



NEWS

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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).

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FCC Adopts Rules to Increase Choice and Competition Among Video Providers for Consumers Residing in Multiple Dwelling Units

Washington, DC – The Federal Communications Commission (FCC) today adopted a Report and Order (Order) banning the use of exclusivity clauses for the provision of video services to multiple dwelling units (“MDUs”) or other real estate developments. The Order finds that nearly 30% of Americans live in MDUs and these numbers are growing.

With this proceeding, the Commission is taking another step to foster greater competition in the market for the delivery of multichannel video programming. These rules will increase choice and competition for consumers residing in MDUs and other real estate developments. In this *Order*, the Commission prohibits the enforcement or execution of existing exclusivity clauses and the execution of new ones by MVPDs subject to section 628 of the Communications Act. Specifically the Order finds that:

- exclusivity clauses that bar competitive entry harm competition and broadband deployment and can insulate the incumbent MVPD from any need to improve its service.
- exclusivity clauses are widespread in agreements between MVPDs and MDU owners.
- incumbent cable operators have increased the use of exclusivity clauses in their agreements with MDU owners with the entry of LECs into the video marketplace.
- the use of exclusivity clauses in contracts for the provision of video services to MDUs constitutes an unfair method of competition or an unfair act or practice under Section 628(b).

The Commission also adopted a Further Notice of the Proposed Rulemaking (Further Notice) that seeks comment on whether we should take action to address exclusivity clauses entered into by DBS providers, private cable operators, and other MVPDs who are not subject to Section 628. The Further Notice also seeks comment on whether the Commission should prohibit exclusive marketing and bulk billing arrangements.

Action by the Commission, October 31, 2007 by Report and Order (FCC 07-189). Chairman Martin, Commissioners Copps, Adelstein and Tate with Commissioner McDowell concurring. Separate statements issued by Chairman Martin, Commissioners Copps, Adelstein, Tate and McDowell.

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