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**For Immediate Release**

**FCC FINDS EFFECTIVE COMPETITION IN PARTS OF HAWAII AND MASSACHUSETTS**

WASHINGTON, October 25, 2019—The Federal Communications Commission today adopted an Order granting Charter Communication’s Petition for Determination of Effective Competition, based on a finding that Charter is subject to effective competition from the AT&T TV NOW video streaming service in certain franchise areas in Hawaii and Massachusetts where Charter is currently subject to rate regulation.

The Communications Act allows franchising authorities to regulate the rates for the basic cable service tier and equipment if cable systems are not subject to effective competition. Congress anticipated the potential of innovative video programming competition and created four benchmark tests that would demonstrate that there was sufficient competition to allow the deregulation of cable rates. Given the definition of effective competition set forth in the statute and the state of the video marketplace, almost all cable systems in the United States are presumed to be subject to effective competition from direct broadcast satellite service and thus are not subject to rate regulation. However, there are certain cable systems in Hawaii and Massachusetts that remain subject to rate regulation.

In today’s Order, the Commission finds the local franchise authorities in Kauai, Hawaii and 32 communities in Massachusetts may not regulate basic-tier cable rates because Charter is subject to effective competition under the statutory local exchange carrier (LEC) test, which recognizes competing video programming provided by affiliates of LECs as effective competition for purposes of rate deregulation. Specifically, the Commission determines that AT&T TV NOW, an over-the-top streaming service, which used to be branded as DIRECTV NOW, satisfies the requirements of the LEC test.

Granting Charter’s petition is consistent with the text of the statute, requiring the deregulation of cable rates when, as here, an online streaming service option with comparable programming is available from a LEC affiliate in the franchise area, and reflects the competitive state of the video marketplace.

Action by the Commission October 25, 2019 by Memorandum Opinion and Order (FCC 19-110). Chairman Pai, Commissioners O’Rielly and Carr approving. Commissioners Rosenworcel and Starks concurring. Chairman Pai, Commissioners O’Rielly, Carr, Rosenworcel, and Starks issuing separate statements.

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*This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).*