



NEWS

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FOR IMMEDIATE RELEASE:
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FCC SETS RULEMAKING TO REFLECT STATUTORY SUNSET OF CPST RATE REGULATION

Washington, DC - The Federal Communications Commission today proposed to update its cable television rate regulations to reflect the end of its jurisdiction over cable programming service tier ("CPST") rates pursuant to the Telecommunications Act of 1996. The Commission also clarified how it will review appeals of franchising authority rate orders associated with channel changes while this proceeding is pending.

The Commission's rate regulations and rate forms were adopted when the rates for both the basic service tier ("BST") and the CPST were subject to regulation. Although the BST rates were subject to prior approval by local franchising authorities and CPST rates were subject to Commission review if a complaint was filed with the Commission, the Commission developed a common set of benchmarks and regulations for both BST and CPST rates. The 1996 Act ended regulation of CPST rates after March 31, 1999. For cable systems not subject to effective competition, BST rates remain subject to local review.

This proceeding provides an opportunity to review and update the Commission's rate rules, generally, and to improve the process based on experience gained with the current rate regulations. The notice focuses on improvements within the existing regulatory scheme for both BST and associated equipment, but also seeks comment on broader changes.

In its clarification, the Commission explained that it will review appeals of rate adjustments for adding, deleting, or substituting channels using its rules previously in effect for these changes. It also explained how it will review appeals regarding rate adjustments for channels moved to the BST before and after the sunset of the CPST.

Action by the Commission June 13, 2002, by Notice of Proposed Rulemaking and Order (FCC 02-177). Chairman Powell, Commissioners Abernathy, Copps and Martin.

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