



Federal Communications Commission
Washington, D.C. 20554

June 27, 2012

Via U.S. Mail and Electronic Mail

Michael E. Olsen
CABLEVISION SYSTEMS CORP.
1111 Stewart Avenue
Bethpage, NY 11714

Re: *Revision of the Commission's Program Access Rules et al.*, Notice of Proposed Rulemaking, MB Docket Nos. 12-68, 07-18, 05-192

Dear Mr. Olsen:

On March 20, 2012, the Commission adopted and released a Notice of Proposed Rulemaking seeking comment on, among other things, whether to retain, sunset, or relax the prohibition on exclusive contracts involving satellite-delivered, cable-affiliated programming set forth in Section 628(c)(2)(D) of the Communications Act of 1934, as amended, and Section 76.1002(c)(2) of the Commission's Rules.¹ To aid the Commission in its evaluation of the various options pertaining to the exclusive contract prohibition, we request that you submit the following data no later than **July 11, 2012**:

1. Please provide a list of the Regional Sports Networks ("RSN")² owned by, operated by, managed by, or attributable³ to Cablevision Systems Corporation ("Cablevision"). List standard definition ("SD") and high definition ("HD") RSNs separately. For each RSN, indicate whether it

¹ See *Revision of the Commission's Program Access Rules et al.*, MB Docket Nos. 12-68, 07-18, 05-192, Notice of Proposed Rulemaking, FCC 12-30 (March 20, 2012) ("*NPRM*"); see also 47 U.S.C. § 548(c)(2)(D); 47 C.F.R. § 76.1002(c)(2).

² An "RSN" is defined as "any non-broadcast video programming service that (1) provides live or same-day distribution within a limited geographic region of sporting events of a sports team that is a member of Major League Baseball, the National Basketball Association, the National Football League, the National Hockey League, NASCAR, NCAA Division I Football, NCAA Division I Basketball, Liga de Béisbol Profesional de Puerto Rico, Baloncesto Superior Nacional de Puerto Rico, Liga Mayor de Fútbol Nacional de Puerto Rico, and the Puerto Rico Islanders of the United Soccer League's First Division and (2) in any year, carries a minimum of either 100 hours of programming that meets the criteria of subheading 1, or 10% of the regular season games of at least one sports team that meets the criteria of subheading 1." *Review of the Commission's Program Access Rules and Examination of Programming Tying Arrangements*, First Report and Order, 25 FCC Rcd 746, 783-84, ¶ 53 (2010) ("*2010 Program Access Order*"), affirmed in part and vacated in part sub nom. *Cablevision Sys. Corp. et al. v. FCC*, 649 F.3d 695 (D.C. Cir. 2011) ("*Cablevision II*").

³ For purposes of Request #1, an "attributable interest" is any interest that is cognizable or attributable under Section 76.1000(b) of the Commission's Rules. See 47 C.F.R. § 76.1000(b); see also 47 C.F.R. § 76.501, Notes 1-5.

qualifies as “satellite cable or satellite broadcast programming,”⁴ or whether it qualifies as “terrestrial cable programming.”⁵

2. Please provide the following information for each Designated Market Area (“DMA”) served by cable systems owned by, operated by, managed by, or attributable⁶ to Cablevision (the “Covered Systems”): (i) the number of television households⁷ passed by the Covered Systems in the DMA; and (ii) the number of residential subscribers served by the Covered Systems in the DMA.

3. We are also analyzing a cable operator’s marginal profit when the cable operator acquires an additional residential customer from a competing MVPD. We are exploring two scenarios: (i) where the switching customer purchases only video services; and (ii) where the switching customer purchases the bundle of video, voice, and high-speed data services that the average customer of the cable operator purchases. Please provide the following data to assist in our analysis:

- On the revenue side: (i) the aggregate number of subscribers nationwide to the Covered Systems’ voice, video, and/or high-speed data services; (ii) the aggregate number of subscribers to the Covered Systems nationwide who subscribe only to video service; (iii) the nationwide aggregate revenue derived from all services (voice, video, and high-speed data); and (iv) the nationwide aggregate revenue attributable to video services (*e.g.*, subscription fees and advertising revenues); and
- On the cost side: (i) nationwide aggregate costs (*e.g.*, “cost of revenues” or “operating expenses”) from providing all services (voice, video, and high-speed data); (ii) a breakdown of nationwide aggregate costs between those attributable to video services and those attributable to other services provided (*i.e.*, voice and high-speed data); and (iii) an estimate of amortized subscriber acquisition costs.⁸

Cablevision’s responses should be filed in the above-referenced proceeding pursuant to the procedures set forth in the *NPRM*.⁹ To the extent you consider such data to be confidential, you may file

⁴ Section 628(c)(2)(D) pertains to “satellite cable programming” and “satellite broadcast programming.” *See* 47 U.S.C. § 548(c)(2)(D). Both terms are defined to include programming transmitted or retransmitted by satellite for reception by cable operators. *See* 47 U.S.C. § 548(i)(1) (incorporating the definition of “satellite cable programming” as used in 47 U.S.C. § 605); *id.* § 548(i)(3).

⁵ *See* 47 C.F.R. § 76.1000(l) (defining “terrestrial cable programming” as “video programming which is transmitted terrestrially or by any other means other than satellite and which is primarily intended for direct receipt by cable operators for their retransmission to cable subscribers”).

⁶ For purposes of Request #2 and #3, an “attributable interest” is any interest that is cognizable or attributable under Section 76.501 of the Commission’s Rules. *See* 47 C.F.R. § 76.501.

⁷ A television household is defined as “an occupied household having one or more television receivers in use.” *See Nielsen Media Research’s Glossary of Media Terms*, available at <http://www.nielsenmedia.com/glossary/index.htm>.

⁸ We invite you to provide a weighted average of subscriber acquisition costs across video, voice, and high-speed data customers as well as a separate estimate of subscriber acquisition costs for video-only customers. We also invite suggestions as to the appropriate amortization period and discount rate.

⁹ *NPRM* at ¶ 106.

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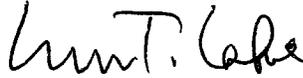
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your response under the terms of either or both of the protective orders that have been issued in this proceeding, to the extent applicable.¹⁰

This action is taken pursuant to Sections 4(i), 4(j), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), (j), 403, and authority delegated under Sections 0.61 and 0.283 of the Commission's Rules, 47 C.F.R. §§ 0.61, 0.283.

If you have any questions regarding this matter, please contact David Konczal of the Policy Division, Media Bureau at (202) 418-2228.

Sincerely,

A handwritten signature in black ink, appearing to read "W. T. Lake". The signature is written in a cursive, slightly slanted style.

William T. Lake
Chief, Media Bureau

¹⁰ See *Revision of the Commission's Program Access Rules et al.*, MB Docket Nos. 12-68, 07-18, 05-192, Protective Order, DA 12-941 (June 14, 2012); *Revision of the Commission's Program Access Rules et al.*, MB Docket Nos. 12-68, 07-18, 05-192, Second Protective Order, DA 12-942 (June 14, 2012).