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LUS Fiber Files Complaint with the FCC

LAFAYETTE, La. – LUS Fiber has filed a [complaint](#) with the Federal Communications Commission (FCC) against the National Cable Television Cooperative (NCTC) and the cable operators on its board of directors. The NCTC is a cooperative of cable/video providers that works for the benefit of its members to cost-effectively secure national programming from entities like ESPN, Disney, MTV Networks, etc. The concept behind the establishment of the NCTC was to allow small cable providers to aggregate their collective buying power for national programming, therefore providing an opportunity for more competition in the cable TV marketplace.

The filing is a result of several refusals by NCTC to grant a membership to LUS Fiber, including NCTC's recent refusal to admit LUS Fiber on the same terms and conditions that it offered to two other municipally-owned providers. It is notable that a significant difference between LUS Fiber and these other municipally-owned providers is that LUS Fiber's major competitor, Cox Communications, is NCTC's largest member as well as a member of the NCTC board of directors. Beyond this difference, LUS Fiber contends, its application for membership was no different from that of the other municipal providers.

"The NCTC opened membership to two other municipally-owned telecommunications companies that are very similar to our own Lafayette operation and in the same week refused to admit us on the same terms and conditions," states Terry Huval, director of Lafayette Utilities System and LUS Fiber. "The only difference among the three systems is that our major cable competitor is NCTC's largest member as well as a member of NCTC's board of directors. It is obvious that LUS Fiber is being singled out by a large corporation that does not see the benefit of competition in the marketplace. Denial of membership in NCTC could eventually cost LUS Fiber millions of dollars."

On April 21, 2010, LUS Fiber and the two other municipalities provided NCTC and its board an advance copy of a joint complaint that the three municipalities intended to file with the FCC. The complaint alleged that NCTC had unfairly refused to allow the three municipalities to join the coalition. This pre-filing notice was intended to give NCTC and its board an opportunity to address the problem amicably and avoid the litigation. NCTC's response was to file suit against the three municipalities in a Kansas Federal district court in an effort to change the jurisdiction of the complaint (NCTC is located in Lenexa, Kansas). NCTC then offered membership to the other two municipalities but refused to allow LUS Fiber to join on identical terms and conditions.

"The people of Lafayette spoke in July 2005 and elected to build their own Fiber-To-The-Home network because the incumbent providers did not want to make the investment in our community," comments Joey Durel, City-Parish President. "This network was built to deliver great products at reasonable prices over the world's leading broadband technology. It is a sad day for the free market economy when a corporation hundreds of times the size of a small, community-owned enterprise will use every means necessary to snuff out competition so that they can go back to charging outrageous prices for services."

As it is with all other telecommunications providers, programming is the single largest cost of providing service for LUS Fiber. The NCTC negotiates programming rates for its members based on their collective subscriber counts. By

negotiating in this manner, small cable providers are able to secure significantly better rates and terms of service, which allows them to compete more effectively with large corporations in the cable TV market.

LUS Fiber has requested an expedited response from the FCC. A ruling should be issued in several months which will either allow LUS Fiber entrance into the NCTC or will reaffirm the NCTC's decision to block its membership.

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