

2001 Year in Review

Cable Services Bureau

Agenda Meeting

January 17, 2001

CSB Highlights - 2001

Industry Snapshot

- 69 million U.S. homes subscribe to cable
- 19 million U.S. homes subscribe to non-cable video services

CSB Highlights - 2001

AOL - Time Warner Merger

- Largest ISP combines with #2 Cable company
- Biggest (\$\$) merger in corporate history
- Conditional approval granted in January
- On-going monitoring of compliance activities

CSB Highlights - 2001

DTV Must Carry

- Complex technical & constitutional issues
- Report & Order released last January
- Further Notice in progress
- Evaluating information, including cable operators' current channel capacity

CSB Highlights - 2001

Annual Competition Report

- Cable's share of MVPD market has declined to 78% in 2001 from 96% in 1992

Annual Cable Price Survey

- Reports average cable rates nationally and any price differences in markets where the cable operator faces effective competition

CSB Highlights - 2001

Satellite Home Viewer Improvement Act

- New Role: Resolving DBS Must Carry Disputes

Cable Horizontal & Vertical Ownership

- Remand from US Court of Appeals for DC Circuit
- Issued FNPRM on cable ownership limits

CSB Highlights - 2001

On-Going Cable Regulation

- Must Carry, Effective Competition, Program Access, Pole Attachments, CARS, Technical Compliance

Significantly Reduced Backlog

- Must Carry - Disposed of 58 out of 76 outstanding proceedings

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Areas of Responsibility

- Video, News, Entertainment policy and licensing
- EEO, political programming, AM, FM, LPFM, TV, LPTV, cable policy and DBS post-licensing

New Divisions

- Policy Division, Engineering Division
- Industry Analysis Division
- Office of Broadcast License Policy: Audio/Video

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Management Challenges

- Clearly defining new staff roles and responsibilities

Training & Development

- Goal is to ensure that Media Bureau staff will have training opportunities to advance their expertise

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Broadband Deployment

- Cable broadband service available to 70% of U.S.
- 6 million cable broadband subscribers
- Cable Access NOI - legal classification & appropriate regulatory framework

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Competition Policy

- EchoStar-DirecTV merger review
- Comcast-AT&T merger review
- Program Access proceeding - exclusive contracts

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Spectrum Allocation Policy

- Band-clearing
- 700 MHz - Working with OET, WTB, OPP
- Keep spectrum free of cable interference

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Digital Transition

- DTV Task Force
- Numerous proceedings
- Digital transition of radio broadcasting
- Interactive TV

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Media Regulation Review

- Proceedings underway at FCC and in Court
- Local Radio Ownership
- Newspaper/Broadcast Cross-ownership
- DC Circuit Court - 35% TV audience limit & Duopoly Rule decisions pending
- Cable Ownership - Horizontal and Vertical Limits
- Media Ownership Working Group

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Homeland Security

- Support reliability of cable & broadcast operations
- Explore and make recommendations on ways to support continued survivability of communications services and facilities