



**National Cable & Telecommunications Association**

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February 28, 2012

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: Basic Service Tier Encryption; Compatibility Between Cable Systems and Consumer Electronics Equipment, MB Docket No. 11-169, PP Docket No. 00-67.**

Dear Ms. Dortch:

On February 24, 2012, Michael K. Powell, President & CEO of the National Cable & Telecommunications Association, spoke by phone with Chairman Julius Genachowski to discuss issues in the Commission's basic tier encryption Notice of Proposed Rulemaking ("NPRM").

During the call, Mr. Powell discussed the consumer and other public interest benefits that would be enabled by a rule change permitting all-digital cable systems to encrypt their basic service tiers, including remote service activation/deactivation and reducing signal theft. Regarding the problem of signal theft, Mr. Powell noted that cable operators often pay for the rights to carry these basic tier services (e.g., through retransmission consent fees), so while they may be received freely over the air, they are not free to cable. Mr. Powell also noted that the real-world evidence from the Cablevision waiver in New York City demonstrates that the consumer benefits of a rule change far outweigh any potential disruption. In addition, Mr. Powell noted that amending the rule would advance the Commission's commitment to eliminating outdated regulations.

Regarding the filings from entities such as Boxee that want the rule maintained, Mr. Powell noted that Boxee has several alternatives for obtaining broadcast content, including improving its customers' ability to receive over-the-air broadcast signals and/or adding CableCARD functionality to their devices – CableCARD being the FCC-approved vehicle for accessing digital cable content.

Finally, Mr. Powell noted the unreasonableness of a competitor attempting to lure away cable's customers by asserting that cable delivers an inferior service, while at the same time petitioning the government to prevent cable operators from modernizing their networks. This is particularly indefensible, Mr. Powell stated, in light of the fact that other competitors in the video marketplace, including satellite and online video providers (like Boxee itself), already encrypt all of their video

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programming services, leaving cable operators as the only pay provider barred by regulation from doing so.

Sincerely,

**/s/ Neal M. Goldberg**

Neal M. Goldberg

cc: The Honorable Julius Genachowski