



miami valley  
cable council

A municipal communications group

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1195 E. Alex-Bell Road / Centerville, Ohio 45459 Phone: (614) 438-8887 Fax: 438-8569

RECEIVED

MAY - 4 1993

FEDERAL COMMUNICATIONS COMMISSION  
March 2, 1993 OFFICE OF THE SECRETARY

Donna Searcy, Secretary  
Federal Communications Commission  
1919 M Street, NW  
Washington, D.C. 20554

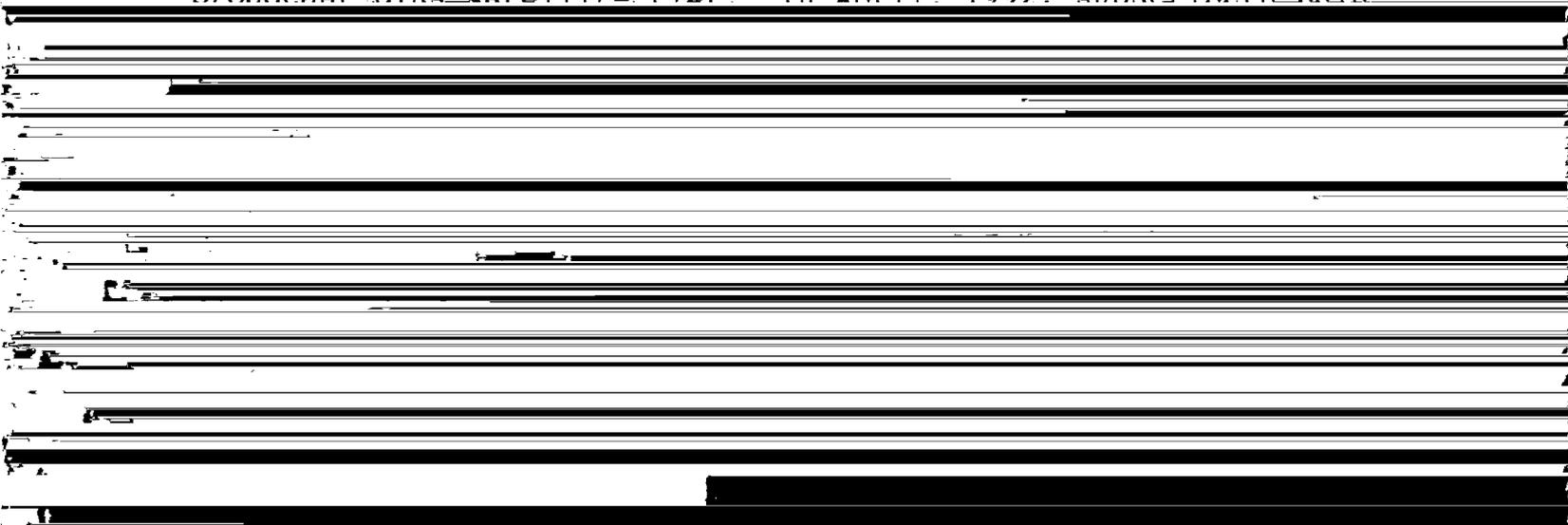
TO: THE COMMISSION

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MAR 4 1993  
FCC MAIL ROOM

A coalition of Miami Valley city governments, representing over 325,000 people in the Dayton, Ohio area, working through the Miami Valley Cable Council, franchise authority for nine cities in the southern portion of Dayton, hereby files a Complaint against cable television rate increases and adjustments which have been announced by Continental Cablevision of Greater Dayton, to be effective April 1, 1993. These significant increases detailed below and in the attached materials, are being imposed, according to Continental, "... in order to fulfill the obligations of ..." the 1992 Cable Act. Nothing in the Cable Act requires rate increases. Congress passed the Cable Act with the intent to hold or reduce rates. Furthermore, FCC rules regarding rate regulation have not yet been finalized. We believe the Company's claim of meeting the obligations of the Act is without merit and misleading to subscribers. It masks an effort to increase rates one more time prior to the 1992 Cable Act and FCC regulations becoming effective.

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MAY 4 3 50 PM '93

Under the April 1, 1993, rate schedule, Continental rates for the basic broadcast tier in the MVCC communities will skyrocket 21.3 percent since passage of the 1992 Cable Act. More importantly, the bulk of cable subscribers choose the basic broadcast plus satellite tier. In April, 1992, subscribers paid



FCC Complaint  
Page #2

In a recent letter to FCC Chairman Alfred C. Sikes (copy attached), Senators Hollings, Inouye, Gordon and Danforth, and Representatives Markey and Dingell said "In what appears to be an attempt to evade the law, many cable companies are raising rates before the FCC's rate regulations are in place."

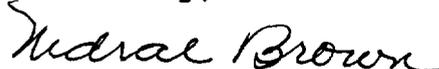
Clearly, Continental is one of these companies. The letter to Chairman Sikes goes on to point out that the FCC has authority under the 1992 Cable Act to order rate rollbacks and to take action to prevent cable operators from evading rate regulation. At the December, 1992, FCC meeting adopting the rate regulation rulemaking, FCC staff publicly indicated that such rate increases would not go unnoticed by the Commission. We join the distinguished legislators in urging the FCC "...to pay particular attention to these cable operators who rush through rate increases in anticipation of rate regulation."

It is important for all of us to remember that basic cable service is a lifeline for many people. It is critical to their access to news and information, and hence to their citizenship. In passing the 1992 Cable Act, Congress certainly intended that we protect our citizens from any unreasonable or unsupported rate increases.

We respectfully request that the Continental rate increases scheduled to be effective April 1, 1993, be rolled back to the rates in effect on October 2, 1992 - the date of passage of The Cable Television Consumer Protection and Competition Act of 1992.

Thank you for your prompt attention in this matter.

Sincerely,



Nedral Brown  
Chairperson  
Miami Valley Cable Council

Representing a coalition of  
cities supporting this  
complaint - Attached signature  
page

c: Continental Cablevision  
Senator John Glenn  
Senator Howard Metzenbaum

# COALITION CITIES SUPPORTING FCC COMPLAINT

CITY: Miamisburg, Ohio  
BY: Richard R. Blush  
TITLE: Mayor

CITY: Beavercreek, OH  
BY: Gerald Petros  
TITLE: Mayor

CITY: Fairborn Ohio  
BY: Nancy A. Seward  
TITLE: City Council

CITY: West Carrollton Ohio  
BY: Maxine Gilman  
TITLE: Mayor

CITY: HUBER HEIGHTS  
BY: Jim E...  
TITLE: MAYOR

CITY: XENIA  
BY: David G. Spahr  
TITLE: City Manager

CITY: Bellbrook  
BY: Nedra Brown  
TITLE: Councilmember

CITY: Pittsburg  
BY: Dick Dack  
TITLE: Mayor

CITY: Union  
BY: Robert Packard  
TITLE: Mayor

# COALITION CITIES SUPPORTING FCC COMPLAINT

CITY: Englewood  
BY: Ed Kemper  
TITLE: Mayor

CITY: Centerville  
BY: Shirley F. Weinstg  
TITLE: MAYOR

CITY: Jakewood  
BY: Judy Cook  
TITLE: Council member

CITY: GERMANTOWN  
BY: Edward L. Schwabrow  
TITLE: VILLAGE MANAGER

CITY: \* CITY OF VANDALIA  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

CITY: \* CITY OF TROTWOOD  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

CITY: \* CITY OF NEW CARLISLE  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

CITY: \* CITY OF MORAIN  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

CITY: \* CITY OF SPRINGBORO  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_

\*MEMBER OF COALITION BUT UNAVAILABLE FOR SIGNATURE



**Continental  
Cablevision®**

December 30, 1992

Ms. Nedral Brown  
Chairwoman  
Miami Valley Cable Council  
1195 East Alex-Bell Road  
Centerville, OH 45459

Dear Ms. Brown:

On October 5, 1992, the Congress of the United States enacted The 1992 Cable Act. This legislation will affect many facets of Continental Cablevision's operations in Greater Dayton. Therefore, during the next eighteen months as various provisions of the legislation become effective, I will keep you informed of cable system changes related to this legislation.

One of the first changes to be effected by this bill, currently being addressed by the FCC, is the development of a basis for regulating broadcast basic service rates and overseeing changes in the way cable operators charge for ancillary services such as remote converters, set top converters and additional outlets. Currently, Continental prices optional ancillary services on the basis of their benefit to the subscriber. The new cable bill, however, appears to require charges for these services to be limited by the cable companies' "costs" of providing them to subscribers.

The cable bill, in our analysis, expects cable operators to have cost-based rates for ancillary services in place by April 3, 1993. Therefore, in order to fulfill the expectations of this legislation, Continental will adjust its rates effective April 1, 1993, to our approximate 158,000 cable subscribers throughout the region. The following guideline will explain the details of these adjustments:

Additional Outlets: Our additional outlet rate will be reduced by \$2.45 or 50%, to a \$2.50 monthly rate.

Set Top Converter: Historically, we have not charged a monthly service fee for set-top converters. We have chosen to continue to waive this fee in the Greater Dayton system at this time.

Broadcast Basic: (Broadcast and Access Channels 2 thru 22) There will be an increase in our broadcast basic service of \$1.20 to \$8.95 per month.

Satellite Service: (All Non-premium Cable Satellite Channels) The rate for satellite service will decrease

As depicted in the attached chart, certain rates have been increased to offset the rate decreases in additional outlets and pay channels, as well as help meet rising operating expenses for 1993. Although these changes will cause some customers to experience increases in their monthly bill, we expect that approximately 28% or over 44,000 of our customers will experience a reduction in their monthly service charge. In total these rate changes will decrease our average monthly subscriber bill by 1.2%. The franchise fee pass thru causes a 3.8% increase, which when combined equates to a increase in an average subscriber bill of 2.6%.

In spite of continuing economic uncertainty and the rising cost of operating our cable system, Continental Cablevision remains committed to our customers, to our community, and to excellence in customer service. Our well-trained and dedicated staff remains ready to provide our customers with the finest service in the business.

I would be happy to respond to any questions you may receive about these changes from your constituents. As always, please call me if you have any questions.

Sincerely,



Ronald J. Testa Jr.  
Director of Corporate Affairs

1993 RATE ADJUSTMENT PER SUBSCRIBER ANALYSIS

<u>Service</u>	<u>Per Subscriber Variance</u>
Basic Broadcast Service:	\$ .03
Basic/Satellite Choice Package:	.66
First Premium Service:	(.08)
Additional Premium Service:	(.08)
Additional Outlets:	(.89)
Average Increase Per Subscriber: (Weighted)	\$ (.36)
Percentage per Average Sub Bill:	(1.20) %
Franchise Fee Pass Thru	3.80 %
Net Average Increase/Subscriber	2.6 %

FRANCHISE NUMBER: 1  
12/22/92

**Kettering** (All Miami Valley Cable Council cities)\*

Services	Current Rate*	New Rate	Net Change	5% Franchise Fee	New Rate * Total	% * Increase
BASIC BROADCAST (BB)	\$7.75	\$8.95	\$1.20	\$0.45	\$9.40	+21.3
SATELLITE SERVICE (SS)	\$14.20	\$13.55	(\$0.65)	\$0.68	\$14.23	+ .002
<b>Total (BB/SS)</b>	<b>\$21.95</b>	<b>\$22.50</b>	<b>\$0.55</b>	<b>\$1.13</b>	<b>\$23.63</b>	<b>+ 7.65</b>
ADDITIONAL OUTLET COST	\$4.95	\$2.50	(\$2.45)	\$0.13	\$2.63	-46.9
SET TOP CONVERTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
WIRELESS REMOTE	\$3.50	\$3.50	\$0.00	\$0.18	\$3.68	+ 5.1
1 PAY SERVICE	\$10.95	\$10.75	(\$0.20)	\$0.54	\$11.29	+ 3.1
2 PAY SERVICES	\$17.90	\$17.70	(\$0.20)	\$0.89	\$18.59	+ 3.9
3 PAY SERVICES	\$24.85	\$24.65	(\$0.20)	\$1.23	\$25.88	+ 4.1
4 PAY SERVICES	\$30.80	\$30.60	(\$0.20)	\$1.53	\$32.13	+ 4.3

\* Includes Franchise Fee

As of 11-30-92

Total Number of Subscribers	18,618
% with Additional Outlets	26.76%
% with Pay Services	38.53%

\*Added by Miami Valley Cable Council

**CURRENT SERVICE CHARGES**

DESCRIPTION OF SERVICE	CURRENT RATES	NEW RATES *
<b>INSTALLATION</b>		
- CABLE IN - PRIMARY OUTLET	15.00	N/A
- NO CABLE - PRIMARY OUTLET	50.00	N/A
- LIMITED SERVICE-BASIC BROADCAST	N/A	30.00
- CHOICE PACKAGE-BASIC BROADCAST-SATELLITE	N/A	20.00
- CHOICE PACKAGE & 1 PAY	N/A	10.00
- CHOICE PACKAGE & 2 OR MORE PAY	N/A	5.00
- APT/CONDOS: ADD/MOVE OUTLETS		
FIRST HOUR	30.00	
EACH 15 MINUTES THEREAFTER	7.00	
- ADDITIONAL SERVICES REQUESTED DURING INSTALLATION:		
MOVE PRIMARY OUTLET	N/C	
NON-WIRED ADDITIONAL OUTLETS	N/C	
NON-WIRED ADDITIONAL OUTLETS	30.00	
WIRED OUTLETS (NO LIMIT)	N/C	
PREMIUM SERVICES	N/C	
VCR HOOK-UP	N/C	
PARENTAL CONTROL	N/C	
A/B SWITCH	N/C	
CHANNEL TRAP	N/C	
WALL FISH (EACH)	20.00	
<b>TRANSFER-MOVE WITHIN DISTRICT</b>		
- APT/CONDOS: ADD/MOVE OUTLETS	15.00	
FIRST HOUR	30.00	
EACH 15 MINUTES THEREAFTER	7.00	
- ADDITIONAL SERVICES FOR TRANSFER MOVE ARE SAME AS NEW INSTALLATION		
<b>SEPARATE TRIP</b>		
- ADDITIONAL OUTLETS		
NON-WIRED OUTLET	30.00	
WIRED OUTLET	15.00	
- APT/CONDOS: ADD/MOVE OUTLETS		
FIRST HOUR	30.00	
EACH 15 MINUTES THEREAFTER	7.00	
- ADDITIONAL SERVICES:		
PREMIUM SERVICES	N/C	
VCR HOOK-UP	N/C	
PARENTAL CONTROL	N/C	
A/B SWITCH	N/C	
CHANNEL TRAP	N/C	
WALL FISH (EACH)	20.00	
MOVE OUTLET NON-WIRED OUTLET	30.00	
MOVE OUTLET WIRED OUTLET	15.00	
- APT/CONDOS: ADD/MOVE OUTLETS		
FIRST HOUR	30.00	
EACH 15 MINUTES THEREAFTER	7.00	
PREMIUM SERVICES	N/C	
VCR HOOK-UP	N/C	
PARENTAL CONTROL	N/C	
A/B SWITCH	N/C	
CHANNEL TRAP	N/C	
WALL FISH (EACH)	20.00	
<b>TRIP CHARGES</b>		
ADD SATELLITE SERVICE	5.00	
DISCONNECT SATELLITE SERVICE	N/C	
PREMIUM SERVICE	5.00	
PREMIUM SERVICE SWITCH	5.00	
VCR HOOK-UP	N/C	
PARENTAL CONTROL	N/C	
A/B OR A/B/C SWITCH	10.00	
CHANNEL TRAP	10.00	
DELINQUENT TRIP	20.00	
PPV FILTER PICKED UP AT DOOR	20.00	
CONVERTER EXCHANGE AND/OR PICK UP	N/C	
<b>EQUIPMENT CHARGES</b>		
PARENTAL CONTROL DEVICE	20.00	
A/B OR A/B/C SWITCH KIT	5.00	
CHANNEL TRAP	N/C	
<b>MISCELLANEOUS CHARGES</b>		
RETURN CHECK FEE	20.00	
WALL FISH	20.00	
DAMAGED HAND SET	10.00	
LOST HAND SET	15.00	
NAME CHANGE	N/C	
REWORK	30.00	
DAMAGED CONVERTER	35.00	
DELINQUENT RECONNECT CHARGE	30.00	

\* Effective as of February 15, 1993





February 1, 1993

**Continental  
Cablevision®**

Dear Subscriber:

Continental Cablevision will be restructuring all subscriber rates effective April 1, 1993. Our central purpose of the rate restructure is to introduce a better measure of uniformity in rates for cable television service across our 60 community service area and to adjust rates to be what we believe is expected by the 1992 Cable Act.

As a result of the changes in this rate restructure, your new monthly cable statement may be higher, lower, or stay the same depending on your current level of cable service. However, the overall rate change will be a 2.6% percent increase in the average monthly cable bill which offsets continued increases in the cost of cable programming and system operations.

Continental's new monthly billing system will allow us to provide each subscriber with an itemized break out of their cable service each month providing you with complete information about the services for which you are paying. Among the costs that will now be itemized, will be the franchise fee in your community which is what we pay for the use of public rights-of-way. In the past, franchise fees have been included as a part of the cable service product price. While these franchise fees have not increased this year, they will now be shown as a line item on the new bill.

The following chart explains the restructured rates for your community:

<u>Service</u>	<u>New Rate Structure*</u>
Limited Service (Broadcast Tier)	\$8.95
Satellite Service (only with Limited Service)	13.55
Choice Package (includes Limited & Satellite Service)	22.50
Additional Outlet	2.50
Wireless Remote Converter	3.50
First Premium Service	10.75
Two-Premium Package**	17.70
Three-Premium Package**	24.65
Four-Premium Package**	30.60
Service Call/Repair	Free

\* *The restructured rates are subject to applicable franchise fees, which vary from community to community area depending on the terms of the specific franchise.*

\*\* *A la carte rates also available.*

We will continue to work hard to provide you with quality cable television service. Today, your support has made it possible to bring you a choice of 36 channels of information and entertainment into your home - 24 hours a day. Additionally, we have invested in our service/repair department to offer you 24 hour telephone contact so, no matter when you call, you will speak with a Continental employee.

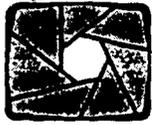
As you are aware, we are currently rebuilding our cable systems and look to 1995 when cable service will offer choices of up to 78 channels of advanced cable television technology.

"People, Programming and Technology"... Continental Cablevision is proud to be your cable television provider.

Sincerely,

Richard S. Hutchinson

Vice President & District Manager



miami valley  
cable council

A municipal communications group

1195 E. Alex-Bell Road / Centerville, Ohio 45459 / Phone: (513) 438-8887 Fax: 438-8569

February 18, 1993

Mr. Richard Hutchinson  
Vice President and District Manager  
Continental Cablevision  
90 Compark  
Centerville, OH 45459

Dear Dick:

The Cable Council, at the close of its meeting last night, instructed me to formally request that Continental Cablevision of Greater Dayton rollback the rate restructuring, adjustments and increases scheduled for April 1, 1993, to those rates in effect on October 2, 1992. The Council believes the increases are not justified and are ill-timed.

As I'm sure you are aware, there is a growing movement across the country asking the FCC to force a rollback of all rate increases made after October 2 - the date of passage of the 1992 Cable Act. We support that movement, but prefer you rollback the increases on your own.

We would appreciate a "yes" or "no" response to our request for this rollback of the increases by 5:00 p.m., Thursday, February 25, so if the response is negative, we may proceed with appropriate congressional or FCC actions.

Sincerely,

Robert F. Walker  
Manager

c: Cable Council



**Continental  
Cablevision®**

February 25, 1993

Mr. Bob Walker  
Miami Valley Cable Council  
1195 East Alex Bell Road  
Centerville, OH 45459

Dear Mr. Walker:

We honestly do not understand the basis for your letter of February 18, 1993, or for your "belief" that Continental's rate restructuring is "not justified and...ill-timed." As we have previously explained to you, Continental spent considerable time and effort consulting with economists and lawyers to bring its rates into line with the 1992 Cable Act. What we are doing is making minor adjustments in overall prices -- amounting to an average of less than 2.6 % -- and offering the first reduction in price which many customers (approximately 25%) have had for several years.

Additionally, Continental has specifically chosen the time of this rate restructure, planning to be in compliance with the new FCC rules effective April 3, 1993.

It appears to us, based on our past discussion and correspondence prior to your February 18 letter, that the Cable Council's central issue is the itemization of franchise fees, which will allow customers to see for the first time how much they are paying for local government fees. Those customers who live in areas of heavy franchise fees will pay more. Those who live in areas where governments require lower fees will pay less. This is in accordance with provisions in the 1992 Cable Act intended to promote political accountability by local governments for franchise fees and assessments. We do not believe it a coincidence that, after years of unopposed rate adjustments by Continental, your objection to our most recent rate restructuring, mentioned earlier as resulting in a rate reduction for 25% of cable subscribers, comes in response to these efforts to create such political accountability. In fact, we find it interesting that no similar controversy has surrounded the itemization of franchise fees by Warner in Germantown, a long time MVCC member city.

Mr. Bob Walker  
page 2

As I mentioned, we have worked very hard to fashion fair and reasonable rates, and remain committed to follow whatever final result emerges from the FCC when it completes its rate rulemakings. We do not know of any basis for your conclusion that the rates are unjustified. To our knowledge, you have not conducted any analysis of rates, nor have had your attorney contact ours.

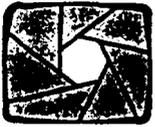
Under the circumstances, we plan to go forward with the adjustments we have previously mentioned.

Sincerely,

A handwritten signature in cursive script that reads "Richard S. Hutchinson".

Richard S. Hutchinson  
Vice President/District Manager  
Continental Cablevision of Greater Dayton

RSH:tt



miami valley  
cable council

1195 E. Alex-Bell Road / Centerville, Ohio 45459 / Phone: (513) 438-8887 Fax: 438-8569

A municipal communications group

February 26, 1993

Richard Hutchinson  
Vice President/District Manager  
Continental Cablevision  
90 Compark Road  
Centerville, Ohio 45459

Dear Dick:

Thank you for your prompt response to my letter seeking a rollback of the rate increases Continental has scheduled for April 1.

Since you say you don't understand the basis for my February 18 letter, let me make our position as succinctly and forthrightly as I can.

First, we have never objected to the itemization of franchise fees. That is not an issue. You have every right to itemize. We have objected to how you itemize franchise fees, and our position on that technical issue has been made clear to you and to the FCC.

Second, we object to your rate restructuring and increases, and the timing of those changes. Your February 25 letter again states that your efforts are to be in compliance

# History of Continental Cablevision Rate Increases

Satellite Service plus Basic/Limited

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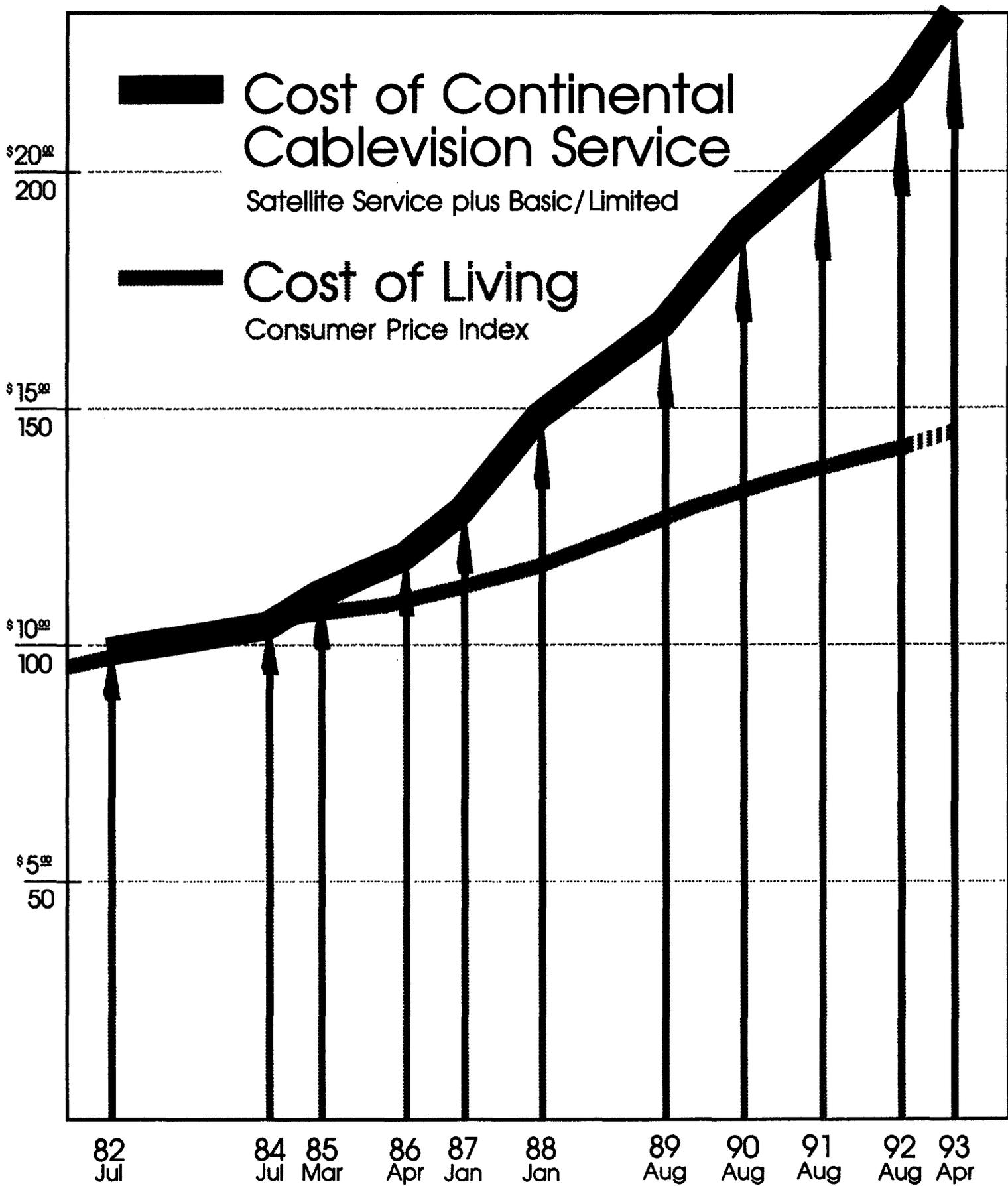
Price Increase (13.4%)	<b>August 1, '89</b>
Price Increase (11.8%)	<b>August 1, '90</b>
Price Increase (7.9%)	<b>August 1, '91</b>
Price Increase (7.3%)	<b>August 1, '92</b>
Price Increase (7.6%)	<b>April 1, '93</b>

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Congress Passes Cable Bill **Oct 2, '92**

FCC Rate Regulations Due **Apr 3, '93**

Prepared by Miami Valley Cable Council



Prepared by Miami Valley Cable Council

Cost of  
Continental  
Cablevision  
Basic/Limited  
Service



March  
1988



January  
1992



April  
1993