



National Cable & Telecommunications Association
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September 19, 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 September 17, 2012, Neal Goldberg, NCTA Vice President and General Counsel, and I spoke by phone with Erin McGrath, Legal Advisor to Commissioner McDowell, regarding the Commission's basic tier encryption Notice of Proposed Rulemaking. That same day, I spoke separately by phone with Matthew Berry, Chief of Staff to Commissioner Pai, regarding the same subject matter.

During the calls, we discussed the consumer and other public interest benefits that would result from a rule change permitting all-digital cable systems to encrypt their basic service tiers. We asked that the FCC establish a reasonable window for existing basic service tier customers to take advantage of transitional mechanisms when encryption occurs and appropriate customer notice requirements to advise those customers of their options. In that regard, we provided Ms. McGrath with proposed notice language in an email the same day as the phone call¹:

INITIAL NOTICE:

On [DATE], [NAME OF CABLE OPERATOR] will start encrypting [INSERT NAME OF CABLE BASIC SERVICE TIER OFFERING] on your cable system. If you have a set-top box, digital transport adapter, or a retail CableCARD device connected to each of your TVs, you will be unaffected by this change. However, if you are currently receiving [INSERT NAME OF CABLE BASIC SERVICE TIER OFFERING] on any TV without equipment supplied by [NAME OF CABLE OPERATOR], you will lose the ability to view any channels on that TV. If you are affected, you should contact [NAME OF CABLE OPERATOR] to arrange for the equipment you need to continue receiving your services.

¹ The proposed language in this letter contains two minor changes from the email to help address potential consumer confusion: (1) it substitutes the word "encrypting" for the word "scrambling" in the first sentence, and (2) it permits cable operators to use the name of their particular basic service tier offering rather than a generic term.

Ms. Marlene H. Dortch
September 19, 2012
Page 2

YOU MAY BE ELIGIBLE TO RECEIVE EQUIPMENT AT NO ADDITIONAL CHARGE OR SERVICE FEE FOR A LIMITED PERIOD OF TIME. The number of devices you may be eligible to receive and for how long will vary depending on your situation. You can learn more about this equipment offer and eligibility at [WEBPAGE ADDRESS] or by calling [PHONE NUMBER]. To qualify for any equipment at no additional charge you must request the equipment between [DATE THAT IS __ DAYS BEFORE ENCRYPTION] and [DATE THAT IS __ DAYS AFTER ENCRYPTION] and satisfy all other eligibility requirements.

SUBSEQUENT NOTICE:

Effective with the [Month/Year] billing cycle, [NAME OF CABLE OPERATOR] will begin charging you for the equipment you received to access [INSERT NAME OF CABLE BASIC SERVICE TIER OFFERING] when [NAME OF CABLE OPERATOR] started encrypting those channels on your cable system. The monthly charge for the [TYPE OF DEVICE] will be [AMOUNT OF CHARGE].

We also reiterated the statement in the letter from Michael K. Powell, NCTA President & CEO, to FCC Chairman Genachowski, dated July 25, 2012, that the commitments of the six largest incumbent cable operators as described therein should be time limited unless the FCC acts to extend them.

If you have any questions, please contact me.

Sincerely,

/s/ Rick Chessen

Rick Chessen

cc: Erin McGrath
Matthew Berry