

EX PARTE OR LATE FILED

National Cable Television Association

Legal Department

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Washington, D.C. 20036-1969
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September 14, 1994

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

VIA HAND DELIVERY

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RE: Ex Parte Meeting Concerning Cable Home Wiring,
MM Docket No. 92-260

Dear Mr. Caton:

Pursuant to Section 1.1200 et seq. of the Commission's rules, this is to advise that on Friday, September 9, 1994, the following persons, including the undersigned, met with Patrick Donovan, Chief, Policy and Rules Division, Cable Services Bureau; Lynn Crakes, Cable Services Bureau; Larry Walke, Cable Services Bureau and other Bureau staff to discuss petitions for reconsideration of the cable home wiring rules:

- Wendell Bailey, Vice President, Science and Technology, National Cable Television Association, Inc.
- Arthur Harding, Fleischman & Walsh
- Robert S. Jacobs, Vice President and General Counsel, Time Warner New York City Cable Group
- Martin J. Schwartz, Rubin, Baum, Levin, Constant & Friedman
- Roosevelt Mikhail, Senior Vice President, Engineering and Technical Operations, Time Warner New York City Cable Group

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Attached are copies of documents that were provided to Commission staff at the meeting. Please file these documents and this letter in the above-captioned proceeding.

Respectfully submitted,

A handwritten signature in cursive script, reading "Loretta P. Polk".

Loretta P. Polk
Assistant General Counsel

Attachments

LPP:ldh

FLEISCHMAN AND WALSH

ATTORNEYS AT LAW
A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

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December 16, 1993

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Re: Response to Ex Parte Notices -- Cable Home Wiring,
MM Docket No. 92-260

Dear Mr. Caton:

In accordance with Section 1.1200 et seq. of the Commission's Rules, Time Warner Entertainment Company, L.P. ("Time Warner") hereby submits this response to the ex parte presentations filed by Liberty Cable Company, Inc. ("Liberty") and the NYNEX Telephone Companies ("NYNEX") in this proceeding on July 28, 1993; September 24, 1993 and October 19, 1993. Time Warner submits this response in order to address points raised by Liberty and NYNEX that fail to recognize both the plain language of the home wiring statute and the practical application of the home wiring rules as proposed by Liberty and NYNEX.

- Liberty and NYNEX are proposing modifications to the cable home wiring rules which would allow unfranchised multichannel video programming distributors ("MVPDs") to confiscate substantial portions of a cable operator's plant, well outside the customer's dwelling unit, beyond the scope of the statutory home wiring provisions.
- Liberty and NYNEX are attempting to subvert the intent of the home wiring rules to afford even greater competitive advantages to unfranchised MVPDs when competing with franchised cable operators.

- Liberty and NYNEX seek to contort the home wiring rules to thwart competition by allowing multiple dwelling unit ("MDU") building owners and managers to interfere with the ability of individual dwelling unit residents to select the multichannel video programming distributor of their choice.
- I. The most practical point of demarcation in MDUs is the wall plate in each individual unit, but in no event should it extend beyond twelve inches from where the wiring enters the individual dwelling unit.

The Commission has established a demarcation point for home wiring in MDUs at (or about) twelve inches from the point where the cable wiring enters the individual dwelling unit.¹ As the Commission has recognized,² Congress has stated that the scope of the home wiring provision is limited to "the cable installed within the interior premises of a subscriber's dwelling unit," and that it is "not intended to cover common wiring within the MDU building."³ Accordingly, Time Warner and numerous other commenters urged that the demarcation point in MDUs should be set at the wall plate inside the individual dwelling unit. As shall be shown below, setting the demarcation point at the wall plate is the only practicable alternative in the case of MDUs with distribution cable wiring in inaccessible conduit.⁴

In order to fully appreciate the situation, it is necessary to understand the basic types of video distribution architecture typically employed in MDU buildings. MDU video distribution architecture can generally be categorized as either "homerun" or "loop-through." Loop-through and related series configurations are discussed in Sec. III, infra. In a homerun configuration, the video distribution cable enters the MDU building and then is typically distributed to each floor through vertical "risers." See Diagram A. The riser cable typically carries signal to numerous locations throughout the building, and thus any break in the riser could interfere with the ability to provide service to customers located "downstream," just as in the case of loop-through or series configurations discussed in Sec. III, infra.

¹47 C.F.R. § 76.5(mm).

²See Cable Home Wiring Report and Order, MM Docket 92-260, 8 FCC Rcd 1435, ¶ 10 (1993) ("Report and Order").

³H.R. Rep. No. 628, 102d Cong., 2d Sess. 118 (1992) ("House Report").

⁴Report and Order, 8 FCC Rcd 1435, n.26.

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At various points throughout the building, the riser in a homerun configuration enters a distribution box, which is often located in the stairwell. See Diagram B. From the distribution box, a separate, dedicated cable is installed through the common areas of the building (hallways, party walls, floors, ceilings, etc.) to the premises of each MDU resident on the floor or floors served from that distribution box. See Diagram C. It is this dedicated cable extending from the distribution box which is often referred to as the "homerun." The riser cable then carries signal on to the next distribution box, often located on another floor.

In the case of such homerun MDU installations, the demarcation point established in the Commission's rules for multiple unit installations, 47 C.F.R. § 76.5(mm), does not distinguish between cables that enter individual apartment units directly from adjacent publicly accessible areas such as hallways (Situation I), and installations that enter through internal conduits or common closets not accessible in any public area of the building in the vicinity of the apartment (Situation II). The Commission's twelve-inch rule is concededly workable in Situation I, at least so long as the Commission rejects Liberty's proposal which would allow the competing MVPD to seize splitters or other hardware which may be located within this 12-inch zone and which may be necessary to provide service to other MDU residents. As interpreted by Liberty, however, the rule would not be workable in Situation II, because the cable cannot be accessed 12 inches outside the perimeter of the terminating subscriber's apartment without invading the apartment of another tenant and/or causing significant physical damage to walls, floors, or ceilings in which cable or conduit housing cable may be encased.

As a preliminary matter, it must be stressed that Liberty has presented a grossly distorted view of common MDU construction practices in New York City. Time Warner's experience is that the overwhelming majority of MDU buildings fall into Situation I, where the homerun cable is located in readily accessible public areas such as hallways, often enclosed in wiremold which allows convenient splices. Situation II, where homerun cable is inaccessible, is clearly the exception. In any event, based on its interpretation of the rule to render it unworkable, Liberty asks the Commission to amend the rule to allow the tenant to acquire cable hundreds of feet outside the apartment on the false pretext that is necessary in order to permit a competing MVPD to use the home wiring in the tenant's apartment. Liberty's proposal is at odds with the plain language and purpose of Section 16(d) of the 1992 Cable Act, 47 U.S.C. § 544(i). Congress intended only that the Commission prescribe rules for the disposition of "cable installed by the cable operator within

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the premises of [a] subscriber," 47 U.S.C. § 544(i), not cable facilities in other areas of a multi-unit building. Indeed, Liberty's interpretation would flatly contradict the express Congressional directive that the home wiring rules are "not intended to cover common wiring within the MDU building."⁵ Moreover, Liberty's conclusion that the implementing rule promulgated by the Commission is unworkable in Situation II is based on an unnecessarily rigid and untenable interpretation of the rule.

To facilitate a logical, practical interpretation of the rules as applied in Situation II, the point "where the cable wire enters the subscriber's dwelling unit," 47 C.F.R. § 76.5(mm), should be understood to mean the point at which the cable enters the interior living space of the apartment (becoming visible to the eye without use of X-ray equipment), not the point where the cable technically crosses the outside wall of the apartment unit. The latter point, as Liberty acknowledges, may not be visible or accessible (or, in some cases, even ascertainable) by the tenant or the cable operator.

Furthermore, the term "at (or about) twelve inches," 47 C.F.R. § 76.5(mm), should be interpreted flexibly yet rationally, with a particular emphasis on the words "or about" in Situation II. The Commission presumably did not intend to apply its twelve-inch guideline so rigidly as to require a cable operator or tenant to sever "home wiring" at a place that is impracticable to access. Under such circumstances, the demarcation point must necessarily be the nearest accessible point within 12 inches of the place where the cable enters the interior living space of the apartment.

The foregoing interpretation of the rule is in keeping with the language and purpose of Section 16(d). Liberty's proposal to amend the rule, by contrast, would permit tenants of a building (for a nominal price that would not include any component for the labor incurred to install cable throughout the building) to assume ownership and control of vast extents of cable well beyond the perimeters of their respective apartments. Homerun cable terminating at the wall plate in a particular apartment will often extend vertically several stories above or below the apartment, and a hundred or more feet horizontally before reaching its point of origin in a junction box in a stairwell or other common area of the building.

Liberty often misappropriates Time Warner's cable facilities in MDU buildings. Liberty's proposed amendment of the home

⁵House Report at 118.

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wiring rule seeks to have the Commission put its imprimatur on practices amounting to conversion⁶ and unfair competition. Liberty and other MVPDs have no right to earn a profit on the incumbent cable operator's investment and to undersell franchised cable service by means of such parasitic behavior.⁷

The example of 170 East 87th Street, a 27-story apartment building in the New York franchise area of Time Warner's affiliate Paragon Cable Manhattan, illustrates the inherent unfairness of the amendments proposed by Liberty. Paragon was requested by the developer to pre-wire the building with a sophisticated conduit cable system while the building was under construction. Paragon had to pay an outside contractor more than \$50,000 to install this system and to supply out of Paragon's own inventory the cable and cable facilities installed at an additional cost in excess of \$11,000. These costs do not include the extensive time expended by Paragon's own personnel in supervising and participating in the cable installation. In May 1993, the first tenants began to move into the building, and Paragon began to provide service to residents requesting service on an individual subscriber basis. In August 1993, Liberty began to provide service throughout the building pursuant to a building-wide contract with the building's management. Liberty did not construct its own system, but (without notice to or consent of Paragon) assumed control of thousands of feet of cable and related cable facilities, including junction boxes located in stairwells, that had been installed at great cost to Paragon.

⁶In states with cable access laws like New York's Executive Law § 828, the cable installed in a multi-unit building by the cable operator has been held by the Supreme Court to remain the property of the cable operator following installation. See Loretto v. Teleprompter Manhattan CATV Corp., 458 U.S. 419, 441 n.19, 439 (1982). In some cases the conduit or molding may also have been installed and paid for by the cable operator and may constitute its property. In states without such cable access laws, the cable operator's ownership of cable facilities may be established by contract.

⁷The unfairness of Liberty's proposed amendments is aggravated by Liberty's preferred modus operandi, which is to enter into 100 percent penetration contracts with building owners whereunder all tenants must bear the cost of Liberty's service even if they would prefer to receive franchised cable service. Because tenants are thereby discouraged from exercising their statutory right to choose franchised cable service, Liberty's proposed rule amendment would not only permit it to use Time Warner's cable facilities virtually cost-free, but to use them in a manner calculated to exclude Time Warner.

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Paragon lost most of its existing customers (whom it had served for only a few weeks), and new residents are being steered to Liberty.

Liberty's proposed rule amendments would permit Liberty and the building owners with whom Liberty contracts to avoid the legal consequences of such inequitable conduct in buildings throughout Manhattan simply by offering the displaced cable operator a few pennies per foot for the cable expropriated while disregarding the far greater expense incurred in installing and maintaining such cable and related facilities throughout the building. Franchised cable operators, it may be noted, can never hope to even the score by taking over cable facilities installed in buildings by unfranchised MVPDs: the home wiring rule does not apply reciprocally to unfranchised MVPDs.

Liberty's proffered amendments would render the home wiring rule unconstitutional. If the physical property of a cable operator is to be involuntarily taken from it, just compensation must be determined in an adjudicatory proceeding subject to judicial review; the Commission may not "prescrib[e] a 'binding rule' in regard to the ascertainment of just compensation." Florida Power Corp. v. FCC, 772 F.2d 1537, 1546 (11th Cir. 1985), rev'd on other grounds, 480 U.S. 245 (1987). The Commission has no basis to presume that a cable operator will always (or even generally) be justly compensated for the taking of extensive cable facilities outside individual apartments (and installed in the building prior to and independently of particular requests for service) by a payment of a few cents per foot.

Contrary to Liberty's suggestion, alternative service providers do not need to appropriate the cable operator's system in multi-unit buildings in order to provide a competing service. They can install a cable of their own in common areas of the building, either in the existing conduits⁸ or, if conduits are not available or cannot accommodate an additional wire, in hallways or similar publicly accessible areas, or on the exterior of the building.⁹ All of these methods are commonly used by franchised cable operators, and the same methods can and should be used by unfranchised MVPDs. The home wiring rule was not

⁸There are several buildings in Manhattan in which Time Warner and Liberty have separate cables in the same conduits.

⁹Since most MDUs in New York have been wired by Time Warner in hallways or on the exterior of the building, Liberty cannot plausibly argue that it cannot successfully use these same methods. Indeed, in several buildings known to Time Warner, Liberty has done so.

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intended to guarantee that other service providers will always have the identical point of entry to an apartment as the franchised cable operator.

The home wiring rule is intended for the benefit of subscribers to prevent the possibility that cable which has been run throughout a house or apartment and stapled to floors or moldings or placed beneath carpeting may be involuntarily ripped out to his damage and inconvenience. While the home wiring rule enables a terminating subscriber to allow another MVPD to utilize the home wiring it has acquired, the rule does not guarantee that the MVPD will never have to rearrange some of it or supplement it with additional wire in order to provide its service to the subscriber's home. There are limits to how far the definition of "home wiring" can be stretched to accommodate the desire of competing MVPDs to unfairly shift the normal costs of doing business onto their competitors.

Finally, it should be stressed that even in a homerun configuration, the homerun cable located outside the dwelling unit is never intended to be permanently dedicated to the exclusive use of the particular unit where the homerun terminates. Indeed, serious operational problems would be occasioned by Liberty's proposal to change the demarcation point to permit a terminating subscriber to acquire cable outside his apartment all the way to its interface with a riser (and NYNEX's similar proposal to permit acquisition up to the "grounding block"). Even in a homerun configuration, it often happens that the homerun cable becomes damaged or goes bad and cannot be repaired or replaced. In such situations it is necessary to splice a splitter onto another functioning line so that it can serve two apartments instead of one. If another MVPD is allowed to use that line to provide service to one of the apartments, it has the effect of cutting off service also to the other apartment which still wishes (or in the future may wish) to receive franchised cable service.

A similar operational problem would occur in situations where multiple cable outlets in a single apartment or dwelling unit are spaced so far apart that (in order to avoid signal loss) it is necessary to serve certain of the outlets in the apartment by means of a splitter spliced onto a line formerly dedicated solely to an adjacent apartment unit. As in the previous example, the acquisition of such a homerun line by a terminating subscriber may have the effect of cutting off franchised cable television service to a neighbor. In both Situations I and II, the 12" rule cannot be expanded without impinging upon homerun distribution wiring which is used or could be used to provide service to more than one resident, thus interfering with Time Warner's ability to provide cable service upon request.

Since acquisition of homerun lines and/or equipment by a terminating subscriber may have the effect of cutting off franchised cable service to an MDU resident, a cable operator must be allowed to retain control of any cables or equipment (including splitters) that are used or could be used to provide service to more than one customer in any case where such facilities are located outside the "the interior premises of a subscriber's dwelling unit."¹⁰

II. The home wiring rules are applicable only upon termination of service by a subscriber.

NYNEX has also proposed that the home wiring rules should apply immediately upon installation of cable home wiring.¹¹ Such a proposition is directly contrary to the plain language of the statute,¹² and creates very real concerns for cable operators. At 170 East 87th Street, the example cited above, the building was still mostly vacant at the time Liberty entered into its contract and commenced to provide its service using Paragon's facilities. When Liberty provides service to new residents as they move into this building, it therefore uses extensive cable wiring previously installed by and at the expense of Paragon that Paragon has never used to serve any subscriber for any period of time, however brief. NYNEX's proposed amendment, therefore, would compound the unfairness and unconstitutionality of Liberty's proposal to extend the definition of home wiring to include cable in common areas of the building.

Furthermore, a cable operator must maintain ownership and control of any cable it has installed that is still being used by it to provide cable service. If subscribers, building management or competitors are free to tamper with or attempt to use such wiring for another purpose, the cable operator cannot be expected to properly carry out its legal responsibility to prevent and correct signal leakage, nor will it be in a position to detect and enforce the statutory provisions against theft of cable service.

¹⁰House Report, supra, at 118.

¹¹See NYNEX Petition for Recon. at 5-6.

¹²"[T]he Commission shall prescribe rules concerning the disposition, after a subscriber to a cable system terminates service, of any cable installed. . ." 47 U.S.C. § 544(i) (emphasis added).

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III. The Commission should retain its exclusion for loop-through or other similar series cable configurations.

The Commission has wisely excluded loop-through "or similar series cable wire" from its home wiring rules,¹³ recognizing that even one break in the wire would result in a loss of cable service to all subscribers "downstream" from the break.¹⁴ Liberty and NYNEX urge the Commission to reverse its decision relating to "loop-through" or other cable wiring installed in a series configuration. Liberty suggests that the alternate provider should be allowed to seize the cable operator's loop-through wiring where "all of the residents want to terminate franchised cable service."¹⁵ NYNEX proposes that the use of loop-through common wiring should be dictated by the building owner. Both proposals ignore the practical realities of provision of multichannel video programming service to MDUs and would thwart competition.

First, it must be recognized that Liberty's suggestion that all residents of a particular building might unanimously and simultaneously elect to switch from Time Warner to Liberty is misleading and unrealistic in the extreme. In Time Warner's experience in Manhattan, even when Liberty signs a building-wide service agreement with the building owner, some residents insist upon retaining franchised cable television service. However, in an effort to achieve "unanimity," Liberty or the building's management sometimes engage in deception or strong-arm tactics to coerce reluctant tenants to terminate franchised cable television service and accept Liberty's service. Even when Liberty procures signed consent forms from tenants, Time Warner, in calling its subscribers to confirm their intentions, sometimes learns that consent forms were procured by pressure or through false or misleading statements and that tenants did not truly wish to terminate their franchised cable television service. Amendment of the rule as proposed by Liberty would cause an increase in the use of such coercive and deceptive practices at apartment buildings in which franchised cable television service is provided by means of a loop-through system, in order to generate an illusory unanimity in favor of an unfranchised service.¹⁶

¹³See 47 C.F.R. § 76.5(mm).

¹⁴Report and Order, 8 FCC Rcd 1435, ¶ 10.

¹⁵Liberty Petition for Recon. at 6.

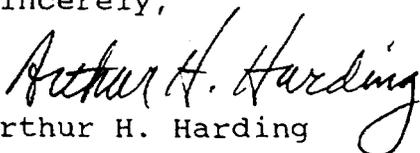
¹⁶Furthermore, MDU buildings often have a relatively high turnover rate. Future residents should be allowed to elect to receive franchised cable service (and current residents should be

Mr. William F. Caton
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More importantly, if Time Warner were forced to relinquish control over its loop-through plant in MDUs, the result would be that the MDU management could dictate the MVPD from which all residents must receive service. Such a result would be directly contrary to the pro-competitive goals of Congress as expressed in the home wiring provision. Competition can be enhanced only if the incumbent is allowed to retain use of loop-through wiring so that it can continue to serve those residents desiring to retain its service. The alternate provider should be required to install its own wiring in common areas, just as the incumbent cable operator has done. Moreover, forcing cable operators to forego use of series cable throughout an MDU is completely contrary to Congress' intent because Section 16(d) "is not intended to cover common wiring within the building, but only the wiring within the dwelling unit of individual subscribers."¹⁷ The Commission correctly adhered to Congress' intent in this respect when it excluded all loop-through systems from the home wiring rules.

Time Warner urges the Commission not to amend its home wiring rules according to proposals set forth by Liberty and NYNEX. Rather, the Commission should consider the practical application of the rules, and establish rules that are both workable and fair to the parties involved.

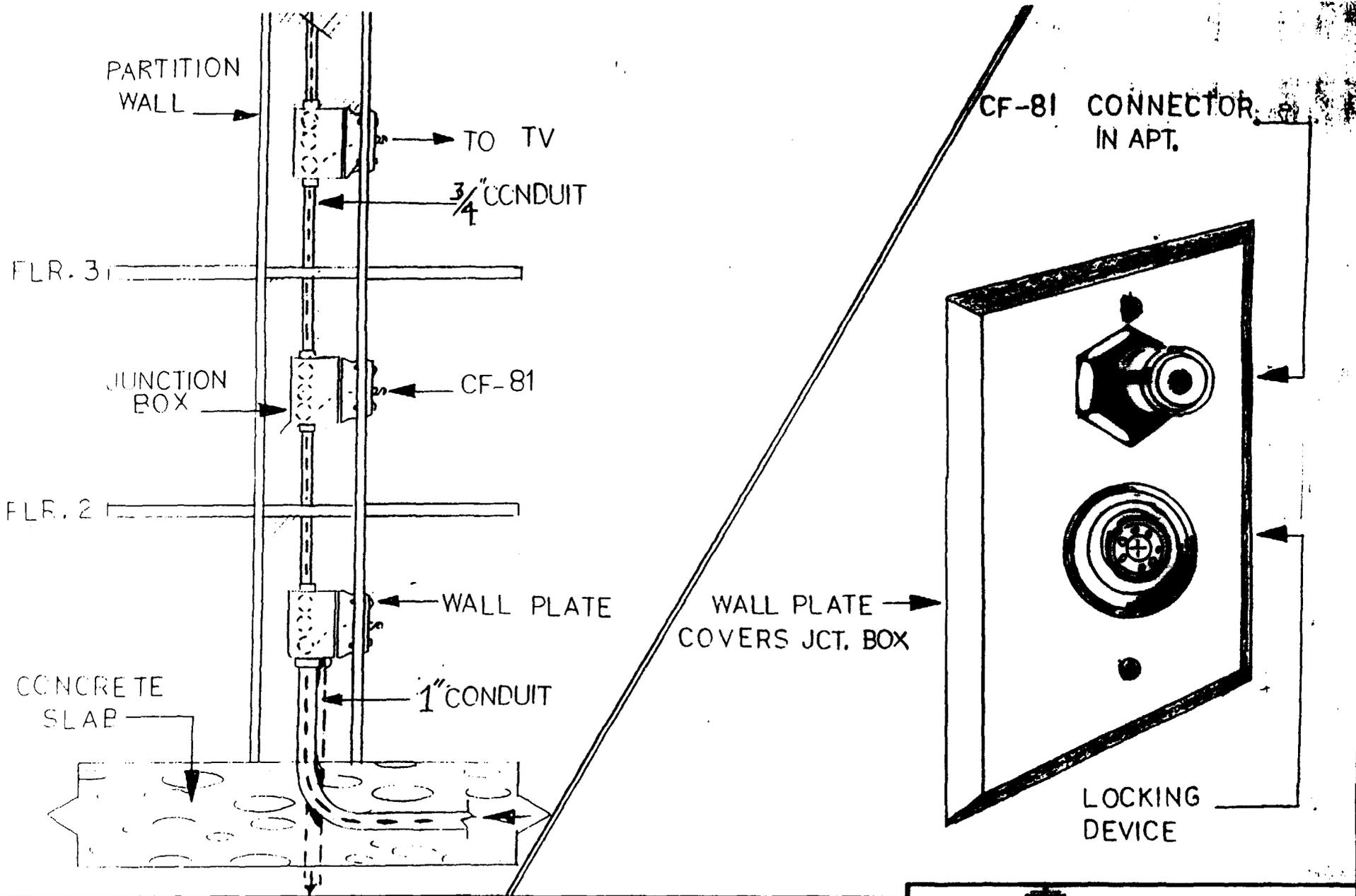
Sincerely,


Arthur H. Harding

AHH/sbc/12103

allowed to freely switch among any available MVPD); they should not be bound by the decisions of previous residents. See Time Warner Response to Petitions for Recon. at 8-9.

¹⁷House Report at 119.



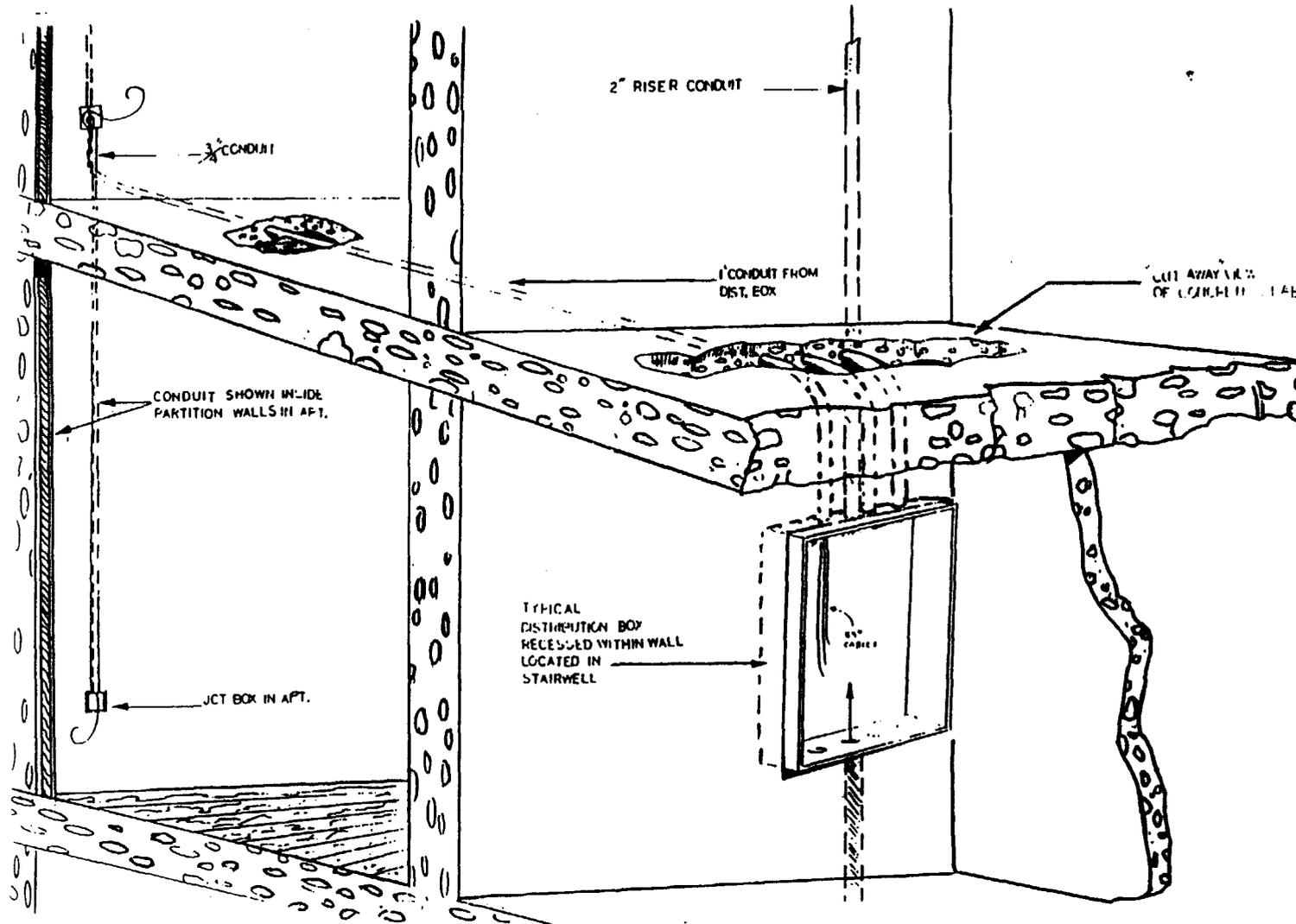
SYSTEM DESIGN SYMBOLS

412" CABLE	TRUNK BRIDGING	LINE EXTENDER	2 WAY SPLITTER
500" CABLE	2 WAY TRUNK-BRDG ALC.	2 WAY LINE EXTENDER	3 WAY SPLITTER
750" CABLE	2 WAY TRUNK	POWER SUPPLY & COUPLER	DIRECTIONAL COUPLER
1000" CABLE	2 WAY TRUNK BRDG W/ALC	IN LINE EQUALIZER	TAP 2 WAY
	TERMINATION	TAP 4 WAY	TAP 8 WAY

PARAGON
CABLE
HARRATTAN

PROJECT NO.	BLOCK	LOT
TITLE TYPICAL 170 E 87TH ST		
DATE 11-3-93	SCALE	DRAWN BY P.S.F. DWG. NO. 3

DIAGRAM A



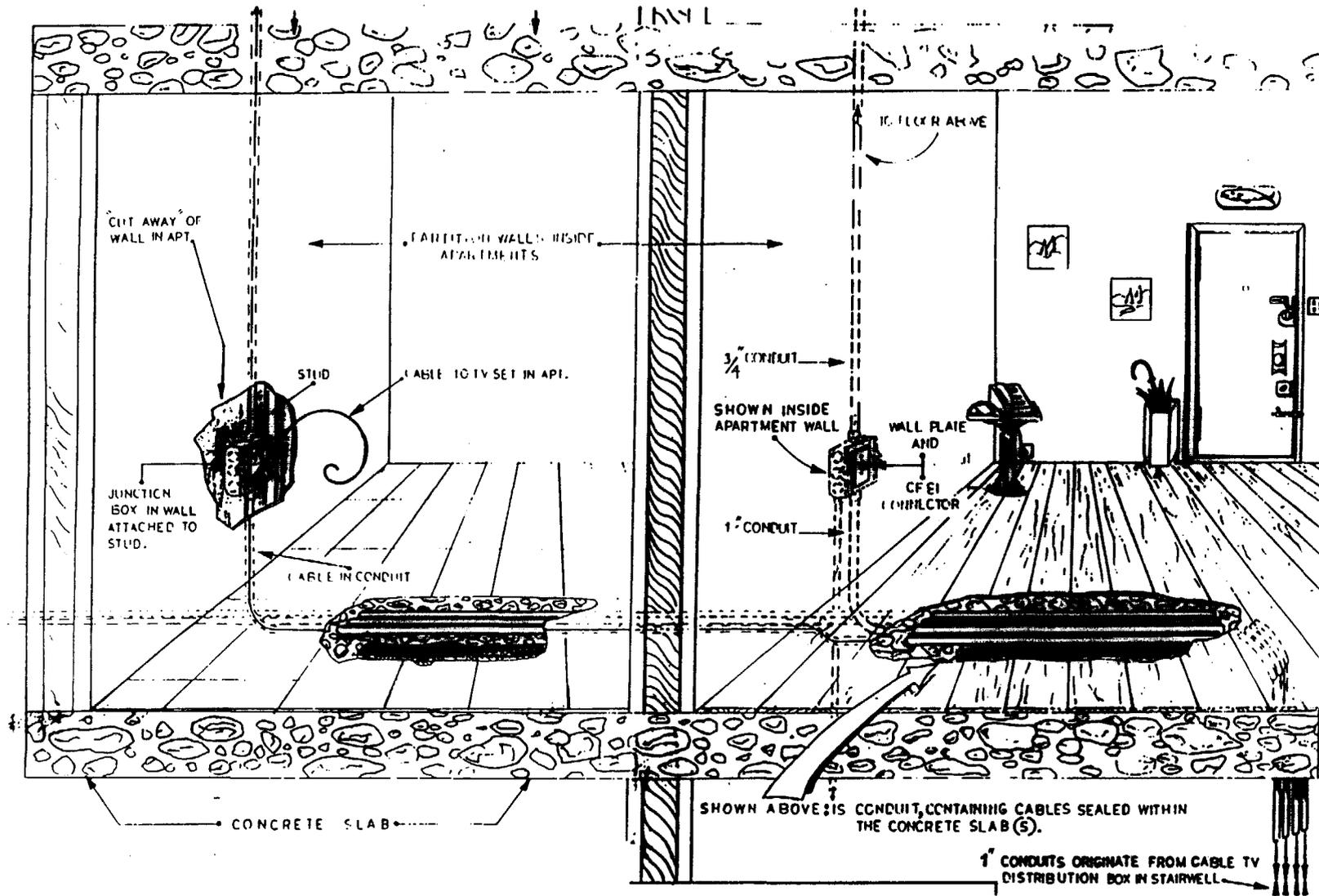
SYSTEM DESIGN SYMBOLS

412 CABLE	TRUNK BRIDGING	LINE EXTENDER	2 WAY SPLITTER
500 CABLE	2 WAY TRUNK-BRDG ALC	2 WAY LINE EXTENDER	3 WAY SPLITTER
750 CABLE	2 WAY TRUNK	POWER SUPPLY & COUPLER	DIRECTIONAL COUPLER
1000 CABLE	2 WAY TRUNK BRDG W/ALC	IN LINE EQUALIZER	TAP 2 WAY
		TERMINATION	TAP 4 WAY
			TAP 8 WAY



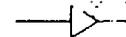
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PROJECT NO	BLOCK	LOT
TITLE		
DATE	SCALE	DRAWN BY
		DWG. NO.



SYSTEM DESIGN SYMBOLS

412" CABLE



TRUNK BRIDGING



LINE EXTENDER



2 WAY SPLITTER

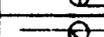
500" CABLE



2 WAY TRUNK BRDG
ALC



2 WAY LINE EXTENDER



3 WAY SPLITTER

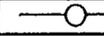
750" CABLE



2 WAY TRUNK



POWER SUPPLY & COUPLER



DIRECTIONAL COUPLER

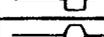
1000" CABLE



2 WAY TRUNK BRDG
W/ALC



IN LINE EQUALIZER



TAP 2 WAY



TERMINATION



TAP 4 WAY



TAP 8 WAY



PARAGON
CABLE
MANHATTAN

PROJECT NO

BLOCK

LOT

TITLE

DATE

SCALE

DRAWN BY

DWG. NO

FLEISCHMAN AND WALSH

ATTORNEYS AT LAW
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September 9, 1994

*NEW YORK AND NEW JERSEY BARS ONLY

VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Re: Cable Home Wiring
MM Docket No. 92-260

Dear Mr. Caton:

In accordance with Section 1.1200 et seq. of the Commission's Rules, Time Warner Entertainment Company, L.P. ("Time Warner") hereby submits this follow-up letter regarding the ex parte presentations filed by Liberty Cable Company, Inc. ("Liberty") and the NYNEX Telephone Companies ("NYNEX") in this proceeding on July 28, 1993; September 24, 1993 and October 19, 1993. Time Warner submits this letter in order to provide further evidence of the problems outlined by Time Warner in its December 16, 1993 letter to the Commission on this matter.

Specifically, Time Warner's December 16, 1993 letter warned that Liberty and NYNEX were proposing modifications to the Commission's cable home wiring rules (47 C.F.R. § 76.801) which would allow unfranchised multichannel video programming distributors ("MVPDs") to confiscate substantial portions of a cable operator's plant, well outside the customer's dwelling unit, beyond the scope of the statutory home wiring provisions. As Time Warner's December 16, 1993 letter indicated, Liberty has a record of misappropriating Time Warner's cable facilities in MDU buildings in New York City. As the enclosed materials indicate, Time Warner is again facing this problem by another multichannel video programming distributor ("MVPD") in Reading, Pennsylvania.

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Time Warner, through its BerksCable subsidiary, provides cable service to dormitories (MDU buildings) at Albright College in Reading, PA. Pennsylvania law confirms Time Warner's right to provide such cable service.¹ Pennsylvania law also confirms that cable wiring is not a fixture in the Albright dormitories, or any other MDU.² Time Warner's Cable Television Installation Agreement with Albright College affirms this statutory provision.³ The Commission's rules also confirm that such wiring is not a fixture in MDUs, except in certain limited cases (*i.e.*, where the cable operator has ceded the wiring to the subscriber, etc.) from the point of demarcation into the dwelling unit.⁴ Moreover, Congress intended only that the Commission prescribe rules for the disposition of "cable installed by the cable operator within the premises of [a] subscriber,"⁵ not cable facilities in other areas of an MDU building. Congress specifically directed that the home wiring rules are "not intended to cover common wiring within the MDU building."⁶

Despite these statutory and regulatory provisions, Advantage Cable, an MMDS operator, has broken into and tampered with Time Warner's lock boxes in the Albright dormitories, cut Time Warner's cable in the dormitories, and connected its own cable, appropriating Time Warner's common wiring within the dormitories. These actions are more fully described in the letter dated August 11, 1994 from Dennis Quinter, Director of Engineering at BerksCable, to Jay Ballanger, General Manager of Advantage, and the letter dated August 31, 1994 from Marilyn Garcia, Vice President of Marketing of Time Warner's Eastern Pennsylvania Division, to Mr. Ballanger (copies attached as Exhibit B). As these letters indicate, Advantage has taken unfair advantage of Time Warner by stealing Time Warner's property, in violation of Pennsylvania law and the Commission's rules cited above. Advantage's actions have also made it impossible for Time Warner to maintain control over its wiring and equipment for purposes of carrying out its legal responsibility to prevent and correct

¹1990 Pa. Laws 1467, § 504-B.

²Id. at § 503-B.

³See Cable Television Installation Agreement, attached as Exhibit A, at ¶ 2.

⁴47 C.F.R. § 76.801.

⁵47 U.S.C. § 544(i).

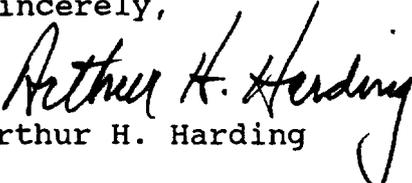
⁶H.R. Rep. No. 628, 102d Cong., 2d Sess. 118 (1992).

Mr. William F. Caton
September 9, 1994
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signal leakage,⁷ and detect and enforce the statutory provisions against theft of cable service.⁸

The above-described actions by Advantage are but the latest examples demonstrating the need to retain the Commission's home wiring rules and not modify them along the lines suggested by Liberty or NYNEX. Time Warner urges the Commission to endorse Time Warner's previously stated position that, if two MVPDs desire to compete in the same MDU building, each must separately install its own wiring, and that the point of demarcation in MDU buildings must be located at the wall plate where the cable actually becomes accessible within the individual unit. This requirement would help stem the thefts of property Time Warner and other cable operators have suffered under the guise of competition.

Sincerely,


Arthur H. Harding

AHH/sbc/18494

⁷See 47 C.F.R. §§ 76.617, 76.614.

⁸See 47 U.S.C. § 553.

EXHIBIT A

CABLE TELEVISION INSTALLATION AGREEMENT

Agreement dated June 1, 1986,
between BerksCable
("Cablevision") and _____
("Owner"). In consideration of the mutual promises and conditions hereinafter
set forth, and payment of \$1.00 and other good and valuable consideration by
Cablevision to Owner, the receipt and sufficiency of which is hereby acknowledged,
the parties agree as follows:

1. Premises. Owner owns an apartment or condominium complex known as
Albright College whose address is _____
13th & Exeter St. Reading, Pa. 19604 consisting of 40
units, including any additional units added in the future (the "Premises").
A complete legal description of the Premises is attached as Exhibit A.

2. Cable System. Cablevision operates a cable television system in
Reading pursuant to a Franchise dated 12-24, 1985,
(the "Franchise"). Cablevision will design, install, upgrade and maintain
equipment (the "Equipment") reasonably required to furnish cable television
service to the Premises. The Equipment shall at all times remain the property
of Cablevision; service and maintenance of the Equipment will be provided by
Cablevision at no charge to Owner in accordance with the provisions of the
Franchise. Arrangements for hooking up, serving and billing individual residents
of the Premises will be made directly between Cablevision and such residents.

3. Easement; Access. Owner hereby grants to Cablevision an unrestricted
easement in gross covering routing necessary for installation of the Equipment
hereunder. In connection with the initial wiring, Owner will accompany
Cablevision employees into any unoccupied residential unit. After initial
wiring, Owner shall provide access to the Premises so that Cablevision may install
Equipment, market cable services on the Premises to tenants, or maintain, inspect
or remove the Equipment at such times as Cablevision shall determine.

4. Damage to Premises or Equipment. Any damages to the Premises caused by
Cablevision, its agents or employees, will be repaired by Cablevision. Any
damages to the Equipment caused by Owner, its agents or employees, will be
promptly repaired to the reasonable satisfaction of Cablevision at Owner's
expense. Owner will take reasonable precautions to notify its agents and employees
of the location of the Equipment. Owner shall hold harmless and indemnify Cablevision
from and against any and all damage or claims for damage that may be asserted by
reason of the ownership, use or occupancy of the Premises by Owner, its agents
or employees, except loss or damage arising from any negligent act or omission of
Cablevision, its agents or employees. Cablevision shall hold harmless and indemnify
Owner from and against any and all damage or claims for damage asserted by reason
of Cablevision's construction and maintenance of the cable system, except loss
or damage arising from any negligent act or omission of Owner, its agents or
employees.

5. Interference. Cablevision may, at its option, utilize or modify any master
antenna (MATV) system presently on the Premises if necessary to facilitate distribution
of Cablevision's service. If any such MATV system interferes with Cablevision's
service hereunder, Owner will remove or repair the MATV system at Owner's expense
in order to eliminate such interference. Owner agrees not to install or to permit
the installation of any other antenna, transducer, or signal amplification system
for use in connection with television or radio equipment which might interfere with
the services provided by Cablevision, without the express written consent of
Cablevision.

6. Term; Termination; Successors. This Agreement shall commence on the date hereof, and shall continue for a period of 15 years, unless Cablevision shall earlier determine that it is technically or economically impractical to continue to provide service hereunder. This Agreement shall automatically renew for successive one year terms thereafter, unless either party gives the other a written notice of termination at least ninety days prior to the expiration date of the initial or any renewal term.

7. Removal of Equipment. Upon any termination hereof, Cablevision, at its option, may remove any or all of the Equipment from the Premises, and Owner shall grant Cablevision reasonable access for such removal. If Cablevision chooses not to remove the Equipment, Cablevision may, in addition to any other remedies it may have, obtain an injunction against unauthorized use of the Equipment by Owner or any other entity.

8. Assignment; Successor. This Agreement may be assigned by either party to any parent, affiliate, successor or subsidiary of or to such party who agrees in writing to assume this Agreement and be bound hereby. In addition, Owner shall make the assumption of this Agreement a condition of any sale, transfer, assignment or devise of the Premises to any other person or entity.

9. Recording. At the option of Cablevision, this Agreement may be recorded in the real property records of Berks County, Pennsylvania.

10. Miscellaneous Provision. Cablevision shall not be liable for any failure to perform hereunder arising from causes beyond its control. The agreement may not be amended except by an agreement in writing signed by the parties. This agreement shall be governed by the laws of the state of Pennsylvania.

11. Other Provisions (Use attachments if necessary). _____

CABLEVISION BerksCable

By: [Signature]
Title: V.P. of Engineering

OWNER: ALBANY College

By: [Signature]
Title: VICE PRESIDENT - Finance

FORM OF CORPORATE ACKNOWLEDGMENT

State of Pennsylvania

County of Berks

On this, the 10 day of June, 19 86, before me Jack L. Tobias
_____, the undersigned officer, personally appeared Daniel L. Wynen who acknowl-
edged himself to be the V.P. Engineering of Berks Cable, a corpora-
tion, and that he as such V.P. Engineering, being authorized to do so, executed the foregoing instru-
ment for the purposes therein contained by signing the name of the corporation by himself as V.P.
Engineering.

In witness whereof, I hereunto set my hand and official seal.

Jack L. Tobias
Notary Public

JACK. L. TOBIAS, NOTARY PUBLIC
READING, BERKS COUNTY
MY COMMISSION EXPIRES NOV. 23, 1987
Member, Pennsylvania Association of Notaries

EXHIBIT B

Sam

BerksCable

11 August 1994

Jay Ballanger
General Manager
Advantage Cable TV
1729 North 11th Street
Reading, PA 19604

400 Riverfront Drive
P.O. Box 107
Reading, PA 19603
Fax # (215) 378-4668

<i>Customer Service</i>	<i>Sales</i>
(215) 378-4637	(215) 378-4633
<i>Engineering</i>	<i>Human Resources</i>
(215) 378-4640	(215) 378-4637
<i>Programming</i>	<i>Public Affairs</i>
(215) 378-4630	(215) 376-9375

Marketing / New Business
(215) 378-4615

Dear Mr. Ballanger:

During the past two weeks we have experienced three incidents where a BerksCable customer has had their reception altered or deleted after an Advantage Cable TV installation. The primary cause for the loss of cable signal was due to the cannibalization of an existing ACTIVE BerksCable drop wire. The following are the specifics of each account.

1. 25 July 1994 - 626 N 2nd St, Reading
The wire providing CATV signals to an additional outlet was cut and rerouted as the MMDS antenna feed
2. 3 August 1994 - 523 N 8th St, Reading
Customer's TV receiving both Advantage Cable TV and BerksCable, via an A/B switch was programmed to receive only channels 41 thru 48
3. 6 August 1994 - 312 Belvedere Av, Reading
The active CATV input wire to a splitter was cut and replaced by the Advantage Cable input. Access to our splitter required tampering of our house enclosure.

Each of these occurrences necessitated a field trip by a BerksCable technician to restore our service.

Please inform your personnel not to disrupt existing services when installing your equipment.

If you would like to discuss this matter or how together we can ensure excellent customer service, please call me at 378-4640.

Thank you for your cooperation.

Sincerely,



Dennis Quinter
Director of Engineering

DQ/cr



Krause

Eastern Pennsylvania Division

**T I M E W A R N E R
C A B L E**

450 Riverfront Drive
Reading, PA 19602
Fax = (610) 376-9472

Accounting
(610) 376-9431
Engineering / Finance
(610) 376-9770
Public Affairs
(610) 376-9375

August 31, 1994



Mr. Jay Belanger
Advantage Cable
1729 N. 11th Street
Reading, PA 19604

Dear Mr. Belanger:

On August 29, 1994 you called Dennis Quinter of BerksCable and advised him that Advantage Cable would like access to BerksCable wiring and lockboxes at Albright College. Mr. Quinter said he would look into the situation and get back to you. This morning at 8:00 a.m. you called and left a message that at 9:00 a.m. Advantage Cable was going to start cutting into and using BerksCable's wiring at Albright College unless we provide you with access. I called you at 8:30 a.m. when I got to work and told you that the wiring was BerksCable's property, that Advantage Cable had no right to use it and that BerksCable would hold Advantage Cable responsible for any misappropriation or damages occurring from its unauthorized actions. You and a Mr. Gary Golden, who represented he was an executive vice president of Advantage Cable, then said that Advantage Cable was authorized under state and federal law to use our wiring and would do so without our consent.

This morning when a BerksCable technician visited Krause Hall at the College, he found that Advantage Cable had cut into eight out of twelve wires at our lockbox. Advantage Cable's unauthorized action has damaged BerksCable by, among other things, rendering useless security features we rely upon, which will be expensive to fully restore.

We hereby demand that Advantage Cable immediately stop cutting into and misappropriating BerksCable's property. We further will hold you fully responsible for your unauthorized actions. The wiring you are cutting into at Albright College is BerksCable's property. You have wrongfully misappropriated it and are wrongfully interfering with our rights and injuring BerksCable. We are unaware of any federal or state authority which would authorize your actions today. In addition, BerksCable has a valid contract with Albright College which allows it to provide cable television services to the College and specifically provides that we own all wiring and other equipment we have installed.

While we of course would be willing to review any legal authorities you claim support your position, we cannot allow you to break into and use our property.

This letter further advises you that BerksCable is responsible for the physical integrity of its cable television equipment and complying with important FCC requirements regarding among other things, signal leakage. Advantage Cable's actions could cause serious violations of the FCC requirements regarding signal leakage. We also will hold you responsible for any such damages.