

Permanent file

Separate Statement of James H. Quello  
Letters of Inquiry - Cable Rates  
November 17, 1993

Today, the Commission has announced that 16 letters of inquiry with investigatory overtones have been issued to cable operators in response to informal complaints by mayors, local officials, and others. The cable systems that are the subject of these complaints are located in Michigan, Maryland, Florida, Minnesota, California, North Carolina, Massachusetts, Illinois, Wisconsin, and Colorado. These informal complaints identify potential problems in the cable operators' rates or practices, or contain allegations that require an explanation. Specific areas of inquiry include the repackaging of previously-regulated tiers as a la carte offerings, and possible freeze and negative option billing violations.

I am concerned that the practices that are the subject of our investigation reflect a propensity by cable operators to push the limits of our rules -- perhaps in some instances appropriately, perhaps in others inappropriately. In particular, I am concerned with the attitude reflected in the internal TCI memo in which an executive of that company estimated that it could recover almost half of what the company is losing from rate adjustments by charging customers in other areas, and "blam[ing] it on regulation and the government...." I plan on ensuring that the TCI memo and the other informal complaints are investigated fully, and appropriate action taken where necessary. This could mean sanctions against individual cable operators or changes in our rules to ensure that the intent of Congress in enacting the 1992 Cable Act -- to ensure reasonable rates -- is preserved.

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# NEWS

FEDERAL COMMUNICATIONS COMMISSION  
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WASHINGTON, D.C. 20554

News media information 202 / 632-5050  
Recorded listing of releases and texts  
202 / 632-0002

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v FCC, 515 F 2d 385 (D.C. Circ. 1974).

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November 17, 1993

## FCC ISSUES LETTERS OF INQUIRY CONCERNING CABLE RATE RESTRUCTURING

The Mass Media Bureau is issuing today the first of a number of letters of inquiry to cable operators in response to informal complaint letters the Commission has received regarding the rate and service restructuring cable operators have initiated in anticipation of cable rate regulation. These letters identify practices of some cable operators that may violate FCC rate regulations including: rate changes that may violate the revenue freeze; repackaging of regulated services as nonregulated a la carte offerings; and offerings that may violate the prohibition against negative option billing. The letters of inquiry from the Mass Media Bureau seek information from cable operators concerning these and other practices to permit an assessment by the Commission of whether any violation of cable rate regulations has occurred. The result of these inquiries could be used to support enforcement actions if appropriate.

A list of the companies to whom letters were sent is attached. These letters and filings are available for public inspection and duplication in Room 207, 2033 M Street, N.W., Washington, D.C. 20554.

News Media Contact: Maureen Peratino, (202) 632-5050.

Mass Media Bureau Contact: Steven E. Weingarten (202) 416-0846.

- FCC -

Attachment

C-TEC Cable Systems  
120 Lake Street  
Dallas, PA 18612

Comcast Cablevision Inc.  
3760 Hartsfield Road  
Tallahassee, FL 32303

Comcast Cable of Howard County  
3417 Plumtree Dr.  
Ellicott City, MD 21043

MetroVision  
9315 Largo Drive West  
Landover, M.D 20785

Triax Cablevision  
1504 2nd St. S.E.  
P.O. Box 110  
Waseca, MN 56093

Cable Satellite of South Miami, Inc.  
P.O. Box 859  
Miami, FL 33197

North Central Cable Communications  
Corp.  
d/b/a/ Meredith Cable  
934 Woodhill Drive  
Roseville, MN 55113

Crown Cable Television  
P.O. Box 1451  
Alhambra, CA 91802-1451

Coldwater Cablevision  
Box 428  
653 E. Chicago Road  
Coldwater, MI 49036

Allegan County Cablevision (Mercom)  
P.O. Box 278  
1169 26th Street  
Allegan, MI 49010

Cablevision of Raleigh  
2505 Atlantic Avenue  
Raleigh, NC 27604

Cablevision of Boston  
28 Travis St.  
Allston, MA 02134

US Cable  
3233 West Grand Ave.  
Waukegan, IL 60085-2293

Warner Cable Communications  
1610 N. 2nd Street  
Milwaukee, WI 53212-3980

MultiVision Cable TV  
9609 Annapolis Rd.  
Lanham, MD 20706

Tele-Communications Inc.  
Terrace Tower II  
5619 DTC Parkway  
Englewood, CO 80111-3000