## Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	)	
	)	
	)	CSR-6406-E
Comcast Cable Communications, LLC,	)	CSR-6407-E
on behalf of its subsidiaries and affiliates	)	CSR-6408-E
	)	CSR-6409-E
Petition for Determination of Effective	)	CSR-6410-E
Competition in Fourteen Florida Communities	)	
•	)	
	ĺ	

#### MEMORANDUM OPINION AND ORDER

Adopted: January 30, 2007 Released: January 31, 2007

By the Deputy Chief, Policy Division, Media Bureau:

#### I. INTRODUCTION

1. Comcast Cable Communications, LLC ("Comcast") has filed several petitions with the Commission for determinations of effective competition in 14 Florida franchise areas (the "Franchise Areas") pursuant to Section 623(a) of the Communications Act² and the Commission's implementing rules. Comcast alleges that its cable systems serving these Franchise Areas are subject to effective competition and, therefore, are exempt from cable rate regulation. Specifically, Comcast claims that the effective competition present in these Franchise Areas arises from the competing services provided by two unaffiliated direct broadcast satellite ("DBS") providers, DirecTV, Inc. and EchoStar Satellite, L.L.C. As a result, Comcast asserts that it is subject to effective competition in these franchise areas under the "competing provider" test set forth in Section 623(1)(1)(B) of the Communications Act. The following cities have filed oppositions to Comcast's petition: The City of Hialeah ("Hialeah"), the City of Coral

<sup>3</sup>47 C.F.R. § 76.905(b).

\_

<sup>&</sup>lt;sup>1</sup>See (1) Comcast Coral Gables, Miami Springs, West Miami Petition at 1 (CSR 6410-E) (requesting that the Commission find effective competition in Coral Gables (FL0674, FL1263, FL1273), Hialeah (FL0202), Hialeah Gardens (FL0675), Medley (FL0429), Miami (FL0653), Miami Springs (FL0427), North Miami (FL0534), OpaLocka (FL0530), Sweetwater (FL0422, FL1262), Virginia Gardens (FL0428), and West Miami (FL0553) and three "License Areas," representing unicorporated portions of Miami-Dade County: Miami-Dade (Kendall), Miami-Dade (North), and Miami-Dade (West). (2) Comcast Miami Petition at 1 (CSR 6409-E) (requesting that the Commission find effective competition in the Coral Gables, Miami Springs, West Miami Petition); (3) Comcast Coral Gables Petition at 1 (CSR 6408-E) (requesting that the Commission find effective competition in the communities listed in the Coral Gables, Miami Springs, West Miami Petition); (4) Comcast Coral Gables and Miami-Dade (Kendall) Petition at 1 (CSR-6407-E) (requesting that the Commission find effective competition in the communities listed in the Coral Gables, Miami Springs, West Miami Petition); (5) Comcast North Miami Petition at 1 (CSR 6406-E) (requesting that the Commission find effective competition in the communities listed in the Coral Gables, Miami Springs, West Miami Petition). Communities are listed in multiple petitions because cable operators are required to file a processing fee for each physical system unit. See Public Notice, Reminder As To Procedures for Filing Cable Television Effective Competition Petitions, 20 FCC Rcd 7294 (MB April 1, 2005).

<sup>&</sup>lt;sup>2</sup>47 U.S.C. § 543(a).

Gables ("Coral Gables"), the Town of Medley ("Medley"), the City of Miami ("Miami"), the City of North Miami ("North Miami"), and the City of Opa-Locka, Florida ("Opa-Locka"). Comcast has filed replies.

#### II. DISCUSSION

- 2. Pursuant to Section 623(1) of the Act and Section 76.905 of the Commission's rules,<sup>5</sup> it is presumed that cable systems do not face effective competition absent a demonstration to the contrary.<sup>6</sup> Consequently, the cable operator bears the burden of rebutting the presumption that effective competition does not exist by producing evidence that shows effective competition is present within the relevant franchise areas.<sup>7</sup> Section 623(1) of the Act provides that a cable operator is subject to effective competition if any one of the four tests for effective competition set forth therein is met.<sup>8</sup> A finding of effective competition exempts a cable operator from rate regulation and certain other Commission cable regulations.<sup>9</sup>
- 3. Section 623(1)(1)(B) of the Communications Act provides that a cable operator is subject to effective competition if its franchise area is (a) served by at least two unaffiliated multi-channel video programming distributors ("MVPD"), each of which offer comparable programming to at least 50 percent of the households in the franchise area; and (b) the number of households subscribing to programming services offered by MVPDs, other than the largest MVPD, exceeds 15 percent of the households in the franchise area.<sup>10</sup> Turning to the first prong of this test, DBS service is presumed to be technically available due to its nationwide satellite footprint, and presumed to be actually available if households in the franchise area are made reasonably aware of the service's availability.<sup>11</sup> The two DBS providers' subscriber growth reached approximately 26.1 million as of June, 2005, comprising approximately 27.7 percent of all MVPD subscribers nationwide; DirecTV has become the second largest, and EchoStar has become the third largest, MVPD provider. 12 Because the two DBS providers have a nationwide footprint and serve well over 20 percent of all MVPD subscribers nationwide, we believe these statistics support the presumption that Comcast's franchise areas are within their satellite footprint. Moreover, Comcast has provided sufficient evidence of DBS advertising in local, regional, and national media that serves the franchise areas.<sup>13</sup> We conclude that the population of the Franchise Areas may be deemed reasonably aware of the availability of DBS services for the purposes of the first prong of the competing provider

<sup>&</sup>lt;sup>4</sup> No oppositions were filed by the following cities: Hialeah Gardens, Miami Springs, Sweetwater, Virginia Gardens, and West Miami.

<sup>&</sup>lt;sup>5</sup>See 47 U.S.C. § 543(1) and 47 C.F.R. § 76.905.

<sup>&</sup>lt;sup>6</sup>47 C.F.R. § 76.906.

<sup>&</sup>lt;sup>7</sup>See 47 C.F.R. §§ 76.906 & 76.907.

<sup>&</sup>lt;sup>8</sup>See 47 U.S.C. § 543(1)(1)(A)-(D).

<sup>&</sup>lt;sup>9</sup>See 47 C.F.R. §76.905.

<sup>&</sup>lt;sup>10</sup>47 U.S.C. § 543(1)(1)(B); see also 47 C.F.R. § 76.905(b)(2).

<sup>&</sup>lt;sup>11</sup> See MediaOne of Georgia, 12 FCC Rcd 19406 (1997).

<sup>&</sup>lt;sup>12</sup>See Twelfth Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, FCC 06-11, 21 FCC Rcd 2503 at ¶¶ 6, 13, 72-73 (2006).

<sup>&</sup>lt;sup>13</sup>See Comcast Petitions at 4 & Exhibit 1. See also, Comcast Replies at Attachment A.

test. With respect to the issue of program comparability, we find that the DBS providers' programming satisfies the Commission's program comparability criterion because DirecTV and EchoStar offer more than 12 channels of video programming, including more than one non-broadcast channel.<sup>14</sup>

- 4. The cities have filed oppositions in which they contend that Comcast has failed to meet the first prong of the competing provider competition test. Hialeah, Coral Gables, North Miami, and OpaLocka emphasize that competitive options may not be available to the large percentage of their residents living in multiple dwelling units because of bulk purchase contracts or physical limitations of satellite antenna placement. The cities also argue that residents may not be "reasonably aware" of the availability of DBS service. Medley and Coral Gables, for example, argue that Comcast failed to provide direct evidence of the circulation of advertisements for DBS providers in such a way that residents would likely come across such advertisements in their daily routine. Hialeah and Miami argue that because their communities are predominately Hispanic or Latino, Comcast should have provided evidence of Spanish language advertisements. Coral Gables, Hialeah, Miami, and Opa-Locka argue that the internet advertising submitted by Comcast—because it must be sought out—cannot form the basis for community awareness of the availability of DBS service.
- 5. In Reply, Comcast argues that in light of the ubiquity of DBS service, the Commission may take judicial notice of a community's "reasonable awareness" of the availability of DBS service and, therefore, Comcast's submission of DBS advertising is not necessary. In addition, Comcast emphasizes that in each of the communities, bulk contracts (exclusive and non-exclusive) represent less than 20 percent of the total number of housing units. Therefore, according to Comcast, DBS remains available to at least 50 percent of the households in all of the Franchise Areas.
- 6. We reject the cities' arguments. There is substantial evidence on the record to satisfy the first prong of the competing provider test. With regard to programming comparability, Comcast demonstrated that the programming of DirecTV and EchoStar more than satisfies the Commission's requirements.<sup>20</sup> Nor is the high percentage of multiple dwelling units of import to the instant determination. Multiple dwellings units constitute households for the purposes of an effective

<sup>&</sup>lt;sup>14</sup>See 47 C.F.R. § 76.905(g).

<sup>&</sup>lt;sup>15</sup> See Opposition of Coral Gables at 8-9; Opposition of Hialeah at 2-3; Opposition of North Miami at 2-3; Opposition of Opa-Locka at 4.

<sup>&</sup>lt;sup>16</sup> See Opposition of Coral Gables at 7; Opposition of Medley at 2. Emphasing that information that is not readily available but must be actively sought out does "not alone demonstrate reasonable awareness for effective competition purposes, Medley argues that Comcast failed to show that any DBS advertisements circulated in Medley. See id. at 8 (citing Century-TCI California, L.P. and Adelphia Cablevision of San Barnardino, LLC d/b/a Adelphia Cable Communications, 18 FCC Rcd. 7049, 7051 (2003)).

<sup>&</sup>lt;sup>17</sup> See Opposition of Hialeah, Florida at 3 (emphasing that 94 percent of the consumers in the Franchise Area are Hispanic or Latino; Opposition of Miami at 2 (noting that approximately 67 percent of the consumers in the Franchise Area are Hispanic or Latino). See also, Opposition of Opa-Locka at 3 (emphasizing that thirty percent of the City's population speaks a language other than English). Opa-Locka also argues that illerate residents may not be reasonably aware of the availability of DBS service. See id. at 3. Comcast, however, provides evidence of Spanish language television advertising provided in Southeast Florida on Univision. See Replies at Exhibit B.

<sup>&</sup>lt;sup>18</sup> See Opposition of Coral Gables at 7-8; Opposition of Hialeah at 4; Opposition of Miami at 2; Opposition of Opa-Locka at 4.

<sup>&</sup>lt;sup>19</sup> See Comcast Replies at 2-3. Nevertheless, Comcast submits further advertisements in Spanish. *Id.* at 3.

<sup>&</sup>lt;sup>20</sup> See Comcast Petitions at 4.

competition determination. In addition, these households are entitled to subscribe to, and install antennas to receive, DBS service in accordance with Section 1.4000 of the Commission's rules.<sup>21</sup> Without more, we cannot conclude that the bulk purchase contracts and antenna access issues of Multiple Dwelling Units prevent at least 50 percent of the households from receiving DBS service. In sum, we find that Comcast has demonstrated that the Franchise Areas are served by at least two unaffiliated MVPDs, DirecTV and EchoStar, each of which offer comparable video programming to at least 50 percent of the households in the franchise area.<sup>22</sup> Therefore, the first prong of the competing provider test is satisfied.

- 7. The second prong of the competing provider test requires that the number of households subscribing to MVPDs, other than the largest MVPD, exceeds 15 percent of the households in a franchise area. Comcast's assertion that it is the largest MVPD provider in these Franchise Areas was not disputed.<sup>23</sup>
- 8. Comcast has provided a copy of the 2000 Census Report showing the number of households in the Franchise Areas.<sup>24</sup> Comcast also purchased a Satellite Broadcasting and Communications Association ("SBCA") Effective Competition Tracking Report for the Franchise Areas reflecting the number of DBS subscribers within the specified ZIP codes associated with the cable communities.<sup>25</sup> Because franchise areas and ZIP codes do not directly overlap, Comcast applies an allocation figure derived through a geocoding process completed by Media Business Corp. ("MBC," previously known as "SkyTrends") to SBCA's DBS subscriber count to ensure that the final count reflects only that portion of the five-digit postal ZIP code within a particular Franchise Area.<sup>26</sup> The data provided by Comcast indicates that DBS penetration ranges from 16.5 percent in North Miami to 34.79 percent in Medley.<sup>27</sup>
- 9. Many cities argued that the 2000 Census data is outdated and inaccurate, particularly as compared to the 2004 satellite penetration data from SBCA. These communities offer alternatives to the 2000 Census data. Miami-Dade, for example, asserts that 2004 household data may be obtained through review of the publicly available housing records in the Property Appraiser's files.<sup>28</sup> Hialeah offers as an alternative an estimate number of households in Hialeah as of April 2, 2004 which is five thousand households more than the number of reported households in the 2000 Census and that is derived by adding new building permits to the 2000 Census housing unit number and multiplying that sum by the estimated occupancy rate.<sup>29</sup> Medley argues that because it has so few residents, it can determine that the

<sup>24</sup> *Id.* at Exhibit 7.

<sup>26</sup> *Id.* at 7.

<sup>&</sup>lt;sup>21</sup> 47 C.F.R. § 1.4000 (Commission's over-the-air reception device rules).

<sup>&</sup>lt;sup>22</sup> See Comcast Petitions at 2-5.

<sup>&</sup>lt;sup>23</sup> *Id*. at 5.

<sup>&</sup>lt;sup>25</sup> *Id*. at 5.

<sup>&</sup>lt;sup>27</sup> *Id.* at Exhibit 6.

<sup>&</sup>lt;sup>28</sup> See Opposition of Miami-Dade County at 3.

<sup>&</sup>lt;sup>29</sup> See Opposition of Hialeah at 6. Hialeah derives this occupancy rate from the 2000 total number of housing units divided by the housing unit number. See Opposition of Hialeah at Exhibit III.

actual number of households is 403, and that only 24 of these households show visual evidence of DBS service.<sup>30</sup> Thus, Medley argues, the actual DBS penetration rate in Medley is 5.96 percent.<sup>31</sup>

- 10. The cities also argued that the SBCA penetration data is inflated. Hialeah and North Miami contend that a significant number of households in their respective communities are occasional, recreational and seasonal use households that should not be included in the DBS penetration figures.<sup>32</sup> Hialeah and North Miami further contend that the MBC data may include "post offices, P.O. boxes where mail is not delivered as well as commercial establishments."<sup>33</sup> In opposition, Medley and Coral Gables argue that courtesy accounts should not be included in the DBS penetration count. <sup>34</sup> Miami-Dade County argues that Comcast should not be allowed to rely on SBCA data to the extent it includes Motorola Access Center (C-band) residential subscriber totals.<sup>35</sup> Miami-Dade County and Coral Gables also argue that the SBCA data should be reduced by the number of residential subscribers that subscribe to both DBS and Comcast cable service.<sup>36</sup>
- 11. The cities further argue that MBC's allocation figure fails to accurately represent individuals living within both the franchise area and the relevant ZIP codes. Specifically, Miami Dade asserts that in a test of ZIP code 33054 using the same information relied upon by MBC, its expert found no residential households in unincorporated Miami-Dade County while MBC found 3,948 households.<sup>37</sup> Similarly, Coral Gables and Medley argue that based on the calculation of Comcast, "over 100 percent of the DBS households reported by SBCA" lie within particular ZIP codes.<sup>38</sup> For example, Coral Gables notes that in ZIP code 33134, Comcast's calculation estimates that 68.16 percent of the households are in Coral Gables, 24.49 in Miami, and 18.26 in Miami-Dade County West, adding to an allocation of 110 percent.<sup>39</sup> Coral Gables further asserts that Comcast, by its own admission on a quarterly report, serves approximately 86.79 percent of Coral Gables, and thus, the DBS penetration level in Coral Gables cannot meet the 15 percent threshold.<sup>40</sup>
- 12. In reply, Comcast argues that commercial establishments are not included in SBCA's reported number of DBS households.<sup>41</sup> There are probably a few courtesy DBS accounts in the cities, but in any event, asserts Comcast, such accounts are "formidable competition" with its own MVPD services

<sup>&</sup>lt;sup>30</sup> See Opposition of Medley at 5.

<sup>&</sup>lt;sup>31</sup> *Id*.

<sup>&</sup>lt;sup>32</sup> See Opposition of Hialeah at 6; Opposition of North Miami at 5.

<sup>&</sup>lt;sup>33</sup> See Opposition of North Miami at 4.

<sup>&</sup>lt;sup>34</sup> See Opposition of Coral Gables at 4.

<sup>&</sup>lt;sup>35</sup> See Opposition of Miami Dade County at 5.

<sup>&</sup>lt;sup>36</sup> See id. at 5; Opposition of Coral Gables at 4.

<sup>&</sup>lt;sup>37</sup> See Opposition of Miami-Dade County at 4.

<sup>&</sup>lt;sup>38</sup> See Oppostion of Coral Gables at 3-4; Opposition of Medley at 4.

<sup>&</sup>lt;sup>39</sup> See Opposition of Coral Gables at 6.

<sup>&</sup>lt;sup>40</sup> See Opposition of Coral Gables at 3-4.

<sup>&</sup>lt;sup>41</sup> See Comcast Replies at 6. See also, Petition at Exhibit 6. The Effective Competition Tracking Report submitted by Comcast excludes "commercial and test accounts."

and should not be excluded from the DBS subscriber total.<sup>42</sup> With respect to dual subscribers, Comcast emphasizes that the second prong of the competing provider test contemplates the measure of all subscriptions to all MVPD services that compete with Comcast. Comcast admits that SBCA data includes C-Band subscribers but asserts that C-Band subscriptions in urban areas are "negligible."<sup>43</sup>

- 13. Comcast also defends its allocation methodology by emphasizing that the percentages exceed 100 percent of the local households because in Miami-Dade County both an individual municipality and the County issue two separate franchises to each cable system. As a result, DBS subscribers are counted for both franchise assignments. As an illustration, Comcast offers an analysis of ZIP code 33166 to show that 100 percent of the ZIP code lies within Miami-Dade County's "West License Area," and 77.2 percent of this ZIP code lies within three municipalities, Medley (3.53 percent), Miami Springs (62.74 percent), and Virginia Gardens (10.96 percent). Therefore, the DBS subscribers are allocated to the percentage of the ZIP code that is located within the particular municipality and also, separately allocated to the West License Area. With respect to the argument asserted by Miami-Dade that it found no residential households in ZIP code 33054 claimed by MBC to contain 3,948 households, Comcast argues that Miami-Dade fails to explain where it believes 33054 to be located and verifies that the zip code lies within Miami-Dade County North License Area and unincorporated Miami-Dade County.
- 14. We reject the cities' argument that the 2000 Census data is outdated. We have consistently held that 2000 Census data is sufficiently reliable for effective competition determinations,<sup>49</sup> although the Commission has indicated that it "will accept more recent household data that is demonstrated to be reliable."<sup>50</sup> We do not believe, however, that the alternatives presented by Medley and Miami Dade County in this proceeding have sufficient indicia of reliability and accuracy to justify their use. Medley asserts that it can determine the number of households in the community and DBS subscribership through "visual inspection," but offers no further explanation as to how it defines a household or how thoroughly it visually inspected the property.<sup>51</sup> The estimates offered by North Miami based on property appraiser records do not approximate the 2000 Census data because permits do not guarantee that households are actually occupied.<sup>52</sup> Hialeah, however, does correct for this error by multiplying the sum of housing units in the 2000 Census

<sup>&</sup>lt;sup>42</sup> See id. at 4-5.

<sup>&</sup>lt;sup>43</sup> See id. at. 5. Comcast emphasizes that subscribership to C-Band nationwide totals only 272,181 as of December 2, 2004, and that "this subscriber base presumably skews to rural areas." See id. at 5 n.15.

<sup>&</sup>lt;sup>44</sup> *See id.* at 6.

<sup>&</sup>lt;sup>45</sup> See id. at 7-8.

<sup>&</sup>lt;sup>46</sup> See id.

<sup>&</sup>lt;sup>47</sup> See supra note 40 and accompanying text.

<sup>&</sup>lt;sup>48</sup> *See id.* at 8.

<sup>&</sup>lt;sup>49</sup> See e.g., In the Matter of Cablevision of Raritan Valley, Inc. et al., 19 FCC Rcd 6966, 6968 (2004); In the Matter of Adelphia Cable Communications, 20 FCC Rcd 4979, 4982 (2005).

<sup>&</sup>lt;sup>50</sup> See e.g. In the Matter of Adelphia Cable Communications, 20 FCC Rcd 4979, 4982 (2005).

<sup>&</sup>lt;sup>51</sup> See Opposition of Medley at 5.

<sup>&</sup>lt;sup>52</sup> See Implementation of Cable Act Reform Provisions of the Telecommunications Act of 1996, 9 FCC Rcd 4316, 4324 (1994); see also, < www.census.gov/dmd/www/glossary.html > ("Census Glossary").

and new building permits by an estimated occupancy rate derived from the 2000 Census data.<sup>53</sup> Even if this estimate adequately reflects the number of occupied households in Hialeah in 2004, however, DBS penetration in Hialeah would still equal 15.96 percent.

- 15. We also reject the cities' argument that the SBCA penetration data is inflated by the inclusion of commercial establishments, dual cable and DBS subscribers, and C-Band residential subscribers. As noted by Comcast, the SBCA data specifically excludes commercial establishments.<sup>54</sup> Furthermore, the Commission has determined that there is no rationale for discounting dual subscribers from the total number of DBS subscribers for the purpose of the competing provider test.<sup>55</sup> Moreover, as of June 2005, there were approximately 206,358 households<sup>56</sup> authorized to receive the home satellite dish (HSD) C-Band service as of June 2005, a 38.5 percent decrease from 2004.<sup>57</sup> HSD C-Band service meets the definition of MVPD, even if it not directly mentioned in the statute,<sup>58</sup> and even though it does not meet the definition of DBS service.<sup>59</sup> In any event, we agree with Comcast that the inclusion of C-Band subscriptions in the total DBS subscribership totals is likely to have little impact on DBS penetration estimates in this case.
- 16. Because the 2000 definition of households excludes unoccupied housing and housing that is merely recreational or seasonal, 60 however, we believe that the number of DBS households reported by

an entity such as, *but not limited to*, a cable operator, a multichannel multipoint distribution service, a direct broadcast satellite service, a television receive-only satellite program distributor, a video dialtone service provider, or a satellite master antenna television service provider that makes available for purchase, by subscribers or customers, multiple channels of video programming.

See id. (Emphasis added.)

<sup>&</sup>lt;sup>53</sup> See supra note 29 and accompanying text.

<sup>&</sup>lt;sup>54</sup> See supra note 41 and accompanying text.

<sup>&</sup>lt;sup>55</sup> See e.g. In the Matter of Mediacom Minnesota LLC, 20 FCC Rcd 4984, 4988 (2005) (reasoning that the clause "exceeds 15 percent of households in the franchise area" refers to the percentage of households served within a franchise by "the smaller MVPDs without excluding from that computation any households served by the largest MVPD.") For this reason, we reject Coral Gable's argument that since Comcast serves 86.7 percent of the population, a competitive provider is precluded from serving 15 percent of the population. See infra note 40 and accompanying text.

<sup>&</sup>lt;sup>56</sup> Id. (citing C-Band Decline Continues, Satellite Business News FAXUpdate, July 6, 2005).

<sup>&</sup>lt;sup>57</sup> See Twelfth Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, FCC 06-11, 21 FCC Rcd 2503 at ¶ 80 (2006). We noted that National Programming Service, LLC (NPS) and Superstar/Netlink reported service to approximately 100,000 subscribers and 170,000 subscribers respectively and that these subscriber counts exceed the estimate reported by Motorola's Access Control Center. See id

<sup>&</sup>lt;sup>58</sup> 47 C.F.R. § 76.905 (d) defines "mulitchannel video progromming distributor" as:

<sup>&</sup>lt;sup>59</sup> See 47 CFR §§ 25.201 (defining C-Band and DBS service).

<sup>&</sup>lt;sup>60</sup> The U.S. Census defines household as "A person or group of people who occupy a housing unit *as their usual place of residence*. The number of households equals the number of occupied housing units in a census." The census defines "vacant housing unit" to include "units temporarily occupied at the time of enumeration by individuals *who have a usual home elsewhere* are classified as vacant." Finally, "seasonal, recreational, occassional housing are units "held for occupancy only during limited portions of the year, such as a beach cottage, ski cabin, or time-share condominium." (Emphasis added.) *See* Census Glossary.

SBCA may be inflated by seasonal and recreational DBS households and so skew the ultimate percentage. We note, however, that in the two communities that alleged inflation in DBS numbers caused by recreational properties—North Miami and Hialeah--a proportionate reduction in the SBCA DBS figures for the percentage of seasonal, recreational, or occasional use properties does not cause the overall DBS penetration rate to fall below 15 percent in these communities.<sup>61</sup>

17. We accept the data, including revised Exhibit A, provided by Comcast as establishing a reasonable basis for finding that DBS penetration exceeds 15 percent in the Franchise Areas. These penetration rates provide a sufficient margin of error with respect to the 15 percent competing provider test threshold, overcoming any concerns raised by unsupported arguments about DBS penetration imbalances in the subject Franchise Areas. Moreover, a similar methodology used in calculating DBS penetration has been approved by the Commission in previous cases with similar fact patterns to the ones described by Comcast here. We therefore find that Comcast has provided evidence sufficient to meet the second prong of the competing provider effective competition test.

#### III. ORDERING CLAUSES

- 18. Accordingly, **IT IS ORDERED** that the Petitions for Determinations of Effective Competition in the Florida Franchise Areas, as set forth in Attachment A, filed by Comcast Cable Communications, LLC **ARE GRANTED**.
- 19. **IT IS FURTHER ORDERED** that the certifications to regulate basic cable service rates granted to any of the local franchising authorities in the Florida Franchise Areas overseeing Comcast Cable Communications, LLC **ARE REVOKED**.

FEDERAL COMMUNICATIONS COMMISSION

Steven A. Broeckaert Deputy Chief, Policy Division Media Bureau

approximately 0.17 percent of the total housing units (72,142). A 0.17 percent reduction of the allocated DBS subscribers for Hileah results in a DBS penetration rate of 16.94 percent. Even if we use Hialeah's estimated population as of 2004 and the 0.17 percent reduced DBS subscriber count, the penetration rate is 15.8 percent and thus, above the statutory threshold.

<sup>&</sup>lt;sup>61</sup> The 2000 U.S. Census data for North Miami reports that 20.2 percent of the 1,740 vacant housing units, or 351.48 units, are used for seasonal, recreational, or occasional use. 351.48 units represents 1.58 percent of the total housing units (22,281). A 1.58 percent reduction of the allocated DBS subscribers for North Miami results in a penetration rate at approximately 15.8 percent. Similarly, the 2000 U.S. Census data for Hialeah reports that 8.6 percent of the 1,438 vacant housing units, or 124 units, are used for seasonal, recreational, or occasional use. 124 units is

### ATTACHMENT A

File Number CSR-6406-E File Number CSR-6407-E File Number CSR-6408-E File Number CSR-6409-E File Number CSR-6410-E

# FRANCHISE AREAS SERVED BY Comcast COMMUNICATIONS on behalf of its Affiliates

# **Competing Provider Test**

Franchise Area	2000 Census	DBS Subs Allocated	<b>CPR: DBS Penetration</b>
	Household <sup>62</sup>		Rate
Coral Gables, City	16,793	3,331	19.84%
Hialeah, City	70,704	12,000	16.97%
Hialeah Gardens, City	5,636	1,296	23.00%
Kendall License Area	201,177	59,527	29.59%
Medley, Town	363	126	34.71%
Miami, City	134,198	21,658	16.14%
Miami Springs, City	5,090	1,681	33.03%
North License Area	178,522	32,243	18.06%
North Miami, City	20,541	3,297	16.05%
Opa-locka, City	4,890	1,064	21.76%
Sweetwater, City	4,267	906	21.23%
Virginia Gardens, village	890	294	33.03%
West Miami, City	2,062	410	19.88%
West License Area	69,740	15,233	21.84%

-

 $<sup>^{62}</sup>$  Household Data Figures, available at http://factfinder.census.gov; see Petitions at Exhibit E.