

regulations have only recently been released and in very material ways are still evolving. At the least, it will be a daunting task for even the best-intentioned to promptly and accurately reconfigure their pricing.

Already there has been considerable subscriber confusion over the timing and effect of the new rules. The task of explaining the new rate restructuring will require a massive effort in consumer education. The Commission's rules have in many respects been explained as efforts to simplify and minimize subscriber confusion. Unfortunately, an ambiguity in the May 14 Order will create needless confusion without any significant benefit to consumers. And unless corrected, this confusion is likely to affect millions of cable subscribers.

Specifically, the Order adheres to a June 21 effective date for the new rules, and suggests that operators who bring their rates into compliance by notice on that date may effect actual adjustments to billing "as of" June 21. Typical changes will require the equalizing of per-channel charges between basic

the 1st of the month, or the 10th, or the 15th, so that retroactive adjustments will require not only the reconfiguration of pricing but the retroactive prorating of charges and credits within each bill from June 21, 1993. The precise amount will vary for each subscriber depending on the level of service and the exact equipment in place. Our principal billing vendor, CableData, is widely regarded as a leader in the cable billing business, and is widely used by operators. We have been informed that CableData cannot show all the computations on the invoice, and we do not believe that our customers will be able to readily understand both the restructured pricing and the proration. The result will be an enormous upsurge in customer confusion and telephone calls, placing an unprecedented strain on customer service.

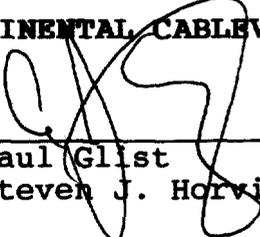
This could easily be remedied by interpreting the Order to permit operators to make retroactive charges and credits for the first full billing cycle commencing after June 21, 1993. Thus, if the next billing cycle began July 1, the adjustments would be made for that full billing cycle, but not for the nine preceding days.

This interpretation will not lead to more money being kept by cable operators. The changes at issue are revenue neutral changes which are prevented by the Freeze Order from increasing the average subscriber payment for regulated services and equipment.

For the foregoing reasons, the Commission should construe its May 14 Order to excuse an operator from refund liability with respect to rate adjustments announced by June 21, 1993, if the adjustments are reflected with charges and credits applicable to the first full billing cycle commenced after the June 21 announcement, without the need to prorate such charges and credits for any portion of the preceding billing cycle.

Respectfully submitted,

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