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# FCC Adopts Rules to Ensure Competition in Video Distribution Market

*Washington, DC* – The Federal Communications Commission (FCC) today took steps to promote competition in the marketplace for video programming by adopting a Report and Order ("Order") which ensures competitive multichannel video programming distributors ("MVPDs") continue to have access to essential programming. The Report & Order extends the ban of exclusive contracts between vertically integrated programmers and cable operators to October 5, 2012. A vertically integrated programmer is one that is affiliated with a cable operator or other covered MVPD's. This ban had already been in place and was set to expire October 5, 2007.

Programming that is affiliated with a cable operator is some of the most popular programming available today, for which there are not good substitutes. The Order finds that vertically integrated programmers still have the ability and the incentive to favor the operators with whom they are affiliated over other competitive providers. Ensuring that competitive MVPDs have access to cable affiliated programming remains necessary for viable competition in the video distribution market.

The Commission also voted to amend its program access complaint procedures. These modifications will facilitate the efficient resolution of complaints and encourage settlement of disputes.

The Commission also adopted a Notice of Proposed Rulemaking (NPRM) seeking comment on two revisions to the program access complaint procedures. First, the NRPM seeks comment on whether to allow complainants to seek a temporary stay of any proposed changes to existing contracts that are the subject of a program access complaint. Second, the NPRM seeks comment on creating an arbitration-type step in the complaint process whereby the Commission may request, as part of its evaluation of the appropriate remedy, that the parties submit their best "final offer" proposals for the rates, terms, or conditions under review.

In addition the NPRM seeks comment on concerns relating to programming tying arrangements, which refers to the practice of some programmers to require MVPDs to purchase and carry undesired programming in return for the right to carry desired programming. The NPRM seeks comment whether it is appropriate to preclude these tying arrangements and to instead require all programming services to be offered on a stand-alone basis to all MVPDs.

The NPRM also seeks comment on whether it would be appropriate to extend the Commission's program access rules, including the exclusive contract prohibition, to terrestrially delivered cable-affiliated programming.

Action by the Commission September 11, 2007, by Report and Order and Notice of Proposed Rulemaking (FCC 07-169). Chairman Martin, Commissioners Adelstein, Tate, and McDowell, with Commissioner Copps approving in part and concurring in part. Separate statements issued by Chairman Martin, Commissioners Copps, Adelstein, Tate, and McDowell.

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