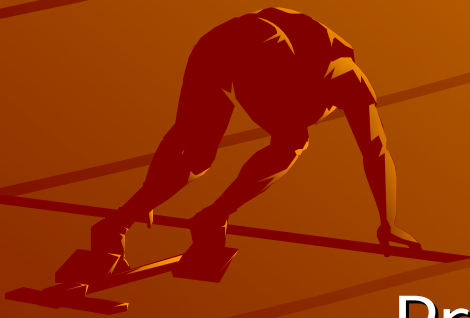


Digital Television Transition in Ohio

February 4, 2009
Bowling Green State University
Bowling Green, Ohio



Patrick Deville
President General Manager
Buckeye CableSystem
Sandusky, Ohio

Block Communications, Inc.

- ◆ Buckeye CableSystem
- ◆ Toledo Blade
- ◆ Pittsburgh Post-Gazette
- ◆ Five broadcast stations
 - Lima, Ohio
 - Boise, Idaho
 - Decatur, Illinois
 - Louisville, Kentucky (two stations)
- ◆ Buckeye TeleSystem

The Cable Television Industry is ready for the DTV Transition

- ◆ Buckeye CableSystem is ready for the transition

- Toledo market, Cleveland market or in Southeast Michigan

- ◆ Cable industry, as a whole, is ready

- ◆ Crucial point is that your TV needs to be connected to cable.

Digital Must Carry

- ◆ Two prong issue

- Dual Carriage of Analog and Digital signals
- Multicast carriage of a number of individual video streams

Adversarial v. Confrontational

- ✦ The relationship between cable operators and broadcasters need not be confrontational
- ✦ The two media many times have different, and divergent, interests
- ✦ We also have a common denominator – viewers – customers
- ✦ WTOL and Buckeye CableSystem have worked on an alliance over the past year
 - Includes the Toledo Blade
 - T-Sports Report
 - Share resources, includes talent and equipment
 - Share interests
 - Opportunity for additional programs

Cable Industry Position

- ◆ Over 500 national cable networks
- ◆ Over 100 regional cable networks
- ◆ Currently a significant portion of cable system's channel lineups are determined by government
 - Must carry rules are obvious
 - Broadcast Basic requirement (Satellite providers do not have Broadcast Basic requirement)
 - Therefore Retransmission Consent is impacted by government

Cable Industry Position

- ◆ Giving a government preference to a TV Station reduces cable programming to a second class status
- ◆ Impacts cable systems' ability to provide HSI, Interactive content and HD content
- ◆ Cable had agreed and the FCC adopted an interim dual carriage solution
 - Three years of digital and analog carriage

Cable Industry Position

- ◆ Current example – ION Networks and BET founder Robert Johnson proposal
 - Create an African-American-targeted TV Network employing the digital bandwidth of ION TV stations
 - Caveat by ION and Johnson that FCC will need to require cable carriage to make plan viable (B&C, January 26, 2009, p. 16)
- ◆ What channel will cable drop to add this channel?
- ◆ What service might cable curtail to add this channel?
- ◆ How much capital expense will be required to add this channel?
- ◆ Or other channels similarly situated?

Constitutional Issues

◆ Real First and Fifth Amendment issues

- In the Turner v FCC cases SCOTUS narrowly decided that full power stations do not overly burden cable operators since cable systems carried most full power stations.
- Second, third and fourth digital broadcast channels are not currently carried.
- Whose voice is more important?
- Unlawful taking of private property

◆ Cable Operators believe that the operator should decide how to best expend capital to meet consumer demands