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IF YOU HAVE QUESTIONS ABOUT THIS UPDATE, PLEASE CONTACT EMILY DENNEY AT 312-372-3930.

CLIENT UPDATE
December 13, 2004

ON THE FCC's RADAR:
PUBLIC FILE OBLIGATIONS

Last month, we reminded you that your public file obligations are important, explaining how one company recently paid the FCC \$225,000 to settle public file violations. That reminder was timely – on December 6, the Commission issued a public notice entitled “Reminder of Cable Television System Public Inspection File Obligations.” Public file compliance is on the FCC’s radar. 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 are advising many cable operators on how to efficiently comply with the public file regulations. Please call Emily A. Denney at 312-372-3930 for more information.

WIRELESS BROADBAND: COMPETITIVE THREAT OR OPPORTUNITY?

Rural broadband is coming, and companies like Verizon are getting into the act. Verizon’s subsidiary, Verizon Avenue, recently deployed its first wireless broadband system in Grundy, Virginia. The company is in the final investigation stage before beginning negotiations with five other rural communities. Further, the FCC and USDA’s Rural Utilities Service (RUS) are actively encouraging the deployment of wireless broadband in rural communities:

- The agencies have launched a joint federal rural wireless outreach initiative.
- The agencies administer the Rural Wireless Community Vision Program, which will provide direct assistance to selected rural communities.
- In July 2004, the FCC released an order modifying its rules to facilitate the use of unlicensed spectrum by wireless Internet service providers (WISPs).
- RUS has approved 35 broadband loans and loan guarantees under its rural broadband program. Of these, 8 have gone to wireless broadband projects.

Is wireless broadband a competitive threat or opportunity in your rural area?

We believe it is both. The Pew Internet & American Life Project’s latest study on rural broadband reveals that rural take-up of broadband is limited by lack of facilities, not by lack of demand. Many of the technical bugs have been worked out, and companies like Verizon Avenue and start-up WISPs will be stepping offering wireless broadband in smaller markets.

Incumbent cable operators are uniquely positioned to deploy wireless or cable technology because of their local presence and knowledge of their communities. Cinnamon Mueller is helping a number of its clients with wireless and cable broadband projects. If you are interested in deploying wireless or cable broadband, are considering RUS funding for a wireless or cable broadband project, call Nicole Paolini at 312-372-3930 for more information.

RETRANSMISSION CONSENT 2005... **START PREPARING AT THE NCTC WEC**

The next retransmission consent round is only 10 months away. There is plenty you and your company can do to prepare for these tough negotiations. For starters, we encourage you to attend the NCTC's Winter Educational Conference in San Antonio on January 31 – February 1, 2005. Chris Cinnamon will be speaking on retransmission consent and other broadcast signal carriage issues. NCTC has put together a great line-up of valuable sessions. Don't miss this important event. Go to <http://www.cabletvcoop.org/meetings/wec2005/> and call NCTC at (913) 599-5900 for more information.

MANDATORY ELECTRONIC FILING AT THE FCC

Mandatory electronic filing is effective February 1, 2005 for the following FCC Forms:

- Form 320 – Basic Signal Leakage Report
- Form 322 – Cable Community Registration
- Form 324 – Operator, Mail Address, and Operational Information Changes
- Form 325 – Annual Report of Cable Television Systems

Paper versions of these forms will not be accepted for filing after January 31, 2005, unless accompanied by a request for waiver of the electronic filing requirement. The Commission will only consider waivers of the electronic filing requirement where it can be shown that electronic filing would be a hardship. Waivers will not be routinely granted and you must be specific as to the fact and circumstances warranting relief from the rule.

Access the electronic filing system at www.fcc.gov/coals. For more information, please call Emily A. Denney 312-372-3930.

ANNUAL SUBSCRIBER NOTICES

We are helping many clients with subscriber notices, including privacy notices, annual notices, and Internet use policies. Sending notices are a key part of your cable business, as they keep your customers informed of both their rights and your rules, and your company will be in compliance with the Commission's rules and regulations. Please call Emily Denney at 312-372-3930 for information.

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.