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**Fort Payne, Alabama 35967**

April 21, 2008

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

*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:

This comment is submitted on behalf of Bledsoe Telephone Cooperative, Inc., Pikeville, Tennessee. Bledsoe is the Incumbent Local Exchange Carrier serving Bledsoe and Sequatchie Counties, as well as portions of three other counties in East Tennessee. Bledsoe Telephone serves approximately 12,300 lines.

Bledsoe is also an MVPD, providing video service to 3,791 households in its service area. Bledsoe became an MVPD in 1983 when the very rural nature of its service area proved to be an obstacle to attracting a cable television company to serve the community. In 2004, Bledsoe invested in a new digital headend and moved forward with a plan to transition video signals from carriage on a coaxial cable plant to its fiber/copper telephone network. Since that time Bledsoe has worked and invested to deliver the programming and services that its members want.

Small MVPD's that serve rural areas have a challenging task. They benefit neither from economies of scale, nor from having large staff with specialized expertise. In a competitive marketplace they must find ways to effectively manage the high cost of content, rapidly changing technology and the demands of multiple layers of regulatory mandates. In our humble opinion, they do a magnificent job. However, due to their very small size, their financial health can be adversely affected much more easily than larger, wealthier organizations. Also, the rural customers they serve generally have fewer entertainment options than those in urban or suburban markets and are, consequently, relatively more sensitive to changes in their video service. We believe this is why the Federal Communications Commission is wisely considering exempting small MVPD's from the requirement to carry both the digital and analog signals of must-carry broadcast stations.

Bledsoe Telephone Cooperative is, nevertheless, concerned by recent trade press coverage of this proceeding and comments attributed to the Commission's Chairman. Specifically, the comments, as reported, indicate a favorable view of small MVPD exemption, which Bledsoe enthusiastically supports. However, the standard for determining which MVPD's qualify as

small is reported to be 552 MHz or less. This is a measurement of bandwidth, or system channel capacity, which is applicable only to traditional cable television systems. Such a standard would not apply to telephone companies, and others, who utilize Switched Digital Video (SDV) to deliver entertainment to their customers.

Bledsoe Telephone Cooperative believes any standard utilized for the purpose of determining exemption should be technology-neutral. Comments by ACA, RICA, OPASTCO and NTCA have urged adoption of a standard of either 552 MHz bandwidth, or 5000 subscribers. Bledsoe believes that such a “dual” standard would treat all MVPD’s equally, regardless of technology employed, and urges that the Commission adopt it.

Bledsoe Telephone expects that in a proceeding such as docket 98-120, the Commission seeks objective data on which a decision may be arrived at in accordance with the public interest and the Commission’s statutory obligations. Although it may be beyond our ability to effectively contribute to such a significant national responsibility, we ask that the following comments be considered:

- In general, telephone cooperatives serve the most rural areas of the United States. They are the communications provider of last resort.
- Like all telephone cooperatives, Bledsoe Telephone is owned by its members.
- No matter what the transport technology employed, the requirement to carry both analog and digital broadcast signals consumes an additional portion of an MVPD’s finite capacity to carry video channels to its customers.
- There is a specific capital cost associated with an MVPD’s channel capacity.
- There is a specific capital cost for equipment needed to carry both the analog and digital signal of must-carry broadcasters.
- The costs of dual broadcast carriage can come from nowhere else but the 12,000 or so rural families who constitute the membership of Bledsoe Telephone Cooperative. We believe the Commission will agree that Bledsoe’s scarce capital can be better spent.

Bledsoe Telephone Cooperative, Inc. asks the Commission to let it determine how best to deliver the digital signals of must-carry broadcasters. We are grateful for the opportunity to comment in this proceeding.

Respectfully Submitted,

Marc Jennings