

## FEDERAL COMMUNICATIONS COMMISSION

[Report No. 2528]

### Petition for Reconsideration of Action in Rulemaking Proceeding

February 1, 2002.

Petition for Reconsideration has been filed in the Commission's rulemaking proceeding listed in this Public Notice and published pursuant to 47 CFR Section 1.429(e). The full text of this document is available for viewing and copying in Room CY-A257, 445 12th Street, SW., Washington, DC or may be purchased from the Commission's copy contractor, Qualex International (202) 863-2893. Oppositions to this petition must be filed by February 21, 2002. See Section 1.4(b)(1) of the Commission's rules (47 CFR 1.4(1)). Replies to an opposition must be filed within 10 days after the time for filing oppositions has expired.

Subject: Telecommunications Industry's Environmental Civil Violations in U.S. Territorial Waters (South Florida and the Virgin Islands and along the Coastal Wetlands of Maine—FCC Accountability and Responsibility for Rulemaking regarding the NEPA, NHPA (RM-9913).

Number of Petitions Filed: 1.

William F. Caton,  
Acting Secretary.

[FR Doc. 02-2867 Filed 2-5-02; 8:45 am]

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## FEDERAL COMMUNICATIONS COMMISSION

[CS Docket No. 01-129, FCC 01-389]

### Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming

AGENCY: Federal Communications Commission.

ACTION: Notice.

**SUMMARY:** This document is in compliance with the Communications Act of 1934, as amended, which requires the Commission to report annually to Congress on the status of competition in the market for the delivery of video programming. On December 27, 2001, the Commission adopted its eighth annual report ("2001 Report"). The 2001 Report contains data and information that summarize the status of competition in markets for the delivery of video programming and updates the Commission's prior reports.

**FOR FURTHER INFORMATION CONTACT:** Marcia Glauberman or Anne Levine,

Cable Services Bureau, (202) 418-7200, TTY (202) 418-7172.

**SUPPLEMENTARY INFORMATION:** This is a synopsis of the Commission's 2001 Report in CS Docket No. 01-129, FCC 01-389, adopted December 27, 2001, and released January 14, 2002. The complete text of the 2001 Report is available for inspection and copying during normal business hours in the FCC Reference Center, 445 12th Street, SW., Washington, DC 20554, and may also be purchased from the Commission's copy contractor, Qualex International, Portals II, 445 12th Street, SW., Room CY-B402, Washington, DC 20554, telephone (202) 863-2893, facsimile (202) 863-2890, or e-mail at [qualex@aol.com](mailto:qualex@aol.com). In addition, the complete text of the 2001 Report is available on the Internet at <http://www.fcc.gov/csb>.

### Synopsis of the 2000 Report

1. The Commission's 2001 Report to Congress provides information about the cable television industry and other multichannel video programming distributors ("MVPDs"), including direct broadcast satellite ("DBS") service, home satellite dishes ("HSDs"), wireless cable systems using frequencies in the multichannel multipoint distribution service ("MMDS") and instructional television fixed service ("ITFS"), private cable or satellite master antenna television ("SMATV") systems, as well as broadcast television service. The Commission also considers several other existing and potential distribution technologies for video programming, including the Internet, home video sales and rentals, local exchange telephone carriers ("LECs"), and electric and gas utilities. In addition, for the first time, this year, the Commission addresses broadband service providers ("BSP"), a new category of entrant into the video marketplace.

2. The Commission also examines the market structure and competition. We evaluate horizontal concentration in the multichannel video marketplace and vertical integration between cable television systems and programming services. In addition, the 2001 Report addresses competitors serving multiple dwelling unit ("MDU") buildings, programming issues, technical issues, and examines communities where consumers have a choice between an incumbent cable operator and another MVPD and reports on the incumbent cable operator's response to such competition in several cases. The 2001 Report is based on publicly available data, filings in various Commission

rulemaking proceedings, and information submitted by commenters in response to a *Notice of Inquiry* (66 FR 35431) in this docket.

3. In the 2001 Report, the Commission finds that competitive alternatives and consumer choices continue to develop. Cable television still is the dominant technology for the delivery of video programming to consumers in the MVPD marketplace, although its market share continues to decline. As of June 2001, 78 percent of all MVPD subscribers received their video programming from a local franchised cable operator, compared to 80 percent a year earlier. There has been an increase in the total number of subscribers to non-cable MVPDs over the last year, which is primarily attributable to the growth of DBS service. However, generally, the number of subscribers to, and market shares of, MVPDs using other distribution technologies (i.e., MMDS, SMATV, and OVS) have remained stable, although the number of HSD subscribers continues to decline. Significant competition from local telephone companies has not generally developed even though the Telecommunications Act of 1996 ("1996 Act") removed some barriers to LEC entry into the video marketplace.

#### 4. Key Findings:

- **Industry Growth:** A total of 88.3 million households subscribed to multichannel video programming services as of June 2001, up 4.6 percent over the 84.4 million households subscribing to MVPDs in June 2000. This subscriber growth accompanied a 2.7 percentage point increase in multichannel video programming distributors' penetration of television households to 86.4 percent as of June 2001. The number of cable subscribers continued to grow, reaching 69 million as of June 2001, up about 1.9 percent over the 67.7 million cable subscribers in June 2000. The total number of non-cable MVPD households grew from 16.7 million as of June 2000 to 19.3 million homes as of June 2001, an increase of more than 15 percent. The growth of non-cable MVPD subscribers continues to be primarily attributable to the growth of DBS. Between June 2000 and June 2001, the number of DBS subscribers grew from almost 13 million households to about 16 million households, which is nearly two times the cable subscriber growth rate. DBS subscribers now represent 18.2 percent of all MVPD subscribers, up from 15.4 percent a year earlier.

- **Convergence of Cable and Other Services:** The 1996 Act removed barriers to LEC entry into the video marketplace