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August 8, 1994

VIA FEDERAL EXPRESS

Mr. William F. Caton, Secretary  
Office of the Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, DC 20554

Re: Reply Comments of Zenith Electronics Corporation Concerning Petitions for  
Reconsideration and Clarification of the Report and Order

Dear Mr. Canton:

Enclosed please find an original and nine (9) copies of the Reply Comments of  
Zenith Electronics Corporation regarding the above captioned matter.

Sincerely,

Enclosure

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DOCKET NO. 93-7

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

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

**REPLY COMMENTS OF ZENITH ELECTRONICS CORPORATION**  
**CONCERNING PETITIONS FOR RECONSIDERATION AND**  
**CLARIFICATION OF THE REPORT AND ORDER**

In response to the petitions and comments referenced above, Zenith Electronics Corporation would like to focus attention on certain issues which have generated much comment and must be resolved to achieve finality for this Rule.

1. **A rule requiring that receivers identified as "cable ready" be able to tune above 804 MHz cannot be justified.**

Both the current configuration of cable systems and the course of technology development clearly indicate that a higher tuning capacity requirement in cable ready receivers will be superfluous -- an unnecessary expense for consumers and a depressing factor against maximum production of cable ready equipment. The fact is that, within any foreseeable time frame, a receiver which will tune to 804 MHz (and which meets the other requirements) will be, in every practical sense, "cable ready."

Because virtually all existing cable systems are built to a maximum useable frequency of 750 Mhz or less -- including both new and rebuilt systems -- and because the only three systems with greater capacity do not utilize the upper frequency range for video transmissions, there is no need for TVs to tune to a higher frequency. Moreover, in view of the expense to the cable operator of using this portion of the spectrum -- in reconfiguring equipment and sending the signals -- plus the huge expansion of capacity within a given bandwidth which is arriving quickly through digital compression and new transmission technologies, it is extremely unlikely that cable systems will ever need or want to utilize the higher tuning ranges for video. A remote, speculative and rationally unforeseeable possibility is not a legitimate basis for a rule imposing such a costly requirement on consumer equipment.

2. **The rules on changing infrared codes must be modified to avoid placing an undue impediment to competition in the cable equipment market.**

The Commission's concern with maintaining operability of third party remote controls and the features of other consumer electronics equipment (such as VCRs with libraries of brand-specific converter IR codes) is certainly proper, but the rule as drafted overshoots the mark. It burdens cable operators which may deny new entrants access to the cable converter market and tend to freeze market shares among current players in that industry.

A blanket prohibition against any cable system changing IR codes will create powerful incentives for cable systems -- far beyond those operating in any vendor-customer relationship market context -- to simply stay with the same brand of equipment forever. The incentive to keep the same supplier to avoid any potential regulatory non-compliance difficulties will be reinforced by the fact that other potential suppliers to any given cable operator will incur

added costs of customizing IR codes to local usage. Zenith owns a patent on proprietary IR remote control systems having a unique signal transmission protocol which reduces transmission errors. Zenith has licensed this patent and continues to seek to enforce the patent against products which utilize its unique transmission protocol.

Zenith believes the Commission can accomplish the same goal without hindering the competitive converter marketplace by establishing a range of standard IR commands co-extensive with the existing universe of such commands for the basic consumer equipment commands (on/off, channel up and down, numeric keypad, play and record), while at the same time allowing cable hardware manufacturers to create new codes associated with new features. This will preserve the functionality of existing devices with libraries of brand-specific IR commands, while allowing cable equipment companies to employ new IR codes for new services and compete fully and equally for the business of the cable operator.

3. **The negative advisory labeling requirement is not authorized by the statute and will hurt consumers, consumer electronics equipment manufacturers and retailers, and cable system operators.**

We again state, as we did in our Petition for Reconsideration or Clarification, that forcing consumer electronics manufacturers to place a “Does not comply” warning on all products other than new “cable ready” products is not a sound idea. It is beyond the authority in the Cable Act -- without a clear rational basis to bring it within any implied authority granted -- and it is most likely to cause consumer confusion which manufacturers, retailers and, most of all, cable companies, will have to spend substantial personnel resources to resolve.

In particular, we believe the cable company interests advocating this requirement are not fully grasping its implications: for a cable company serving 100,000 homes, about 20,000 of those households are likely to purchase a new TV every year. If 15,000 of those TVs carry a label saying the product “Does not comply” with an FCC rule concerning “cable ready” equipment -- and if half or more of those purchasers feel somewhat confused about the meaning of the “Does not comply” language -- that cable company could be fielding 7,500-10,000 telephone calls per year just on this subject alone.

Negative labeling of this kind is rare; indeed, we believe it has only been used for health or safety risks. It is contrary to consumer expectations, and would set precedents for other products and services. The Commission, we believe, has neither any track record to use as a reference, nor the day-in day-out expertise in advertising content, to support the need for such a requirement.

4. **Channel mapping should be allowed in limited circumstances, if it is done for legitimate technical reasons.**

We certainly agree with many commentators that channel mapping as a method of causing consumer confusion to induce rental of converter boxes should not be allowed.

However, there are certain circumstances in which channel mapping is necessary for legitimate technical reasons, and which, on balance, despite some inconvenience are in the best interests of consumers.

The predominant use of channel mapping is to avoid degradation and ghosting of particularly strong local broadcast signals when such stations are carried on their assigned off-air frequency on the cable system. This picture degradation will be reduced significantly by the

new technical standards, however there will be situations where it will continue to exist. In such situations a broadcast station can be carried on a different frequency from its off-air slot to avoid this picture degradation. Channel mapping allows the operator to resolve conflicting requirements: to provide consumers programming without material degradation, and to provide on-air channel carriage designation to those broadcasters who request it under “must-carry” rules.

Zenith feels that a reasonable accommodation can be made with permission to use channel mapping under certain conditions consistent with legitimate technical or service issues, and that it not be used merely as means of coercing subscribers into use of a set-top terminal..

5. **The Commission should adhere to the Cable-Consumer Compatibility Advisory Group recommendations of 51dB with respect to tuner overload should be followed.**

As Zenith explained in detail in its Petition, there are sound technical and cost considerations behind the C<sup>3</sup>AG recommendation. A higher level of 55dB as a minimum standard cannot be justified on a cost-benefit basis to the consumer. We believe this observation applies whether looked at from a short-term or long-term view.

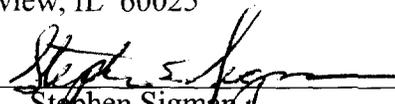
6. **Separation of security from non-security features in decoder interface devices should not be construed to prevent anyone, including cable companies, from competing in providing non-security features.**

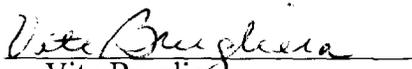
While we understand that cable companies will be required to provide, to the extent of demand by the consumer, devices with security features only, cable companies should also be allowed to market devices either with non-security features only or with a combination of security functions and non-security features. This is most consistent with a free competition model, with retailers stressing the benefits of purchase and cable companies emphasizing the

turn-key solution. A good model for such competition is in the telephone answering machine versus local telephone system voice-mail packages. Each has its benefits to particular consumers, and the availability of both enhances consumer choices.

Respectfully submitted,

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By:   
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