

sexually-oriented programming, a multichannel video programming distributor shall fully scramble or otherwise fully block the video and audio portion of such channel so that one not a subscriber to such channel or programming does not receive it.

(b) Implementation

Until a multichannel video programming distributor complies with the requirement set forth in subsection (a), the distributor shall limit the access of children to the programming referred to in that subsection by not providing such programming during the hours of the day (as determined by the Commission) when a significant number of children are likely to view it.

(c) "Scramble" defined

As used in this section, the term "scramble" means to rearrange the content of the signal of the programming so that the programming cannot be viewed or heard in an understandable manner.

(June 19, 1934, ch. 652, title VI, §641, as added Pub. L. 104-104, title V, §505(a), Feb. 8, 1996, 110 Stat. 136.)

CONSTITUTIONALITY

For information regarding constitutionality of section 641 of act June 19, 1934, as added by section 505(a) of Pub. L. 104-104, see Congressional Research Service, *The Constitution of the United States of America: Analysis and Interpretation*, Appendix 1, *Acts of Congress Held Unconstitutional in Whole or in Part by the Supreme Court of the United States*.

EFFECTIVE DATE

Pub. L. 104-104, title V, §505(b), Feb. 8, 1996, 110 Stat. 136, provided that: "The amendment made by subsection (a) [enacting this section] shall take effect 30 days after the date of enactment of this Act [Feb. 8, 1996]."

PART V—VIDEO PROGRAMMING SERVICES
PROVIDED BY TELEPHONE COMPANIES

§ 571. Regulatory treatment of video programming services

(a) Limitations on cable regulation

(1) Radio-based systems

To the extent that a common carrier (or any other person) is providing video programming to subscribers using radio communication, such carrier (or other person) shall be subject to the requirements of subchapter III and section 572 of this title, but shall not otherwise be subject to the requirements of this subchapter.

(2) Common carriage of video traffic

To the extent that a common carrier is providing transmission of video programming on a common carrier basis, such carrier shall be subject to the requirements of subchapter II and section 572 of this title, but shall not otherwise be subject to the requirements of this subchapter. This paragraph shall not affect the treatment under section 522(7)(C) of this title of a facility of a common carrier as a cable system.

(3) Cable systems and open video systems

To the extent that a common carrier is providing video programming to its subscribers in

any manner other than that described in paragraphs (1) and (2)—

(A) such carrier shall be subject to the requirements of this subchapter, unless such programming is provided by means of an open video system for which the Commission has approved a certification under section 573 of this title; or

(B) if such programming is provided by means of an open video system for which the Commission has approved a certification under section 573 of this title, such carrier shall be subject to the requirements of this part, but shall be subject to parts I through IV of this subchapter only as provided in 573(c) of this title.

(4) Election to operate as open video system

A common carrier that is providing video programming in a manner described in paragraph (1) or (2), or a combination thereof, may elect to provide such programming by means of an open video system that complies with section 573 of this title. If the Commission approves such carrier's certification under section 573 of this title, such carrier shall be subject to the requirements of this part, but shall be subject to parts I through IV of this subchapter only as provided in 573(c) of this title.

(b) Limitations on interconnection obligations

A local exchange carrier that provides cable service through an open video system or a cable system shall not be required, pursuant to subchapter II of this chapter, to make capacity available on a nondiscriminatory basis to any other person for the provision of cable service directly to subscribers.

(c) Additional regulatory relief

A common carrier shall not be required to obtain a certificate under section 214 of this title with respect to the establishment or operation of a system for the delivery of video programming.

(June 19, 1934, ch. 652, title VI, §651, as added Pub. L. 104-104, title III, §302(a), Feb. 8, 1996, 110 Stat. 118.)

§ 572. Prohibition on buy outs

(a) Acquisitions by carriers

No local exchange carrier or any affiliate of such carrier owned by, operated by, controlled by, or under common control with such carrier may purchase or otherwise acquire directly or indirectly more than a 10 percent financial interest, or any management interest, in any cable operator providing cable service within the local exchange carrier's telephone service area.

(b) Acquisitions by cable operators

No cable operator or affiliate of a cable operator that is owned by, operated by, controlled by, or under common ownership with such cable operator may purchase or otherwise acquire, directly or indirectly, more than a 10 percent financial interest, or any management interest, in any local exchange carrier providing telephone exchange service within such cable operator's franchise area.