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From: Bryan Cipoletti <75547.506@compuserve.com>
To: Meredith Jones <MJJones@fcc.gov>
Date: 1/31/96 7:08pm
Subject: Thirteenth Order

Meredith Jones
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Meredith,

Recently, you responded to an Internet message that I had previously sent to you regarding "all rates in play" and the effective dates of rate changes following the filing of a Form 1210. I appreciate your response and applaud the Commission on changes to the rules as outlined in the Thirteenth Order On Reconsideration.

The availability of making annual rate adjustments upon filing the new Form 1240 is fair, equitable, economical, and in the best interests of cable providers, consumers and regulators. Also, the true-up mechanism which is a part of the Form 1240 ensures that all costs are appropriately recovered, without concern for under or over recovery of such costs. Our company will be using this new annual option.

The other significant change in the Thirteenth Order was the elimination of Commission review of an entire rate structure if no rate complaint was filed prior to the effective date of these rules. Knowing that at anytime, we might have to go back to 1992 and prepare the necessary regulatory forms to "roll forward" the calculation of permitted rates, was a significant concern, and creates an uncertain business environment for us and those who provide us capital.

We feel that the Commission addressed and responded to this concern in the Thirteenth Order. However, the Order only mentions CPSTs. As a single tier operator, it appears that the uncertainty still applies. All of the reasons included in the Discussion section of the Order (paragraphs 161 through 164) are valid for both BSTs and CPSTs. Paragraph 164 states "In our view, subscribers and franchising authorities have had ample opportunity to file a complaint..... We believe that if the subscribers and the franchising authority have not filed a CPST complaint, it indicates a level of satisfaction with their current rates that would not exist if they believed that CPST rates were unreasonable."

We believe that this same logic applies to a franchise authority's decision to certify. If the franchise authority has decided not to certify to regulate rates, it indicates a level of satisfaction with the current rates. The elimination of review of an operator's entire rate structure should apply not only to Commission review of CPSTs, but also to local franchise authority's review of BSTs (or, as in our case, the entire, single tier offering). The local franchise authority would still retain the right to certify and regulate future rate increases.

We are hopeful that you will consider this as you continue to evaluate and make changes to the rules. The current inconsistency between application of the rules for BSTs and CPSTs is confusing and maintains the uncertain business environment for BST's (and the entire rate structure for operators who provide a single tier of service).

Thank you for the opportunity to present our thoughts.

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