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**CLIENT UPDATE**  
**August 22, 2008**

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**2008 Cable Regulatory Fees**

The FCC has released its final Fiscal Year 2008 Regulatory Fees:

- **2008 cable regulatory fee:** \$0.80 per subscriber, a \$0.05 increase from 2007.
- **CARS licenses and permits:** \$205.00, a \$20 increase from 2007.
- **Interconnected VoIP regulatory fee:** \$0.00314 for each dollar of interstate and international telecommunications revenue that a provider reports on its Form 499-A.

The FCC will collect these fees during a filing window in September 2008. We will let you know when the FCC announces the window. If you have any questions about regulatory fee payments, please call Scott Friedman at 312-372-3930.

**Form 396-C Due September 30<sup>th</sup>**

Cable operators must file Form 396-C (EEO Program Annual Report) by September 30<sup>th</sup>. The form must be filed electronically in the FCC's CDBS system. To file Form 396-C, go to <http://fjallfoss.fcc.gov/cgi-bin/ws.exe/prod/cdbs/forms/prod/cdbsmenu.hts><http://fjallfoss.fcc.gov/cgi-bin/ws.exe/prod/cdbs/forms/prod/cdbsmenu.hts>.

If you have any questions about EEO compliance, please call Nicole Paolini-Subramanya at (312) 372-3930.

**Second Circuit OKs Cablevision Remote-Storage DVR**

On August 4<sup>th</sup>, the U.S. Court of Appeals for the Second Circuit reversed a district court ruling that Cablevision's proposed remote-storage DVR service would directly infringe on programmers' copyrights. This decision is potentially a boon for cable operators, as it could allow them to provide DVR functionality to subscribers without investing the capital to put a DVR-equipped set-top box in each subscriber's home.

Expect the programmers to appeal. We will update you on any further proceedings.

**Commission Announces New Standards for Effective Competition Petitions**

Local franchise authorities cannot regulate the rates of cable operators subject to "effective competition." Accordingly, a cable operator may get out from under rate regulation by filing a petition with the FCC showing that it is subject to effective competition. One way that a cable operator can demonstrate effective competition is to show that the number of households in a franchise area that subscribe to competing video services is more than 15 percent of all the households in that franchise area. Currently, the FCC permits cable operators to use five-digit zip code data to make this showing.

The FCC recently clarified that beginning September 1, 2008, cable operators using zip code data to support a petition for effective competition must submit nine-digit "zip code plus four" data. The FCC has found that the nine-digit zip code data is more detailed and reliable than traditional five-digit zip code data.

If you have any questions regarding effective competition petitions, please call Emily Denney at (312) 372-3930.

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Please visit our website at [www.cinnamonmueller.com](http://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.*