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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Implementation of Section 17)
of the Cable Television)
Consumer Protection and)
Competition Act of 1992)
)
Compatibility Between)
Cable System and Consumer)
Electronics Equipment)

ET Docket No. 93-7

REPLY COMMENTS OF GTE

GTE Service Corporation and its affiliated domestic telephone companies ("GTE") offer their Reply Comments in response to the Commission's release on December 1, 1993 of its Notice of Proposed Rulemaking ("Notice") captioned above and comments of other parties.

The Commission has issued the instant Notice to propose regulation to assure compatibility between consumer electronic equipment and cable systems. The regulations are in direct response to statutory requirements set forth in Section 17 of the Cable Television Consumer Protection and Competition Act of 1992 ("Cable Act")¹ which added Section 624A to the Communications Act of 1934. Both sections contain language to ensure the aforementioned compatibility. In the instant Notice, the Commission has proposed compatibility requirements for the: (1) existing base of consumer equipment and (2) new equipment to be offered in the near future. With

¹ Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, 106 Stat. 1460 (1992), Sec. 17.

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regard to existing equipment, the Commission has proposed particular modifications by cable systems to enable operations of existing consumer equipment function and to prohibit cable systems from scrambling signals on the basic tier.

GTE requests the Commission to (1) confirm that Section 17 is not applicable to video dialtone providers; (2) find that requiring unscrambling of the basic tier for video dialtone providers at this time would not be in the public interest; and (3) ensure that all parties, including video dialtone providers, are included in the development of digital transmission and compression standards.

GTE supports compatibility with consumer equipment but opposes the proposal that requires the unscrambling of the basic tier for video dialtone providers at this time in concurrence with the comments of Bell Atlantic.² GTE does not believe that the Cable Act, including Section 17, is applicable to video dialtone providers because the Cable Act applies only to cable systems. In contrast, the Commission already concluded that video dialtone is not a "cable system."³ Similarly, the Commission has also already concluded that video programmers providing programming services over LEC video dialtone systems are not "cable operators."⁴ GTE therefore respectfully respects clarification that Section 17 is not applicable to video dialtone providers.

² Comments of Bell Atlantic, filed January 25, 1994 at 2.

³ *In the Matter of Telephone Company-Cable Television Cross Ownership Rules, Sections 63.54-63.58*, Memorandum Opinion and Order on Reconsideration, 7 FCC Rcd. 5069, 5072 (1992).

⁴ *In the Matter of Telephone Company-Cable Television Cross Ownership Rules, Sections 63.54-63.58*, Further Notice of Proposed Rulemaking, First Report and Order and Second Further Notice of Inquiry, 7 FCC Rcd. 300, 327-28 (1991).

Even if this were not the case, requiring unscrambling of the basic tier at this time would raise a myriad of difficulties. Video dialtone networks are "open" networks.⁵ Due to the open nature of video dialtone platforms, needs for control and security vary from that of cable companies. Video dialtone providers have security issues that are unique because of the variety and number of providers on the platform. The technical solution adopted by the Commission must incorporate the need to physically distinguish offerings of multiple programmers on a video dialtone network. Unscrambling the basic tier may not a viable alternative. Currently, various control and security methodologies are being proposed in the video dialtone 214 applications. As these options are being utilized, equipment and service delivery methods will likely evolve rapidly as video dialtone providers discover which option is the most suitable.

GTE also supports Bell Atlantic in urging the Commission to "ensure participation by all types of video transport service providers in setting digital transmission and compression standards."⁶ It is crucial that in the long run, the cable systems market and the video dialtone market evolve in-step in the use of digital transmission. With standardization, GTE envisions the eventual incorporation of the control function into the consumer equipment. It is important, however, that all parties be included in the development of these standards.

In summary, GTE respectfully requests the Commission to (1) confirm that Section 17 is not applicable to video dialtone providers; (2) find that requiring

⁵ The "open" network concept is further discussed in GTE's Opposition to the Petition for Consideration, *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, February 14, 1993, at 1-2. In the "open" network, neither the carrier nor any single lessee is able to control the video programming delivered to end users. This is in contrast to the cable operator's or other private carrier's ability to exercise the total power of editorial selection of content.

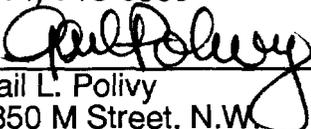
⁶ Comments of Bell Atlantic, filed January 25, 1994 at 3.

unscrambling of the basic tier for video dialtone providers at this time would not be in the public interest; and (3) ensure that all parties, including video dialtone providers, are included in the development of digital transmission and compression standards.

Respectfully submitted,

GTE Service Corporation and its affiliated
domestic telephone operating companies

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Certificate of Service

I, Ann D. Berkowitz, hereby certify that copies of the foregoing "Reply Comments of GTE" have been mailed by first class United States mail, postage prepaid, on the 16th day of February, 1994 to all parties of record.



Ann D. Berkowitz