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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 Section 17 of the Cable Television Consumer Protection and Competition Act of 1992	)	ET Docket No. 93-7
	)	
Compatibility Between Cable Systems and Consumer Electronics Equipment	)	

COMMENTS OF THE
UNITED STATES TELEPHONE ASSOCIATION

The United State Telephone Association (USTA) respectfully submits these comments on the Commission's Notice of Inquiry (NOI) in this proceeding, released January 29, 1993. In the NOI, the Commission seeks to obtain information needed to comply with the directives of section 17 of the Cable Television Consumer Protection and Competition Act of 1992 (1992 Cable Act). Section 17 of the 1992 Cable Act requires that the Commission report to Congress, by the end of 1993, on means of assuring compatibility among television sets, video cassette recorders and cable systems.

section 17 will have a procompetitive and open result, and will not operate to favor or further entrench established cable interests. This can be achieved at the same time the Commission undertakes to consider means by which to prevent cable theft.

The Commission itself asks how it can best accommodate the introduction of new technologies and still ensure compatibility. NOI at ¶ 14, pages 9-10. It recognizes the need to reconcile the requirements of the 1992 Cable Act with new technologies. Id. The Commission should undertake to inventory the emerging means for delivering video programming, and should establish a target of universal compatibility, promoting opportunities for compatibility at reasonable cost between delivery standards on one hand and consumer and other equipment that facilitates home reception of video programming on the other. Manufacturers of equipment who choose not to utilize such opportunities will do so at their market peril. However, no participant in the video programming provision or delivery markets should be handicapped because of advantages that might emerge from a rule in which the Commission did not seek universal compatibility.

If the Commission determines to promote or adopt a standard that applies to network transmission of video programming rather than signal receipt and processing at the receiver, any requirements, assumptions and acceptable transmission criteria should be disclosed publicly, through the Commission or through an accredited standards forum, or both.

In its work, the Commission should not limit its committee activities or contacts to manufacturers and established cable system operators alone. The changes in the video marketplace require that the Commission look to other players in that market - wireless cable providers, providers of video dial tone networks, and purveyors of the optical fiber options increasingly being made available to businesses and residences. In particular, since the Commission has found that the provision of competitive alternatives to traditional cable systems is in the public interest - in wireless cable, in reallocating spectrum in the 27.5-29.5 GHz area, and in promoting the opportunities that can be made available from video dial tone networks - the Commission must not exclude these groups from its standards-related activities.

The Commission should consult with many interested or appropriate entities. Beyond the cable television and manufacturing communities, this could include the Exchange Carriers Standards Association, Bell Communications Research, the Motion Picture Expert Group (addressing video compression issues), and the Fiber Optics Division of the Telecommunications Industry Association. This list is illustrative, not exhaustive. The Commission also should consult with individual providers of video programming and of video delivery alternatives, including individual carriers who have announced plans to deploy video dial tone networks or who are now doing so. The Commission promises to undertake such consultation with cable system representatives, but needs also to include a broader set of interests. See NOI at ¶ 11, and note 15.

The questions that the Commission poses at ¶ 17 make such wider consultation well worth the effort. Changes in capacity of existing systems, movement to digital delivery options, video compression, and deployment of fiber all pose challenges for compatibility, and rules should not be capable of manipulation to benefit incumbents and exclude new entrants. It is exactly what the new entrants can offer that should make the Commission most receptive to them - innovative applications and creativity that can re-energize the delivery or provision of video programming by wire or spectrum, and creative cooperation with the technical experts in the manufacturing community.

The Congress has set deadlines for the Commission, but the Commission should recognize that there is no short term "quick fix" solution. If fiber-based digital systems expand, as many interested parties from all industry segments believe, there will no doubt be a gradual shift in the hardware used by video programming providers and by consumers. For some time, new equipment will have to be able to be compatible with the existing inventory of television receivers and other equipment. Later, the focus will shift to advanced equipment, with backwards compatibility important, but perhaps less so. There will not be a flash-cut to a new generation of converters and receivers.

Solving the problem of equipment compatibility involves a tradeoff between convenience and cost. At some point, the Commission (and every profit-oriented video provider and receiver manufacturer) will see whether the consumer will choose the status quo or some alternative full of technical advances.

The Commission also should be sensitive in this NOI to the impacts of other Commission proceedings related to the implementation of the 1992 Cable Act. For example, the rate regulation requirements of the 1992 Cable Act require that the Commission take specific steps to unbundle the costs of the converter and other in-home equipment that a cable operator provides, and to require appropriate cost allocations to assure that these items are not unfairly subject to tying, bundling or cost recovery leverage. Any separation that results from the rate regulation proceeding, MM Docket No. 92-266, should be intended in part to help assure that the results ultimately achieved here will be procompetitive.

Finally, the Commission asks whether it should take action here to accommodate dual cable systems. NOI at ¶ 14, page 10. The Commission's rules should not predefine any number of cable systems that might become available to a consumer. A properly drafted standard should be able to allow the connection within the home of as many cable systems as a consumer elects to subscribe to. The consumer should be able to buy or otherwise procure devices that allow switching within the home among multiple cable systems, or hook up only one, as the case may be.

There seems to be no reason to preclude additional competition arbitrarily by taking a restrictive view of what the standard should accommodate. Congress apparently wanted a consumer to be able to enjoy different programming at different places in the home, and to time-shift video programming through home recording without having to

undergo additional cost or programming burdens because of cable operator-created hurdles. If the Commission's rules can accommodate multiple lines of narrowband telephone service within a home or office using one instrument that can be produced by a multitude of manufacturers, there seems to be no inherently stubborn obstacle that should prevent the same type of result for video programming delivery or provision.

Respectfully submitted,

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