

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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Federal Communications Commission
Office of Secretary

In the Matter of)
)
Implementation of Section 304 of the)
Telecommunications Act of 1996)
)
Commercial Availability of)
Navigation Devices)

CS Docket No. 97-80

COMMENTS OF U S WEST

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U S WEST, Inc. ("U S WEST") herein provides comments to the Federal Communications Commission's ("Commission") Notice of Proposed Rule Making in the above-captioned matter.¹ U S WEST is the third largest multiple system operator ("MSO") in the United States and is the incumbent provider of local exchange service in a 14-state region.² In this proceeding, the Commission seeks comment on the implementation of Section 629 of the Communications Act which addresses the commercial availability of equipment used by consumers to access

¹ In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigational Devices, CS Docket No. 97-80, Notice of Proposed Rule Making, FCC 97-53, rel. Feb. 20, 1997 ("NPRM").

² U S WEST Media Group, Inc., through MediaOne (formerly Continental Cablevision, Inc.) directly owns cable systems serving over 5 million subscribers. U S WEST's in-region telephone company, U S WEST Communications, Inc., also owns and operates a cable system in Omaha, Nebraska. In addition to its wholly-owned systems, U S WEST holds a substantial partnership interest (25.5%) in Time Warner Entertainment which controls additional cable systems and other production interests, e.g., HBO, Showtime, Warner Bros., etc.

multichannel video programming and other services, including cable system set top boxes and other customer premise equipment ("CPE"). In passing Section 629, Congress charged the Commission with ensuring the competitive availability of this equipment.

I. INTRODUCTION AND SUMMARY

U S WEST supports the intent of Section 629 to allow video programming subscribers to purchase their own multichannel video CPE from multiple manufacturers and retail outlets. Such availability will afford consumers with expanded product alternatives and greater choice. As the Commission moves to implement the requirements of Section 629, U S WEST urges the Commission to take the following points into consideration:

- In light of the fact that the entire multichannel video programming distributor ("MVPD") industry, as well as the broadcast industry, is moving toward a digital format, the Commission should focus this rulemaking on the commercial availability of digital CPE and the standards for such equipment.
- Significant security (theft of service) concerns and system incompatibility do not allow for the wide-scale availability of enhanced analog-only CPE, e.g., addressable converters, at this time. Generic analog converters (without security components) and remote controls are currently available from multiple sources.
- Theft of service continues to represent a huge cost/risk to industry and ultimately to consumers. As such, the security functions/components of commercially available CPE must be totally separated from operational components and controlled only by the MVPD.
- Standards for security, as well as any additional standards for portability and interoperability between like delivery systems must be developed by accredited industry bodies.

- The definition of affiliate should track that in Section 3 of the Communications Act and not be broadened to include contractual relationships between manufacturers and MVPDs.
- All MVPDs must be permitted to respond to the marketplace when pricing CPE and should not be forced to comply with inequitable “at cost” rules where direct broadcast satellite (“DBS”) competition exists which is not constrained by “at cost” pricing.

By focusing on digital CPE in this proceeding, the Commission has the opportunity to establish a new, highly competitive market for this CPE in the United States. Consumers will be the ultimate beneficiaries of this newly created market. Unlike analog-only CPE, which suffers from significant security and incompatibility concerns, digital CPE offers greater potential for real consumer choice between types of equipment and various manufacturers. Industry standards are currently being developed for digital CPE which will allow an important level of compatibility and portability between like systems and MVPDs. Security concerns which plague digital signal delivery systems as well are currently being addressed through the development of renewable security standards and systems which will be included in new digital CPE. Digital CPE allows the potential for more effective security solutions to be developed which will allow MVPDs, as well as video programming producers, to have more confidence that their signals are not being widely compromised and pirated by signal thieves.

The high potential for theft of service makes the commercial availability of enhanced analog-only CPE untenable. Because of the nature of analog signal delivery, it is much easier for video pirates to circumvent the security measures employed in those systems. Requiring the retail availability of enhanced analog set-

top boxes will create more opportunity for signal theft, by turning control of the conditional access equipment over to the black market distributor and ultimately the illegal end-user. Such a result would be directly contrary to the specific intent of Congress and the language of Section 629(b).

To prevent signal theft, a \$5 billion problem for cable operators, the security functionality must be separated from other components and must be controlled by the MVPD. As discussed in more detail later, the industry is currently developing specifications for renewable security components. Security components must be excluded in the digital CPE specified as commercially available by the Commission.

The Commission also needs to take into account the fact that there is a very large base of existing analog converters in subscribers' homes, representing huge sunk costs for cable operators. These costs are not easily recouped by sale to customers, as in the Carterfone case cited by the Commission in the NPRM, because most customers will not want to purchase a piece of equipment that cannot be used in a rebuilt system or that is not portable to another system in the event the customer moves.³ In the case of MediaOne, analog converters alone represent approximately \$520 million in investment.

³ In fact, the Carterfone decision cited in the NPRM, Carterfone, 13 FCC 2d 420 (1968), recon. denied, 14 FCC 2d 571(1968), does not provide a proper analogy to the issues in this proceeding or to cable networks in general. The telephone network is largely homogeneous because of its previous status as a national monopoly and the importance placed by the Commission and state commissions on ubiquitous service. Cable networks have historically been developed in a much different manner. Additionally, telephone networks are not as susceptible to harmful effects of improperly attached CPE, e.g., signal leakage. Finally, a mandated "right to attach" may lead to unintended consequences in theft of service cases. In the case of cable, restricting access to the network is a primary method of preventing the unau-

The digital broadband world will be a fundamental component of the “information superhighway” envisioned by many. U S WEST believes that the Commission can best use its resources in this proceeding to ensure that future digital CPE will not only provide a secure system, but also be widely-available to consumers and portable across like systems. The Commission should create rules which drive toward the goals of standardization and interoperability within each of the various MVPD markets. An open, standards-derived market will be the foundation upon which future consumer choice and CPE competition will be based.

II. CONGRESS RECOGNIZED THAT SECURITY ISSUES MUST PLAY A LARGE ROLE IN THIS PROCEEDING

The Commission should not apply Section 629 to any existing equipment which can be shown to have significant security issues associated with its commercial availability, e.g., analog converter/descramblers. As the Commission acknowledges in the NPRM, it is directed in Section 629 not to “jeopardize security of multichannel video programming and other services offered over multichannel video programming systems, or impede the legal rights of a provider of such services to prevent theft of service.”⁴ In spite of advances in security, recent history has shown that analog cable systems are still susceptible to signal piracy. The National Cable Television Association’s (“NCTA”) Office of Cable Signal Theft has estimated that the cable industry lost \$5.1 billion in revenues as a result of theft of

thorized reception of cable services. The Commission must not diminish a MVPDs ability to control access to their systems by providing for an unrestricted “right to attach.”

⁴ NPRM ¶ 1.

video services in 1995. This equates with 20% of the total industry revenues of \$25.3 billion during the same period. Indeed, with significant investments in research and development, pirates have been able to keep pace with the industry in their creation of illegal devices which counteract new security measures put in place by cable operators.

Companies, including U S WEST's MediaOne and Time Warner Cable, have been diligent in their efforts to combat piracy. In a series of investigations conducted since 1992, MediaOne's systems in Southern California have seized more than 160,000 illegal devices as well as customer records indicating tens of thousands of illegal sales by pirate distributors. During the latest police raid on February 13, 1997, the Los Angeles Sheriff's Department arrested an individual for allegedly running a pirate operation from his Bellflower, California apartment. Police seized 2,000 illegal devices, customer records and \$315,000 in cash, hidden in a hollowed out table pedestal. Just two weeks ago, local police in cooperation with MediaOne's Hialeah, FL system arrested a Medley, FL man for selling illegal descramblers throughout the United States, Canada and Puerto Rico. Police seized approximately 1,000 devices, customer records, as well as component parts and equipment used to manufacture the devices.

In July, 1996, Time Warner sued MD Electronics for violations of federal law, seeking damages and injunctive relief from the illegal sale of descrambling devices. At the time the order was granted by the federal court, MD Electronics, an Omaha, Nebraska-based company, had 90 employees, including a staff of design engineers, a warehouse containing more than 25,000 illegally modified descramblers ready for

shipment, and customer records demonstrating over 100,000 retail sales to end users throughout the United States. Despite these efforts, the best way to effectively deter theft in the analog world is to maintain the integrity and proprietary nature of conditional access equipment. If the Commission were to direct the commercial availability of such devices, cable operators and other MVPDs would have no ability at all to control the distribution of such devices and would effectively lose the battle against signal pirates.

As described recently in the Wall Street Journal, cable thieves go to extreme lengths to acquire analog converters from legitimate suppliers such as General Instruments Corp. only to modify those converters for piracy.⁵ This was not the intent of Congress and the Commission should not facilitate additional signal theft by removing control of this equipment from cable operators.⁶

The Commission must also recognize that security issues necessarily permeate every consideration in this docket.⁷ Signal security is key to the continued financial viability of MVPDs as well as the programming industry which creates the products for distribution. If an MVPD cannot protect and secure the product, thereby producing a sufficient revenue stream for the programmer, the programmer

⁵ Mark Robichaux, Cable Pirates Sought Plunder but Blundered Into a Major FBI Sting, Wall Street Journal, May 12, 1997, at 1.

⁶ From a consumer standpoint, the 1992 Cable Act already requires that cable operators make available at cost CPE that is necessary to enable subscribers to receive basic cable service. See 47 U.S.C. § 543(b)(3)(A).

⁷ Security issues are also prominent in the development of digital standards, although the potential exists for improved security in the digital format. Even so, the DBS videocipher encryption methodology has been compromised and more recently controversy swirled around security issues in the News Corp./Echostar deal.

will not be incented to invest in new programming or will look for alternative outlets of distribution. In June 1996, the TVKO unit of HBO expected to be the Pay-Per-View ("PPV") outlet for a championship fight between Oscar De Le Hoya and Hector Caesar Chavez. Instead the fight promoter, Bob Arum, restricted consumer availability to closed circuit sites and denied TVKO distribution rights because he feared that PPV theft would cut into the take rates and undermine the total gate for the fight. As a result, cable customers were unable to watch the event from their homes.

Cable operators using traditional analog signal delivery systems have commonly relied upon proprietary scrambling techniques and control of converter/decoder/descrambler equipment as the primary means of theft prevention. While the industry continues to invest in improvements to these scrambling systems, they remain susceptible to advances in semi-conductor and signal processing techniques developed by the pirates. Even systems with the latest dynamic modes of scrambling can be defeated by the use of illegally modified, company-owned equipment or sophisticated "black boxes" purchased through a credit card over an 800 number from large-scale pirate distributors. Until such time as existing analog systems are converted to digital technology with renewable, conditional access systems like smart cards, the problems of signal theft will continue to be a major concern for cable operators.

III. SECTION 629 IS APPLICABLE TO ALL MULTICHANNEL VIDEO PROGRAMMING PROVIDERS, INCLUDING OPEN VIDEO SYSTEM (“OVS”) OPERATORS

The term multichannel video programming systems should be defined broadly to include all types of video distribution systems and providers. While the exact language of the statute limits its application to equipment used to access “multichannel video delivery systems,” there can be little doubt that Congress intended to apply the provisions of Section 629 to all MVPDs as that term is defined in Section 602(13) of the Cable Act. This would include all satellite providers, including DBS providers, multipoint multichannel distribution service (“MMDS”) providers, cable operators, satellite master antenna (“SMATV”) operators, local multipoint distribution service (“LMDS”) providers, and multichannel digital broadcast stations. The legislative history of Section 629 supports the inclusion of all MVPDs stating, “The scope of the regulations are narrowed to include only equipment used to access services provided by multichannel video programming distributors.”⁸ No exclusions for new entrants in the video programming distribution marketplace, such as DBS providers, is appropriate or lawful under the statute. Therefore, the Commission should find that all systems operated by MVPDs are included under the provisions of Section 629.

OVS operators should also be included in the panoply of MVPDs covered by Section 629. It would be difficult to imagine that Congress did not intend to provide subscribers to OVS the same opportunity to share in the benefits of commercial

⁸ Conference Report on S.652 at 181.

availability and access equipment portability. OVS operators and other program distributors on OVS networks clearly fall under the definition of an MVPD. As such, OVS operators should have the same obligations as all other MVPDs to make their access equipment available to consumers through alternative commercial outlets.⁹

IV. THE COMMISSION SHOULD LIMIT THE SCOPE OF EQUIPMENT TO BE COVERED UNDER THIS PROCEEDING TO THAT WHICH IS NECESSARY TO ACCESS SERVICES OFFERED OVER MULTICHANNEL VIDEO PROGRAMMING SYSTEMS

Section 629 applies to “converter boxes, interactive communications equipment, and other equipment used by consumers to access multichannel video programming and other services offered over multichannel video programming systems....”¹⁰ While this definition appears to be fairly broad, the range of equipment covered should only include those items specifically used *to access* services offered over multichannel video programming systems. Access equipment should be defined as the equipment which is necessary to allow subscribers to receive the video services offered by the system. Access equipment should not include any equipment which is ancillary, relates to security, or provides enhanced functionality not necessary to receive the services offered by the MVPD.

⁹ Even if the Commission does not believe that it can apply the provisions of Section 629 to OVS operators directly, it can certainly apply the provisions to other program distributors who utilize OVS for signal delivery. These entities are not certified as OVS providers by the Commission, and thus, do not qualify for any potential exclusion from the provisions of Section 629.

¹⁰ 47 U.S.C. § 549(a).

Examples of CPE equipment to be included: digital television converters (without security access devices), digital satellite integrated receiver decoders, MMDS/ITFS digital receiver/digital signal converters/tuners, and UHF/VHF broadcast tuners contained within digital televisions or separate from the video monitors. The examples of equipment included as CPE comprise the devices likely to be employed to access basic video services, advanced digital video services, and advanced multimedia services. Examples of equipment not necessary for access include: cable modems; electronic program guides; program control and blocking devices; network interface modules ("NIM"); network interface units ("NIU") (so called "residential gateways" located outside of the dwelling); specialty network termination devices, e.g., digital music receivers and game controllers; and in-home wiring. Security equipment should also be specifically excluded in accordance with Section 629(b).

While the Commission could possibly expand the scope of the proceeding beyond the access equipment identified above, U S WEST believes that such an expansion could cause a significant delay in resolving the important objectives in this proceeding. Should the Commission deem an expanded review to be valuable in the future, it could reserve the ability to initiate Further Notices of Proposed Rule-making to develop a record for additional equipment or standards. The recent challenge faced by the Advanced Television Standards Committee in satisfying both the consumer electronics/television and the personal computer industries should provide the Commission with ample reason to limit the scope of this proceeding to the devices essential for signal reception and tuning.

V. THE COMMISSION SHOULD ALLOW ACCREDITED INDUSTRY ORGANIZATIONS TO DEVELOP AND ESTABLISH STANDARDS

As noted previously, the industry's first priority should be the development of a digital security interface standard that separates that function from others performed by the equipment that is available for purchase by consumers. Security has to be controlled by the MVPDs who provide service. Otherwise the piracy will continue to grow, cutting into the legitimate revenues of distributors, programmers and producers of copyrighted materials.

U S WEST believes that the development of standards is best left to the marketplace and accredited industry organizations. In order to provide the necessary security across the various types of multichannel video distribution systems used in the United States today, U S WEST supports the use of industry developed standards by accredited organizations such as the Society of Cable Television Engineers, Inc. ("SCTE") and IEEE which operate under the authority of American National Standards Institute ("ANSI"). These organizations will be able to sort through the complex technical issues and provide well-considered, focused solutions. As accredited standard setting bodies they operate in an open forum giving stakeholders an opportunity to participate in the standard setting process. These accredited bodies also have a track record in performing essential roles in developing standards.

The SCTE Engineering Committee has been developing standards for digital video formats and transport and could move rapidly to produce security interface standards. In a recent development, the National Renewable Security System

("NRSS") group achieved tentative agreement as to the development of standardized "smart cards." These smart cards plug directly into the converter box or TV set and provide the necessary decryption for subscriber viewing. The Cable Consumer Electronics Compatibility Advisory Group ("C3AG") also has relevant experience in developing solutions for equipment compatibility as required by the 1992 Cable Act.

As standards for security, interoperability and portability are developed, guidelines should be in place to ensure that commercially available CPE does not block or prevent the delivery of new services and features offered by other providers.

VI. COMMERCIAL AVAILABILITY IS ESTABLISHED BY THE PRESENCE OF AT LEAST ONE OTHER PROVIDER OF ACCESS EQUIPMENT

The Commission should define commercial availability as the presence of at least two unaffiliated CPE providers, one of which can be the MVPD. Not every commercial outlet that proposes to sell equipment to every provider needs to be accommodated in order to find that a product is commercially available. It is unnecessary to establish a minimum number of vendors in any specific location and it should not matter if the other provider is located outside the specific market served by the MVPD. Retail availability via catalogues and advertisements should be certainly recognized as commercial availability. As for agency relationships, distribution of CPE by any entity unaffiliated with the MVPD meets the basic requirements and plain language of the statute. The Commission should not

attempt to restrict access to distribution channels which have already been established by MVPDs other than cable operators.

In order to define commercial availability for digital technology, the Commission could monitor the results of digital equipment introduction through reports provided by equipment manufacturers or through information provided by large electronic retailers. Because cable operators will be in the process of converting their systems to digital during the first few years of availability, the sales numbers for CPE may initially appear to be slow. These sales will certainly pick-up as more and more digital cable systems are brought on-line and as broadcasters in local markets move to a digital format. Eventually, the marketplace will no longer need regulatory oversight and the Commission can sunset Section 629 regulatory obligations.

VII. THE COMMISSION SHOULD NOT VIEW A CONTRACTUAL RELATIONSHIP AS ESTABLISHING AFFILIATION

The Commission has proposed using the definition of affiliate found in Section 3 of the Communications Act for purposes of Section 629: “[A] person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term ‘own’ means to own an equity interest (or the equivalent thereof) of more than 10 percent.”¹¹ U S WEST concurs in the selection of this definition as applied to the issue of commercial availability. However, the Section 3 language does not require, and it is not appropriate for the Commission to find, that a contractual

¹¹ 47 U.S.C. § 153(1).

relationship forms the basis for affiliation. A contract for a large scale purchase of equipment by a cable operator does not establish an affiliated relationship by ownership or control.

The Commission has defined the term “affiliate” in several different ways in various parts of its rules. It has started to use a broader definition of affiliate in certain areas, such as the recently added spectrum auction rules in Part 24. While that section is not applicable to cable operators or other MVPDs under Title VI, even in that context a contractual relationship is only defined to be an affiliation “where one concern is dependent upon another concern for contracts and business to such a degree that one concern has control, or potential control, of the other concern.”¹² That would not apply to the video CPE marketplace.

In the context of Title VI, the Commission has never used a contractual relationship test alone in finding affiliation. Nor should it here. Section 3 does not provide for such an expansive definition and the legislative history of the 1996 Act does not support it. The Commission should use the clear definition of affiliate provided by Section 3 and not expand the definition inappropriately.

VIII. ALL MVPDS, INCLUDING CABLE OPERATORS, SHOULD HAVE SOME LATITUDE TO OFFER REBATES OR OTHER DISCOUNTS

Several principles are at play in the statutory prohibition against equipment subsidies. It is clear that the danger to be avoided is the subsidization of equipment by essential regulated services. Additionally, the legislative history cited in the NPRM allows cable operators some pricing flexibility when cable service is subject

¹² 47 C.F.R. § 24.720(1)(9).

to effective competition. At the same time the NPRM notes the growth of the cellular phone business, based in part on its ability as an unregulated service to bundle telephone equipment with the monthly service charge. That model was used by many cable operators in the years prior to the 1992 rate regulation requirements and it facilitated the introduction of improved technology such as addressability and greater bandwidth.

DBS operators currently offer rebates, which may be based on a subsidy from the service fee or may be a straight discount, although the discount is undoubtedly based on the premise that more customers will sign up for the service and the seller can therefore recover the cost of the equipment in that way. Absent detailed cost of service proceedings, it is not possible to answer the question of subsidy versus rebate in that situation, but intuitively people are more likely to try out new technologies if there is a perceived discount or rebate. U S WEST's position is that all players in the new digital world should be able to sell their products and services in the marketplace in a fair, but competitive manner. However, rather than advocate that a wide net be cast to force all entrants to price equipment strictly at cost and that all discounts and rebates be viewed as impermissible cross-subsidies, U S WEST recommends that the Commission allow additional latitude to the cable industry by revising the definition of regulated equipment. Otherwise some providers will have a built-in regulatory advantage, rather than a strictly competitive one.

The Commission could accomplish this by revising its broad interpretation of “...equipment used by subscribers to receive the basic service tier...”¹³ For the present it would be appropriate to have an interpretation that will foster the industry’s transition to digital systems by letting the marketplace decide whether a rebate or discount plan offers better value. Although new boxes will be introduced that pass through both digital and analog signals, so long as the system also offers a more basic converter at a regulated price for customers who do not want the unregulated advanced services, that should be sufficient consumer protection. Cable television operators should be permitted to bundle equipment with unregulated services, whether premium, or PPV, or new product tiers. The safeguards are in place to protect against cross-subsidies of regulated service and basic service equipment since benchmark pricing prevents any possibility of cost shifting. Additionally, cost-of-service must take into account allocations between regulated and unregulated offerings.

If bundling and rebates are recognized as offering consumer value, all competing MVPDs should have the opportunity to develop those incentives. The alternatives are to insist upon at-cost pricing of equipment by all MVPDs or to selectively permit some industries, such as DBS, to offer rebates and discounts and prohibit others. The only MVPDs subject to rate regulation, cable operators, are otherwise prohibited from competing on price in that arena.

¹³ 47 U.S.C. § 543(b)(3)(A).

IX. THE COMMISSION SHOULD ESTABLISH AND BROADLY PERMIT THE USE OF DEVELOPMENTAL WAIVERS FOR NEW EQUIPMENT

Section 629(c) provides the authority for the Commission to allow developmental waivers where “[N]ecessary to assist [in] the development or introduction of a new or improved multichannel video programming or other service offered over multichannel video programming systems, technology, or products.”¹⁴ U S WEST believes that developmental waivers are crucial in order to provide the necessary flexibility for the industry to develop and implement new technology. Product testing and standardization require significant time and effort and can only be accomplished where the flexibility exists to trial a service or equipment which may not conform to existing specifications. Such waivers should be liberally granted.

The Commission should establish an efficient procedure for equipment manufacturers to apply for and acquire developmental waivers. A waiver request should simply identify the type of service to be offered, provide an overview of the specification to be used, and give a time-line for product testing and possible implementation. If any of the information submitted in the waiver application is proprietary, the Commission should grant confidential status to such information upon request. The Commission should have 90 days to review the waiver request, which would be deemed granted if the Commission has not taken action on the request by the end of the 90-day review period.

¹⁴ 47 U.S.C. § 549(c).

X. SUNSET OF SECTION 629 REGULATIONS SHOULD OCCUR WHEN EFFECTIVE COMPETITION IS ESTABLISHED IN A MARKET

The statute sets out three conditions for the sunset of regulations adopted by the Commission under Section 629. The regulations shall cease to apply when the Commission determines that:

- 1) the market for the multichannel video programming distributors is fully competitive;
- 2) the market for converter boxes, and interactive communications equipment, used in conjunction with that service is fully competitive; and
- 3) elimination of the regulations would promote competition and the public interest.¹⁵

The Commission has proposed using local geographic markets such as Designated Market Areas (“DMA”) or Standard Metropolitan Statistical Areas (“SMSA”) for the purposes of this section. U S WEST supports the use of broader market definitions to establish effective competition in the equipment market since CPE sales frequently occur through electronic and home improvement magazines. The appropriate test for effective competition in a given market should be if CPE is commercially available and/or commercially advertised for sale or lease. If it is, then the Commission must find effective competition has been achieved in that market area and it must refrain from applying the regulations adopted in this proceeding.

U S WEST disagrees with the Commission’s tentative conclusion that it can potentially forbear from applying Section 629 requirements to specific MVPDs, e.g.,

DPS providers without providing similar forbearance to the providers. Section

629(e), by its terms, applies only to markets, not providers within markets. Also, initial forbearance is not an option under the specific tests enumerated under Section 629. The language of Section 629(e) specifically states that “the regulations adopted under [Section 629] shall cease to apply when....” A regulation cannot “cease to apply” unless it was first adopted and applied. Thus, the Commission cannot make such an initial forbearance decision for DBS providers (or any other MVPD) under the plain language of the statute.

XI. CONCLUSION

Based on the foregoing, U S WEST asks that the Commission give careful

¹⁵ 47 U.S.C. § 549(e).

consideration to the proposals submitted herein and adopt rules consistent with those proposals.

Respectfully submitted,

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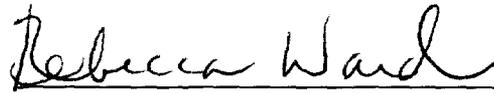
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May 16, 1997

CERTIFICATE OF SERVICE

I, Rebecca Ward, do hereby certify that on this 16th day of May, 1997, I have caused a copy of the foregoing **COMMENTS OF U S WEST, INC.** to be served via hand-delivery upon the persons listed on the attached service list.



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