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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000109

SIPDIS  
AMEMBASSY BERLIN PASS TO AMCONSUL DUSSELDORF  
AMEMBASSY BERLIN PASS TO AMCONSUL LEIPZIG  
AMEMBASSY ATHENS PASS TO AMCONSUL THESSALONIKI  
AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA  
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC  
AMEMBASSY BRASILIA PASS TO AMCONSUL RECIFE

E.O. 12958: DECL: 2035/01/28  
TAGS: PHUM, PREL, PGOV, KDEM, VE, EINV  
SUBJECT: RCTV President Asks U.S. to Press U.S. Cables Operators to  
Restore Its Signal

REF: 10 CARACAS 75; 10 CARACAS 101

CLASSIFIED BY: Robin D. Meyer, Political Counselor, State, POL;  
REASON: 1.4(B), (D)

1. (C) Summary. In a meeting with the Charge on January 26, RCTV President Marcel Granier asked the U.S. government to press DirectTV, Net Uno, and Inter to restore RCTV programming in Venezuela. Granier charged that these were "U.S. companies" and

that they had illegally bowed to Venezuelan government (GBRV) pressure in dropping RCTV from their schedules on January 24 (ref a). Granier said RCTV could not survive financially if it had to abide by the regulations governing "national" audiovisual producers. Since he saw the regulation as specifically targeted at RCTV, he expressed doubt that any dialogue with Cabello would change the GBRV's decision. Moreover, he "would cease being me" if he sought a dialogue and compromise with the GBRV. According to Granier, RCTV reaches 67 percent of the Venezuelan market, including 40 percent of the poorest class. Three of the smaller cable channels affected by the January 21 decision were reclassified as "international" producers on January 26 and returned to the air (ref b). Action request contained in para 10. End Summary.

#### RCTV Charges that U.S. Cable Operators Acted Illegally

2. (C) On January 26, RCTV President Marcel Granier and RCTV Legal Counsel Oswaldo Quintana Cardona met with Charge, PAO, and Polcouns to discuss the closing of RCTV on January 24 (ref a). Granier claimed that DirectTV, Net Uno, and Inter had no legal basis for removing RCTV from their programming simply based on the verbal demand of Diosdado Cabello, the Minister of Housing and Public Works and the head of the government regulatory agency Conatel, and pressure by President Chavez. Granier claimed these cable operators were "U.S. companies" and that they had acted illegally since there was no judicial order or administrative sanction that required them to remove RCTV from their programming. (Note: Post believes Granier meant that these companies were U.S.-owned. End Note.) He characterized their actions as a form of corruption and a violation of the rights of the cable subscribers. He argued that they should have resisted GBRV pressure on principle.

3. (C) Granier said he was turning to the U.S. government for help since he claimed RCTV International has been a registered U.S. company since 1982. He specifically asked the U.S. government to press DirectTV, Net Uno, and Inter, which he also claimed were "U.S. companies," to restore their RCTV programming. He urged the Charge to make them understand that they were serving as "accomplices in the violation of human rights." He discounted

their supposed fears of potential official retribution by claiming the GBRV would not risk the outcry that would result from closing down the country's major cable operators that reach millions of homes.

#### RCTV's Bleak Future

4. (C) Granier did not dispute that RCTV had met the definition of "national producer" at the time the regulation was issued on December 22. However, he argued that regulation was unconstitutionally being applied retroactively. Rather than assess RCTV's pre-December 22 programming to determine whether it met the 70 percent threshold for classification as a "national" producer, Conatel should have made its assessment based on the four-month period after the regulation was adopted. Granier claimed that RCTV's post-January 13 programming met the requirements for classification as an "international" producer and therefore should continue to be exempt from the law requiring "national" producers to carry certain Presidential speeches ("cadenas") and government announcements and to limit commercial advertisements. Granier

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further charged that Conatel had provided no "due process" for RCTV to appeal the decision before pressuring the cable operators to remove RCTV from their programming.

5. (C) Granier said that Cabello's public insistence that RCTV could register as a "national" producer and then have its status reviewed after four months was insincere. According to Granier, Cabello knew that RCTV could not survive financially for that period if it had to air required government broadcasts and was limited to only one commercial per program. In addition, Granier doubted that Cabello would really reassess RCTV's status as a "national" producer after that period since he believed the new regulation had been designed specifically to close RCTV. More importantly, Granier said that "I would cease being me" if he agreed to any compromise with the GBRV. He said RCTV had not been in direct contact with Cabello or Conatel since 2002, and even had difficulty transmitting official documents to them.

6. (C) According to Granier, while RCTV is not appealing to Conatel, it is filing legal appeals with the Venezuelan Supreme Court. (Note: Per ref b, on January 27, three of the small cable stations affected by Conatel's decision returned to the air after being reclassified "international" producers. However, Granier's assessment that RCTV was the target of the new regulation and unlikely to win any appeal with Conatel is widely shared. End Note.)

7. (C) Granier said he hoped RCTV could establish some kind of "fund" to help the 1,500 RCTV workers who were affected by the closing of the station.

#### Politics at Heart of Dispute

8. (C) Charge stressed to Granier the political nature of the dispute between the government and RCTV, which was unlikely to be resolved through the GBRV's regulatory process, and expressed interest in RCTV's views regarding the role of the cable operators in the shutdown of the station.

#### Comment and Action Request

9. (C) Post does not believe that the GBRV will back down from its decision to classify RCTV as a "national" producer despite domestic and international protests given its longstanding hostility toward Granier and his reciprocal attitude toward the government. Moreover, Conatel's decision to reclassify three of the smaller stations and permit them back on the air gives the government a facade of procedural legitimacy for this new regulation.

10. (C) Post requests Department's guidance regarding RCTV's request that we approach DirectTV, Net Uno, and Inter to discuss the possible restoration of their RCTV programming. Post would also appreciate information as to whether RCTV International, DirectTV, Net Uno, and Inter are "U.S.-owned" companies.  
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C O N F I D E N T I A L STATE 015974

SIPDIS

E.O. 12958: DECL: 2035/02/22  
TAGS: PHUM, PREL, PGOV, KDEM, VE, EINV  
SUBJECT: Subject: Response to RCTV President's Request for U.S.  
to Press U.S. Cable Operators to Restore its Signal

REF: A) CARACAS 109

Classified by: Derived from: DSCG 05-1 (b), (d)  
WHA/AND, State

1. (C) In response to Posts request for guidance regarding RCTVs request that we approach DirectTV, Net Uno, and Inter to discuss

the possible restoration of their RCTV programming, the Department has determined that:

The U.S. Government will not take a legal position on the interpretation of a Venezuelan law or regulation, or on any contracts between RCTV and its cable carriers.

Therefore, we cannot make a legal determination on whether or not the cable operators in question did or did not have a legal basis for removing RCTV programming.

Nor can we assert that the cable operators acted illegally.

RCTV and the cable operators may well have a commercial dispute, and we do not believe it is appropriate for the USG to take a position with regard to that dispute.

2. (C) Regarding Posts request for the Department to verify if

these companies are U.S. owned, we have determined that DirecTV (a satellite company, not a cable operator) is a U.S. company with a legal presence (including facilities and licenses) in Venezuela. DirecTV has confirmed to us that they were ordered by Conatel to remove RCTV and that DirecTV has fully complied. NetUno has offices in Miami but appears to be incorporated in Venezuela. Inter appears to be a Venezuelan company. According to its website, it was founded in 1996 in Barquismeto under the name Intercable. We have no further information on Inter.

CLINTON

=====CABLE ENDS=====