

Act's cable/telco cross-ownership prohibition."⁶

Calls for further study, delay.

"Each of these organizations,... has found reasons for urging the Commission either to modify the proposed structure for video dialtone, or to study and resolve certain fundamental issues concerning video dialtone's scope and regulation before rushing to implement such a service."⁷

"... all urge the Commission to address cost allocations and jurisdictional issues at this point in the proceeding..."⁸

"The Commission must, therefore, undertake a more careful analysis of how and whether its cost accounting, ONA and other safeguards... will work in the video dialtone context before moving ahead with its proposal."⁹

"Before adopting a video dialtone policy, the Commission must also address and resolve critical jurisdictional separations, cost recovery, and other rate-related questions."¹⁰

"Telesat, therefore, recommended delaying the adoption of a specific regulatory framework governing the provision of video dialtone services until the effects of the First Report can be measured."¹¹

"Such resources would be better spent assessing the effects of video dialtone on the existing infrastructure, rather than embarking on a global effort to reshape our telecommunications policy before such effects are fully understood."¹²

"While the general concept of video dialtone is appealing, it is apparent that its adoption will result only in a substantial migration of funds into the telcos' treasuries, and thus should be shelved while the technologies and markets develop sufficiently to allow the Commission to evaluate meaningfully costs, service demand and impact on the telephone ratepayer."¹³

"Although the process unquestionably will be difficult, the Commission must persist in thoroughly reviewing

⁶ Reply Comments of Continental Cablevision, Inc., CC Docket No. 87-266.

⁷ Reply Comments of Times Mirror Cable Television, Inc., op. cit.

⁸ *Ibid.*

⁹ Reply Comments of Continental Cablevision, Inc., CC Docket No. 87-266, March 5, 1992.

¹⁰ *Ibid.*

¹¹ Reply Comments of Telesat Cablevision, Inc., CC Docket No. 87-266, March 5, 1992.

¹² *Ibid.*

¹³ Joint Reply Comments of the Cable Television Association of Maryland, et. al., op. cit.

all critical data and must not defer to a deregulatory approach on these sensitive issues.”¹⁴

“The Commission should terminate the inquiry until a more definite proposal capable of meaningful cost/benefit analysis can be issued for public comment.”¹⁵

“Accordingly, it is the Commission’s duty to conduct a detailed study of the impact on telephone ratepayers of an industrial policy which requires telcos to spend hundreds of billions to construct an unnecessary broadband infrastructure, before deciding whether to adopt unfair regulatory advantages designed to encourage such construction.”¹⁶

Arguments for front-loading regulation.

“1. The Commission must conduct a thorough study of the need for a nationwide broadband communications network, taking into account the \$400-500 billion cost of such a facility, and who would pay for it, before endorsing construction.”¹⁷

“Unless the 214 certification process is rigorous or the tariff review process is strengthened and not merely regulated to a default approval scheme, video dialtone services -- indeed any video transport service -- can be anti-competitively priced and instituted without appropriate FCC or state review. The Section 214 process must be utilized in order to review and enforce the necessary safeguards which the Commission identified in the Video Dialtone order and ensure that the public interest will indeed be served in allowing any LEC’s provision of video services.”¹⁸

“The Commission should rule that its current tariff review process will include review for cross subsidy, cost allocation and separations issues, as proposed in Attachment A, and that all video transport facilities require a 214 review. Otherwise, it may well be too late when a LEC determines to offer a video dialtone service utilizing prepaid or subsidized video facilities.

The Commission may make its intended regulatory scheme work under existing rules by clarifying the VDT Order as follows:

1. Section 214 review is required for multipoint video network arrangements, whether or not a ‘video gateway’ or express video dialtone offering is presently made.
2. LECs, whether operating under price caps or not, must submit their interstate video services tariffs to a specified tariff review plan, as set forth in Attachment A, prior to additions to a LEC’s joint cost manual to ensure:
 - a. That the pricing for services offered via these networks recover all of the costs as required by the Price Caps order;
 - b. That the fungibility of the network facilities (i.e., the ability of the network to be reassigned to POTS) is properly documented; and
 - c. That the appropriate state PSC is afforded notice and an opportunity to participate at the FCC to

¹⁴ *Ibid.*

¹⁵ *Ibid.*

¹⁶ Joint Comments of Adelphia Communications Corporation, Arizona Cable Television Association, et. al., op. cit.

¹⁷ *Ibid.*

¹⁸ Opposition to GTE Petition For Reconsideration, Florida Cable Television Association, CC Docket No. 87-266, October 27, 1992.

consider the jurisdictional implications of applying more interstate jurisdictional status to these new networks.”¹⁹

“In short, in order to avoid granting control of the chicken coop to the fox, the Commission must set forth a more specific (and comprehensive) regulatory proposal, so that all parties can comment in a meaningful fashion before the Commission adopts regulations.”²⁰

“It is also clear that the Commission’s assumed benefits of a LEC video dial tone platform could not be realized unless policies that protect both telephone ratepayers and competition against LEC abuses are adopted and enforced. Absent full protection for competitors and ratepayers, the Commission must continue the present regime.”²¹

“If the Commission does adopt video dial tone policies, it must create a level playing field for all video service providers.”²²

“THE COMMISSION SHOULD ADOPT SPECIFIC RULES TO PREVENT ANTICOMPETITIVE BLOCKAGE OF CABLE’S POLE AND CONDUIT ACCESS BY TELEPHONE COMPANIES PROVIDING VIDEO DIALTONE SERVICE... The Commission should also take further protective measures to require that LECs demonstrate in their Section 214 video dialtone applications that pole attachment rights or conduit space is available to cable competitors at reasonable charges.”²³

“TELEPHONE COMPANIES SHOULD BE REQUIRED TO PROVIDE REASONABLE ACCESS TO POLES AND CONDUITS AS A CONDITION OF SECTION 214 AUTHORITY... Furthermore, the Commission must adopt rules that ensure telephone companies do not abuse their control over poles and conduits at the expense of competing cable operators.”²⁴

“Therefore, effective regulation is not obviated by the limited competition that is present in certain telco market segments; the need for such regulation actually is heightened, and the Commission necessarily must commit additional resources to this effort.”²⁵

“...the Commission should assess the actual needs of programmers and packagers of video services and the behavior of telcos under a carefully structured regulatory scheme that fosters the competitive provision of video services

¹⁹ Petition For Clarification, Florida Cable Television, CC Docket No. 87-266, October 27, 1992.

²⁰ Reply Comments of Continental Cablevision, Inc., CC Docket No. 87-266.

²¹ Reply Comments of Cox Enterprises, Inc., CC Docket No. 87-266, March 5, 1992.

²² *Ibid.*

²³ Comment of the New England Cable Television Association on Third Notice of Proposed Rulemaking, CC Docket No. 87-266.

²⁴ Comments of the Joint Parties, Adelphia Communications Corp., Comcast Cable Communications, Inc., Cox Enterprises, Inc., Jones Intercable, Inc., CC Docket No. 87-266, December 16, 1994.

²⁵ Joint Reply Comments of the Cable Television Association of Maryland, *op. cit.*

and that protects the interests of consumers.”²⁶

“2. The Commission must require telcos seeking video dialtone status to certify that no state or local regulatory entry barriers exist to competitors seeking to provide voice and data services.

3. The Commission must consider imposing facilities-related obligations and service-related safeguards on video dialtone telcos, to compensate for their severe competitive advantage due to their freedom from cable franchise requirements.”²⁷

²⁶ Joint Comments of Adelphia Communications Corporation, Arizona Cable Television Association, et. al., op. cit.

²⁷ *Ibid.*