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IF YOU HAVE QUESTIONS ABOUT THIS UPDATE, PLEASE CONTACT EMILY DENNEY AT 312-580-8288.

CLIENT UPDATE
November 8, 2004

Cable Copyright Alert
Have You Received a Letter from the MPAA?

Many small operators have received letters from the Motion Picture Association of America raising the operators' failure to comply with cable copyright laws. Here's the background – as a representative of copyright holders, MPAA aggressively monitors cable operators' compliance with copyright laws. Reportedly, they have hired additional personnel to scrutinize small cable operators. The MPAA letters typically make allegations of noncompliance and threaten legal action.

The cable copyright laws have been on the books since 1976, and a cable operator risks a lawsuit if it does not comply. If you receive an inquiry or demand letter from MPAA, you should consider obtaining legal advice from attorneys with experience in this area. We are advising many clients on the MPAA letters and copyright compliance. Please call Emily Denney or Chris Cinnamon at 312-372-3930 for more information.

FCC Compliance Alert
MSO Pays $225,000 for Public File Violations

In August, we reminded you that your public file obligations are important. One large operator's story illustrates just how important it is to comply. The company recently paid the FCC $225,000 to settle public file violations.

Your public file requirements depend on the size of your system. Systems with fewer than 1,000 subscribers have the fewest public file obligations. Systems with more than 5,000 have the most extensive obligations. When FCC field inspectors visit a cable system, public file compliance is on their checklist. The best practice is to put your public file in order *before* the inspector calls. A cable operator risks fines if it fails to do so.

We have advised many cable operators how to efficiently comply with the public file regulations. Please call Emily A. Denney at 312-372-3930 for more information about how we can help your company.

Small System EAS Activity at the FCC

The FCC has initiated a proceeding to examine its current Emergency Alert System regulations. The proceeding will consider a range of EAS issues, including how to handle the expiration of current small system EAS waivers, most of which expire next year.

On behalf of the American Cable Association, Cinnamon Mueller has filed comments in the proceeding. ACA's comments asked for specific small system relief. The comments were filed on October 29. You can find the comments on ACA's website www.americancable.org.

Cable Operations and Regulations
The FCC's Inside Wiring Rules

In today's competitive environment, a cable operator's rights to serve apartment buildings and complexes are increasingly valuable. Do your systems serve multiple dwelling units such as apartment buildings? Do you want to serve more? If so, the FCC's inside wire regulations are important for your business.

The Commission's inside wiring rules set up procedures under which competing providers may access an incumbent's wiring. Under certain circumstances, the rules can result in a cable operator inadvertently abandoning its wiring. The rules are detailed and variations in state laws may affect how they apply. Here are a few key points:

Access to inside wiring. Competing providers may access home run wiring in an MDU at the "demarcation point." The demarcation point is defined as "a point at (or about) twelve inches outside of where the cable wire enters the subscriber's dwelling unit, or, where the wire is physically inaccessible at such point, the closest practicable point thereto…" The FCC is currently considering whether a demarcation point located behind sheetrock is accessible.

Access to home run wiring. The inside wiring regulations specify procedures whereby a competitor can gain access to home run wiring on a building-by-building basis and even on a unit-by-unit basis. Incumbents and new entrants need to know their rights or obligations under these regulations.

The importance of access agreements. The Commission's inside wiring regulations underscore the importance of a solid and enforceable access agreement between a cable operator and a building owner. Without an enforceable contract, a cable operator's right to continue to serve a building or complex is in jeopardy.

We regularly advise cable clients on inside wiring issues, including access agreements and disputes over home run wiring. Please call Nicole Paolini at 312-372-3930 if you have any questions about how the inside wiring rules affect your company.

Please visit our website at **www.cm-chi.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 Client Update.