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PACIFIC TELESIS
Group-Washington

February 16, 1994

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FEDERAL COMMUNICATIONS COMMISSION
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William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

Re: *CC Docket No. 93-7*

On behalf of Pacific Bell and Nevada Bell, please find enclosed an original and six copies of their "*Reply Comments*" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,

William F. Adler

Enclosures

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ORIGINAL

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

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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	)	

REPLY COMMENTS OF PACIFIC BELL AND NEVADA BELL

Pacific Bell and Nevada Bell respectfully submit this reply in response to the comments filed in the above-captioned docket.[1] The comments filed in this docket indicate the importance of the issues to interests other than cable operators and consumer equipment manufacturers. Pacific Bell and Nevada Bell continue to urge the Commission to require broader participation in the establishment of interfaces and standards for the delivery of video services.[2]

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[1] Implementation of Section 17 of the Cable Television Consumer Protection and Competition Act of 1992; Compatibility Between Cable Systems and Consumer Electronics Equipment, ET Docket No. 93-7, Notice of Proposed Rule Making, released 12/1/1993.

[2] Comments of Pacific Bell and Nevada Bell, dated January 25, 1994 ("Comments").

Pacific Bell and Nevada Bell also agree with BellSouth that the Commission has previously determined that video dialtone systems are not "cable systems" pursuant to the 1984 Cable Act.[3] Video dialtone providers are thus not within the purview of the Cable Act or regulations developed to implement the Act. Moreover, the Commission's rules implementing the Cable Act should not be extended to alternative video delivery systems that are not cable systems. However, even if alternative video providers are not subject to cable system regulations, interfaces and standards developed for consumer equipment will have an impact on all video providers. Consumers will expect their consumer equipment to function whether or not the technology used to provide video service meets the Cable Act definition of a cable system. Alternative video providers that cannot provide the level of service offered by cable systems will be at a competitive disadvantage. If cable systems are compatible with consumer electronics, consumers, i.e., the marketplace, will require alternative video providers to provide the same level of service. Thus, the marketplace, through competition, will regulate compatibility between consumer electronics and alternative video providers. Direct government regulation is unnecessary.

On the other hand, if the marketplace will demand alternative video delivery systems to be compatible with consumer

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[3] Comments of BellSouth, dated January 15, 1994 ("BellSouth").

equipment, all video providers and not just cable operators should be permitted to actively participate in the development of the interfaces and standards that will be adopted. Consequently, we support USTA's request that the Commission seek counsel from a wider range of interests as it begins to consider standards for digitally transmitted video service.[4] As AT&T recognizes, limiting the consideration to relationships between consumer electronics and cable television systems will likely require the Commission to revisit the same issues relative to other video providers.[5] Bell Atlantic's concern in regard to the Decoder Interface standard under consideration by CAG as it relates to the ADSL technology being deployed in Bell Atlantic's video dialtone trial in northern Virginia is a good example of the need for broader participation in the development of standards.[6] By broadening participation in CAG, standards recommended by that body will have applicability for the larger telecommunications industry which includes alternative video providers as well as cable systems.

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[4] Comments of the United States Telephone Association, dated January 25, 1994 ("USTA"), p.2.

[5] Comments, American Telephone and Telegraph Company, dated January 15, 1994 ("AT&T"), pp. 2-3.

[6] Comments of Bell Atlantic, January 15, 1994, p. 2.

II. THE COMMISSION SHOULD MOVE SLOWLY IN THE DEVELOPMENT OF DIGITAL STANDARDS.

Pacific Bell and Nevada Bell's Comments express concern with the CAG timeline for the development of digital transmission interfaces and standards as overly ambitious.[7] Commenters agree that the Commission should move slowly in its adoption of standards for digital transmission. The general concern expressed is that because of the speed of technological changes, the premature establishment of standards may stifle progress and delay the introduction of an emerging technology.[8] GIC and TCI, for example, agree that "standardization freezes innovation and the development of new technologies".[9] CAG appears to have revised its timetable somewhat to reflect its understanding of the importance of balancing the need for standards with the time for technological innovation.[10] CAG's timetable is somewhat more realistic in that it now intends to set target dates for standards for decompression and a standard security interface system no later than 1995.[11] This extended time will

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[7] Comments, pp. 4 - 6.

[8] Comments of Greater Media, Inc. In Response To Notice of Proposed Rulemaking, January 25, 1994, p. 12.

[9] Comments of General Instrument Corporation, January 25, 1994 ("GIC"), p. 32; Comments of Tele-Communications, Inc., January 25, 1994 ("TCI"), p. 32.

[10] Comments of the Cable-Consumer Electronics Compatibility Advisory Group, January 25, 1994, ("CAG"), p. 23.

[11] Ibid.

permit alternative video providers such as Pacific Bell and Nevada Bell to participate in the development of standards as well as providing more time for greater technical innovation.

Respectfully submitted,

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Date: February 16, 1994

CERTIFICATE OF SERVICE

A copy of the Reply Comments from Pacific Bell and Nevada Bell for FCC ET Docket 93-7, regarding the "Compatibility of Consumer Electronic Equipment With CATV System Signals", was mailed First Class U.S. Mail or hand delivered to the parties listed in the following pages on the 16th day of February 1994.

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RMB390

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