption by the Federal Communications Commission (Commission or FCC) of the proposed DTV must carry regulations contained in its *Carriage of Digital Television Broadcast Signals: Amendment to Part 76 of the Commission's Rules*, Second Further Notice of Proposed Rulemaking, CS Docket No. 98-120, FCC 07-71 (rel. May 4, 2007).

In the meeting, NTCA outlined the following proposal for a small cable system exemption from the Commission's proposed additional carriage requirements. NTCA and ACA propose that the FCC's post-transition carriage obligations would not apply to lower capacity cable systems or small cable systems that:

- (1) Have bandwidth or channel capacity of 552MHz or less, or
- (2) Serve 15,000 or fewer subscribers.

These cable systems would be obligated to cablecast the primary DTV signal of a qualified commercial broadcast station on the basic tier available to all subscribers in either analog or digital format, at the cable operator's discretion. These cable systems would not be obligated to cablecast the DTV signal in other formats.

NTCA and ACA also proposed that for small cable systems that meet neither exception listed above, the Commission should allow for financial hardship waiver petitions and decide these petitions on a case-by-case basis.

In addition, NTCA and ACA propose that the FCC require DTV stations electing must carry to simulcast high-definition (HD) programming in standard definition or otherwise deliver a standard-definition feed of such programming to cable systems requesting it. This would substantially lower the cost of delivering the programming to customers subscribing to analog basic, which remain the vast majority of basic cable subscribers served by NTCA and ACA member companies. Given the substantial cost of cablecasting DTV signals and the sharply rising costs for retransmission consent because of broadcaster cash demands, NTCA and ACA urge the Commission to consider and grant this relief, which will help consumers in rural America and allow their small cable providers to continue to provide competitive and affordable video, broadband and voice services to consumers.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact the undersigned at (703) 351-2016.

Sincerely,

/s/ Daniel Mitchell
Daniel Mitchell
Vice President, Legal and Industry

cc: Chris Moore and Amy Blankenship