

International Transcription Services, Inc., 2100 M Street, NW., Suite 140, Washington, DC 20037, (202) 857-3800.

Provisions of the Regulatory Flexibility Act of 1980 do not apply to this proceeding.

Members of the public should note that from the time a Notice of Proposed Rule Making is issued until the matter is no longer subject to Commission consideration or court review, all *ex parte* contacts are prohibited in Commission proceedings, such as this one, which involve channel allotments. See 47 CFR 1.1204(b) for rules governing permissible *ex parte* contact.

For information regarding proper filing procedures for comments, see 47 CFR 1.415 and 1.420.

List of Subjects in 47 CFR Part 73

Radio broadcasting.

Federal Communications Commission.

John A. Karousos,

Chief, Allocations Branch, Policy and Rules Division, Mass Media Bureau.

[FR Doc. 96-16763 Filed 7-1-96; 8:45 am]

BILLING CODE 6712-01-F

47 CFR Part 76

[CS Docket No. 96-139; DA 96-1012]

Cable Television Service; List of Major Television Markets

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: The Commission, through this action, invites comments on its proposal to amend its rules regarding the listing of major television markets, to change the designation of the Houston television market to include the communities of Baytown, Galveston, Alvin, Rosenberg, Katy and Conroe, Texas. This action is taken at the request of Pray, Inc., licensee of television station KRTW(TV), Channel 57 (presently KVVV), Baytown, Texas and it is taken to test the proposal for market hyphenation through the record established based on comments filed by interested parties.

DATES: Comments are due on or before August 26, 1996 and reply comments are due on or before September 16, 1996.

ADDRESSES: Federal Communications Commission, 1919 M Street, NW, Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Vanessa Stallings, Cable Services Bureau, (202) 418-7200.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's *Notice of*

Proposed Rulemaking, CS Docket 96-139, adopted June 21, 1996 and released June 24, 1996.

The full text of this decision is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239), 1919 M Street, NW, Washington, D.C. 20554, and may be purchased from the Commission's copy contractor, International Transcription Service, (202) 857-3800, 1919 M Street, NW, Washington, D.C. 20554.

Synopsis of the Notice of Proposed Rulemaking

1. The Commission, in response to a Petition for Rulemaking filed by the petitioner, proposed to amend Section 76.51 of the Rules to add the communities of Baytown, Galveston, Alvin, Rosenberg, Katy and Conroe to the Houston television market.

2. In evaluating past requests for hyphenation of a market, the Commission has considered the following factors as relevant to its examination: (1) the distance between the existing designated communities and the community proposed to be added to the designation; (2) whether cable carriage, if afforded to the subject station, would extend to areas beyond its Grade B signal coverage area; (3) the presence of a clear showing of a particularized need by the station requesting the change of market designation; and (4) an indication of benefit to the public from the proposed change. Each of these factors helps the Commission to evaluate individual market conditions consistent "with the underlying competitive purpose of the market hyphenation rule to delineate areas where stations can and do, both actually and logically, compete."

3. Based on the facts presented, the Commission believes that a sufficient case for redesignation of the subject market has been set forth so that this proposal should be tested through the rule making process, including the comments of interested parties. It appears from the information before the Commission that the television stations licensed to Houston, Baytown, Galveston, Alvin, Rosenberg, Katy and Conroe, Texas do compete throughout much of the proposed combined market area, and that sufficient evidence has been presented tending to demonstrate commonality between the proposed communities to be added to the market designation and the market as a whole that "hyphenation" of the market should be proposed. Moreover, the petitioners' proposal appears to be consistent with the Commission's policies regarding redesignation of a

hyphenated television market.

Accordingly, comment is requested on the proposed addition of Baytown, Galveston, Alvin, Rosenberg, Katy and Conroe to the Houston, Texas television market.

Initial Regulatory Flexibility Analysis

4. The Commission certifies that the Regulatory Flexibility Act of 1980 does not apply to this rulemaking proceeding because if the proposed rule amendment is promulgated, there will not be a significant economic impact on a substantial number of small business entities, as defined by Section 601(3) of the Regulatory Flexibility Act. A few cable television system operators will be affected by the proposed rule amendment. The Secretary shall send a copy of this Notice of Proposed Rulemaking, including the certification, to the Chief Counsel for Advocacy of the Small Business Administration in accordance with paragraph 603(a) of the Regulatory Flexibility Act. Public Law No. 96-354, 94 Stat. 1164, 5 U.S.C. Section 601 *et seq.* (1981).

Ex Parte

5. This is a non-restricted notice and comment rulemaking proceeding. *Ex parte* presentations are permitted, provided they are disclosed as provided in the Commission's Rules. See generally 47 CFR §§ 1.1202, 1.1203 and 1.1206(a).

Comment Dates

6. Pursuant to applicable procedures set forth in §§ 1.415 and 1.419 of the Commission's Rules, interested parties may file comments on or before August 26, 1996 and reply comments on or before September 16, 1996. All relevant and timely comments will be considered before final action is taken in this proceeding. To file formally in this proceeding, participants must file an original and four copies of all comments, reply comments, and supporting comments. If participants want each Commissioner to receive a personal copy of their comments, an original plus nine copies must be filed. Comments and reply comments should be sent to the Office of the Secretary, Federal Communications Commission, Washington, D.C. 20554. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) of the Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554.

7. This action is taken pursuant to authority delegated by Section 0.321 of the Commission's Rules.

List of Subjects in 47 CFR Part 76

Cable television.

Federal Communications Commission.
William H. Johnson,
Deputy Chief, Cable Services Bureau.
[FR Doc. 96-16819 Filed 7-1-96; 8:45 am]
BILLING CODE 6712-01-P

47 CFR Part 76

[CS Docket No. 96-133, FCC 96-265]

Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming

AGENCY: Federal Communications Commission.

ACTION: Notice of inquiry.

SUMMARY: The Commission is required to report annually to Congress on the status of competition in the market for the delivery of video programming pursuant to Section 628(g) of the Communications Act of 1934, as amended. On June 12, 1996, the Commission adopted a *Notice of Inquiry* to solicit information from the public for use in preparing the competition report that is to be submitted to Congress in December 1996. The *Notice of Inquiry* will provide parties with an opportunity to submit comments and information to be used in conjunction with publicly available information and filings submitted in relevant Commission proceedings to assess the extent of competition in the market for the delivery of video programming.

DATES: Comments are due by July 19, 1996, and reply comments are due by August 19, 1996.

ADDRESSES: Federal Communications Commission, Washington, D.C. 20554.

FOR FURTHER INFORMATION CONTACT: Marcia Glauber, Cable Services Bureau, (202) 418-7200, or Jeffrey Lanning, Office of the General Counsel, (202) 418-1880.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's *Notice of Inquiry* in CS Docket No. 96-133, FCC 96-265, adopted June 12, 1996, and released June 13, 1996. The complete text of this *Notice of Inquiry* is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239), 1919 M Street, N.W., Washington, D.C., 20554, and may also be purchased from the Commission's copy contractor, International Transcription Service (202) 857-3800, 1900 M Street, N.W., Washington, D.C. 20054.

Synopsis of the Notice of Inquiry

1. Section 628(g) of the Communications Act of 1934, as amended ("Communications Act"), 47 U.S.C. § 548(g), requires the Commission to deliver an annual report to Congress on the status of competition in the market for the delivery of video programming. The Commission submitted its first two reports to Congress in September 1994 and December 1995, respectively.

2. The *Notice of Inquiry* ("NOI") is designed to solicit comments and information that the Commission can use to prepare its 1996 Competition Report. Specifically, the NOI requests information on the cable industry, existing and potential competitors to cable systems, barriers to entry by new competitors, technological advances and the effects of the 1996 Act on competition in the market for the delivery of video programming. The Commission expects to use the information that is submitted by commenters to supplement publicly available information and relevant comments that have been filed in other Commission proceedings. The NOI highlights a wide range of competitive issues, and offers parties an opportunity to submit comments on these issues, as well as any other information they believe is relevant to an evaluation of competition in the market for the delivery of video programming.

3. The NOI begins with an overview of the 1996 Act, including a summary of the provisions that may promote competition among multichannel video programming distributors ("MVPDs"). These provisions include: (1) repeal of the cable-telco cross-ownership ban; (2) creation of the open video system ("OVS") option for local exchange carrier ("LEC") entry into the market for the delivery of video programming; (3) deregulation of small cable systems; (4) expansion of the definition of effective competition; and (5) elimination under a number of circumstances of the uniform cable service rate structure requirement for similarly situated subscribers.

4. The NOI then seeks information and comment on the status of the different MVPDs that serve subscribers in the market for the delivery of video programming and the changes that have occurred in the past year. The MVPDs include cable television (including overbuilds), multipoint multichannel distribution service ("MMDS" or "wireless cable"), direct broadcast satellites ("DBS") and home satellite dishes ("HSDs"), and satellite master antenna television ("SMATV") systems.

The Commission also seeks information on potential rivals for incumbent cable systems, such as open video systems built by LECs.

5. The NOI asks a variety of questions concerning each of these video service providers and solicits information regarding barriers to entry and the nature of the services they provide. The NOI also indicates that the Commission intends to examine the effects on competition of broadcast television service, video cassette recorders ("VCRs") and interactive video and data services ("IVDS").

6. The Commission observes that there are technological advances that may affect the structure of the market for the delivery of video programming. In this regard, the NOI solicits information on digital compression, hybridization of different transmission media, and developments in set-top boxes and switched digital services.

7. In the NOI, the Commission requests comment on the structure of the market for the delivery of video programming and the effect of this structure on competition. The Commission expects to explore the status of horizontal concentration and vertical integration in the cable television industry and to analyze the market structure conditions that may affect competition in the market for the delivery of video programming. Information is requested also to help the Commission evaluate the effects on competition of the Commission's program access, program carriage, channel occupancy, and leased commercial access rules.

8. The NOI also requests comment on the current effects of actual or potential competition in local markets where consumers have, or soon will have, a choice between MVPDs. The Commission further requests information on any existing or potential impediments to entry into the market for the delivery of video programming. Finally, comment is sought on the outlook for competition in the future.

Administrative Matters

Ex Parte

9. There are no ex parte or disclosure requirements applicable to this proceeding pursuant to 47 CFR § 1.1204(a)(4).

Comment Dates

10. Pursuant to applicable procedures set forth in Sections 1.415 and 1.419 of the Commission's Rules, 47 CFR §§ 1.415 and 1.419, interested parties may file comments on or before July 19, 1996, and reply comments on or before