

VCII-PLUS TO PROTECT

(continued from page 1)

will affect my ability to service a consumer's IRD?

- A. No major change will be incorporated in the basic VideoCipher II-Plus that should affect dealers and their ability to provide routine customer service.

The VideoCipher II-Plus support module will be electronically and mechanically compatible with existing descrambler specifications. VCII-Plus will use the same socket and same form factor. The basic VCII-Plus support module with the security cartridge inserted will form a unit that, as previously described, will be compatible with existing descrambler specifications.

General Instrument has pledged to provide manufacturers complete specifications for VCII-Plus at least four months prior to market introduction.

- Q. When will Video-Cipher II-Plus become available to consumers?

- A. We have told licensed manufacturers that VCII-Plus will be introduced no sooner than September 1989. This

delay from our announced June introduction date is designed to provide dealers and their distributors and manufacturers time to plan for an orderly market transition.

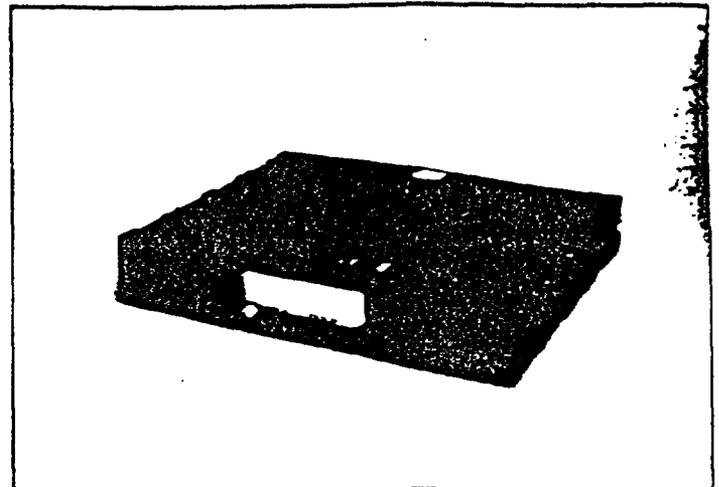
- Q. Will all product shipped after the "no sooner than September" date be VideoCipher II-Plus only?

- A. The introduction of VideoCipher II-Plus is likely to occur on a phased-in basis extending over September, October and November. Beginning in December, we anticipate all modules delivered to licensed manufacturers will be VCII-Plus.



- Q. Has a price been established for VideoCipher II-Plus?

- A. The VideoCipher II-Plus support module and security cartridge will be introduced at the same price as the current VideoCipher II module. This action is designed to facilitate an orderly market introduction and assist licensees in making their 1989 business plans.



Mock-up of a possible configuration for the VideoCipher II-Plus support module, with inserted security cartridge.

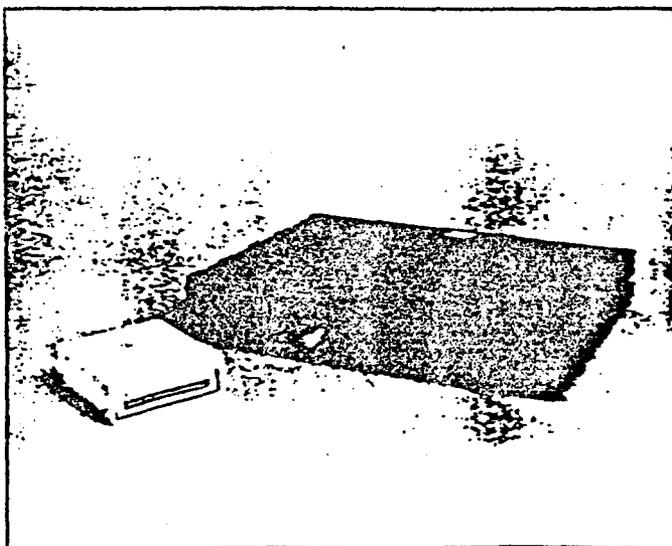
- Q. What about warranty, repair and other issues?

- A. We are still working out details and investigating options and will announce our decisions later on these issues, but foresee no major changes from current practices.

- Q. If this VideoCipher II-Plus is just an enhancement, why is there such an uproar?

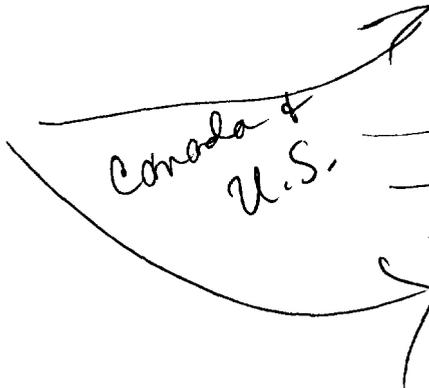
- A. Some elements of the industry have unfortunately used this second generation product as a means to confuse the dealer and consumer for a variety of reasons.

The simple fact is that VideoCipher II-Plus is a second generation product that offers the potential for further growth of the industry as it moves into the next decade and will not impact existing legal subscribers. Most importantly, VideoCipher II-Plus provides a more secure technical base. With this enhancement to security, movie studios, distributors and programmers offering movies, special events and sports will be encouraged to serve the TVRO market and look to TVRO as an opportunity to expand the information and entertainment businesses. □



Mock-up of a support module and insertable security cartridge that may be a possible configuration for VideoCipher II-Plus.

GENERAL INSTRUMENT



General Instrument Corp's VideoCipher Division will extend from one year to five years its parts and labor warranty on the Super 2750R and 2730R IRD (integrated receiver/descrambler) models shipped to U.S. and Canadian distributors after March 1, 1990.

Also, the company announced a similar extended service agreement on parts and labor for U.S. and Canadian distributors and dealers for an additional charge as an optional feature on the Division's two other IRD models, the Super 2400R and 2650R. The extended service agreement covers four extra years, in addition to

the company's standard one year parts and labor warranty.

In addition, the Division's Service Trip Compensation (STC) program, which assists authorized dealers and technicians involved in repair and service related activities involving General Instrument Corp. IRDs, has been broadened to be effective for three years, instead of the current one-year limit, for the Super 2750R and 2730R models. In addition, whenever four-year extended service agreements are purchased for the Super 2400R and 2650R models, the STC program will also be extended from one to three years for those units, he said.



Turner Broadcasting System, Inc. (TBS), the parent company of CNN, has signed a contract with GTE Spacenet to be the principal tenant on GTE Spacenet's new Ku-band satellite, GSTAR IV, planned for launch later this year. With 16 additional transponders, this satellite will assist in relieving some of the problems caused by a diminishing inventory of Ku-band transponders. TBS has committed to use at least three transponders on the new satellite, which will further augment the three Ku-band transponders used by TBS since September 1989 on GSTAR II.

"This new satellite will assure that

CNN has ample Ku-band capacity for the Satellite News Gathering (SNG) needs of its broadcast affiliates and its domestic bureaus for the foreseeable future," said Wes Hanemayer, TBS vice president of satellite systems. "GSTAR IV will be located at 125 degrees west longitude. Galaxy V, the principal cable programming satellite operating at C-band, will be co-located there. Therefore, TBS will also be able to use some of the transponder capacity on GSTAR IV for future programming transmissions to cable systems equipped in their Galaxy V antennas with C/Ku feedhorns."



Netlink's new headquarters will be located in the Denver Technological Center in Englewood, Colo. The new 23,000-square-foot facility will accommodate the combined operations of Netlink (Kirkland, Wash.), Tempo Enterprises (Tulsa, Okla. and Atlanta, Ga.) and TCI Satellite Services Center (Bothell, Wash.), which consolidated operations under the Netlink banner in January.

The facility, located at Orchard Place V, will be the new home for 40 relocating employees, plus an additional 150 employees who will be added immediately after the relocation. Netlink eventually expects to have about 200 personnel at the headquarters, the majority assigned to customer and dealer services, the areas which have received the highest

priority. Netlink personnel began occupying the new headquarters in early May, with the entire team moved and settled in the Denver area by June.

- Netlink operations has announced that its uplink of the WGN programming signal (F1•20), has been enhanced with the completed installation and turn-up of permanent transmission service. The new system, installed by Midwestern Relay Company (MRC) includes a new 9.2 meter antenna, automatic protection for power source and transmission equipment, a direct broadcast feed from WGN's studio and generator backup. Performance tests conducted by American Microwave showed significant signal improvement.

Rec'd 5-3-91

Ref: Complaint No. CF-91-01595

Suzanne Baechler

Enclosures: 3

April 25, 1991

Dear SVC Customer:

Several times during the past few months, Satellite Video Center has notified you of an offer to upgrade your satellite system to VideoCipher® II Plus technology **FREE OF CHARGE** through the SVC Product Evaluation Program (PEP). Our records indicate that, to date, we have either had no response from you, or you have received a VCII Plus® module but have never authorized it. If you have recently authorized a PEP module and/or returned a VCII module to SVC, please disregard this letter.

This letter is to inform you that the Product Evaluation Program will end May 15, 1991. This is your last opportunity to participate and receive a VideoCipher II Plus module FREE OF CHARGE. No PEP requests or authorizations will be honored after May 15, 1991.

Please call SVC (1-800-548-4336) before May 15 to take advantage of this **free** upgrade offer. It is to your benefit to participate in the PEP program for several important reasons:

1) Many current SVC pay-per-view programmers and several new pay-per-view services, such as the TVN Tenplex service launched April 15 and others that will soon join us, are using the VideoCipher II Plus technology exclusively. Without a VCII Plus module, you are unable to receive this great programming, which includes more of the latest hit movies and spectacular special events.

2) Many subscription programming services have indicated that they plan to transmit only in VideoCipher II Plus in the near future. This decision will require you to upgrade your system in order to continue receiving subscription and scrambled programming.

3) After May 15, 1991 should you wish to upgrade your system to VideoCipher II Plus through the General Instrument upgrade program, you will have to pay at least \$199 for the module, plus shipping and dealer service charges. You will also be required to first submit your old, untampered module and wait several days for a new module to be shipped, leaving you without TV in the interim period. With the SVC PEP program, however, you receive the new VCII Plus module upfront and do not send in your old module until after the module exchange. Your TV viewing is not interrupted for a lengthy period.

4) Through the PEP program, you will receive a module that is fully covered by the General Instrument Consumer Security Protection Program, which protects you against having to replace the module during the next three years should programmers switch to a higher level of VideoCipher II Plus scrambling technology for security reasons. The Consumer Security Protection Program only covers modules manufactured after April 1, 1991, which you, as a new PEP participant, will receive. This is an added value to an outstanding offer that we recommend you consider.

Enclosed you will find a letter and compensation form that are to be given to a satellite dealer should you choose to have one perform the module exchange for you. Some of our customers have chosen to perform the module exchange themselves. Should you need the name of a local dealer who can perform a module exchange, simply mention that you need a dealer recommendation when calling the Satellite Video Center to notify us of your desire to participate in the PEP program. Once again, this is your last chance to consider this outstanding offer. We encourage you to do so. Call the Satellite Video Center today!

Sincerely,
Esther L. Rodriguez
Esther L. Rodriguez
General Manager, Chief Operating Officer
Enc.



the
Satellite
Video
Center®

*Jan 92' GI
switching to
another decoder
called VCRS*

*The next change
is in 94 -
no free up
grade to the 94 -
Digicipher -
consumer has
to purchase -
cost over
\$ 500.00*

page 1

rec'd 5-3-91
Ref: Complaint No. CF-91-01595



Dear Satellite Retailer:

As you may recall, last August the Satellite Video Center (SVC) began offering its customers a FREE VideoCipher® II Plus module exchange through the General Instrument Product Evaluation Program (PEP). This offer has been extended only to SVC customers who purchased their stand-alone VIDEOpal® system or Super 2750 IRD prior to May 21, 1990. **Please be aware that the PEP Program ends May 15, 1991.**

SVC will instruct its customers who have not yet taken advantage of this offer to contact their satellite retailer to exchange the new VCII Plus® module we are sending to their home for the VideoCipher II module currently installed in their system. If a Satellite Video Center customer asks you to perform a module exchange, you will be compensated by General Instrument for exchanging the modules and for authorizing the new VCII Plus module through SVC and the consumer's subscription programmers. The maximum compensation rate will be \$40.00; however, many dealers have already committed to service trip compensation as low as \$15.00 for this program. They realize that General Instrument is contributing the module and they are simply interested in covering their costs. Your contribution to this effort to eliminate piracy is appreciated.

This compensation is not part of the on-going General Instrument Service Trip Compensation (STC) program for in-warranty equipment (you may also be a participant in the STC program). Enclosed you will find a compensation form. Should you be asked to perform a module exchange, please make a copy of the form for each VIDEOpal consumer that you assist in the PEP program. You will note that **both the Installer's and consumer's signature is required.** The owner or manager of the retail store should fill in the amount of compensation required.

Please send completed compensation forms **before May 31, 1991** to: PEP Coordinator, General Instrument, 6262 Lusk Blvd., San Diego, CA, 92121. Your compensation payment will be made promptly. **Compensation forms received after May 31 will not be honored.** Each form will be treated as an invoice and the "invoice number" will be the VideoCipher II unit address. This should assist in tracking payment. If you have any questions about compensation, please call 619-535-2888 or 2570. Along with the module, each consumer will receive a pre-paid Federal Express Airbill to return the module to General Instrument. The consumer is being asked to insert the old module in the ESD bag; slip the bag into the box that the VCII Plus module came in; and call Federal Express at 1-800-238-5355 to pick up the old module.

Thank you for your continued support. The PEP program is a first step in enhancing the security of satellite systems. Security is the key that will ensure the success and continuation of our industry.

Sincerely,

Esther L. Rodriguez
General Manager, Chief Operating Officer

Rec'd 5-3-91
Ref: Complaint No. - CF-91-01595

**Product Evaluation Program
Installation Confirmation & Compensation Form**

Dealership: _____

Dealer ID: _____

Address: _____

Phone: _____

Consumer name: _____

Address: _____

Phone: _____

VC2 U/A _____

VC2+ U/A _____

VIDEOpal Serial Number
or
Super 2750 Serial Number _____

Date of VC2+ installation: _____

Installer's Signature: _____

Consumer's Signature: _____

Compensation Rate: _____

Return completed forms to:

PEP Coordinator
General Instrument
6262 Lusk Blvd.
San Diego, CA 92121

June 1, 1990

Dear Satellite Video Center Customer:

This letter is to thank you on behalf of SVC and its affiliated programmers for your business. I'd also like to take this opportunity to reiterate our commitment to serving you with the highest quality and best choice of pay-per-view programming in America.

As you may be aware, the VideoCipher II(R) scrambling system has been updated with a new version, the VC II Plus(tm). VCII Plus offers advanced signal security against piracy, which is of great concern to programmers and movie studios. SVC is committed to being responsive to their concerns so as to ensure a continued supply of programming and, by supporting the more secure VCII Plus technology, new programming services can be added for your enjoyment.

As an SVC preferred customer, we would like to offer you a FREE upgrade to VCII Plus through participation in General Instrument's Product Evaluation Program (PEP). The PEP program, offered exclusively to Satellite Video Center customers, enables you to receive a VCII Plus module at no charge. Upgrading through PEP will ensure your continued access to pay-per-view programming offered through the VideoPal system.

Over the next four months, we will make arrangements with local satellite service dealers and retail organizations nationwide to upgrade, with minimum inconvenience, SVC customers' satellite systems to VCII Plus. The service call will be handled at no cost to you. We will notify you of the authorized dealer in your area. However, if you have a dealer with whom you prefer to do business, we may be able to make arrangements for that dealer to complete the exchange. There is no need to call SVC now -- we will call you when you are scheduled to be upgraded within the next few months.

You may also be aware that since May 21, 1990 new customers buying a VideoPal may only authorize it with a VCII Plus system. As you already own a Videopal system and have an account with SVC, you will continue to enjoy access to all pay-per-view programming services you now receive. Future PPV programming services, however, will use VCII Plus exclusively. Therefore, we encourage you to accept our free upgrade offer.

In addition to the General Instrument-sponsored PEP Program, there may be other similar upgrade programs sponsored by independent programming distributors, such as American Programming Service. Regardless of the program in which you choose to participate, and of any statements made by these entities regarding your continued access to pay-per-view programming, we'd like to emphasize the following:

1. All major movie studios, including Warner Brothers, are currently providing product to the TVRO market through the programming services offered by Satellite Video Center.
2. Currently, all SVC programmers are serving both VCII and VCII Plus customers. Once your system is upgraded through the PEP program mentioned above, you will continue to receive the pay-per-view programming you now receive, plus any new services that may be added to the SVC lineup.

We look forward to your participation in the Product Evaluation Program.

Sincerely,



Esther L. Rodriguez
Acting General Manager/C.O.O.

P.S. We have enclosed the June issue of the Satellite Pay-Per-View guide for your convenience. Please be aware that your free introductory subscription to the guide has expired. For a limited time, SVC is offering a one-year subscription to the guide for only \$9.00 -- a 55% discount off the \$19.95 subscription fee. To take advantage of this special offer, please call Satellite Video Center at 1-800-54-VIDEO.

Notes From The Satellite Underground



Two In Texas Indicted For Piracy

Two Texas satellite dealers were indicted September 28th for satellite TV piracy.

John Nunn, owner of a Cleveland, Texas dealership and an employee, Glenn Gauthier allegedly modified and sold Videocipher modules. Each have a 15 count indictment facing them. Each of the men are charged with one count of conspiracy to sell illegal chips and 14 counts of selling modified modules.

All the charges except four are felonies. This stems from the fact that four of the charges of illegal chip sales are prior to the change from a misdemeanor to a felony in 1989.

The MPAA and FBI began an investigation of the dealership in April 1988, which led to the raid on February 8, 1989.

A warrant has been issued for the arrest of John Nunn and Glenn Gauthier.

More on B-MAC Chips

The October 25th, Douglas-Holyfield fight was viewed by many in the U.S. and Canada on cloned SA B-MAC decoders.

Apparently the underground acquired an authorized unit, one of many distributed to cable operators, and copied the authorization information. Once the information was copied, clone chips were made to install in B-MAC decoders and information was transmitted, via computer modem to other areas of the country

to facilitate fast installation. The need for use of the computer modem indicates that the necessary information was not extracted till the last minute, thus preventing bogus information from being extracted from the clone master.

Unfortunately, the average dish owner was not offered access to the fight, through the VCII, as many thousands of potential viewers wanted to purchase the event. Sources say that over 14,000 phone requests were made to programmers in an attempt to purchase the event.

Services Change to VCII +

As of press time, Spice and Drive-in-Cinema are the only two U.S. services to have changed to the VCII + for residential decoders. They are currently addressing the VCII and VCII + data streams, the VCII is only for the remaining commercial units and the VCII + is for the home market. The VCII addressing will only be in effect till the commercial units have been upgraded to VCII + units.

This information is for you folks, with chips, that have called and were wondering why you were getting a picture and no sound on those two services.....Ed

Late Note: Cable Video Store switched to the VCII + data stream on 11/26. Action PPV is scheduled to be changed to the VCII + shortly.

CVS & Spice May Move

Graff PPV, owners of Drive-in-Cinema, Spice and Cable Video Store, appear to have an offer on the table to buy Guest Cinema. Guest Cinema is owned by Reiss Media and serves the hotel/motel marketplace. If the deal follows through, Graff will replace the Guest Cinema service with its own programming. This may move CVS from G3-5 to F4-4 (currently occupied by Guest Cinema). Spice may move from G2-15 to F4-18 (Guest's other slot). Drive-in-Cinema will most likely remain on G2-21.

Hong Kong Bans Satellite Subscription Fees

The Hong Kong government has barred home satellite programmers from collecting subscription fees.

The Hong Kong Cable Communications, a start up cable TV company, partially owned by U.S. West Inc., complained that allowing HutchVision, a direct-to-home satellite broadcast service, to begin programming, its service would contravene (i.e. contradict, hinder, oppose) the cable companies exclusive service.

HutchVision said it wasn't worried by the governments decision, as the Hong Kong market was just a small part of the overall area they intend to serve.

Now, if we could just get the Hong Kong government to rule on our programmers.....Ed

Things Are Quiet With The 'SUN'

The SUN decoder, featured in the November issue of SWN, has been reported to have some quality control problems.

It seems that some units shipped do not work in some of the IRD's.

We at SWN, expected the SUN decoder to make a big hit with the industry and 'force some hands', but as of press time, there has been no words from John Grayson and the people at Dectec.

As they say in Indiana Jones, "The Adventure Continues.....!"

WE'D LIKE TO REMIND YOU THAT THE UNCENSORED CONTENT OF THIS NEWSLETTER IS MADE POSSIBLE BY THE CONSTITUTION OF THE UNITED STATES.

An 1989 Video-Pal only authorized with VC II.

1991 Video Pal is authorized with VC II Plus only

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Pay-Per-View on January 4 or the "New Kids On The Block" concert last March. It's big name entertainment right at your fingertips and, most importantly — it's current!

Besides, there is a definite novelty about the whole pay-per-view system that's hard to resist. It's instant

the pay TV market could be an unfair detriment to the pay-per-view arena. However, 1991 should see industry growth with TVN, Prime Star, and SkyPix slated to launch pay-per-view services. Good news for viewers looking to rub elbows with the arena crowd via their easy chairs.

PAY - PER - VIEW

— Currently Available —

Cable Video Store	Satcom F4, 4 (VIDEOpal)	Viewer's Choice 2	Galaxy 3, 16 (VIDEOpal)
SPICE	Satcom F4, 18 (VIDEOpal/VC II Plus)	Request 1 (Currently negotiating home dish rights.)	Satcom F3R, 19
Action PPV & Night Action	Spacenet 3, 11 (VIDEOpal)	Request 2 (Currently negotiating home dish rights.)	Satcom F4, 17
Viewer's Choice 1	Galaxy 3, 21 (VIDEOpal/phone)	(VIDEOpal is authorized with VC II Plus.)	

— Upcoming Presentations —

Remember the phrase "variety is the spice of life"? Well, here's a taste of the diverse programming pay-per-view will offer in the coming months.

Request goes West with its pay-per-view debut of "Young Guns II" starring Kiefer Sutherland, Emilio Estevez, Lou Diamond Phillips, and Christian Slater on February 17.

PrimeTime 24 will give body slam devotees a treat on March 24 with "Wrestlemania VII," featuring World Wrestling Federation superstars Hulk Hogan and the Ultimate Warrior.

In other wrestling news, Viewer's Choice will air "Wrestle War '91" on February 28. Request will air the same event on February 24. This WCW, double steel cage match will feature such wrestling favorites as Sting, Lex Luger, and Rick Flair.

For a different breed of sporting enthusiasts, Viewer's Choice, CVS, and Request will present "The Bikini Open 5: Inside The Bikini Open" on February 15. Viewers will be provided with a 900 number to vote for their favorite contestants in this national swimsuit competition.

Attention Schwarzenegger fans: Viewers can recall "Total Recall" throughout the month of February on Viewer's Choice. In addition, Mickey Rourke will steam your screens in "Wild Orchid" also on Viewer's Choice during the month of February. (Check OnSat listings for specific times.)

OnSAT TV Guide - Feb. 10-16/1991 pg 121



VIDEOCIPHER II

6408 SATELLITE DESCRAMBLER INSTALLATION AND OPERATION

MANUAL COVER PAGE

The VideoCipher-II System

Here's how the VideoCipher II system works. A program supplier (premium movies, superstations, sports, news, pay-per-view) sends a scrambled signal from their uplink transmitter to a satellite. This same signal will contain coded authorization messages that are addressed to individual descramblers. These messages will allow your unit to receive and descramble the VideoCipher II programming. If you discontinue a VideoCipher II service, the messages will not be sent, and you won't be able to view the programs.

PAGE 3

This was scanned from a Channel Master VideoCipher II manual supplied by Channel Master with their stand alone decoder, 1986

Rec'd from
7-16-90

Suzanne Baechlen
R4 Box 169
Macon, Mo.

How to buy pay-per-view with VCI
Complaint No CF-19-01595
from VCI MANUAL

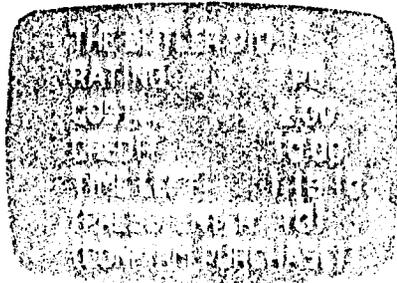
1986

Purchasing Programs

Some program suppliers may offer special event broadcasts, called pay-per-view, in addition to the subscription programs that you're authorized to receive. Only the current and next programs can be purchased. There are two ways to purchase programs: by calling the program distributor for each event or by purchasing credits that are placed in an account balance for you to spend at a later date. (The procedure will vary with each program supplier.)

Three additional functions operate when pay-per-view broadcasts are offered by the program supplier: Purchase Password, Credit Display, and Purchase History. (If your program supplier offers pay-per-view programs, these features will appear on the display when the **[SETUP]** key is pressed.) Purchase Password lets you control program purchases with your own password; Credit Display lets you check your current account balance; and Purchase History shows you which programs you've purchased.

If the Program Purchase display appears when the **[VIEW]** or **[NEXT PRG]** key is pressed, the program must be purchased.



To purchase the program, press **[ENTER]**, and follow the instructions on the next display. You may need to change the Rating Ceiling if the program is locked out. You will also be required to enter the purchase password if one has been set.

Press **[ENTER]** to confirm your purchase. If you don't want to purchase the program, press **[VIEW]**.

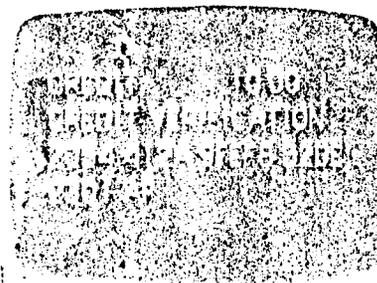
You may tune to another channel during a pay-per-view show without losing your purchase, but the first program is cancelled if you purchase another current program before the first program ends.

Setting a Purchase Password.

1. Press **[SETUP]** then **[5]**. If a password has been set, you will have to enter it before you can select a new password.
2. To set a password, use the numeric keys to enter a code. The code can be one to eight digits long.
3. To remove a password, just press **[ENTER]** without selecting any numbers.

Checking Your Account Balance

1. Press **[SETUP]**, then **[6]**. A display like the following will appear on your television screen:



The amount listed next to CREDIT is your account balance. The code following CREDIT VERIFICATION protects your balance and may be of use to your program supplier.

Checking Purchase History

Purchase history will list the 14 most recently purchased programs. The arrow keys advance through the list of purchased programs.

1. Press **[SETUP]**, then **[7]**. Each display lists two purchased programs. Use the arrow keys to advance through the displays.

If you forget your password . . .

If you forget your password, you'll have to contact your program supplier or program distributor.

CVS, Drive-In, Spice make transition to VCII Plus™ Only.

In an effort to eliminate unauthorized theft of satellite signals, Graff Pay Per View, which operates three pay-per-view channels, has announced that it will be the first Satellite Video Center programmer to make the transition to VCII Plus™-only descrambling technology. The transition is being made this month. With Graff's transition to VCII Plus, only those customers who have upgraded to or purchased VCII Plus-equipped systems will have access to Cable Video Store, Drive-In Cinema, and Spice, the three Graff services. Once the transition is complete, the programming will no longer be seen on VCII-equipped systems. "Piracy has been a problem in the past," said Mark Graff, president and CEO of Graff Pay Per View. "General Instrument has made great strides in taking signal security into the 21st Century. We are delighted to be the first

The
DRIVE-IN
Cinema

SVC services to make the move."

Other new programmers expected to utilize only the VCII



Plus technology are Request I and II, scheduled for a January, 1991 launch. "We applaud Graff's step in becoming the first SVC programmer to broadcast via the new VCII Plus technology," said Esther Rodriguez.

"This is a major step toward the elimination of piracy, which harms everyone in the industry. We encourage other pay-per-view programmers to do the same, which will enable us to expand our offerings and enhance SVC programming with more Hollywood hits, earlier release dates and more of the sought after sporting and special events."



Currently, Cable Video Store is seen on G3, Channel 5; Drive-In Cinema on G2, Channel 21, and Spice on G2, Channel 15. With the transition, the three services will relocate to other satellite transponders. CVS will be seen on Satcom F4, Channel 4; Spice on Satcom F4, Channel 18; and Drive-In Cinema on G2, Channel 21.

PEP Program to be Completed this Month.

The SVC Product Evaluation Program, which provides VIDEOpal® customers with a free VCII Plus module is scheduled to end on December 1, 1990. If you are among the customers who authorized their VIDEOpal system before May 21, 1990 and have not yet made arrangements to participate in the PEP program, or have received your module but have not completed the VCII to VCII Plus module exchange, we ask you to do so immediately.

This will ensure that you will continue to receive all current services, as well as all new services scheduled to launch to the instant pay-per-view market very soon.

Through the PEP program, customers receive a VCII Plus module, a \$350 value, free of charge

as a reward for filling out a brief product evaluation questionnaire. PEP participants are assigned to a local satellite dealer who will install the new module, also free of charge. Customers may specify the dealer they prefer to complete the exchange.

All VIDEOpal customers authorized prior to May 21, 1990, who have not yet enrolled in the PEP program should contact the Satellite Video Center, 1-800-54-VIDEO (1-800-548-4336) immediately. For your convenience during the PEP program, SVC Customer Service Center hours have been extended to Mon-Fri, 6 a.m. to 9 p.m.; Sat, 7 a.m. to 8 p.m., Pacific Time and personnel added to assist you.

VIDEOpal Tips.

When exchanging descrambling modules in your IRD/descrambler, remember to set a new Purchase Password. If you have children or guests in your household, we suggest that you use your password to prevent unauthorized pay-per-view purchases.

To reset the Program Purchase Password:

1) Press the [SETUP], [1] and [5] keys on your

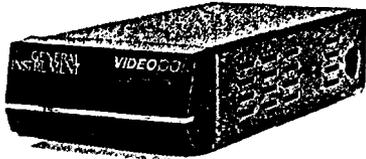
setting, you must also set a new Rating Ceiling.

To set a Program Rating Password:

1) Press the [SETUP], [1] and [4] keys on your IRD or descrambler remote control. Enter the Rating Password (up to 8 digits; this code can be the same code as used for the VIDEOpal Purchase Password). Press [ENTER].

Convenient. Small.
And A Snap To Install.
What A Pal.

Like any good friend, your VIDEOpal won't get in the way – it's roughly the size of a remote control.



And installing it is as easy as 1,2,3. Just connect the VIDEOpal to your VideoCipher® II IRD or descrambler, plug its telephone line to a telephone jack and attach the AC power adapter. What could be simpler?

But the best aspect of your VIDEOpal is that it introduces you to the hottest programming around, at the push of a button. With pay-per-view channels like these listed below. And more to come.

VIDEOpal™
Order Recorder



Tap into the sports events you've always wanted to see. SSN brings you live Major League Baseball, NHL and NBA games, professional wrestling, boxing, golf, tennis and college sports. Plus informative sports talk shows. Everything a sports fan could hope for.



See the newest movies and exciting specials, with over 25 titles each month, available 24 hours a day. And two great channels to choose from.



Get the latest box office hit movies, available every night during prime time. Over a dozen new titles every month, in the convenience of your home.



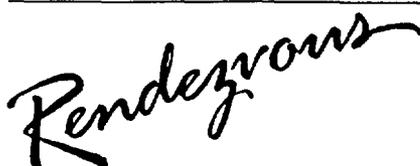
Push a button, rent a movie®. With Hollywood's greatest hits available 24 hours a day, you can choose from over 30 movies and special events shown each month.



"The Romance Channel" brings you nightly adult entertainment from 7:30 p.m. to 6:30 a.m. EST. Putting plenty of love and romance just a heartbeat away from you all night long.



Bring home the Drive-In Cinema for all the thrills, nightmares, excitement and laughs with the action/adventure, horror, sci-fi and comedy movies you *really* want to see.



Don't be late for your Rendezvous where fun and fantasy meet. It's 12 full hours of the hottest, sexiest, sassiest adult entertainment around.

VIDEOPal™

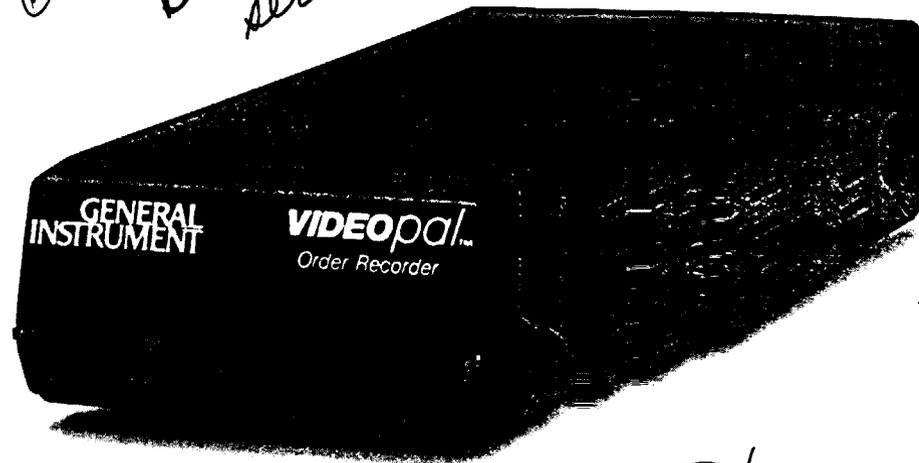
**Instant Pay-Per-View Order Recorder
for Use with Home Satellite Systems**

My Account #

101640

IT Satellite Video Center

Bundle of this center served me + will reach her questions if I have problems



*1-800-548-4336
ECC MAIL R-
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**GENERAL
INSTRUMENT**

VideoCipher Division
Technical Service Dept.
P.O. Box 700
Hickory, NC 28603

**GENERAL
INSTRUMENT**

Using This Manual

NOTE: Please fill out the enclosed Warranty card and return it to General Instrument. This will simplify processing if any warranty repairs become necessary.

Programming Copyright Notice

satellite signals originate from a variety of sources and program suppliers. Some of these signals may be proprietary and intended for reception only by approved subscribers or description services. General Instrument assumes no responsibility for the use of home TVRO systems by the purchaser of this device. The Federal Communications Commission has suggested that all TVRO manufacturers communicate to their customers the following policy statement:

"Use of this device may violate Section 605 of the Communications Act of 1934, as amended, through the unauthorized interception and divulgence of radio communications; or, the use of radio communications for one's own benefit where there is no entitlement to its receipt."

"Resale of signals received from broadcast satellites is explicitly regulated. In any use or application involving resale or distribution, the user should verify compliance with current laws, regulations, and approved procedures for use. Where required, local and federal licensing or franchise authorization is the sole responsibility of the user."

FCC-Required Notification Type of Service

Your VIDEOpal unit is designed to be used on standard device telephone lines. The VIDEOpal connects to the telephone line by means of a standard jack called the USOC RJ11C. Connection to telephone company-provided coin service (central office implemented systems) is prohibited. Connection to party lines service is subject to State tariffs.

Telephone Company Procedures

In order for your telephone company to provide service to you, it may occasionally be necessary for them to make changes in their equipment, operations, or procedures. If these changes might affect your service or the operation of your equipment, the telephone company should give you notice, in writing, to allow you to make any changes necessary to maintain uninterrupted service.

If you have any questions about your telephone line, such as how many pieces of equipment you can connect to it, your telephone company should provide this information upon request.

In certain circumstances, it may be necessary for your telephone company to request information from you concerning the equipment which you have connected to your telephone line. Upon request of your telephone company, provide the FCC registration number and the ringer equivalence number (REN) of the equipment which is connected to your line; both of these items are listed on the equipment label. The sum of all the REN's on your telephone lines should be less than five in order to assure proper service from your telephone company. In some cases, a sum of five may not be usable on a given line.

If Problems Arise

If any of your telephone equipment is not operating properly, you should immediately remove it from your telephone line, as it may cause harm to the telephone network. If your telephone company notes a problem, they may temporarily discontinue service. When practical, they will notify you in advance of this disconnection. If advance notice is not feasible, you should be notified as soon as possible. When you are notified, you should be given the opportunity to correct the problem and informed of your right to file a complaint with the FCC.

In the event repairs are ever needed on your VIDEOpal unit, they must be performed by General Instrument Corporation.

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All rights reserved.
VideoCipher™ is a registered trademark of General Instrument Corporation.
VIDEOpal™ is a trademark of General Instrument Corporation.

U.S. Patent Nos. 4,608,456; 4,613,901; 4,634,808;
4,712,238 and patents pending
d. Breveté 1987; patented 1987.

This Manual contains the detailed instructions for installing and using your new VIDEOpal™ Order Recorder. Use this manual when you install the system, and save it for later reference.

Included in this manual is a **Pre-Installation Checklist**, which will help you or your installer prepare your satellite system for the VIDEOpal unit. Please complete it before you install the unit. If properly installed, the VIDEOpal device *should not* adversely affect any aspect of your home satellite system's operation.

NOTE: This device is NOT compatible with most M/A-Com 2000E Descramblers (VideoCipher® II module firmware version 3.0 or higher is required – see page 20 for details.)

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*Phone number
wants registration
FCC # - FCC -
what is it?*

Specifications

Physical/Environmental

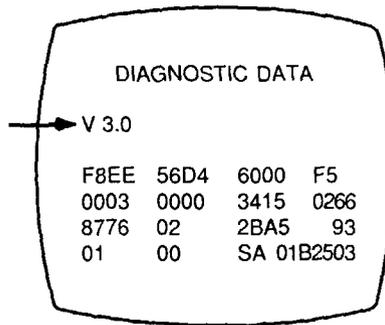
Temperature	0 to 40° C
Humidity	Up to 95% relative
Dimensions	8-1/2" L x 3-1/8" W x 1-1/4" H
Weight	1 pound (approx.)
Power Input (to AC power adapter)	115V ±10% AC 5 W Nominal
Power Input (to VIDEOpal™)	9 VDC, 350 mA

VIDEOpal/VideoCipher™ II Compatibility

The VIDEOpal Order Recorder is compatible only with VideoCipher II module firmware version 3.0 or higher. For this reason, it may not function with certain M/A-COM 2000E Descramblers.

To determine if your 2000E Descrambler has the required VideoCipher II module, perform the following steps:

- 1) Tune your satellite system to a VideoCipher II channel.
- 2) Press the **[SETUP]** and **[0]** keys on the front panel keypad. Your TV screen should appear similar to that pictured below.



- 3) If the line under "DIAGNOSTIC DATA" does not indicate "V3.0" (or a higher number) it will be necessary to contact the General Instrument Consumer Hotline at 800-845-2748.

Important Telephone Numbers

The Satellite Video Center
800-54-VIDEO

General Instrument
Consumer Hotline
800-845-2748

VIDEOpal™ Dealer

Please write your VIDEOpal™ Order Recorder serial number (found on the bottom panel) and your VideoCipher™ II Descrambler unit address number in the spaces below. You will need them if you call General Instrument for service or The Satellite Video Center™ for programming.

VIDEOpal Serial Number _____

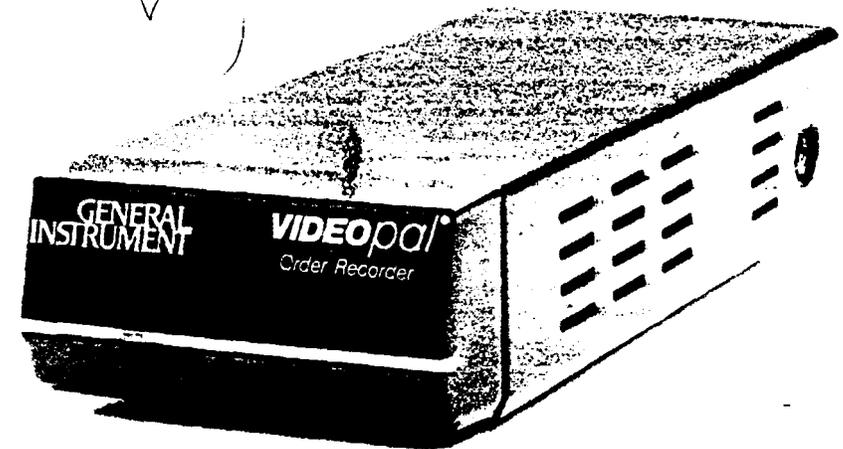
VideoCipher II Unit
Address Number _____

800-54-94336

VIDEO PCI *Order Recorder*

Instant Pay-Per-View Order Recorder

For use with
VideoCipher® II Plus
equipped home satellite
systems



**GENERAL
INSTRUMENT**

Publication #74148-1 Rev. A
Printed in USA 5/90

VideoCipher Division
Technical Service Dept.
P.O. Box 700
Hickory, NC 28603

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INSTRUMENT**

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If Problems Arise

If any of your telephone equipment is not operating properly, you should immediately remove it from your telephone line, as it may cause harm to the telephone network. If your telephone company notes a problem, they may temporarily discontinue service. When practical, they will notify you in advance of this disconnection. If advance notice is not feasible, you should be notified as soon as possible. When you are notified, you should be given the opportunity to correct the problem and informed of your right to file a complaint with the FCC.

In the event repairs are ever needed on your VIDEOpal unit, they must be performed by General Instrument Corporation.

Special Note: The VIDEOpal Order Recorder will not work properly at this time if you are on a party line and/or it is necessary to enter an extra number when dialing or if operator assistance is required to make long distance telephone calls.

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U.S. Patent No.'s 4,608,456; 4,613,901; 4,634,808; 4,712,238 and patents pending. Breveté 1987: patented 1987.

This Manual contains the detailed instructions for installing and using your new VIDEOpal® Order Recorder. Use this manual when you install the system, and save it for later reference.

Included in this manual is a **Pre-Installation Checklist**, which will help you or your installer prepare your satellite system for the VIDEOpal unit. Please complete it before you install the unit. When properly installed, the VIDEOpal device *should not* adversely affect any aspect of your home satellite system's operation.

Protect Your Pocketbook! Please see "Purchase Password Recommendations" on page 24 prior to using your VIDEOpal Order Recorder.

The VIDEOpal Order Recorder is intended to work only with VideoCipher® II Plus (VCII Plus™) equipped satellite descramblers or integrated receiver descramblers. Therefore, it is important to know whether you have a VideoCipher II or a VideoCipher II Plus IRD or descrambler. See page 5 to determine which type of home satellite system you own.

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**GENERAL
INSTRUMENT**

VideoCipher Division
General Instrument Corporation
6262 Lusk Boulevard
San Diego, CA 92121
619/455-1500
FAX 619/535-2486

July 13, 1989

Dear VideoCipher(R) II Licensees:

The excitement of VIDEOpal™ technology is here!

In my June 2 letter to you I included a drawing of the internal VIDEOpal Order Recorder, with a draft contract of the VIDEOpal Instant Pay Per View Order Recorder Master Purchase and Private Label Licensee Agreement. This document, with it's attached Exhibits, outlines the terms and conditions under which you may purchase a private label standalone VIDEOpal Order Recorder (VOR) or an Internal VIDEOpal Order Recorder (IVOR) for integration into your licensed IRDs. Although the contract is marked "for discussion purposes only" and the specifications are still preliminary, no major changes are anticipated which would impact any redesign of your IRD.

We are excited about the recent addition of several new IPPV program services to the Satellite Video Center (SVC) such as Viewers Choice, Cable Video Store and Drive-In Cinema. These services, along with anticipated future announcements, will certainly stimulate demand for this valuable addition to a home TVRO system. Don't miss out on your opportunity to participate in this market explosion. Although lead times are typically 120-150 days the VideoCipher Division is willing to work with you to satisfy any more immediate requirements you have for this product. Please contact me with any questions or to obtain a final executable version of the contract.

Sincerely,



Douglas H. Lindquist
Assistant Vice President
Commercial Sales

DHL/ta

P.S. Enclosed is a free sample of the Internal VideoPal Order Recorder for your evaluation. I am ready to take orders for larger quantities!

Product Showcase

THE VIDEOCIPHER II 2100E

The decoder has changed but standard features remain.

The VideoCipher II decoder is sporting a face-lift. With the introduction of General Instrument's new model—the 2100E—the “box with buttons” look of the older model is gone, along with its silver tone. The gray 2100E is designed more like a VCR and, unfortunately, is nearly as big. Like the model it replaces, the 2100E takes up a fair amount of space in your home entertainment system.

General Instrument has made changes inside the decoder as well, to prevent unauthorized reception of scrambled programming. But users won't notice, as the VideoCipher 2100E performs the same functions as the older model—with one key difference, a much-needed remote control.

The previous model was available in two versions, but the new unit should help eliminate any confusion over what decoder you need for a given satellite system. The former VideoCipher 2000E and 2000E/B versions were designed for compatibility with most of the satellite receivers on the market. The 2000E/B, as the additional letter indicates, was for use with block downconversion satellite systems and could only operate properly if the receiver provided an unfiltered, unclamped (baseband) video signal. The more versatile VideoCipher 2000E, which wasn't always available, could be used with either block downconversion receivers or with a single conversion downconverter receiving a 70-MHz intermediate frequency signal. Now, only the 2100E decoder will be available. Like the 2000E, it functions with either kind of receiver input.

EASY HOOK-UP

Connecting the VideoCipher 2100E to your satellite system is no problem; it's the same procedure used to hook up the 2000E. All necessary cables are included in the package, and the unit has all the outputs for plugging into a variety of auxiliary equipment. The left and right channel audio outputs are for connecting a stereo amplifier or a stereo VCR, and the

VideoCipher's digital audio provides sound reproduction that rivals that of compact disc players. The decoder's radio frequency (RF) output can be switched to channel three or four for connecting the TV's antenna terminals. The decoder's antenna input will accept signals from either a VHF/UHF antenna or a cable converter at the push of a button. Once connected and tuned to a VideoCipher



▶ VideoCipher 2100E

channel, the decoder is ready to use. If a problem occurs, the help button will display on-screen instructions.

The 2100E has two jacks on the rear of the unit. Labeled Data and IPPV, these jacks are for the future addition of an impulse pay-per-view module, which viewers can use to purchase programming on a per-view basis. Reportedly, the module will contain a telephone modem that allows the decoder to communicate directly with the authorization computer.

FINALLY A REMOTE CONTROL

When the first VideoCipher II hit the streets over a year ago, the system offered some valuable features not previously available. The most unusual of these were, and still are, the “view” and “next program” features. By pressing the view button, the name of the current program and the time remaining appears on the screen. The next-program button displays the name of the next program scheduled to appear, along with the time remaining in the current program. In the older version, viewers had to get up off the couch to push the buttons. For owners

who thought about getting a long stick, the 2100E has a welcome solution: a 21-button remote control with buttons identical to those on the front panel.

The 2100E also retains other special features unique to VideoCipher. The rating ceiling, for example, allows parents to limit the type of programming their children may watch. Unlike many parental lock-out controls available in satellite receivers—which lock the antenna on a single satellite or lock out all channels on a given transponder—the VideoCipher system locks out only the specific programs chosen. Kids vastly prefer it to a unilateral lock-out of services. Some parents, however, may have wished for improvement on one aspect of the rating ceiling feature. To implement the lock-out, a password or code must be entered that is from one to eight characters long. If the password is subsequently forgotten, the rating ceiling cannot be lifted except by calling the programmer to send special codes to the unit.

The 2100E can also receive teletext transmitted by the programmer for screen display. Currently, the text feature is used to offer viewers information about scrambling. But programmers could send messages, news items, even full-length articles about programming or current events. Then, too, the system has a provision for sending messages to specific subscribers, should a programmer wish to contact you about billing or anything else that pertains only to you.

While the VideoCipher 2100E provides the same features as the older models, the manufacturer has also incorporated some changes that users won't see. To detect tamperers seeking unauthorized programming, General Instrument has added new hardware and changed the software that programs the unit. Any attempt to modify the 2100E for illegal reception could reduce the \$395 decoder to a piece of junk.

—Jerry Poyser

A drop dead

BLIND JUSTICE?

"Justice must be blind," said Fred Finn, who represented the Home Satellite Television Association at the hearing. "Ideological whitewash," said another industry representative. Christine Gliozzo, spokeswoman for the Satellite Broadcasting and Communications Association, called Justice's report "a real bombshell." Insiders found the investigation's conclusions surprising in light of earlier indications that department staffers had, indeed, discovered antitrust problems in satellite TV scrambling and the program distribution business.

There were no surprises, however, from the FCC's Dennis Patrick and the National Telecommunications and Information Administration's Alfred Sikes. Both reiterated their positions that, in spite of problems with the development of program packages and shortages of VideoCipher II decoders, the satellite TV market is making satisfactory progress without legislation. "That is not to say we are not disappointed by the absence of third-party program suppliers," Patrick conceded.

Two would-be independent program packagers testified at the hearing, confirming that the major

programmers had shown no interest in doing business with them. Bob Phillips, CEO of the National Rural Telecommunications Cooperative, said he received no response after offering Viacom International \$1 million for advance subscriptions to Showtime and The Movie Channel. He also testified that ESPN "appears to be taking a 'cable-friendly' approach," selling only through cable systems or through HBO and Showtime.

David Wolford, president of Home Satellite Services and CEO of CommTek Inc. (the company that publishes *Satellite ORBIT*), said his efforts to negotiate with the programmers had also been ignored or rebuffed. Wolford warned that cable companies were moving to take control of "both the wired and wireless world of programming," and that the public interest was in danger.

VIDEOCIPHER FIREWORKS

Subcommittee members saved their strongest blasts for J. Lawrence Dunham, executive vice president and general manager of General Instrument's VideoCipher Division. They called him to task for the shortage of descramblers and the disruption it has caused in the satellite TV market. Dunham reviewed what his company was doing to relieve the shortage, predicting that production would catch up with supply by the fall (see "Issues in Orbit," August).

But Tauzin, for one, wasn't convinced. "It seems like there is some real control going on in this marketplace," he said. "The concern is . . . that the shortages are not accidental. I cannot help drawing that conclusion."

Dunham was caught off guard by the attack. GI officials said later they had come prepared to discuss the section of Tauzin's bill that would require the FCC to set a scrambling standard. Instead, they found themselves accused of intentionally withholding decoders and manipulating the market. "We had to take the heat for the whole industry," said GI spokeswoman Cheri Hart. "There were a lot of allegations, but never any proof."

While the committee members made plain their unhappiness over the VideoCipher II shortage and the absence of competitive programming packages, the question remained at the close of the hearing whether their impatience would

translate into early action on the Tauzin bill. In the House, another Telecommunications Subcommittee hearing is planned to discuss dish owner access to PBS, network, and other signals, perhaps sometime this month. That means that H.R. 1885 won't be voted on by the subcommittee before late fall or even early next year.

So viewing rights advocates turned their attention to the Senate, where a hearing was to convene July 31 before the Communications Subcommittee, chaired by Senator Ernest Hollings (D-Hawaii). The bill may move more quickly in the Senate because viewing rights supporters like Senator Albert Gore Jr. (D-Tennessee) can always take the Satellite Television Fair Marketing Act directly to the floor for a vote if it gets bogged down in committee. Even so, the oddsmakers doubt that either the House or the Senate will act on a viewing rights bill before the end of the year.

Letters

TO THE EDITOR

October 1986/Satellite ORBIT

Deep Throat?

An acquaintance of mine—I'll call him "Lance"—told me that the network he works for did not want to scramble because it would be counterproductive to its marketing plan. So I asked Lance, "Why scramble if it will be counterproductive?" His answer? "Because we have no choice. I'll send you a copy of a letter we received from the cable association that will explain why we have no choice but to scramble our satellite feed."

When I received the copy of the letter I was shocked. What the letter said was, in effect: We are a cable association that represents millions of homes, and if your programming service does not scramble we will drop your network from our cable systems nationwide. This letter was purely and simply blackmail. This programmer was being told, "Either you scramble or we'll destroy you by removing your viewing audience."

As far as I know, extortion is a criminal offense. But if a cable association does it, the offense goes unpunished. Why? If I did that, I assure you I would be writing this letter from Huntsville Prison. I asked Lance, "Why doesn't your network file suit against the cable association since you're being forced to scramble against your will?" He replied that the network did not have the political clout or the financial resources to pursue such action.

The point of my letter is this: the programmers are not necessarily the ones responsible for scrambling. And I do not have any intention of voting for any senator or congressman who takes a passive stance towards the scrambling issue and the promotion of free trade in the marketplace.

Ronald Wilkins
Vision Satellite
Plano, Texas

Out of the Pits

I want to congratulate Ted Dyer for his article "An Expensive Game" in the August *Satellite ORBIT*. If all satellite dish owners

could read this article, I am certain they would give up their ill-fated idea that scrambling can still be defeated, and instead concentrate on obtaining a fair price structure from our lawmakers.

I have always felt that everyone offering a product or service should receive fair compensation, and herein lies the hope for dish owners—a fair price.

Other periodicals still try to lead dish owners down the path into the bottomless pit. Congratulations on showing why plans to start up the superstations can hardly work due to the fantastic startup costs.

Willis Roth
White Lake, Wisconsin

What About Tomorrow?

I have been following the scrambling debate since its beginning. There are several questions I would like answered.

Are there any regulations that would prevent the broadcasters from changing their scrambling technology? For instance, if I went out tomorrow and purchased a VideoCipher II decoder and subscribed to the various services available, is there any guarantee that the broadcasters will continue to use the same scrambling techniques so my \$400 decoder does not become obsolete?

If, for any reason, the sales of VideoCipher II decoders do not reach acceptable levels, will the broadcasters introduce a "VideoCipher III" technology? What is to prevent the broadcasters from changing their scrambling technology any time they choose and for whatever reason they choose?

Lastly, are any broadcasters profiting in any manner from the sales of decoders? If so, is this legal?

Your views on these questions will be greatly appreciated.

William C. Seal
Picayune, Mississippi

Editor's Note: Broadcasters—programmers—do not profit from the sales of decoders. As you may have suspected, there is nothing to prevent the changing of scrambling technologies—except economic factors. The

WHAT ABOUT THE LAW?

On January 7, General Instrument and HBO filed suit against a distributor of pirate chips in Phoenix, Arizona. A number of chips were confiscated, along with records of customers who purchased the devices. Anyone who uses these

chips to receive unauthorized programming is in violation of section 705 of the Communications Act of 1984, and is subject to a fine of up to \$1,000 and six months in jail.

General Instrument claims that it has the security tools necessary to deactivate all unauthorized decoders to date. Programmers that rely on VideoCipher technology to secure their programming support GI wholeheartedly, and have faith that the situation will soon be cleared up. Some industry observers, however, have interpreted GI's delay in deactivating these bootleg units as a sign of uncertainty regarding the VideoCipher II descrambling system. Nonetheless, the Federal Communications Commission in February declared that the VC II is the de facto decoder standard for the nation. (For more on GI's latest decoder, see page 45. For more on the FCC, see page 12.)

GI, SBCA Turning Pirates Into Satellite Consumers

SAN DIEGO — Responding to "increasing requests by consumers who want to return to the legitimate use of descramblers," VideoCipher manufacturer General Instrument Corp. and the Satellite Broadcasting and Communications Association have launched a program to convert pirates into legal consumers of satellite-delivered programming.

to signal theft by pirate merchants," the organizations said.

In addition, the program should collect data that may be used to shut down other illegally modified descramblers with electronic countermeasures, and to initiate criminal and civil actions against pirate dealers.

Under the program, consumers can return working pirate descramblers and purchase a replacement, legal descrambler module at prices to be set by the retailers. General Instrument is participating in the program by pledging not to seek civil

litigation against program participants.

Officials of GI said more than 300 dealers are already enrolled in the VideoCipher Module Service Dealer program, which automatically qualifies them to participate in the exchange program. Dealers will be able to purchase replacement descramblers for \$239. They will in turn set retail prices.

Retailers will be able to qualify for up to \$100 in rebates for participating in the program. A \$40 rebate is offered for the return of a working module, with a second rebate of \$50 available if the "converted" consumer buys a legal programming package. A \$10 rebate is awarded if the retailer obtains the name and location of the person or business who supplied the illegal converter to the consumer.

General Instrument has agreed to assume the cost of shipping handling and administrative costs of the change-out. It will also donate \$5 per module to the SBCA's Anti-Piracy Task Force to continue its work. ■

Cable Operators Predict HDTV Future

LAS VEGAS — Seventy-one percent of cable operators polled predict that high-definition video formats will replace NTSC formats in program production by 1995, according to two recently published surveys by Sheer and Chaskelson Research Inc. in New York. The two studies were the fourth annual Broadcast Equipment Marketplace (BEM)-IV Report and the third annual Professional Video Marketplace (PVM)-III Report.

Those surveyed included both broadcast and non-broadcast video users. Cable operators ranked highest in predicting HDTV production use, followed by 57 percent of video production facilities who saw HDTV replacing NTSC, 45 percent of religious broadcasters and 42 percent of call-letter television stations. ■

Satellite Insider, June 7, 1990
On satellite piracy last week, Raymond J. Bourdon of Masena, New York was sentenced by U.S. District Judge Neal P. McCurn to two months of community confinement, two months of home detention, and two years probation. Bourdon, who pleaded guilty to selling illegally modified satellite television descramblers, was also ordered to pay \$10,000 to the SBCA for the purpose of financing satellite television piracy, according to an SBCA release.

Multi Channel News May 15, 1989

Satellite Insider June 7, 1990

Home Satellite and Cable Piracy Update

FBI took a new approach to piracy last month. This one for Cable TV descramblers that were sold on a nationwide basis to cable customers expecting to bypass HBO and Showtime's subscription requirements.

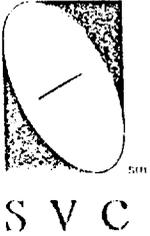
The crime that Kevin M. Coyle was tried for in this case was mail fraud. As a result - Coyle, who was found guilty in a non-jury trial, will face up to 30 years in jail for a misdemeanor turned felony because the postal service was involved.

U.S. District Judge Robert G. Doumar compared Coyle to a man "sending a hammer through the mail if he knew the the hammer would be used to break into a house." In response, Coyle's attorney argued that "it was improper to indict Coyle on felony mail-fraud charges for a crime that amounts to a misdemeanor." accord-

GENERAL INSTRUMENT

Suggestions and Instructions for Installation of your VIDEOpal™ order recorder

1. Read the Installation and Operation Manual thoroughly before you attempt to install the VIDEOpal order recorder, and keep the manual handy during the test.
2. Proceed to install the VIDEOpal order recorder according to the instructions provided in the Manual. Installation is very simple, but should you have any difficulty, please call The Satellite Video Center, at 800/54-VIDEO between 9:00 AM and 7:00 PM - PST (12:00 AM - 10:00 PM-EST) on weekdays and between 9:00 AM and 4:00 PM - PST (12:00 PM - 7:00 PM - EST) on Saturday. One of their representatives will gladly help you.
3. Once the VIDEOpal order recorder is installed, please call the The Satellite Video Center during the hours indicated above, for your initial authorization. During this call, you should follow the directions provided by their representatives.
4. Very shortly after your initial authorization call, you'll be ready to order the next scheduled program on the air. To order, please press the appropriate buttons on your VIDEOCIPHER II® descrambler or IRD remote control unit, as instructed in your VIDEOpal manual. Again, should you have any questions, please call The Satellite Video Center, during hours of operation. 
5. Should your VIDEOpal order recorder break down during the test, they will ask you to return it to our Hickory, North Carolina facility. We will replace it by return mail. Please do not return your unit until they ask you to do so.
6. Because your VIDEOpal order recorder is a test unit, we may ask you to return it for evaluation during the test or upon its completion. For this purpose, please keep the original shipping carton to make it easier to return it, at our expense. If we ask you to return the VIDEOpal for evaluation, we will replace it with a production unit.



Dear First Run Customer,

Welcome to the exciting world of Instant Pay Per View and The Satellite Video Center! Now that you have a Videopal order recorder, with the touch of a button you can order the finest in movies, blockbuster specials, and thrilling sporting events, without ever having to leave your home!

And The Satellite Video Center is here to make it easy for you. We are a national clearinghouse to provide one stop shopping instant pay-per-view programming.

All you have to do is choose which events and movies you want to see, when you want to see them...in the comfort of your own home at the touch of a button. No waiting in long lines, no "Sold Out" signs, no tapes to return and no late charges!

The Satellite Video Center will send you a simple bill each month for your previous month's pay-per-view orders. You pay for only those pay per view events you've ordered, plus a nominal service charge only on the months you order!!

For your convenience, we have enclosed an information sheet about the Satellite Video Center...The Satellite Video Center and You.

We're here to help you enjoy the new world of Instant Pay Per View! Give us a call when you need us anytime from 9 A.M. to 7 P.M. West Coast Time, Monday thru Saturday. But most of all, have fun!

Emily C. Cordoba
Mgr: Administrative and Customer Service