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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Implementation of Sections 11 and 13 of the Cable Television Consumer Protection and Competition Act of 1992	)	MM Docket No. 92-264
	)	
Horizontal and Vertical Ownership Limits, Cross-Ownership Limitations and Anti-Trafficking Provisions	)	

COMMENTS OF DISCOVERY COMMUNICATIONS, INC.

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COMMENTS OF DISCOVERY COMMUNICATIONS, INC.

Discovery Communications, Inc. ("Discovery"), by its attorneys, hereby submits its comments on the Commission's Notice of Proposed Rulemaking in the above-referenced proceeding pertaining to the Cable Television Consumer Protection and Competition Act of 1992 ("Cable Act").1/

I. INTRODUCTION

Discovery owns and operates The Discovery Channel and The Learning Channel. Both channels provide programming to cable operators and other multichannel video distributors on a nondiscriminatory basis.

1/ Discovery has challenged the constitutionality of various portions of the Cable Act. See Discovery Communications, Inc. v. United States, C.A. No. 92-2558 (D.C. Cir. filed Nov. 12, 1992). This submission is made without prejudice to Discovery's position in that lawsuit. See Nixon v. Administrator of General Services Administration, 433 U.S. 425 (1977).

The Discovery Channel was founded in 1985 to reach an audience not adequately served by existing over-the-air broadcasters. It survived only because cable operators were willing to make an investment in it when no one else would. The Discovery Channel features nonfiction documentaries about science, nature, technology, human events, and history. It now reaches about 59 million subscribers and is one of the most enjoyed and appreciated cable networks in the country.

Discovery acquired The Learning Channel in 1991 and is continuing to upgrade its programming. The Learning Channel features educational programs on subjects such as history, science, archeology and anthropology for viewers of all ages. It also provides six hours of commercial-free educational programming for preschoolers every weekday morning. Discovery's mission for both channels is to use the power of television to educate and entertain viewers.

II. SUMMARY

The Discovery Channel has a vital interest in the rules adopted by the Commission pursuant to section 11 of the Cable Act because three major cable operators, Tele-Communications, Inc. ("TCI"), Cox Communications, and NuChannels Corp., have ownership interests in it. The rules adopted in this proceeding will not only affect the revenues and perhaps the continued viability of The Discovery Channel and The Learning Channel, but also the continued availability to consumers of the diverse programming the Cable Act envisions. Accordingly, the Commission should make sure that its subscriber and channel limitations do not threaten the ability of programmers to survive and thrive and to meet consumer needs. The Commission should also ensure that the regulations do not intrude on First Amendment speech.

III. THE COMMISSION, CONSISTENT WITH THE INTENT OF THE CABLE ACT, SHOULD RELY ON MARKET FORCES TO THE GREATEST EXTENT POSSIBLE TO BEST PROMOTE CONSTITUTIONAL FREEDOMS.

While the Commission inevitably will draw on its substantial regulatory experience with the telecommunications industry in fashioning a regulatory program for cable, it must remember that cable is not a common carrier, but a fully protected First Amendment medium. The First Amendment condemns not only censorship, but any entanglement of government and media that might improperly impede free expression.[2/] The type of regulatory discretion that might be appropriate in other industries may well be unconstitutional with respect to cable because of the risk of distortion of free expression. Crafting regulations in the extremely sensitive area of cable operations requires careful reference to constitutional limits. Therefore, wherever possible, the Commission should opt for deference to the market to avoid ongoing and dangerous entanglement between government and the press, which properly operate independently.

2/ See Miami Herald Publishing Co. v. Tornillo, 418 U.S. 241 (1974) (government cannot target media operations for regulation, even if purpose is benign); T. Hazlett, Duopolistic Competition in Cable Television: Implications for Public Policy, 7 Yale J. on Reg. 65, 117 (1990).

Indeed, the Act itself provides that "it is the policy of the Congress . . . to rely on the marketplace, to the maximum extent feasible, to achieve . . . availability to the public of a diversity of views and information." Cable Act § 2(b)(2). Congress wisely incorporated a policy of reliance on the marketplace in the Cable Act. The unfettered market has in the past few years contributed significantly to the founding and growth of the numerous and diverse cable program services that are now available to consumers. No one disputes the inherent diversity of cable program services available, and the Commission should be wary of regulations designed to compel more diversity. Well-intended regulations in the past have undermined the creative force of the marketplace. Even the most benign government intention to foster "diversity" may fail to achieve what market freedom could achieve. Diversity will flourish only if the marketplace continues to offer economic opportunities to programmers and investors.

IV. THE COMMISSION MUST CAREFULLY TAILOR ITS SUBSCRIBER LIMITS TO AVOID INJURY TO PROGRAMMERS AND CONSUMERS.

Section 11(c)(2)(A) of the 1992 Cable Act requires the Commission to "prescribe reasonable limits on the number of cable subscribers a person is authorized to reach through cable systems owned by such person or in which such person has an attributable interest." 47 U.S.C. § 533(f)(1)(A). In so doing, Congress expressly provided that the "Commission shall . . . not impose limitations which would impair the development of diverse and high quality video programming." Cable Act, Section

11(c)(2)(G). To comply with that requirement, the Commission must set subscriber limits on cable operators high enough to avoid depriving programmers of essential subscriber fees and advertising revenues. If it does not, the ultimate loser would be the consumer who would be deprived of the diverse programming the Act was designed to foster.

A. Subscriber Limits on Cable Operators Could Substantially Injure Programmers and Viewers.

It is a marketplace reality that any limit on the number of subscribers a cable operator can serve will also limit the number of subscribers programmers can serve. The effect of an overly restrictive limit on cable systems would be to reduce -- perhaps sharply -- programmers' revenues.

Programmers such as The Discovery Channel and The Learning Channel derive their revenues from two sources -- advertising and subscriber fees. Obviously, a programmer's subscriber fees will go down as its number of subscribers decreases. Less obvious, perhaps, is that advertising revenues also decrease as the programmer's number of subscribers goes down.[3/] If the Commission adopts regulations reducing the number of subscribers

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3/ A programmer's advertising revenues are directly linked to the number of subscribers a programmer can deliver to an advertiser. As the number of subscribers goes up, so do advertising revenues. Conversely, as the number of subscribers goes down, so do advertising revenues. And a program service must reach a critical mass of viewers, approximately 12 to 14 million, before Nielsen will even meter the service and before advertisers will purchase time on the service. Moreover, many advertisers apply significantly higher viewer thresholds in determining whether they will purchase time on a program service.

that certain cable operators can reach, the impact would be to sharply reduce the revenues of the programmers carried by those systems, threatening those programmers' ability to grow and thrive and perhaps even to survive.

The Discovery Channel and The Learning Channel carry high quality, costly programs and would thus be particularly vulnerable to overly restrictive subscriber limits imposed on cable operators. Programmers generally must reinvest the revenues they derive from advertising and subscriber fees in new and ever-better programming to attract viewers because consumers have so many channels to chose among. Discovery continually strives to improve its programming with better production values, more stars, and cutting-edge innovation -- all of which requires ever greater investment.

Restrictive subscriber limits on cable operators could also injure consumers. If the Commission were to unduly restrict the number of subscribers a cable system could reach, numerous subscribers could be deprived of the popular and diverse programming carried on that system. Moreover, in areas where there is poor over-the-air reception, consumers deprived of cable television would also be deprived of broadcast channels. It would be ironic indeed if the effect of the Cable Television Consumer Protection and Competition Act of 1992 were to deprive certain consumers of the ability to receive the programming they wish to receive via the means they have chosen to receive it.[4/]

Other cable companies and alternative technology distributors cannot be assumed to fill the void on a timely basis, if at all. Satellite dishes are not viable in all urban areas and, in any event, require a considerable up-front investment by consumers.[5/] And even if another cable company decides to overbuild, it may take years to do so. Thus, consumers deprived of access to their cable television because of subscriber limitations may be foreclosed from viewing desired programs. Programmers also would suffer because in many instances they would have no viable alternative means of distribution at least for a significant time.

B. Any Subscriber Limitations Should Allow for Growth, Be Based on Homes Passed, and Not Harm Programmers and Consumers.

Given the dangers inherent in adopting regulations setting strict subscriber limits, and the absence of any harmful effects from the current level of horizontal concentration, the Commission should set such limits considerably higher than the current level of horizontal concentration. As the Commission's Notice recognizes, the current level of horizontal concentration has not stifled competition. According to the two prevailing

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4/ If the Commission's rules were so restrictive as to require certain subscribers be dropped from a cable system, the Commission would have to determine which subscribers are to be dropped. Discovery is unable to think of any principled or fair means of deciding which consumers are to be deprived of cable television and which are not.

5/ Other alternative technologies are appropriate only under certain conditions.

measures of market concentration -- the four firm concentration ratio ("four firm ratio") and the Herfindahl-Hirschman Index ("HHI") -- the cable industry is not concentrated. Notice ¶32; House Report at 42.

Moreover, the dangers that can accompany horizontal concentration are not present in the cable industry. Programming decisions are made on a decentralized basis. As a practical matter, MSO owners generally do not dictate programming to their local cable system manager, nor are MSO-owned programmers favored. Rather, each local cable operator makes program carriage decisions with respect to its own system, even when owned by a large cable operator with many other systems.[6/] Thus, even if only a few companies owned most of the cable systems, those companies could not "create barriers to entry for new programmers and. . .reduce the number of media voices available to consumers." See Notice ¶32.

Thus the Commission's approach of defining the relevant universe in terms of homes passed is the correct one. See Notice ¶ 36. By using homes passed rather than current subscribers, the Commission will permit the cable industry to grow. Similarly,

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6/ For this reason, cable programmers such as Discovery have regional offices and make regular and frequent local sales calls on cable systems. Indeed, a significant number of cable systems owned by Discovery's owners do not carry The Learning Channel, and some do not even carry The Discovery Channel. One of TCI's prime cable systems in Westchester County New York, serving an unusually high population of advertising executives, only recently has added The Discovery Channel.

whatever numerical limits the Commission imposes must also be set high enough to allow industry growth. Cable systems must have room to expand, both in their existing franchise areas and also in new areas. Otherwise, they will be hurt as will programmers and consumers.

To the extent the Commission imposes subscriber limits based on homes passed in local markets, the percentage limit should be higher than in a national market. It is possible that in some local markets, a cable operator may serve a significant percentage of the homes passed, yet provide no realistic potential of raising barriers to entry for new or independently owned programmers.

The Notice asks at what percentage a cable operator could effectively "preclude the success of a new cable service." The answer can be derived by determining the penetration percentage an alternative technology distributor must obtain to survive. Significantly, Congress defined "effective competition" in terms of at least two unaffiliated distributors both of which have a subscriber base of more than 15% of the households passed. Cable Act, Section 3(l)(1). Thus, under Congress' own definition, effective competition can exist even when one operator has 85% penetration. While the percentage limitation adopted by the Commission may not be as high as 85%, it should be well above 50%.[7/]

7/ The broadcast multiple ownership rules that set a 25% limit on the audience reach of television stations in which a Continued

V. THE COMMISSION SHOULD CAREFULLY TAILOR CHANNEL LIMITATIONS TO AVOID INJURING PROGRAMMERS AND CONSUMERS.

Section 11(c)(2)(B) of the Cable Act provides that the Commission establish "reasonable limits on the number of channels on a cable system that can be occupied by a video programmer in which a cable operator has an attributable interest." The Commission's Notice asks for comments regarding this provision.

A. Overly Restrictive Channel Limitations Could Cause Substantial Injury to Programmers and Consumers.

Channel limitations threaten cable programmers and viewers in much the same way as subscriber limitations do. If programmers are deprived of channel space, their subscriber base is reduced. As a result, subscriber fees and advertising revenue would be curtailed and even reduced. Overly restrictive channel limitations on cable operators who have an investment in programmers could thus threaten the survival of programming services and hamper the production of new programming.

Overly-restrictive limitations could have a devastating effect on programmers and consumers. Thirty-nine of the sixty-eight nationally-delivered cable video networks, including twelve of the twenty most popular services, have some ownership affiliation with cable operators. See House Report at 41. In 1990, the largest MSO, TCI, had an equity interest in twenty-two cable networks, including The Discovery Channel and The Learning

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person has an attributable interest should not be followed here. A higher limit is justified for the cable industry, which is not subject to the physical spectrum limitations of broadcast television.

Channel. 1990 Cable Report, 5 FCC Rcd at 5007. If under the hypothetical posed at paragraph 47 of the Notice, a 54-channel system owned by TCI were subjected to a 20% channel limitation, it could carry only eight of the twenty-two channels in which it held an equity interest.[8/] Thus, fourteen channels now carried would have to be dropped, assuming the system was carrying all the TCI owned programming. The Learning Channel would most likely be among those networks dropped since it is relatively new and not as well established as other TCI-owned networks. If The Learning Channel were dropped, consumers would lose a valuable programming source -- one providing six hours of commercial-free educational programs for preschoolers each weekday morning as well as remedial reading programs for adults. Clearly Congress did not intend such an outcome.

Although better established, The Discovery Channel also could be dropped if TCI owned cable operators could only carry eight of the twenty-two channels in which it had an investment. Clearly, as programmers were dropped from cable systems, they would lose significant numbers of subscribers and their revenues would fall, in some cases dramatically. Ironically, consumers

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8/ The hypothetical assumes TCI meets the attribution standards for the twenty-two programming services in which it has invested -- a position with which Discovery disagrees. See pages 18-19, supra for further discussion of the proper definition of attributable interest. For programmers such as The Discovery Channel and The Learning Channel similar scenarios could be played out for its other cable-operator investors, again depending on the attribution standard ultimately adopted by the Commission.

who had previously watched those vertically integrated services would be deprived of their viewing choices -- in the name of an Act that was designed to foster viewing choices.[9/]

B. Restrictive Channel Limitations Could Impede the Development of New Programming Services.

Overly restrictive channel limitations could also discourage cable operators from investing in programmers to the ultimate detriment of viewers. The benefits of cable investment in programmers include promoting the introduction of new services by providing needed capital and stimulating the production of new original programming enhancing diversity. See 1990 FCC Rept. at 5008-10, ¶¶ 82-86. The Commission itself has specifically noted that consolidation in the cable industry has produced significant benefits to consumers, including the fostering of "investment in more and better original programming and a wealth of viewing options for consumers." Notice ¶34.

Cable operators traditionally have been a major source of capital for new and creative programming. As the Commission has observed, a "cable operator has a strong incentive to increase its penetration by making the programming that it offers more attractive to potential subscribers." Notice of Proposed Rule Making, MM Docket No. 92-265 ¶ 7. The Commission has noted that "on several occasions, MSO investment has enabled a programming

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9/ This danger is not limited to The Discovery Channel and The Learning Channel. Major cable owners own a large percentage of the channels that consumers consider important, including CNN, Headline News, Nickelodeon, TNT, TBS and Lifetime.

service to remain in operation when it otherwise would have been forced to discontinue its programming" and that "vertical integration by MSOs with significant subscribership has contributed to program diversity by providing financial support for faltering program services." 1990 FCC Rpt. at 5009, ¶ 83. Channels such as TNT, CNN, The Discovery Channel, C-SPAN, Black Entertainment Television, and E probably would not exist but for their cable operator investors.

The Discovery Channel's own experience illustrates the benefits of cable operator investment in programmers. Although The Discovery Channel is now the fifth largest cable network, available to 97% of households wired for cable television, it initially experienced hard times. Its founder and Chairman, John Hendricks, described by Business Week as "the conscience of cable TV," had difficulty finding investors and had to mortgage his own house for start-up capital. After making more than 400 presentations, he finally persuaded approximately 30 individuals and several venture capital firms to invest a total of $5 million (far short of the $25 million which was needed for sustained operations), and the channel was launched in June 1985. By the end of that year it had run out of money. Companies such as Coca-Cola and Disney were approached for funding, but showed no interest. The Chronicle Publishing Corp. tentatively agreed but then backed away from making a $6 million investment which would have given it control of 40% of the company. The Discovery Channel survived only because three cable companies agreed to invest in the channel to encourage the development of original programs for cable television.

As the Commission correctly reasoned in its Notice, it should not adopt channel occupancy limits that impair the ability or incentive of cable operators to invest in new and existing programming services. Notice ¶51.

C. To Minimize Harm to Programmers and Viewers The Commission Should Promulgate The Least Restrictive Channel Limits Possible.

To avoid serious injury to cable programmers and to encourage new programming, the Commission should set the least restrictive channel limits possible. As discussed above, the dangers of setting too restrictive a limitation are great. At the same time, there is no significant risk in adopting regulations that establish higher channel limitations. Cable operator investment in programmers has not resulted in undue favoritism, as the Commission itself has recognized. See Notice ¶44 (citing study finding that none of the top five MSOs showed pattern of favoring services with which they were affiliated). See also supra at 8 and Comments of Discovery Communications, Inc. filed in MM Docket No. 92-265.

Discovery's own experience demonstrates the absence of favoritism. Neither The Discovery Channel nor The Learning Channel has obtained preferential treatment from Discovery's cable operator owners. The Learning Channel reaches less than 25% of the subscriber base of two of its MSO owners, and just over one-half of the subscriber base of its third MSO owner.[10/] The Discovery Channel, despite its national distribution to almost 59 million subscribers, is only now being added by a premier TCI cable system in Westchester County, New York -- a cable system viewed as critically important by programmers because so many major advertising executives live in its franchise area. Moreover, neither The Discovery Channel nor The Learning Channel receives more favorable channel positions on systems owned by their owners.

Any risk of setting a permissive limitation is also substantially ameliorated by section 19's preclusion of "unfair and deceptive acts or practices, the purpose or effect of which is to hinder significantly or to prevent any multichannel video programming distributor from providing satellite cable programming . . . to subscribers or consumers." Any abuses resulting from vertical integration can be effectively addressed under section 19.

D. Specific Recommendations For Channel Limit Regulations.

Given the overwhelming advantages of cable operator investment in programmers and the potentially devastating consequences channel limitations could have on programmers,

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10/ TCI has a subscriber base of 13 million, of which The Learning Channel reaches only 3.2 million. Cox has a subscriber base of 1.7 million, of which only 997,000 subscribe to The Learning Channel. Newhouse has a subscriber base of 1.2 million, out of which only 271,000 subscribe to The Learning Channel.

Discovery recommends that the Commission adopt channel limitations that are not so restrictive as to injure programmers, discourage new programmers, or deprive consumers of the programs they want to see. Even a 50% channel occupancy limit would force TCI-owned cable systems to drop quality programming under the hypothetical posed in paragraph 47 of the Notice. Because such a result would harm programmers and consumers, whose viewing options would be artificially limited contrary to Congress' intent, the channel capacity limit should be well above 50%.[11/]

In calculating the percentage limit, we recommend that the Commission's rules include all channels that are available to a subscriber in the market, regardless of the number of people who subscribe to them. In particular, broadcast channels, must-carry channels, PEG channels, leased access channels, and premium channels should be counted. The interests of diversity and competition are served as long as viewers have the option of selecting those channels.

In no event should the regulations require a cable operator to drop a channel it was carrying at the time of the passage of the Cable Act. All existing channels in which the cable operator

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11/ The Commission correctly interprets the Act in concluding that channel occupancy limits should be applied only to video programmers affiliated with and carried by the particular cable operator for whom the channel limits applies. Notice ¶ 50. If, to the contrary, the limits were applied to all programming in which any cable operator had an attributable interest, viewers would be arbitrarily foreclosed from a significant amount of programming. That approach makes no sense whatever.

has an attributable interest and is in fact carrying should be grandfathered.

The regulations should further provide for the phasing out of channel limitation restrictions as the number of channels offered by a cable operator exceeds 29. Such a relaxation is justified because concerns over diversity of programming and favoritism necessarily decrease as the number of channels carried increases. Discovery further believes no channel limitations are necessary once the number of channels carried exceeds 53, which would exempt only about 10% of existing cable systems.

If the Commission does not adopt such a sunset provision, then at a minimum, its regulations should specifically exempt cable operators using emerging technologies such as digital signal compression and fiber optic cable which dramatically increase channel capacity. As the Commission recognizes, when a cable operator can offer as many as 500 channels, there is little concern that it will squelch diversity because of ownership interests in cable programmers. See Notice ¶53 (expanded channel capacity will eliminate need for channel occupancy limits to ensure diversity). For example, new packaging ventures such as "Your Choice TV" which would provide viewers with multiple video programming choices on demand should not be subject to channel limitations. It provides viewers with more programming choices and greater viewing opportunities. (Attached as Exhibit A is the press release announcing and describing Your Choice TV.)

To encourage the Congressional goal of increasing diversity of programming, new cable channels should be exempted from the channel limitation regardless of ownership during the first five years of operation. For the purpose of this exception, the definition of a new channel should include a channel that makes a substantial change in its programming. In particular, The Learning Channel should be regarded as a new channel as of the date it was relaunched in October 1991 by Discovery with revamped programming.

Similarly, when it is clear that a cable operator is carrying a programming service on its merits and not merely because it has an ownership interest, that channel should be exempted from the channel limitation. Thus, for example, if a programming service were carried by 50% or more of the cable operators who had no ownership interest in it, a cable system with an interest in a programming service should be presumed to be carrying it on the merits, and it should be exempt from channel limitations.

In deference to Congress' mandate to rely on the marketplace to the greatest extent possible, the channel limitation should apply only in markets where there is no effective competition. The Commission itself notes that channel occupancy limits may no longer be necessary or desirable once effective competition has been established. See Notice ¶54. Indeed, the Commission reasonably could exempt any market in which there are at least two or more distributors whether or not all the other statutory requirements of effective competition are satisfied.

VI. FOR THE PURPOSES OF SECTION 11 "ATTRIBUTABLE INTEREST" SHOULD BE DEFINED AS CONTROL.

For the purpose of applying subscriber and channel limits under section 11, the definition of "attributable interest" should be defined as control. With respect to subscriber limits, even assuming centralized decision-making, a cable-system operator could not impose programming decisions on a cable system unless it could exercise control over that system. Likewise, with respect to channel limits, a cable system operator could not impose editorial control over a programmer so as to impede the goal of diverse programming unless it could exercise control over the programmer.[12/]

Control should be defined as (i) holding 50% or more of the outstanding voting securities or (ii) having the contractual power to designate 50% or more of the directors of the programmer. This definition is based on the definition of "control" found in the FTC's Premerger Notification Rules (16 C.F.R. § 801.1(b)), which have proven to be a satisfactory, workable threshold for identifying transactions which have the potential to injure competition. 15 U.S.C. § 18(a). In determining whether the control threshold is met, the interests

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12/ The more restrictive broadcast definition should not be followed. Cable operators are not subject to the spectrum limitations of the broadcast industry. There is thus a much smaller risk of monolithic programming.

of independently owned cable companies should not be aggregated unless there is an agreement between the companies effectively creating a common ownership group. If "attributable interest" is defined as anything less than control, the regulations also should include a behavioral exception, which if satisfied, would exempt the cable system from the restrictions that would otherwise apply.

VII. THE COMMISSION SHOULD REFRAIN FROM LIMITING THE PARTICIPATION OF CABLE OPERATORS IN PROGRAM PRODUCTION.

Section 11(c)(2)(C) provides that the Commission should "consider the necessity and appropriateness of imposing limitations on the degree to which multichannel video programming distributors may engage in the creation or production of video programming." As the Commission's Notice correctly recognizes, the other provisions of section 11, as well as the provisions of sections 12 and 19, are of sufficient scope that there is no need to promulgate regulations under section 11(c)(2)(C). Notice ¶ 60. Any further regulations could be counter-productive to the goal of encouraging new programming. As mentioned above, cable operators have been a major source of new and diverse programming.

At the present time, the cable industry is undergoing tremendous change. Digital signal compression and fiber optic cable technology will soon cause an explosion of programming options for viewers. It would be short-sighted and harmful to viewers if one of the most creative sources of new programming was restricted any more than necessary just as the need for new programming becomes greater than ever before.

VIII. CONCLUSION

The Commission should impose the least restrictive limits on subscribers and channels possible. As discussed above, overly restrictive limitations would threaten the survival of programmers and frustrate Congress' goal of ensuring the availability of diverse programming. Ultimately, the consumer would be the loser if overly restrictive subscriber and channel limitations are imposed.

Respectfully submitted,

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EXHIBIT A

News Release

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DISCOVERY COMMUNICATIONS, INC.

FOR IMMEDIATE RELEASE
December 11, 1992
Contact: Jim Boyle
(301) 986-1999 ext. 5670

DISCOVERY COMMUNICATIONS, INC. UNVEILS NATIONAL MENU SYSTEM FOR DELIVERY OF DIGITAL COMPRESSION CABLE SERVICES

Discovery Communications, Inc., best known as the parent company of The Discovery Channel and The Learning Channel, took a giant leap into television's new technology field today when the company's chairman and CEO, John S. Hendricks, announced the creation of a new venture designed to organize the hundreds of additional video and interactive services made possible by digital compression into a simple-to-use system for viewers that can be operated by a single remote control device.

According to Hendricks, the venture, called ***Your Choice TV***™ and ***Cable Interactive Services***™, will be developed by a yet-to-be-formed partnership of cable industry allies and related technology and programming vendors. The new entity will be known as the Cable Convergence Partnership, reflecting its mission to converge the many anticipated service offerings of digital compression into one platform of hardware that can be easily understood and used by the cable subscriber.

Said Hendricks: "The fundamental consumer dissatisfaction with television is lack of ready access to the good things on TV. With ***Your Choice TV***™, at last viewers will not be at the mercy of having to watch only what is available to them on traditional broadcast and cable channels at the time they choose to turn on the set."

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