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July 8, 2008

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

Re: Notice of Ex Parte Communications; MB Docket No. 07-51, Exclusive Service Contracts for Provision of Video Services in Multiple Dwelling Units and Other Real Estate Developments – Further Notice of Proposed Rulemaking

Dear Ms. Dortch:

On July 7, 2008, Linda Willey of Camden Property Trust and the undersigned discussed, during a telephone conference with Monica Desai, Rosemary Harold and Nancy Murphy of the Media Bureau, the Further Notice of Proposed Rulemaking in the referenced proceeding. The points addressed are summarized in the enclosure.

Please contact the undersigned with any questions.

Sincerely,

C. Douglas Jarrett

Enclosure

cc (w/encl): Ms. Monica Desai
Ms. Rosemary Harold
Ms. Nancy Murphy

Camden Property Trust
Talking Points for Discussion
MB Docket No. 07-51--Further Notice of Proposed Rulemaking

Recommended Resolution

- Terminate inquiry into bulk service arrangements and exclusive marketing agreements; permit continued use of these longstanding business practices

Overview of Comments in Bulk Services Proceeding

- Camden, other MDU owners, Verizon, NCTA, majority of private cable operators ("PCOs") and IMCC agree FCC should not restrict bulk services arrangements

Statutory Support for Bulk Services Arrangements

- Bulk Service arrangements are authorized under § 623(d) of the Act (47 USC § 543(d)) as exception to uniform rate requirement

- Legislative history confirms Congress endorsed bulk service arrangements

> Subsection (g) amends § 623(d) of the Communications Act to exempt bulk discounts to multiple dwelling units from the uniform rate requirement. Current Commission regulations require that if a cable operator offers a lower rate in one MDU it must offer the same low rate to MDUs across the franchise area. **The Committee finds that this regulation does not serve consumers well by effectively prohibiting cable operators from offering lower prices in an MDU** even where there is another distributor offering the same video programming in that MDU.
> P.L. 104-104, *Telecommunications Act of 1996*, House Report No. 104-204(I) (July 24, 1995)

Background on Camden Property Trust

- Develop, construct, own and manage residential rental communities—MDUs
  - Long term property ownership and management
  - 60,000 units, approx. 180 residential rental communities
- Residential churn rates in Camden communities---50% to 120% per year
- Rental revenue is primary revenue stream
  - Dependent on maintaining high levels of occupancy
  - Desired services and amenities drive resident satisfaction and occupancy
    - Swimming pools, concierge services, exercise facilities and high quality voice, data and video offerings etc. are part of the bundle of amenities offered to attract and retain residents.

Features of Bulk Service Arrangements Highly Desired by Residents

- Cable is "Always On"
  - Highly valued service for residents that move annually or more frequently
  - No scheduling installations
- No credit qualification with cable operator
- No security deposit with cable operator

Bulk Service is Very-Well Received in Camden's Communities, particularly Lower Demographic Communities

- Bulk service arrangement is a major market differentiator for Camden
- Existing residents often modify leases to receive bulk service as introduced in a community ; some residents request transfers to communities with bulk service
- Bulk service arrangement is a major selling point for prospective residents

Substantially Lower Rates for Desirable Programming Packages

- On average 22% savings over retail rate for same programming tier
- Sometimes discounted premium service is included
- Bulk service arrangements provide real cost savings vis-a-vis constantly rising rates of cable operators and major facilities-based competitors

Bulk Service Arrangements – Residents and Prospective Residents Have a Choice

- During rollouts, residents are not required to accept bulk service arrangement
  - Existing leases are not modified unilaterally
- At time of lease or lease renewal, bulk service is itemized
  - As with balance of services and amenities, residents and prospective residents have option to enter into a lease or elect another community

Competitive MVPD Offerings (Exclusive of DBS) Are Not Available at Many New and Existing Camden Communities

- In metropolitan areas in which ILEC has stated it will not rollout MVPD offering comparable to cable service
  - Phoenix, Denver and Las Vegas
- Competitive facilities-based MVPD offerings not available at all communities even within so-called "competitive markets"