

Summary on the FCC Inquiry on the Status of Competition in the Market for the Delivery of Video Programming



On June 17, 2004, the FCC released a Notice of Inquiry (Notice) on video competition in the last year. The public may submit comments until *July 23, 2004*, and may submit reply comments until *August 25, 2004*. Comments may be submitted to the FCC's website.

The Notice is summarized below. The Docket Number for this proceeding is MB Docket No. 04-227. The full, 30-page document, may be obtained at the FCC's web site in Word at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC_04_136A1.doc.

The Notice inquires about the status of competition for the delivery of video programming. Video programming providers include cable, satellite, broadband, open video, utilities, and over-the-air broadcast television stations. The FCC is required to report to Congress annually to ensure the monitoring of changes in the video marketplace. The FCC inquires into 11 areas: 1) competition in the market for the delivery of video programming, 2) cable television services, 3) direct-to-home satellite services, 4) broadband service providers, open video system operators, and overbuilders, 5) broadcast television service, 6) wireless cable systems, 7) private cable operators, 8) local exchange carriers and utilities, 9) home video sales and rentals, 10) internet video, and 11) foreign markets.

Competition in the Market for the Delivery of Video Programming¹

The FCC requests general information on the number of competitors in the video market. The inquiry asks specifically about the availability of wireless technology and market barriers to new video providers.

The Notice also asks about the availability of service providers in multiple dwelling units. Multiple dwelling units include condominiums, apartments, and townhomes.

The FCC inquires about programming services, including ownership of networks, locality of programming, and the genre of programming. The Notice also asks what prevents providers from offering new programs and channels. The FCC wants to know how channels are packaged and if they are offered "a la carte". The FCC also inquires about the providers' access to a variety of programming and what factors impact providers' access to new programming.

The Notice raises concerns on the whether persons with disabilities have access to programming. Specifically, the FCC asks about the availability of closed captioning and video descriptions, and providers' compliance with closed captioning rules.

¹ Notice of Inquiry, *In the Matter of Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*, 69 C.F.R. 126, ¶ 7 (2004)(hereafter "Notice of Inquiry").

The FCC seeks comment on new technology, including electronic programming guides, video-on-demand, and interactive television. The Commission inquires about what is currently offered, and how these services affect competition.

The Notice asks about the availability, quality and diversity of video programming to rural and smaller markets. The Commission also inquires about the availability and compatibility of consumer equipment with video programming (*e.g.*, analog and digital televisions, set-top boxes, personal video recorders).

Cable Television Service²

The Notice asks what cable operators have done to upgrade equipment to increase channel capacity, create digital services, and offer advanced services. The FCC also wants to know cable operators' plans to convert to all-digital transmission, and the anticipated effects.

The FCC asks for information on mergers and large scale consolidation of cable operators in the past year.

The Commission requests comments on clustering. Clustering is the concentration of cable operations into a single geographic area. The FCC also asks what types of package programming cable operators are offering, and what packages cable subscribers are choosing.

The Notice asks for information on advanced services and technology for cable boxes. The FCC wants to know the availability of video-on-demand, internet capabilities, and cable boxes that function with any cable system.

The FCC wants to know if cable operators are complying with regulations. Information sought includes the number of homes that cable is available to, how many homes subscribe to cable, and whether cable systems are providing enough non-commercial stations.

Direct-to-Home Satellite Services³

The Commission requests data on where satellite subscribers live and if they also have the option to subscribe to cable. Data is also requested on where viewers are getting local programming. The Notice inquires on satellite programming and the packages offered by satellite providers compared to cable. The FCC also wants to know if satellite companies are offering internet services.

Broadband Service Providers, Open Video System Operators, and Overbuilders⁴

The FCC requests general information about the services of broadband service providers, open video system operators and overbuilders. The Notice asks specifically about video services that

² Notice of Inquiry at ¶ 32.

³ Notice of Inquiry at ¶ 45.

⁴ Notice of Inquiry at ¶ 52.



are offered in combination with telephone or internet. The Commission also inquires about what makes overbuilders succeed or fail.

Broadcast Television Service⁵

The Notice asks what broadcast television's role is in the market. Specifically, the FCC inquires about the availability of digital television and high definition television. The Commission also asks if viewers have the equipment needed to receive this programming, and if viewers are familiar with digital television and high definition television.

Wireless Cable Systems⁶

The FCC inquires about the general availability of wireless cable.

Private Cable Operators⁷

The Notice asks for information on programming offered by private cable operators and how private operators differ from incumbent cable operators.

Local Exchange Carriers and Utilities⁸

The Commission seeks information on local exchange carriers and utility companies that offer video services and DSL-base video services.

Home Video Sales and Rentals⁹

The FCC requests data on the current market for video and DVD sales and rentals.

Internet Video¹⁰

The Notice asks about the quality of internet video and the improvements on technology.

Foreign Markets¹¹

The FCC seeks information about the competition in foreign markets for delivery of video programming. The Commission wants to know about the differences in technology available, as well as the difference in the general acceptance of new technologies.

⁵ Notice of Inquiry at ¶ 57.

⁶ Notice of Inquiry at ¶ 70.

⁷ Notice of Inquiry at ¶ 71.

⁸ Notice of Inquiry at ¶ 72.

⁹ Notice of Inquiry at ¶ 73.

¹⁰ Notice of Inquiry at ¶ 74.

¹¹ Notice of Inquiry at ¶ 76.

How To Participate

Interested parties can review filed comments or can themselves file comments through the FCC's electronic comments filing system (ECFS), at <http://www.fcc.gov/cgb/ecfs/>. (For ECFS purposes, the Docket Number is just 04-227.)

Anyone can file a comment using nothing more than a standard web browser like Netscape or Internet Explorer. You do not have to be a lawyer or even a U.S. citizen. The Media Access Project maintains a resource page explaining the FCC and its filing process, <http://www.mediaaccess.org/fcc/>.

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