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National Cable Television Association

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Ex Parte

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

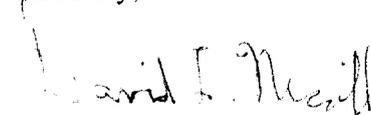
**Re: Telecommunications Services - Inside Wiring
Customer Premise Equipment, CS Docket No. 95-184**

Dear Mr. Caton:

On December 3, 1996, Dan Brenner and David Nicoll of the National Cable Television Association, Inc. ("NCTA") met with Meredith Jones, John Logan, Rick Chessen and JoAnn Lucanik of the Cable Services Bureau to present NCTA's position in the above-captioned proceeding.

The matters discussed are described in the enclosed materials.

Sincerely,



David L. Nicoll

DLN:tkb

Enclosure

cc: John Logan

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TALKING POINTS-HOME WIRING

- The Commission's "convergence" proceeding is premature. While it is true that telcos have plans to deliver video, and cable plans to offer telephone service, neither will do so over a single wire inside single family homes or MDUs for the foreseeable future. Telephone inside wiring will not be used to deliver video, nor will cable inside wiring be used to provide telephony services. The Commission should not modify the cable home wiring policy to reflect nonexistent technological convergence.
- Telco inside wiring was deregulated nearly 15 years ago, in recognition that it is not a necessary part of the telco-operated network and could be maintained by maintenance companies. Cable home wiring, in contrast, remains under the ownership of operators in most situations. Turning it over to competitors would be a taking, and the only just compensation would be construction of a replacement wire, and the recovery of the opportunity costs of losing the ability to serve until the replacement is constructed.
- Telco/wireless/SMATV petitions to move the 12-inch demarcation point in MDUs to an arbitrary point outside the unit (e.g., junction boxes, stairwells, basement):
 - ⇒ would allow competitors to seize substantial portions of a cable operator's plant;
 - ⇒ is inconsistent with the 1992 Act: Congress made clear that the home wiring provision applies only to internal wiring within the home or dwelling unit. "Wiring in common areas of MDUs" is specifically excluded;
 - ⇒ forecloses competition--a goal of the 1992 Act--because operator denied access to its broadband pathway. Shared use of home wiring simultaneously by same provider is physically, technically and economically infeasible; and
 - ⇒ presents serious safety (e.g., signal leakage) and theft of service problems, particularly in MDUs.
- Unlike local telcos, that in fact face very little competition, cable faces substantial competition. Nearly 10% of multichannel customers nationwide obtain service from noncable sources; and growing competition among multichannel providers is even more fierce in the MDU market. There is no need to inject a competitive wedge in multidwelling units by turning over homerun wiring to competitors where competition is thriving.
- Turning cable homerun wiring over to competitors means that customers will not have the choice available that two wires present. It just substitutes one video provider for another. Two wires allows for unbundling of cable services -- some from the cable operator (say, Internet, basic, and pay-per-view) and some from a competitor (say, CPS tier). That's not possible with a one-wire competitive policy.

- The Commission's decision not to have a competitor take over the homerun wiring has led to just this type of facilities competition -- in New York City, competitors have built second homerun wiring, this in a market with older buildings.
- Multidwelling unit telephone inside wiring remains available to individual unit owners. And with two twisted pairs usually available, the very facilities-based competition we're talking about in the broadband context is already demonstrated. The same facilities competition should apply to broadband.
- Cable home wiring, on the other hand, is often controlled exclusively by landlords, thereby taking the real choice out of the hands of consumers. To foster true competition, the Commission should focus upon exclusive contracts and access to premises rules.