



National Cable & Telecommunications Association

25 Massachusetts Avenue, NW – Suite 100
Washington, DC 20001
(202) 222-2300

www.ncta.com

Kyle McSlarrow
President and CEO

(202) 222-2500
(202) 222-2514 Fax

December 16, 2008

The Honorable John D. Dingell
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Joe Barton
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Edward J. Markey
Chairman
Subcommittee on Telecommunications
and the Internet
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Cliff Stearns
Ranking Member
Subcommittee on Telecommunications
and the Internet
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Dingell and Markey, and Ranking Members Barton and Stearns:

Thank you for your continued leadership on the broadcasters' digital television (DTV) transition. As we have discussed previously, the cable industry remains strongly committed to helping ensure the success of the DTV transition. I write today to apprise you of several new cable industry initiatives that will help achieve this goal over the next six months.

Like the broadcast transition, the cable industry's migration from analog to digital promotes the public interest because it enables cable operators to provide millions of consumers with expanded and innovative services. Digital technology allows operators to offer improved picture quality, broadband access, and competitive voice services that deliver significant savings to consumers. By replacing analog video with much more efficient digital signals, operators are able to free up bandwidth which can then be used to expand service offerings, deploying more high definition channels, video-on-demand, digital video recording, and ultra-fast broadband. This migration has been underway for years and will continue for some time. In a marketplace where cable's satellite and telephone competitors already require all of their customers to use digital equipment to receive video programming, it is important that the regulatory framework for cable's digital transition promote a level playing field.

Nonetheless, we recognize that the overlap between cable's digital migration and the broadcasters' DTV transition scheduled to occur on February 17, 2009, inescapably adds a layer of complexity and the potential for consumer confusion. We are determined to address those issues.

The cable industry has gone to extraordinary lengths to help make the broadcasters' DTV transition as seamless as possible for consumers. Our industry was the first industry to run a national education campaign on the DTV transition and has already aired over \$225 million in public service announcements entirely devoted to educating consumers about the broadcasters' transition and the availability of converter boxes and government-supplied coupons. Alone among multichannel video programming distributors, cable operators will also ensure that all commercial must carry broadcast signals are formatted for both digital and analog customers in accordance with rules set by the FCC (rules that were, in fact, based on a voluntary plan first proposed by the cable industry).

The Honorable John D. Dingell
The Honorable Edward J. Markey
The Honorable Joe Barton
The Honorable Cliff Stearns
December 16, 2008
Page 2

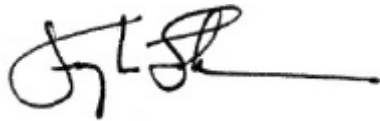
Policymakers have asked our industry to consider taking additional steps to help smooth the DTV transition. In response to these requests, cable operators represented on the NCTA Board of Directors¹ commit to make the offers described in the attached paper.

To summarize, we are introducing a “quiet period” from December 31, 2008 to March 1, 2009, during which most channel migration from analog to digital broadcast basic or expanded basic would stop. We will also offer a promotional package of the broadcast basic tier to new customers starting December 31, 2008, a suggestion made by some of the leading broadcasters to facilitate the broadcaster DTV transition. And, on the assumption that not all issues with the DTV transition will be resolved as of February 17, 2009, for at least three months thereafter we will, upon request, offer free equipment to analog cable households for at least a year, and will ensure that such households can receive channels moved from analog to digital broadcast basic or expanded basic tiers without incurring additional service charges.

These proposals will not eliminate every instance of confusion. But it is our hope that these steps will provide needed assistance by substantially reducing confusion before, during and after the broadcasters’ DTV transition. And we will continue to explore other ways we can continue to be helpful.

Again, thank you for your leadership on these important issues. Please do not hesitate to contact me if you have any questions about these proposals.

Sincerely,



Kyle McSlarrow

cc: Members, House Energy and Commerce Subcommittee on Telecommunications
and the Internet

¹ NCTA members who own and operate cable systems serving ninety percent of the nation’s cable subscribers have joined in this commitment, and include Advance/Newhouse Communications, Bresnan Communications, Cablevision Systems Corporation, Charter Communications, Comcast Corporation, Cox Communications, Inc., Eagle Communications, Insight Communications, Mediacom Communications Corporation, Midcontinent Communications, Sjoberg’s Inc., Suddenlink Communications, Time Warner Cable, and US Cable Corporation.

Assisting Consumers Before, During and After the Broadcasters' Digital Transition

- **Digital Migration “Quiet Period.”** To minimize consumer confusion during the DTV transition, operators would delay the substitution of digital versions of existing analog channels from December 31, 2008, to March 1, 2009,^{*} except to the extent necessary to free up bandwidth to comply with the requirement to carry broadcast signals in both analog and digital formats or meet contractual carriage obligations.
- **Analog Broadcast Basic Tier.** Operators that offer dual carriage of broadcast signals would make access to the analog broadcast basic tier available under a promotional offer to new customers who subscribe just to that tier. This offer would be available beginning December 31, 2008, and would continue for at least 120 days after the proposed quiet period – through June 30, 2009. The service would be provided at the promotional price for at least one year after the customer subscribes.
- **No Additional Charge for Equipment or Service.**[†] Recognizing that there is likely to be continuing consumer confusion even after the February 17, 2009 broadcaster DTV transition, operators would also provide the following additional assistance to all-analog cable households during and for at least 120 days after the proposed quiet period – through June 30, 2009 – to help them manage cable’s digital transition.

If, during this period, an operator removes the analog version of a PEG or other channel from the broadcast basic or expanded basic tier and replaces it with a digital version of the channel on either of those tiers, the operator would make available to all-analog households, upon request, at least one free device that enables those households to view the channel. The device provided under this program would remain free for at least one year. There would also be no additional service charge for at least one year for the affected channel or, at the operator’s option, the broadcast basic or expanded basic tier where the digital version of the channel has been placed. Individual operators may choose to continue this program after June 30, 2009, or to initiate other similar programs after that date.

- **Clear and Conspicuous Customer Notification of Any Channel Migration.** Whenever operators cease transmitting analog PEG or cable programming services and begin offering those channels only in digital, they will provide clear and conspicuous notice to affected subscribers and franchising authorities not less than 30 days in advance. The notice would also inform subscribers that they have at least 60 days to avail themselves of the offers described above.

^{*} The quiet period would not apply to such channel substitutions for which the operator has provided notice in a billing cycle that began prior to December 10, 2008.

[†] There are a few exceptions to these proposals that will not interfere with the objective of minimizing confusion for all-analog households. Specifically, the proposals would not apply to situations in which an operator completely ceases carrying an analog channel in any format, or moves programming from an analog to digital tier to make room for alternative analog programming. A public broadcasting station’s election of digital carriage pursuant to the agreement among the Association of Public Television Stations (APTS), the Public Broadcasting Service (PBS), and NCTA is governed solely by that agreement. Finally, the offer of a device to view a PEG channel would not apply where a local franchise authority has agreed to the substitution of the digital version of a PEG channel.