



# NEWS

**Federal Communications Commission**  
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## **FCC TO EXAMINE PROHIBITION ON EXCLUSIVE CONTRACTS**

*Provision of Program Access Rules Set to Expire in October 2002*

Washington, DC – The Federal Communications Commission (FCC) today initiated a proceeding to examine whether or not to extend the prohibition on exclusive contracts for satellite-delivered cable or satellite-delivered broadcast programming between vertically integrated programming vendors and cable operators. Pursuant to the Communications Act, the current prohibition on exclusive contracts will cease to be effective on October 5, 2002, unless the FCC conducts a proceeding and finds that such prohibition continues to be necessary to preserve and protect competition and diversity in the distribution of video programming. Today's *Notice of Proposed Rulemaking* (NPRM) begins that proceeding.

The "program access" provisions contained in Section 628 of the Communications Act were adopted as part of the Cable Television Consumer Protection and Competition Act of 1992. When adopting the statute, Congress was concerned by its finding that a majority of cable operators enjoyed a monopoly in program distribution at the local level, and concluded that the use of exclusive contracts between satellite-delivered vertically integrated programming vendors and cable operators could inhibit the development of competition among distributors.

Today's NPRM seeks comment on a number of issues including:

- Whether the prohibition on exclusive programming contracts between vertically integrated cable companies and satellite-delivered programming vendors should expire;
- The effect, if any, that the prohibition on exclusivity has had on competition in local and national markets;
- The degree to which, if at all, clustering and continuing consolidation in the communications industry should inform the FCC's decision on the sunset of the exclusivity prohibition;
- The effects of exclusivity in the multichannel video programming marketplace;
- The impact the prohibition on exclusivity has had on diversity in programming;
- Whether it would be advisable, and consistent with the FCC's statutory authority, to retain the rules only for some types of programming or in some specific cases;
- How other program access provisions would function should the exclusivity prohibition sunset;
- What future procedures the FCC should undertake if the prohibition on exclusivity is retained; and
- Any other issues appropriate to this inquiry in accordance with Section 628(c)(5).

Action by the Commission, October 11, 2001, by *Notice of Proposed Rulemaking* (FCC 01-307). Chairman Powell, Commissioners Abernathy, Copps and Martin.

CS Docket No. 01-290

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