



## NEWS RELEASE

For Immediate Release

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### **ACA Commends FCC Adoption of Digital Must Carry Exemption** *ACA Now Focuses on Settling Retransmission Consent Quiet Period Issue*

**WASHINGTON, September 4, 2008**—The American Cable Association (ACA) today praised the Federal Communications Commission (FCC) Chairman Kevin J. Martin and the other Commissioners for unanimously granting small cable systems much needed relief from the digital must carry requirements. The Commission officially announced its decision to adopt an exemption today after more than year-long campaign by the ACA, including numerous meetings and filings at the FCC, and support from Congress.

The order exempts eligible cable systems from the requirement to carry the broadcasters' signal in a digital HD or SD format for three years, so long as it is available to all the system's subscribers in a viewable analog format. The relief is available to cable systems with 2,500 subscribers or fewer, excluding systems affiliated with cable operators serving more than 10% of all MVPD customers. All cable systems of 552 MHz or less would also be covered, regardless of system ownership.

“ACA thanks Chairman Martin for his efforts and leadership in adopting this reasonable exemption and granting much needed relief,” ACA President and CEO Matthew M. Polka said. “This exemption is a reprieve to thousands of cable system operators who had neither the extra bandwidth nor the budget to comply with the digital must carry obligation.”

Chairman Martin indicated his support of a digital must carry exemption in mid-April while addressing ACA at its annual Washington, D.C. Summit; stating that as long as the broadcasters' signals are viewable to all subscribers, resource-constrained cable systems should not be burdened by other must carry obligations that demand additional bandwidth.

Polka continued, “today's decision by the FCC represents a victory not only for small cable systems providing essential video, phone and broadband services, but most importantly it is a victory for the thousands of small communities and millions of consumers that independent cable serves. ACA appreciates the Commission's action to recognize the unique circumstances of smaller, independent operators and the technological limitations of some cable systems.”

ACA also commends the early support of FCC Commissioner Jonathan S. Adelstein, who recognized the capacity limitations and financial and technological resource constraints of small and rural cable systems. Commissioner Adelstein dissented in part with the FCC's original viewability order because it lacked a small system exemption. ACA also applauds Commissioner Michael J. Copps who similarly expressed a preference at the time for an accommodation for small cable systems.

"With this issue now behind us, the Commission must turn its attention to another equally pressing potential threat to consumers during the transition. We urge the Commission to enact a reasonable retransmission consent quiet period to ensure that no cable customer's service is disrupted during the digital transition. Initiating a quiet period on or before January 1, 2009, would eliminate any chance of confusion for cable customers. It would also be harmless to broadcasters because once the transition is complete and the waiting time is over, station owners will once again be free to employ the same abusive practices as before, including pulling their signals to force operators and consumers into accepting their unreasonable prices, terms and conditions," Polka said.

By way of its viewability order ([available here](#)) adopted September 11, 2007, the FCC required all cable systems to provide the must carry broadcasters' signals after the February 17<sup>th</sup> digital transition in a viewable format to all its subscribers. It also reaffirmed the digital must carry obligations on cable systems, regardless of capacity or capability, to provide the same broadcaster's signal in its native digital format. The Order allowed small cable systems with 552 MHz or less to file a waiver of the viewability requirements, but did not provide any exemption from the more troublesome digital must carry obligation.

In a March 3 filing ([available here](#)), the ACA requested an exemption for systems with either 552 MHz of capacity or less or 5,000 subscribers or less from the obligation to carry the must carry broadcaster's signal in a digital format, if the system provided the signal to all of its customers in an analog format after the transition.

ACA cited the capacity burdens that carriage of both an analog and digital version of the broadcast signal would place on bandwidth-constrained systems serving small and rural markets, as well as the cost burden related to serving a small subscriber base, and the added flexibility that an exemption would offer these cable systems to direct its resources to providing consumers with broadband and other advanced services. In a follow up April 5 filing ([available here](#)), the ACA further detailed the extent of that burden and adverse impact it would have on small systems and the communities ACA members serve.

ACA also thanks the Members of Congress who urged the FCC to consider the burden that would be placed on small and independent cable operators under the digital must carry requirements, including Sen. Ted Stevens (R-AK), Sen. Kay Bailey Hutchinson (R-TX), Sen. John Rockefeller (D-WV), Sen. Byron Dorgan (D-ND), Rep. Mike Ross (D-AR), and Rep. Lee Terry (R-NE), among others.

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### **About the American Cable Association**

Based in Pittsburgh, the American Cable Association is a trade organization representing 1,100 smaller and medium-sized, independent cable companies who provide broadband services for more than 7.5 million cable subscribers primarily located in rural and smaller suburban markets across America. Through active participation in the regulatory and legislative process in Washington, D.C., ACA's members work together to advance the interests of their customers and ensure the future competitiveness and viability of their business. For more information, visit [www.americancable.org](http://www.americancable.org).