



A Professional Limited Liability Company  
307 North Michigan Avenue, Suite 1020  
Chicago, Illinois 60601  
Telephone: 312-372-3930  
Facsimile: 312-372-3939

**UPDATE**  
**September 26, 2008**

---

**FCC Exempts Small Cable Systems from Dual Must Carry Requirement**

On September 4, 2008, the FCC released an Order exempting certain small cable systems from the dual must carry requirement. Specifically, cable systems with (i) 2,500 or fewer subscribers that are not affiliated with a cable operator serving more than 10% of all MVPD subscribers, or (ii) an activated channel capacity of 552 MHz or less, are exempted from the requirement to carry the HD version of a must carry signal in addition to the downconverted analog version.

The exemption sunsets on February 17, 2012. The FCC stated that the exemption period will allow cable systems to phase in new technology to come into compliance with the dual carriage requirement. The FCC will conduct a review of the exemption prior to the sunset date to determine whether an extension is warranted.

In its Order, the FCC also clarified that no cable operator, no matter the system size, is required to carry an SD version of a broadcast station's signal in addition to the analog version. However, the FCC reiterated that a cable operator, no matter what size, would be required to carry an SD version of a must carry station's signal if the system has digital subscribers that would otherwise not be able to view the analog version of that signal.

If your company has any questions regarding the FCC's digital must carry requirements, please call Emily Denney or Nicole Paolini-Subramanya at (312) 372-3930.

**FCC Sanctions VoIP Provider for Failing to Provide Fully Compliant E911 Service**

The FCC recently issued a Notice of Apparent Liability ("NAL") proposing a \$25,000 forfeiture by Cardinal Broadband, LLC ("Cardinal") for its failure to provide fully compliant E911 service.

The FCC had received a complaint that Cardinal, an interconnected VoIP provider, was not providing E911 service to a condominium complex in Colorado. The FCC investigated and issued a Letter of Inquiry to Cardinal. Cardinal responded that it did not qualify as an interconnected VoIP provider under the FCC's rules because it was a "reseller" of interconnected VoIP services.

The FCC disagreed, finding that *all* providers of interconnected VoIP services must incorporate E911 service into *all* interconnected VoIP service offerings. The FCC stated that it makes no distinction between providers that own and operate their own facilities, services, or networks, and those that outsource any or all of those functions.

The FCC further noted that Cardinal was subject to the FCC's other VoIP requirements, including CALEA, CPNI, TRS and disability access and LNP, and was obligated to contribute to the TRS, NANP/LNP and USF funds. The Commission warned that it would investigate Cardinal's compliance with these additional requirements and obligations, and that it may take further enforcement action against Cardinal if warranted.

If your company has any questions about E911 compliance for VoIP, or any other VoIP compliance issues, please call Nicole Paolini-Subramanya at (312) 372-3930.

---

*Please visit our website at [www.cinnamonmueller.com](#) to learn more about our lawyers and practice. You can reach Cinnamon Mueller at 312-372-3930. This update is provided by the law firm of Cinnamon Mueller. The document is intended for informational purposes only as a service to clients of Cinnamon Mueller and to the members of the American Cable Association. It is not intended to provide specific legal advice or to substitute obtaining appropriate legal counsel. We encourage you to consult with counsel to address special compliance issues and for assistance in negotiating or handling any such matter referred to in the update.*