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

RE: Petition for Rulemaking to Amend the Commission's Rules Governing Retransmission Consent, MB Docket No. 10-71

Dear Ms. Dortch:

On July 20, 2010, Will Johnson and I met with Bill Lake, Chief of the Media Bureau, Mary Beth Murphy, Ron Parver, Steve Broeckaert, Diana Sokolow, and Christopher Hickman to discuss our recommendations for improving the retransmission consent process.

We explained that the current retransmission consent process skews negotiations for broadcast signal carriage by granting broadcasters regulatory preferences that, ultimately, result in harm to consumers through higher cable rates and service disruptions. For example, network non-duplication and syndicated exclusivity rules prevent multichannel video programming distributors (MVPDs) faced with unreasonable demands from a broadcaster from seeking out and negotiating alternative sources of programming. As a result, when broadcasters make increased demands for payment in exchange for the right to carry their signal, MVPDs have two choices: they can consent to such payments, which translate into higher bills for consumers, or they can refuse broadcasters' demands, but risk exposing their customers to loss or threats of loss of much-demanded programming. These risks are particularly serious for competitive providers such as Verizon, which are unlikely to compete effectively against incumbent operators if they lack popular broadcast programming.

The best way to address these concerns would be for policymakers to scrap the existing regulatory regime and allow the marketplace for broadcast programming to function like a normal market, free of artificial regulatory preferences. Short of eliminating the protective regulatory regime, one way to reform the retransmission consent process and protect consumers from loss of programming, would be to adopt a standstill requirement that would provide for automatic interim carriage of a broadcast signal pending completion of renewal negotiations. As long as the parties negotiated in good-faith, carriage would continue, and good-faith could be demonstrated by a willingness to submit the dispute to binding, commercial arbitration. This modest reform would restore balance to the negotiations between MVPDs and broadcasters and would protect consumers from service disruptions.

Other suggested reforms, such as requiring MVPDs to provide notice regarding an impending renewal deadline would not be helpful, and would cause substantial, unjustified consumer confusion. Such notice also would encourage brinkmanship tactics on the part of broadcasters.

Sincerely,

cc: Bill Lake