

January 24, 2012

BY ELECTRONIC FILING

Marlene H. Dortch
445 12th Street, S.W.
Room TW-A325
Washington, DC 20554

Re: Notice of Ex Parte Communication

*RCN Telecom Services, Inc.'s Petition for Waiver of Section 76.630(a) of the
Commission's Rules, File No. CSR-8525-Z*

Basic Service Tier Encryption, MB Docket No. 11-169

*Compatibility Between Cable Systems and Consumer Electronics Equipment,
PP Docket No. 00-67*

Dear Ms. Dortch:

On Friday, January 20, 2012, representatives of RCN Telecom Services, LLC met with Commission staff to discuss RCN's petition for waiver and the Commission's rulemaking, both of which concern encryption of the basic service tier. Present on behalf of the Commission were William Lake, Media Bureau Chief, Mary Beth Murphy, Policy Division Chief, Steven Broeckaert, Senior Deputy Division Chief, and Brendan Murray, Attorney Advisor. Present on behalf of RCN were John Gdovin, Senior Vice President, Administration; Chris Fenger, Senior Vice President, Operations; Thomas Steel, Vice President, Regulatory Affairs; and outside counsel John Nakahata and Michael Nilsson.

RCN emphasized the growing problem of basic service theft, particularly in the New York and Chicago systems that are the subject of its waiver petition. RCN explained that, because it offers exceptionally competitive stand-alone broadband service—offerings that substantially undercut those of its incumbent cable competitors—the number of stand-alone broadband subscribers has increased markedly in recent months. (RCN provided the attached documents detailing its offers and the corresponding increase in subscribers.)

This, in turn, has increased the opportunity for basic service theft. And, as the record in both proceedings demonstrates, basic tier encryption is by far the best tool available for addressing such theft. For RCN, the need for Commission action is highly acute. From RCN's perspective, the vehicle for relief matters less than its timing.

While no one seriously disputes the benefits of basic-tier encryption, Commission staff asked for additional details regarding some of the claims made in the record. In response, RCN notes the following:

- On average, a service “truck roll” costs RCN (and, indirectly, its customers) nearly ****Begin Confidential**** [REDACTED] ****End Confidential****. By reducing the risk of theft associated with remote provisioning, encrypting the basic tier will dramatically reduce the number of truck rolls required.
- Remote provisioning eliminates wait times and “service windows”—even for customers who have to receive a new set-top box for the first time. Because RCN can remotely provision service changes and upgrades, it can allow customers to receive their physical hardware (*i.e.*, the set-top box or CableCARD) in the mail or by visiting an RCN office. RCN's customers *much* prefer this to having to wait at home for a service appointment.
- Traps are no substitute for encryption. To clarify RCN's initial comments in the rulemaking proceeding, traps to prevent service-theft by Internet-only subscribers are not commercially available, and those that are readily available would stop the provision of Internet service that the subscriber has legitimately purchased from RCN.

As described in the accompanying request for confidentiality, one of the attachments to this letter contains confidential information. We are thus filing one copy of the public version of this submission electronically in each of the dockets and files listed above. Two copies of the confidential version of this submission will be filed in each docket and file by hand with the Secretary.

Should you have any questions regarding this letter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Nilsson". The signature is fluid and cursive, with a long horizontal stroke at the end.

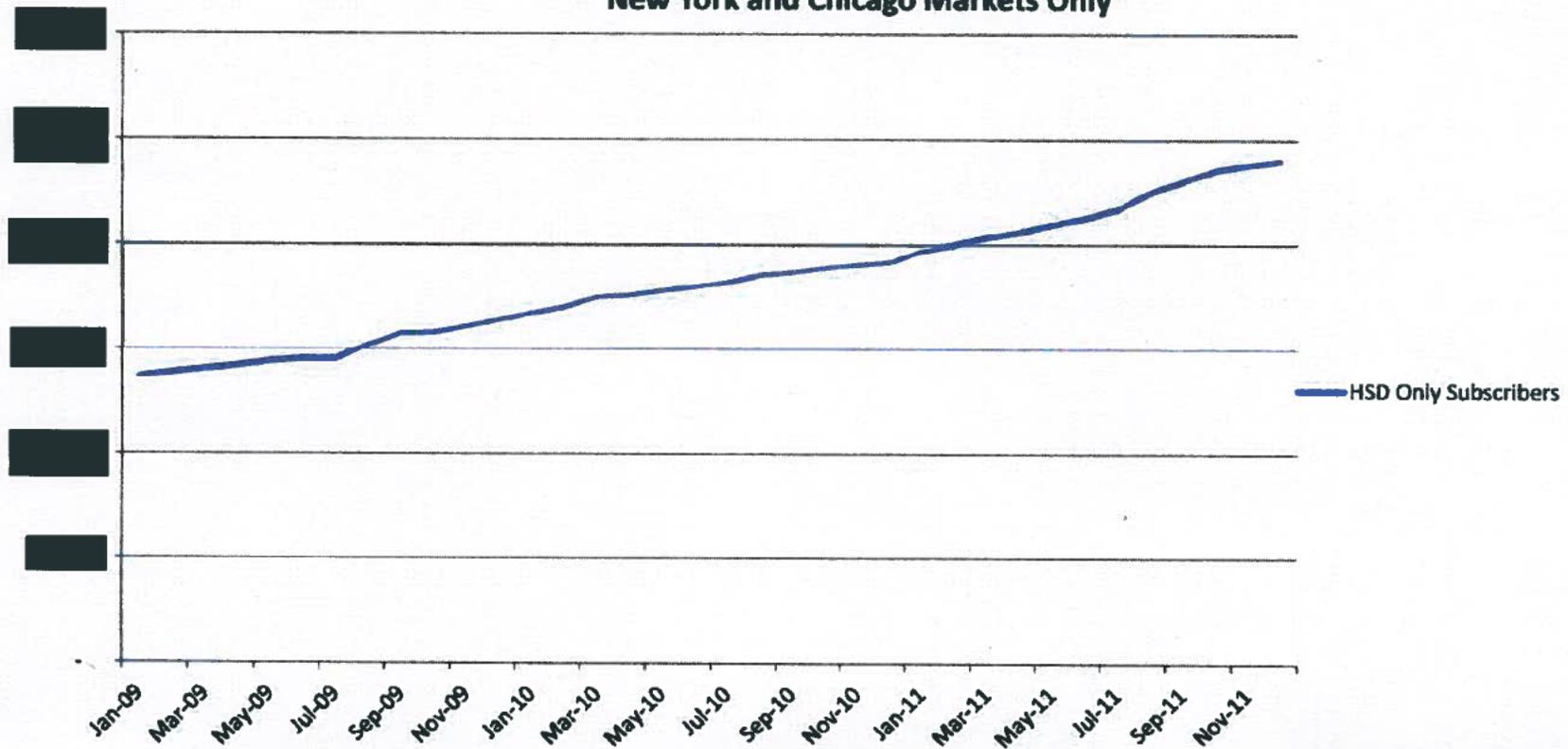
Michael Nilsson
Counsel to RCN Telecom Services, LLC

Encl.

Cc: William Lake
Mary Beth Murphy
Steven Broeckaert
Brendan Murray

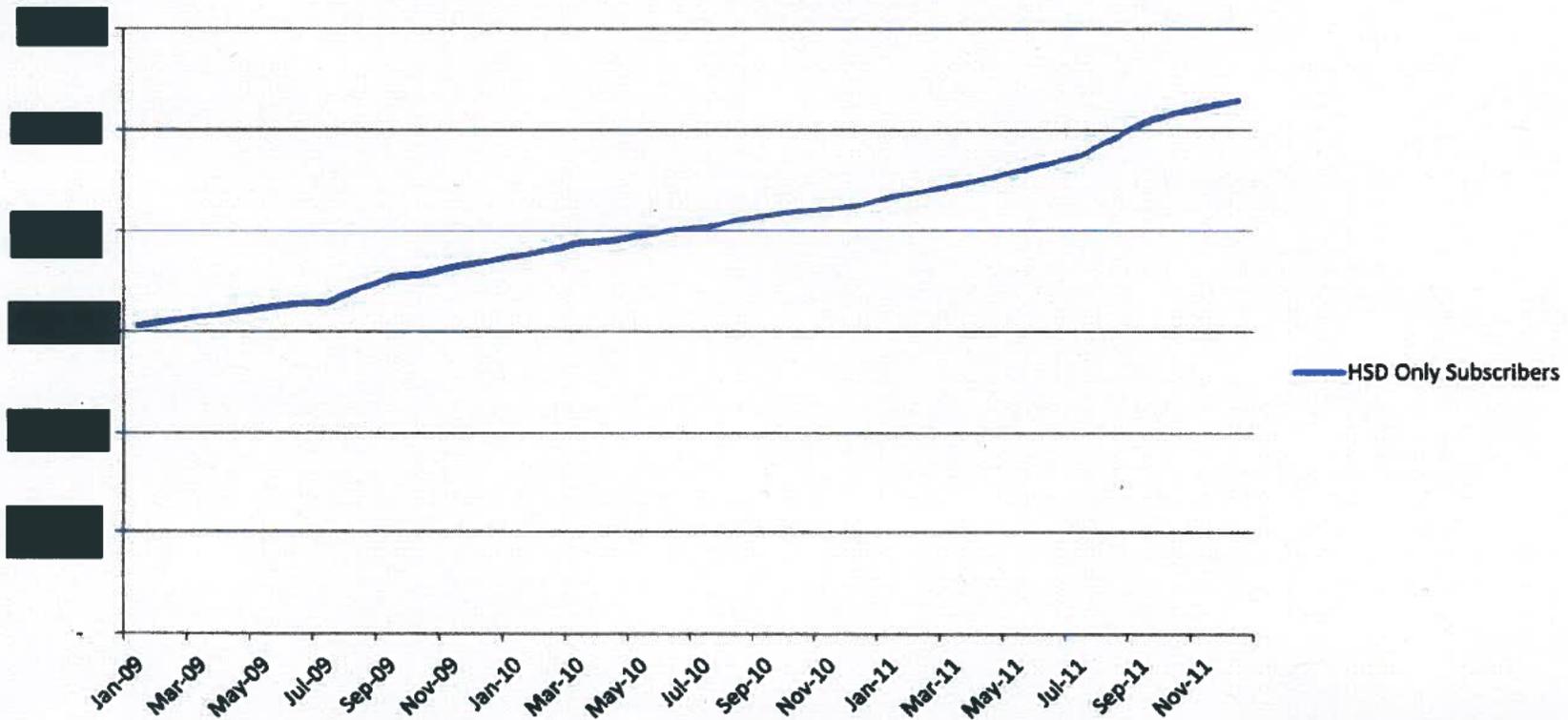
Need for Basic Tier Encryption is Accelerating

RCN - HSD Only Subscribers
New York and Chicago Markets Only



Need for Basic Tier Encryption is Accelerating

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RCN undercuts Comcast with wideband Internet offer in D.C.

January 19, 2012 — 12:55pm ET | By [Steve Donohue](#)

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RCN is challenging Washington D.C. incumbent cable MSO Comcast (Nasdaq: CMCSA) with a new wideband Internet offer, charging subscribers \$49.99 monthly to access a 50 Mbps Internet service.

The cable overbuilder said it will also sell a \$40 monthly package offering speeds of 25 Mbps, and an \$80 tier that offers speeds of 75 Mbps.

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Comcast charges \$79.99 for its "Extreme 50" 50 Mbps high-speed Internet service on its Washington, D.C., system. The price on the package increases to about \$100 monthly after the first six months of service, according to Comcast's website.

RCN has been launching wideband Internet services on all of its systems, following its upgrade to a DOCSIS 3.0 platform. CEO Jim Holanda told *FierceCable* last fall that the company hasn't yet seen strong demand for its wideband tiers.

"Once we launch DOCSIS 3.0, our core speeds are 15 and 25

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Mbps. We haven't seen large demand for higher speeds than that," Holanda said.

For more:

- see the [news release](#)

Related articles:

[RCN not seeing strong demand for 60 Mbps service](#)

[Comcast pitches businesses \\$100 Mbps Internet access for \\$370 monthly](#)

[Time Warner Cable banks on wideband Internet in battle for subscribers](#)



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AWM1983

I would like to see some healthy competition here in the Denver area. We only have Century Link and Comcast and their pricing isn't that far apart from one another. \$50 for \$50mbps is

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Take control of your online experience with any one of our lightning-fast high-speed Internet options. You'll get a reliable and secure connection delivered to your doorstep over our powerful fiber-optic network.

High-Speed packages available in D.C. Metro:

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Perfect for:

- Individuals, families, and home offices
- Downloading music, files, and videos in seconds
- Telecommuting, serious gaming, and downloading multiple files concurrently

You get:

- Upload speeds up to 2Mbps / downloads up to 25Mbps

\$39.99/mo

Price includes modem rental
No contract required
3-Year Price Assurance

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50 Mbps Internet

Perfect for:

- Families that download music, watch movies and videos on their PCs, play online games and telecommute, all at the same time
- Includes Docsis modem
- Highly secure and reliable wireless connection

You get:

- Upload speeds up to 6Mbps / downloads up to 50Mbps

\$49.99/mo

Price includes modem rental
No contract required
3-Year Price Assurance

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75 Mbps Internet

Perfect for:

- Families that download music, watch movies and videos on their PCs, play online games and telecommute, all at the same time
- Includes Docsis modem
- Highly secure and reliable wireless connection

You get:

- Upload speeds up to 6Mbps / downloads up to 75Mbps

\$79.99/mo

Price includes modem rental
No contract required
3-Year Price Assurance

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Service offerings are contingent upon RCN verification that the specific address covered by the service request is an RCN serviceable location. Prices do not include taxes, franchise fees or other surcharges. Services and pricing are subject to change. All photos used within rcn.com are intellectual properties of their respective owners. Services are subject to terms and conditions of RCN's subscriber agreements, on-line policies, and other applicable terms and conditions. Other restrictions may apply.

High-speed modem required for RCN High-Speed Internet service. If a data outlet is needed, an additional outlet fee may apply in addition to applicable installation fees. A fully configured 10 Base-T Ethernet card must be installed in subscriber's computer prior to the installation of the cable modem. Actual speeds may vary and are not guaranteed.

Downstream data speed may be affected by whether the data accessed is cached or non-cached; internet-related factors, such as the location and configuration of each accessed server; internal network factors, including customer compliance with RCN usage policies set forth in the subscriber agreement and acceptable usage policy; the level of overall traffic; and the customer's computer configuration.