

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

In the Matter of)	
)	CSR 8564-E
Comcast Cable Communications, LLC)	CSR 8565-E
)	CSR 8566-E
Petition for Determination of Effective)	
Competition in 26 Pennsylvania Communities)	

MEMORANDUM OPINION AND ORDER

Adopted: April 24, 2012

Released: April 27, 2012

By the Senior Deputy Chief, Policy Division, Media Bureau:

I. INTRODUCTION AND BACKGROUND

1. Comcast Cable Communications, LLC, hereinafter referred to as “Petitioner,” has filed with the Commission petitions pursuant to Sections 76.7, 76.905(b)(2), and 76.907 of the Commission’s rules for a determination that Petitioner is subject to effective competition in the 20 communities listed on Attachment A and hereinafter referred to as the “Attachment A Communities.” Petitioner alleges that its cable system serving the Attachment A Communities is subject to effective competition pursuant to Section 623(l)(1)(B) of the Communications Act of 1934, as amended (“Communications Act”)¹ and the Commission’s implementing rules,² and is therefore exempt from cable rate regulation in those Communities because of the competing service provided by two direct broadcast satellite (“DBS”) providers, DIRECTV, Inc. (“DIRECTV”), and DISH Network (“DISH”). Petitioner additionally claims to be exempt from cable rate regulation in the six communities listed on Attachment B and hereinafter referred to as Attachment B Communities, pursuant to Section 623(l)(1)(A) of the Communications Act³ and Section 76.905(b)(1) of the Commission’s rules,⁴ because the Petitioner serves fewer than 30 percent of the households in the franchise area. The petitions are unopposed.

2. In the absence of a demonstration to the contrary, cable systems are presumed not to be subject to effective competition,⁵ as that term is defined by Section 623(l) of the Communications Act and Section 76.905 of the Commission’s rules.⁶ The cable operator bears the burden of rebutting the presumption that effective competition does not exist with evidence that effective competition is present within the relevant franchise area.⁷ For the reasons set forth below, we grant the petitions based on our finding that Petitioner is subject to effective competition in the Communities listed on Attachments A and B.

¹ See 47 U.S.C. § 543(l)(1)(B).

² 47 C.F.R. § 76.905(b)(2).

³ See 47 U.S.C. § 543(l)(1)(A).

⁴ 47 C.F.R. § 76.905(b)(1).

⁵ 47 C.F.R. § 76.906.

⁶ See 47 U.S.C. § 543(l); 47 C.F.R. § 76.905.

⁷ See 47 C.F.R. §§ 76.906-.907(b).

II. DISCUSSION

A. The Competing Provider Test

3. Section 623(l)(1)(B) of the Communications Act provides that a cable operator is subject to effective competition if the franchise area is (a) served by at least two unaffiliated multi-channel video programming distributors (“MVPDs”) each of which offers comparable video 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.⁸ This test is referred to as the “competing provider” test.

4. The first prong of this test has three elements: the franchise area must be “served by” at least two unaffiliated MVPDs who offer “comparable programming” to at least “50 percent” of the households in the franchise area.⁹ It is undisputed that the Attachment A Communities are “served by” both DBS providers, DIRECTV and DISH, and that these two MVPD providers are unaffiliated with Petitioner or with each other. A franchise area is considered “served by” an MVPD if that MVPD’s service is both technically and actually available in the franchise area. 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.¹⁰ The Commission has held that a party may use evidence of penetration rates in the franchise area (the second prong of the competing provider test discussed below) coupled with the ubiquity of DBS services to show that consumers are reasonably aware of the availability of DBS service.¹¹ We further find that Petitioner has provided sufficient evidence to support its assertion that potential customers in those Communities are reasonably aware that they may purchase the service of these MVPD providers.¹² The “comparable programming” element is met if a competing MVPD provider offers at least 12 channels of video programming, including at least one channel of nonbroadcast service programming,¹³ and is supported in the petitions with copies of channel lineups for both DIRECTV and DISH.¹⁴ Also undisputed is Petitioner’s assertion that both DIRECTV and DISH offer service to at least “50 percent” of the households in the Attachment A Communities because of their national satellite footprint.¹⁵ Accordingly, we find that the first prong of the competing provider test is satisfied.

5. The second prong of the competing provider test requires that the number of households subscribing to MVPDs, other than the largest MVPD, exceed 15 percent of the households in a franchise area. Petitioner asserts that it is the largest MVPD in 16 Attachment A Communities;¹⁶ and that, in the other four, Petitioner and the DBS providers combined each serve in excess of 15 percent of the

⁸ 47 U.S.C. § 543(l)(1)(B); *see also* 47 C.F.R. § 76.905(b)(2).

⁹ 47 C.F.R. § 76.905(b)(2)(i).

¹⁰ *See, e.g.*, Petition in CSR 8564-E at 3.

¹¹ *Mediacom Illinois LLC*, 21 FCC Rcd 1175, 1176, ¶ 3 (2006).

¹² 47 C.F.R. § 76.905(e)(2).

¹³ *See* 47 C.F.R. § 76.905(g); *see also, e.g.*, Petition in CSR 8565 at 5.

¹⁴ *See, e.g.*, Petition in CSR 8566-E at Exh. 2.

¹⁵ *See, e.g.*, Petition in CSR 8564-E at 3.

¹⁶ These are, in CSR 8564-E, Anthony and Lewis; in CSR 8565-E, Millerstown; and, in CSR 8566-E, Biglerville, Bonneauville, Carroll, Carroll Valley, Dillsburg, East Berlin, Fairfield, Franklin, Glen Rock, New Freedom, Shrewsbury, Spring Grove, and York Springs. Petitions at 7.

households.¹⁷ The Commission has recognized that in the latter conditions, whichever MVPD is the largest, the remaining MVPDs have subscribership of over 15 percent.¹⁸ Petitioner sought to determine the competing provider penetration there by purchasing a subscriber tracking report from the Satellite Broadcasting and Communications Association that identified the number of subscribers attributable to the DBS providers within the Attachment A Communities on a zip code plus four basis.¹⁹

6. Based upon the aggregate DBS subscriber penetration levels that were calculated using Census 2010 household data,²⁰ as reflected in Attachment A, we find that Petitioner has demonstrated that the number of households subscribing to programming services offered by MVPDs, other than the largest MVPD, exceeds 15 percent of the households in the Attachment A Communities. Therefore, the second prong of the competing provider test is satisfied for each of the Attachment A Communities. Based on the foregoing, we conclude that Petitioner has submitted sufficient evidence demonstrating that both prongs of the competing provider test are satisfied and Petitioner is subject to effective competition in the Attachment A Communities.

B. The Low Penetration Test

7. Section 623(l)(1)(A) of the Communications Act provides that a cable operator is subject to effective competition if the Petitioner serves fewer than 30 percent of the households in the franchise area. This test is referred to as the “low penetration” test.²¹ Petitioner alleges that it is subject to effective competition under the low penetration effective competition test because it serves less than 30 percent of the households in the Attachment B Communities.

8. Based upon the subscriber penetration level calculated by Petitioner, as reflected in Attachment B, we find that Petitioner has demonstrated the percentage of households subscribing to its cable service is less than 30 percent of the households in the Attachment B Communities. Therefore, the low penetration test is satisfied as to the Attachment B Communities.

¹⁷ These are, in CSR 8565-E, Greenwood; and, in CSR 8566-E, Cumberland, Littlestown, and New Oxford. Petitions in CSR 8565-E & 8566-E at 7.

¹⁸ If Petitioner is the largest MVPD, then MVPDs other than the largest one are the DBS providers, which have a combined share of over 15%. On the other hand, if one of the DBS providers is the largest MVPD, then Petitioner (which alone has over 15%) and the other DBS provider combined have over 15%. *See, e.g., Comcast Cable Commc'ns, LLC*, 26 FCC Rcd 10967, 10968-69, ¶ 5 (2011); *Comcast Cable Commc'ns, LLC*, 26 FCC Rcd 4901, 4903, ¶ 5 (2011); *Time Warner Cable Inc.*, 25 FCC Rcd 14422, 14424, ¶ 6 (2010).

¹⁹ *See, e.g.*, Petition in CSR 8564-E at 6-7.

²⁰ *See, e.g.*, Petition in CSR 8565-E at 8.

²¹ 47 U.S.C. § 543(l)(1)(A).

III. ORDERING CLAUSES

9. Accordingly, **IT IS ORDERED** that the petitions for a determination of effective competition filed in the captioned proceeding by Comcast Cable Communications, LLC, **ARE GRANTED**.

10. **IT IS FURTHER ORDERED** that the certification to regulate basic cable service rates granted to any of the Communities set forth on Attachments A and B **IS REVOKED**.

11. This action is taken pursuant to delegated authority pursuant to Section 0.283 of the Commission's rules.²²

FEDERAL COMMUNICATIONS COMMISSION

Steven A. Broecker
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²² 47 C.F.R. § 0.283.

ATTACHMENT A

CSRs 8564-E, 8565-E, 8566-E

COMMUNITIES SERVED BY COMCAST CABLE COMMUNICATIONS, LLC

Communities	CUIDs	CPR*	2010 Census Households	Estimated DBS Subscribers
CSR 8564-E				
Anthony Township	PA2988	28.82	524	151
Lewis Township	PA2984	25.07	674	169
CSR 8565-E				
Greenwood Township	PA2489	59.95	397	238
Millerstown Borough	PA3171	45.85	253	116
CSR 8566-E				
Biglerville Borough	PA1666	30.06	479	144
Bonneauville Borough	PA1401	40.73	658	268
Carroll Township	PA1932	34.79	2,153	749
Carroll Valley Borough	PA2284	41.41	1,420	588
Cumberland Township	PA1619	41.87	2,582	1,081
Dillsburg Borough	PA1103	33.12	1,075	356
East Berlin Borough	PA1326	36.60	642	235
Fairfield Borough	PA2283	31.67	240	76
Franklin Township	PA1933	33.44	1,821	609
Glen Rock Borough	PA1054	26.37	785	207
Littlestown Borough	PA1333	33.41	1,799	601
New Freedom Borough	PA1235	26.23	1,647	432
New Oxford Borough	PA1299	33.65	737	248
Shrewsbury Borough	PA1145	23.18	1,480	343
Spring Grove Borough	PA0022	39.08	865	338
York Springs Borough	PA2337	17.47	269	47

*CPR = Percent of competitive DBS penetration rate.

ATTACHMENT B

CSRs 8564-E, 8565-E, 8566-E

COMMUNITIES SERVED BY COMCAST CABLE COMMUNICATIONS, LLC

Communities	CUIDs	Franchise Area Households	Cable Subscribers	Penetration Percentage
CSR 8564-E				
Delaware Township	PA2989	1,831	84	4.58
Madison Township	PA3611	623	44	7.05
Turbot Township	PA3610	759	38	5.00
CSR 8565-E				
Susquehanna	PA3337	462	14	3.03
CSR 8565-E				
Monroe Township	PA2978	2,265	51	2.25
Springfield Township	PA2348	1,943	129	6.64