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DA 11-1373 August 8, 2011 Enforcement Advisory No. 2011-09

## **FCC ENFORCEMENT ADVISORY**

## **CABLECARDS**

## ENFORCEMENT BUREAU ADVISES CABLE OPERATORS TO TAKE AFFIRMATIVE STEPS TO COMPLY WITH NEW CABLECARD RULES

On August 8, 2011, new rules governing "CableCARDs" take effect. A CableCARD allows a consumer to access cable programming using a digital cable-ready television set or a retail set-top box ("navigation device") instead of renting a set-top box from a cable operator. Cable operators must provide subscribers with CableCARDs upon request. Over the years, the Commission has received a variety of complaints from consumers concerning their efforts to obtain and use CableCARDs. The Commission adopted new rules to improve consumers' experience with retail CableCARD devices. The new rules require cable operators to provide accurate information about retail set-top boxes and ensure that consumers are treated similarly, whether they choose to buy a retail device or rent a device from their cable provider.

This Enforcement Advisory underscores the Commission's commitment to "strictly enforce our navigation device rules in order to ensure proper support for CableCARD devices." We encourage cable operators to review their policies, procedures, and operations to ensure that they comply with the rules. The Enforcement Bureau will review complaints carefully to determine if cable systems comply with the rules.

What are cable operators required to do? Beginning August 8, 2011, cable operators must:

- Provide accurate information about the capability of retail CableCARD-compatible devices. Cable operators must not
  mislead their customers regarding the ability of retail CableCARD-compatible devices to tune switched digital
  channels. See 47 C.F.R. § 76.1205(c).
- Discount packaged services for subscribers who do not rent devices. Cable operators must reduce the price of programming packages that include set-top box rentals by the cost of the set-top box rental for customers who use retail devices.<sup>4</sup> See 47 C.F.R. § 76.1205(b)(5).
- Price CableCARDs uniformly and disclose fees prominently. Cable operators must price CableCARD rental fees
  uniformly across a cable system whether the CableCARD is used in a leased set-top box or a retail device. Cable
  operators must separately and conspicuously disclose CableCARD fees, in writing, at the time of installation of

<sup>&</sup>lt;sup>1</sup> CableCARDs are referred to in the Federal Communications Commission's rules as point-of-deployment modules ("PODs"). See, e.g., 47 C.F.R. § 76.640(b).

<sup>&</sup>lt;sup>2</sup> The rule sections affected by the amendments include 47 C.F.R. §§ 76.640, 76.1201-05, and 76.1602. As described below, the requirement to permit self-installation takes effect for some cable operators on November 1, 2011.

<sup>&</sup>lt;sup>3</sup> See Implementation of Section 304 of the Telecommunications Act of 1996, Third Report and Order and Order on Reconsideration, 25 FCC Rcd 14657, 14672 ¶ 28 (2010) (Commercial Availability of Navigation Devices Third Report and Order), Order on Reconsideration, 26 FCC Rcd 791 (2011) (Commercial Availability of Navigation Devices Order on Reconsideration), Erratum, DA 11-1117 (rel. June 28, 2011).

<sup>&</sup>lt;sup>4</sup> The discounted amount must be no less than the monthly rental fee reasonably allocable to the lease of the operator-supplied device included in the programming package. 47 C.F.R. § 76.1205(b)(5)(D).

service and annually, as well as on their websites (in a manner that is readily accessible to the public) or billing inserts. At a subscriber's request, they also must provide such information orally or in writing. See 47 C.F.R. §§ 76.1205(b)(5), 76.1602(b).

- Not impose discriminatory fees on retail CableCARD-compatible devices. Cable operators must not assess service fees
  on consumer-owned devices that they do not assess on leased devices.<sup>5</sup> See 47 C.F.R. § 76.1205(b)(5). This rule
  ensures that "cable operators are not subsidizing the costs of their set-top boxes via service charges and will serve
  to allow consumers to compare the costs involved in choosing between purchasing or leasing a navigation
  device."
- Permit self-installation of CableCARDs. Cable operators that permit their subscribers to self-install any equipment
  must also allow subscribers to self-install CableCARDs beginning August 8, 2011. Cable operators that do not
  currently permit self-installation of any equipment must allow self-installation of CableCARDs beginning
  November 1, 2011.<sup>7</sup> See 47 C.F.R. § 76.1205(b)(1).
- In any professional installation, arrive with the correct number of functioning CableCARDs. The new rules address consumer complaints that CableCARD installations often require multiple appointments because installers arrive without the requested number of functional CableCARDs.<sup>8</sup> Technicians now must arrive with at least the number of CableCARDs requested by the subscriber. Cable operators also must make good-faith efforts to (i) ensure that all CableCARDs delivered to customers or brought to professional installation appointments are in good working condition and compatible with their subscribers' devices, and (ii) allow subscribers to request CableCARDs using the same methods that subscribers can use to request leased set-top boxes. See 47 C.F.R. § 76.1205(b)(3).<sup>9</sup>
- Provide multi-stream CableCARDs. Cable operators must provide multi-stream CableCARDs by default, unless a subscriber expressly requests a single-stream CableCARD. See 47 C.F.R. § 76.1205(b)(2).
- Ensure access to all linear channels. Consumers have identified problems accessing switched digital channels on their retail CableCARD-compatible devices. <sup>10</sup> Cable operators must ensure that subscribers can use their retail devices to access all of the linear channels that comprise the cable package to which they subscribe. <sup>11</sup> Operators also must ensure that retail devices can tune at least four simultaneous channels, or as many switched digital channels as that operator's most sophisticated operator-supplied set-top box, whichever is greater. See 47 C.F.R. § 76.1205(b)(4).

**Need More Information?** For more information regarding compliance with and enforcement of the CableCARD rules, email the Enforcement Bureau at CableCARDEnf@fcc.gov or call 202-418-1160. Complaints may be filed online at www.fcc.gov/complaints. Additional information about CableCARDs and consumers' rights is available at <a href="https://www.fcc.gov/guides/cablecard-know-your-rights">www.fcc.gov/guides/cablecard-know-your-rights</a> and at http://www.fcc.gov/guides/digital-cable-compatibility-cablecard-ready-devices. Please direct media inquiries to David Fiske at 202-418-0513 or david.fiske@fcc.gov.

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY). You may also contact the Enforcement Bureau on its TTY line at 202-418-1148 for further information about this Enforcement Advisory, or the FCC on its TTY line at 1-888-Tell-FCC (1-888-835-5322).

Issued by: Chief, Enforcement Bureau

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<sup>&</sup>lt;sup>5</sup> This rule applies only when consumers use their retail CableCARD-compatible device to receive video services provided by their cable operator. See Commercial Availability of Navigation Devices Order on Reconsideration, 26 FCC Rcd at 792 ¶ 4.

<sup>&</sup>lt;sup>6</sup> Commercial Availability of Navigation Devices Third Report and Order, 25 FCC Rcd at 14668-69 ¶ 19. See also 47 U.S.C. § 549(a).

<sup>&</sup>lt;sup>7</sup> Cable operators may decline requests for self-installation if neither the manufacturer nor the vendor of the retail CableCARD-compatible device provides installation instructions and a toll-free telephone number for product support, but only for so long as such instructions and toll-free number are not provided. See 47 C.F.R. § 76.1205(b)(1)(A).

<sup>&</sup>lt;sup>8</sup> See Commercial Availability of Navigation Devices Third Report and Order, 25 FCC Rcd at 14672 ¶ 27.

<sup>&</sup>lt;sup>9</sup> See id. at 14671 ¶ 25.

<sup>10</sup> See id. at 14665-67 ¶¶ 13-14.

<sup>&</sup>lt;sup>11</sup> See *id.* at 14666-67 ¶ 14. The term "linear programming" is generally understood to refer to video programming that is prescheduled by the programming provider, *i.*e., channels other than on-demand programming. Linear programming includes premium channels and channels delivered by switched digital technology.