

Reply to comments of Open Band Multimedia, LLC on 5/7/08

Open Band first states its opposition to any action that would prohibit bulk billing agreements between MVPDs and community associations. They also propose that if such a ban occurs, smaller companies should be exempted.

I live in a development "served" by one of these smaller MVPDs by using a bulk billing agreement. The company provides sub-standard products, both cable TV and internet, and has demonstrated neither the desire nor ability to improve product or customer service while hiding behind the shield of an exclusive contract. The size of a company should not be a factor in eliminating an abuse of the public which results from these bulk billing contracts.

Open Bands goes on to say "Those bulk agreements (which were competitively bid by the community associations) provide significant cost savings to Open Band which makes possible substantial price savings to the residents." First, were those agreements established by resident controlled associations or were they made by a developer controlled HOA? If the residents inflicted this blight upon themselves, then they deserve whatever Open Band delivers to them. If the developer made such a deal, sometimes with its subsidiary MVPD, the FCC should void such contracts which rarely pass savings onto the residents but do enrich the developers.

Open Band continues extolling their bulk agreements with "this results in more programming and more favorable prices to residents than would otherwise be available." In my development there are many nationalities, religious groups and ethnicities that would like programming geared to their needs and desires. Such programming would be available to them from other DBS systems; however, because they MUST pay for unwanted service from the exclusive provider, most cannot afford to take on the expense of a second, more desirable provider.

Finally, Open Band asks "whether there is any public interest benefit to banning such bulk service agreements". I respond with

a resounding YES THERE IS. First there is the improved competition that would result when other companies overbuild the development knowing they can fairly compete if the incumbent cannot hide behind an exclusive, bulk billed contract. DBS systems can provide access to multi-language programming such as one provider now offering 19 Spanish language channels. The residents would avoid the ever increasing costs resulting from bulk billing charging for every house whether empty or not. The high rate of foreclosures coupled with HOAs forced to pay bulk billed fees for empty houses may rapidly lead to many HOAs declaring bankruptcy.

But the biggest benefit to banning bulk billing agreements is simply giving residents the ability to choose the service they want at a price they can afford.