

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	File Number EB-07-SE-351
)	
Cox Communications, Inc.)	NAL/Acct. No. 20093210001
Fairfax County, Virginia Cable System)	
)	FRN 0016034050

FORFEITURE ORDER

Adopted: January 19, 2009

Released: January 19, 2009

By the Chief, Enforcement Bureau:

I. INTRODUCTION

1. In this *Forfeiture Order*, we find that Cox Communications, Inc. (“Cox”) willfully and repeatedly violated Section 76.1201 of the Commission's Rules (“Rules”).¹ Specifically, Cox violated Section 76.1201 by moving certain channels to a Switched Digital Video (“SDV”) platform on October 16, 2007, in its Fairfax County, Virginia cable system, thereby preventing subscribers with CableCARD-equipped unidirectional digital cable products (“UDCPs”) from using their navigation devices to access these channels.² Further, in its deployment of SDV on October 16, 2007, Cox violated Section 76.640(b)(1) by failing to provide a virtual channel table which conforms to the standards required under Sections 76.640(b)(1)(i) and 76.640.(b)(1)(v). We conclude, pursuant to Section 503(b) of the Communications Act of 1934, as amended (“Act”),³ that Cox is liable for a forfeiture in the amount of twenty thousand dollars (\$20,000). As discussed below, we further direct Cox to comply with the Bureau’s Order to make appropriate refund of fees charged to customers affected by Cox’s movement of linear channels to the SDV platform on November 6, 2007.

¹ 47 C.F.R. § 76.1201.

² Navigation devices refer to “converter boxes, interactive communications equipment, and other equipment used by consumers to access multichannel video programming and other services offered over multichannel video programming systems.” 47 C.F.R. § 76.1200(c). UDCPs refer to devices that have the ability to receive encrypted digital cable programming, but do not have any upstream, or bidirectional, capabilities. For example, such devices cannot support two-way services such as Electronic Programming Guides (EPGs), Voice on Demand (VOD), Pay Per View (PPV), and other interactive capabilities. *See Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices, Compatibility Between Cable Systems and Consumer Electronics Equipment*, Third Further Notice of Proposed Rulemaking, 22 FCC Rcd 12024, 12025-26 (2007) (“*Third Further Notice of Proposed Rulemaking*”). *See also* 47 C.F.R. § 15.123(a).

³ 47 U.S.C. § 503(b). This *Forfeiture Order* is issued through the coordinated effort of the Commission’s Enforcement Bureau and Media Bureau. *See* 47 C.F.R. §§ 0.61(f)(5), 0.111(15).

II. BACKGROUND

2. Congress and the Commission have long recognized the importance of allowing consumers the freedom to purchase their own navigation devices from sources other than their cable operator, satellite provider, or other multichannel video programming distributor (“MVPD”). Thus, Congress adopted Section 629 of the Act,⁴ which requires the Commission to ensure the commercial availability of navigation devices. By separating the security and navigation functions of equipment used to receive MVPD programming, Congress hoped to spur competition and expand consumer choice. As the House Report accompanying Section 629 noted, “competition in the manufacturing and distribution of consumer devices has always led to innovation, lower prices and higher quality. Clearly, consumers will benefit from having more choices among telecommunications subscription services available through various distribution sources.”⁵ At the same time, Congress recognized that MVPDs have “a valid interest, which the Commission should continue to protect, in system or signal security and in preventing theft of service.”⁶

3. In its order proposing rules implementing Section 629, the Commission stated that its overarching goal was to assure competition in the availability of set-top boxes and other customer premises equipment.⁷ “As navigation devices are the means to deliver analog and digital communications, competition in the navigation equipment market is central toward encouraging innovation in equipment and services, and toward bringing more choice to a broader range of consumers at better prices.”⁸

4. Thus, in adopting Section 76.1201 of the Commission’s Rules,⁹ which allows subscribers to acquire, attach, and use any compatible navigation device with an MVPD’s system, subject to the proviso that such equipment not cause harmful interference or facilitate theft of service, the Commission likened its actions to the *Carterfone* principle it previously adopted in the telephone environment.¹⁰ In *Carterfone*, the Commission allowed consumers to attach legal devices to the telephone network unless that equipment would damage the network. “As a result of *Carterfone* and other Commission actions, ownership of telephones moved from the network operator to the consumer. As a result, the choice of features and functions incorporated into a telephone has increased substantially, while the cost of equipment has decreased.”¹¹ The Commission emphasized that “[f]ollowing the *Carterfone* principle adopted in

⁴ 47 U.S.C. § 549. Section 629 was adopted as part of the Telecommunications Act of 1996. Pub. L. No. 104-104, 110 Stat. 56 (1996).

⁵ H.R. REP. NO. 104-204, at 112 (1995).

⁶ *Id.*

⁷ *Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Devices*, Notice of Proposed Rulemaking, 12 FCC Rcd 5639, 5641 (1997).

⁸ *See Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices*, Report and Order, 13 FCC Rcd 14775, 14776, para. 2 (1998) (“*Navigation Devices Order*”).

⁹ 47 C.F.R. § 76.1201.

¹⁰ *See Navigation Devices Order*, 13 FCC Rcd at 14478 (citing *Use of the Carterfone Device in Message Toll Service*, Decision, 13 FCC 2d 420, 424-25 (1968), *recon. denied*, 14 FCC 2d 571(1968)).

¹¹ *Navigation Devices Order Id.* at 14780, para. 11.

the telephone context would allow subscribers the option of owning their own navigation devices and would facilitate the commercial availability of equipment.”¹² The Commission stated that “[t]he steps taken in this Report and Order, if implemented promptly and in good faith, should result in an evolution of the market for navigation devices so that they become generally and competitively available.”¹³

5. The Commission recognized that its work on these issues was not complete and reiterated its commitment to monitoring developments regarding the compatibility of set-top boxes and digital televisions.¹⁴ Five years later, in the *Plug and Play Order*,¹⁵ the Commission took further steps to facilitate the direct connection of digital navigation devices (including commercially available UDCPs) to MVPD systems. Specifically, the Commission considered standards agreed upon by the cable and consumer electronics (“CE”) industries¹⁶ and adopted a cable compatibility standard for integrated, unidirectional digital cable television receivers, as well as other UDCPs, to ensure the compatibility and commercial availability of UDCPs with cable television systems.

6. Generally, the *Plug and Play Order* required MVPDs to support operation of UDCPs and ensure the utilization of such navigation devices in connection with their cable systems. In addition, the Commission required MVPDs to make available a security element separate from the basic navigation device. Under this framework, the Commission sought to enable unaffiliated manufacturers, retailers, and other vendors to commercially market UDCPs while allowing MVPDs to retain control over their system security.

7. Consumers with UDCPs access MVPD programming by using a CableCARD leased from the cable operator.¹⁷ UDCPs, and certain related CE equipment, employ a standard interface that permits them to negotiate with the CableCARD. The CableCARD descrambles the

¹² *Id.* at 14786.

¹³ *Id.* The Commission recognized that “the parallel to the telephone has limitations” and specifically stated that the rules it adopted in implementing Section 629 of the Act sought to accommodate the differences from the telephone model.

¹⁴ *Id.* at 14781.

¹⁵ *Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices, Compatibility Between Cable Systems and Consumer Electronics Equipment*, Second Report and Order and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 20885 (2003) (“*Plug and Play Order*”). “The term ‘plug and play’ refers to a device’s ability to plug into a cable system and receive digital cable programming without a cable-operator provided set-top box.” *Third Further Notice of Proposed Rulemaking*, 22 FCC Rcd at n.9.

¹⁶ *See December 2002 Memorandum of Understanding Among Cable MSOs and Consumer Electronics Manufacturers.* *Id.* at note 3 (citing Letter from Carl E. Vogel, President and CEO, Charter Communications, *et al.*, to Michael K. Powell, Chairman, FCC (Dec. 19, 2002) (“2002 MOU”)). The MOU “reflects a compromise agreement among the parties [cable and consumer electronics industries] on a specification that will permit the manufacture of unidirectional cable television receivers that include [the same] ... navigation functionality [that currently exists for set-top boxes].”

¹⁷ In most cases, the MVPDs have employed CableCARDS as their separate-security solution to enable non-integrated conditional access. *But see Cablevision Systems Corporation’s Request for Waiver of Section 76.1204(a)(1) of the Commission’s Rules*, Memorandum Opinion and Order, 22 FCC Rcd 220, 221-222 (2007). The Commission granted Cablevision a waiver of the ban on cable operator deployment of set-top boxes with integrated security to allow Cablevision to use a Smart-Card-based separate-security solution, which is CableCARD-compatible with the use of an adaptor.

MVPD's encoded digital signal and allows the subscriber to view the programming. Thus, commercially available UDCPs can be compatible with cable systems nationwide, while cable operators maintain their ability to secure programming content from unauthorized viewing. In theory, this arrangement allows consumers access to all of a cable operator's linear programming¹⁸ without the need of a separate set-top box leased from their cable operator, while protecting the cable operator from theft of its programming services.¹⁹

8. But recent events have demonstrated the limits of this theory. Traditionally, cable systems have used broadcast-type technologies that deliver all programs to all subscribers whether the subscribers view the programs or not. The programs not viewed nonetheless occupy system bandwidth (which prevents the use of that bandwidth for any other purpose). Many cable operators, however, have begun to test and deploy SDV technology in their cable systems. In an SDV system, a subset of programming is delivered in the traditional way to all subscribers whether they are viewing the programs or not. For those channels, the CableCARD-equipped UDCP will work as described above, allowing the subscriber to view the channels delivered in the traditional broadcast manner. The remaining channels are switched through the use of SDV network equipment located at a "hub" (where signals are converted and placed onto the "last mile" coaxial portion of the network). These switched channels do not occupy bandwidth, and are not available to subscribers until a subscriber tunes to that channel by sending a request, using a remote or program guide, upstream through the use of a set-top box to the hub. At the hub, the SDV equipment directly receives and processes set-top channel change requests for switched content and responds to that set-top with the frequency and program number where that content can be found. Once the hub receives the request, it immediately begins to transmit the channel. A customer who uses a CableCARD-equipped UDCP to receive programming must have additional equipment with the necessary upstream signaling capability to obtain the switched (i.e., bi-directional) channels. The UDCP cannot perform the bi-directional functions necessary to request that a channel be delivered via SDV. Nor can the CableCARD, which is designed only to provide the separate security element, provide the necessary interface needed to send the signal to the SDV server. Thus, in essence, in an SDV system, all subscribers must have a cable-operator supplied set-top box to view channels placed on the SDV platform.

9. On November 8, 2007, the Spectrum Enforcement Division of the Enforcement Bureau ("Bureau") issued a Letter of Inquiry ("LOI")²⁰ to Cox based on complaints that the company had moved certain cable channels that previously were accessible to subscribers using CableCARD-equipped UDCPs, such as digital cable ready television sets and digital video recorders, to an SDV platform. Specifically, the Enforcement Bureau received a notice that Cox had sent to its Fairfax County, Virginia CableCARD subscribers informing them that effective October 16, 2007, Cox would implement new technology that was not compatible with one-way digital cable ready devices requiring a CableCARD.²¹ According to the notice,

¹⁸ The term "linear programming" is generally understood to refer to video programming that is prescheduled by the programming provider. Cf. 47 U.S.C. § 522(12) (defining "interactive on-demand services" to exclude "services providing video programming prescheduled by the programming provider").

¹⁹ *Third Further Notice of Proposed Rulemaking*, 22 FCC Rcd at 12025 ¶¶3-4.

²⁰ See Letter from Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission to James A. Hatcher, Esq., Senior Vice President, Legal and Regulatory Affairs, Cox Communications, Inc. (Nov. 8, 2007) ("LOI").

²¹ *Id.* at Exhibit A. The Commission has received several complaints from Cox customers about SDV deployment

(continued...)

customers that used CableCARD-equipped UDCPs to receive programming now would need a Cox digital set-top box to continue to receive all cable channels available to them prior to the change to the SDV platform. The LOI sought information on a number of issues, and asked the company to explain how its implementation of SDV was consistent with Section 629 of the Act, Commission Rules implementing that statute,²² the 2002 MOU,²³ and in particular, the policies and Rules established by the Commission in the *Plug and Play Order*.²⁴ The Bureau issued a Supplemental LOI to Cox on September 5, 2008²⁵ and a Second Supplemental LOI on October 3, 2008²⁶ to obtain additional information concerning the company's deployment of SDV.

10. Cox responded to the LOI on December 17, 2007,²⁷ and responded to the Supplemental LOI on September 19, 2008²⁸ and the Second Supplemental LOI on October 10, 2008.²⁹ In its LOI Response, Cox admits that its Fairfax County, Virginia cable system deployed SDV on October 16, 2007, which resulted in the movement of the Latino tier and 14 linear channels to an SDV platform.³⁰ Cox states that the deployment of SDV to its Fairfax

(...continued from previous page)

in Cox's Fairfax County cable system. We have provided relevant excerpts and identifying information for those complaints in Attachment A. Because these complaints were not filed in a public Commission docket, we will treat the complainants' names as confidential for privacy reasons.

²² The LOI described an investigation into possible violations of Section 629 of the Act, 47 U.S.C. § 549, and Sections 76.640, 76.980(f), 76.984, 76.1204, 76.1206, and 76.1603 of the Commission's rules, 47 C.F.R. §§ 76.640, 76.980(f), 76.984, 76.1204, 76.1206, and 76.1603.

²³ See *Plug and Play Order*, 18 FCC Rcd at 20885 n.3.

²⁴ *Id.* at 20885.

²⁵ See Letter from JoAnn Lucanik, Deputy Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission to Gary S. Lutzker, Esq., Dow Lohnes PLLC, Counsel for Cox Communications, Inc., (Sept. 5, 2008) ("Supplemental LOI"). The Supplemental LOI noted that the investigation now included possible violations by Cox of Sections 76.1201 and 76.1202 of the Rules. 47 C.F.R. §§ 76.1201, 76.1202. Supplemental LOI at n. 3.

²⁶ See Letter from JoAnn Lucanik, Deputy Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission to Gary S. Lutzker, Esq., Dow Lohnes PLLC, Counsel for Cox Communications, Inc., (Oct. 3, 2008) ("Second Supplemental LOI"). This LOI sought information relating to possible violations of Section 76.640 of the Commission's Rules.

²⁷ See LOI Response. The response was timely filed based on the Bureau's approval of Cox's request for an extension of time to respond.

²⁸ See Letter from Gary S. Lutzker, Esq., Dow Lohnes PLLC, Counsel for Cox Communications, Inc. to Marlene H. Dortch, Secretary, Federal Communications Commission (Sept. 19, 2008) ("Supplemental LOI Response").

²⁹ See Letter from J. Christopher Redding, Esq., Dow Lohnes PLLC, Counsel for Cox Communications, Inc. to Marlene H. Dortch, Secretary, Federal Communications Commission at 3 (Oct. 10, 2008) ("Second Supplemental LOI Response").

³⁰ See LOI Response at 9, 11, and Exhibit 3. Cox states that it provided advanced notice of its switched digital implementation to its customers in the August 2007 billing inserts, which commenced on July 27, 2007 and continued through August 27, 2007, and also mailed a second notice to its CableCARD customers on September 14, 2007. In addition, Cox states that it provided advanced written notice to the Fairfax County local franchise authority ("LFA") on September 14, 2007. According to these notices, in addition to pay-per-view channels, the Paquete Latino Tier and 14 networks would no longer be available to Cox's CableCARD-equipped UDCP customers without a Cox digital set-top box. Also, the notice stated that new channels added to the Cox Digital Cable and HD channel lineup will not be available to customers with CableCARD-equipped UDCPs without the use of a Cox set-top box.

County customers affected a small number of its customers using CableCARDs in one-way devices³¹ and that to mitigate the potential impact on these customers, Cox offered to transition them at little or no incremental cost to bi-directional equipment to ensure that they could continue accessing the switched channels, even though they had purchased a one-way CableCARD device.³² Specifically, at the time of its SDV deployment, Cox offered CableCARD-equipped UDCP subscribers a standard digital receiver for the same price as a CableCARD for the first year or a free Digital Video Recorder (“DVR”) for three months.³³ Both those offers have since expired.

11. With respect to the technical requirements described above, Cox admits that it does not provide its subscribers using CableCARD-equipped UDCPs with a virtual channel table that includes programming on its SDV platform.³⁴ Rather, “Cox’s Fairfax, Virginia subscribers who utilize a Cox provided CableCARD with their UDCPs receive a ‘virtual channel table’ covering all of the scrambled programming services viewable on their one-way devices.”³⁵ Cox explains that it “does not populate that channel table for two-way services that are not viewable with UDCP devices.”³⁶ Cox asserts that its actions are consistent with Section 76.640 of the Commission’s Rules because -- according to Cox -- those provisions only apply to unidirectional digital cable services.³⁷ Cox further argues that populating the virtual channel table for two-way services would confuse consumers with UDCPs, as those devices are incapable of viewing two-way services.³⁸

12. On October 15, 2008, after reviewing the evidence and Cox’s arguments, the Bureau issued a *Notice of Apparent Liability for Forfeiture and Order*,³⁹ finding that Cox apparently had willfully violated Sections 76.1201 and 76.640(b)(1) of the Rules by moving certain channels to a SDV platform on October 16, 2007, thereby preventing subscribers with CableCARD-equipped UDCPs from using their navigation devices to access these channels and by failing to provide a virtual channel table which conforms to the standards required under Sections 76.640(b)(1)(i) and 76.640.(b)(1)(v).

13. Cox responded to the NAL on November 14, 2008, requesting cancellation of the *Cox NAL*.⁴⁰ With respect to the NAL’s finding of apparent liability, Cox makes four principal

³¹ Cox reports that its Fairfax County, Virginia cable system served 241,128 subscribers as of November 9, 2007; and that it had issued 2002 CableCARDs in the Fairfax County system as of October 31, 2007. *See* Supplemental LOI Response at 2.

³² LOI Response at 4.

³³ *Id.* at Exhibit 3.

³⁴ *Id.*

³⁵ Second Supplemental LOI Response at 3.

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Cox Communications, Inc., Fairfax County, Virginia Cable System*, Notice of Apparent Liability for Forfeiture and Order, 23 FCC Rcd 14944 (Enf. Bur. 2008) (“*Cox NAL and Order*”).

⁴⁰ *Cox Communications, Inc., Fairfax County, Virginia Cable System*, Statement in Response to Notices of Apparent Liability and Order, File No. EB-07-SE-352 (filed Nov. 14, 2008) (*Cox NAL Response*). Together with its NAL

(continued....)

arguments. First, Cox asserts that the deployment of SDV did not violate the Commission's Rules or Section 629.⁴¹ Second, Cox asserts that important public policy goals identified by Congress and the Commission weigh against the Bureau's "strained" interpretation of the Commission's Rules or Section 629.⁴² Third, Cox argues that a finding that the deployment of SDV violates the Commission's rules is inconsistent with Cox's First Amendment rights.⁴³ Lastly, Cox argues that even if the Bureau finds that Cox violated the Commission's Rules, a forfeiture is inappropriate because Cox could not have ascertained with any certainty that its SDV deployment would violate the Rules.⁴⁴

III. DISCUSSION

A. Cox Willfully and Repeatedly Violated Section 76.1201 By Requiring Subscribers To Obtain A Set-Top Box To View Previously Accessible Linear Programming

14. Section 76.1201 of the Rules prohibits an MVPD from "prevent[ing] the connection or use of navigation devices to or with its system" unless such devices would cause electronic or physical harm or allow the unauthorized receipt of service.⁴⁵ Based on the record before us, we find that Cox willfully and repeatedly⁴⁶ violated Section 76.1201 by moving certain linear channels to an SDV platform in its Fairfax County, Virginia Cable System on October 16, 2007. In so doing, Cox prevented subscribers with UDCPs, such as "digital cable ready" televisions and TiVo recorders, from viewing the switched linear channels that were already part of their subscription package without the use of a Cox-supplied set-top box, thus effectively impairing the use of those UDCPs within each affected cable system. Additionally, because a Cox-leased set-top box now is required to view many Cox channels, even on UDCP devices, Cox's migration of channels to an SDV platform has prevented the use of some functions available on those UDCPs, such as the capacity to view picture-in-picture and record content.⁴⁷

(...continued from previous page)

Response, Cox also filed a *Request for Stay* and *Petition for Reconsideration*. Cox's *Request for Stay* and *Petition for Reconsideration* will be addressed in subsequent orders.

⁴¹ *Cox Response* at 4-11.

⁴² *Id.* at 12-16.

⁴³ *Id.* at 16-18

⁴⁴ *Id.* at 18-19.

⁴⁵ 47 C.F.R. § 76.1201.

⁴⁶ See 47 U.S.C. § 312(f)(1) & (2) (defining a "willful" violation as the "conscious and deliberate commission or omission of such act, irrespective of any intent to violate any provision of this Act or any rule or regulation of the Commission," and defining "repeated" as "the commission or omission of such act more than once."). The definition of willful and the definition of repeated apply to violations for which forfeitures are assessed under Section 503(b) of the Act. See *Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387 (1991), *recon. denied* 7 FCC Rcd 3454 (1992).

⁴⁷ As enacted, Section 624A of the Act expressly mandates that the Commission "minimize interference with or nullification of the special functions of subscriber's television receivers or video cassette recorders," and thus ensure the full compatibility of these devices with the cable system. 47 U.S.C. § 544a(c)(1)(B).

15. Notwithstanding its effect on CableCARD users, Cox contends that the language of Section 76.1201 makes clear the “sole purpose and scope of the section” is to prohibit “an MVPD from ‘preven[ting] the connection or use of navigation devices to or with its system’ unless such devices would cause electronic or physical harm or allow the unauthorized receipt of service.”⁴⁸ Cox argues that the deployment of SDV does not violate the rule because “[t]his rule does not prohibit or even mention SDV technology.”⁴⁹ Moreover, Cox argues, the rule does not entitle MVPD subscribers who use UDCPs to a static line-up – any of the channels delivered in a linear format may be dropped or moved at any time – and, in any event the channels that have been moved from a linear delivery format to be placed in the switched pool are still a part of a subscriber’s subscription package. Cox asserts that even if the inability to watch a particular channel “impairs” the CableCard subscriber’s use of a UDCP, Cox is not “prevent[ing] the connection or use” as required by the Rule.⁵⁰

16. We do not agree that a violation of Section 76.1201 is not present here because the Rule does not expressly prohibit or even mention SDV technology. The plain language and policy goals of the Rule are clear – to protect cable subscribers’ ability to view signals through the use of commercially available navigation devices offered in a competitive market. Cox’s movement of linear channels that were previously accessible with a CableCARD-equipped UDCP to a switched digital platform that can only be accessed with a Cox-provided set-top box is clearly at odds with the Commission’s Rules and policies designed to promote competition and consumer choice of navigation devices.

17. While we recognize that the *Plug and Play Order* does not prohibit cable operators from developing and deploying new technology and services, we conclude that it does not permit Cox’s actions here. By moving linear programming to an SDV platform, Cox prevents CableCARD-equipped UDCPs from receiving previously available channels and negates the usefulness of competitive commercially available navigation devices, in violation of the intent of Section 629 and the Commission’s Rules.⁵¹ The Commission recognized that devices made pursuant to the standard adopted in the *Plug and Play Order* lacked upstream or bi-directional capabilities and therefore could not receive certain programming or services, but that recognition did not extend to services that consumers traditionally experienced as one-way services.⁵² At no point did the Commission authorize MVPDs to modify their transmission of linear programming such that UDCP devices could no longer receive such programming without a cable operator-provided set-top box. The notion that such channels are still a “part of a [subscriber’s] subscription package” is disingenuous – since the subscriber cannot access the

⁴⁸ *Cox Response* at 5.

⁴⁹ *Id.*

⁵⁰ *Id.* at 7.

⁵¹ See 47 U.S.C. § 549; 47 C.F.R. § 76.1201.

⁵² “Due to the unidirectional nature of this receiver specification, an external navigation device would still be needed to receive advanced features such as cable operator-enhanced electronic programming guides (‘EPGs’), impulse pay per view (‘IPPV’) or video on demand (‘VOD’).” *Plug and Play Order*, 18 FCC Rcd at 20890, ¶7. See also *Third Further Notice of Proposed Rulemaking*, 22 FCC Rcd at 12025-26, ¶ 4 (“Devices made pursuant to this standard have the ability to receive encrypted digital cable programming, but do not have any upstream, or bidirectional, capabilities (*i.e.*, consumer electronics manufacturers can only make unidirectional devices under the technical standard adopted in the *Plug and Play Order*). For example, such devices cannot support two-way services such as EPGs, VOD, PPV, and other ITV [Interactive Television] capabilities.”).

channels without a Cox-supplied set-top box.⁵³ Such an outcome is fundamentally at odds with the policy and regulatory objectives of the *Plug and Play Order*.

18. Section 76.1201 was adopted to achieve the statutory requirement of alternative sources of navigation devices and to ensure the commercial availability of navigation devices.⁵⁴ The *Plug and Play Order* sought to provide further assurance of the commercial availability of navigation devices by requiring that cable operators support the operation of UDCP in connection with their cable systems. Cox's implementation of SDV in this case clearly negates the use of CableCARD-equipped UDCPs and fundamentally limits the commercial and competitive viability of those devices in cable systems where SDV has been deployed. In the instant case, customers who used CableCARD-equipped UDCPs are unable to receive more than a dozen linear channels after the deployment of SDV.⁵⁵ As such, Cox is effectively preventing CableCARD-equipped UDCPs from receiving channels previously available and undermining the underlying policy goals of the Act and the Commission's Rules to ensure the commercial availability and use of navigation devices. Thus, we find Cox's October 16, 2007 migration of linear channels to an SDV platform in its Fairfax County, Virginia Cable System constitutes a willful and repeated violation of Section 76.1201 of the Rules.

B. Cox Willfully Violated Section 76.640(b) by Failing to Comply with the Commission's Technical Rules Regarding the Provision of a Virtual Channel Table for SDV Programming

19. Cox contends that the *Cox NAL and Order's* finding that the standard incorporated by reference in Section 76.640(b)(1)(i) applies to all services, including two-way services like SDV is wrong. According to Cox, Section 76.640(b)(1)(i) cannot be read to conclude that a cable operator should "support" a UDCP by populating the virtual channel table with information regarding programming that cannot be accessed on the UDCP, "thereby creating a source of customer confusion . . ." ⁵⁶ Cox further asserts that because the text of the rule is limited to one-way products, it necessarily only applies to one-way *services*.⁵⁷

20. We disagree. On its face, Section 76.640 applies only to unidirectional *products*.⁵⁸ Section 76.640(b)(1) makes no distinction between unidirectional and bi-directional *services*. Indeed, by its own terms, the standard incorporated by reference in Section

⁵³ The Bureau also notes Cox's claim that "for UDCP customers and all other cable subscribers, packages of channels are purchased at prices that accurately reflect the value proposition for a specific tier. While the package content necessarily varies over time, the overall value proposition remains constant." *Cox Response* at 7. Complaints filed with the Commission indicate that, at least some of, Cox's subscribers believe otherwise.

⁵⁴ *See Navigation Devices Order*, 13 FCC Rcd at 14786.

⁵⁵ According to the Cox notices announcing the deployment that ultimately took place on October 16, 2007, in addition to pay-per-view channels, the Paquete Latino Tier and 14 networks would no longer be available to Cox's CableCARD-equipped UDCP customers without a Cox digital set-top box. Also, the notice stated that new channels added to the Cox Digital Cable and HD channel lineup will not be available to customers with CableCARD-equipped UDCPs without the use of a Cox set-top box.

⁵⁶ *Cox Response* at 8-9.

⁵⁷ *Id.*

⁵⁸ *See* 47 C.F.R. §76.640 ("Support for unidirectional digital cable products on digital cable systems.").

76.640(b)(1)(i) applies to *all services* – there is no exception for bi-directional services.⁵⁹ Therefore, Cox is required to describe programming on an SDV platform in the out-of-band forward data channel and populate the virtual channel table with all of its programming services.

21. We also reject Cox’s position that “there is no ‘false impression’ created by the lack of SDV programming in the channel table” because a “UDCP subscriber (just like any other subscriber) purchases a tier of programming and may choose from various equipment to access that tier with varying degrees of functionality.”⁶⁰ Again, Cox misses the point - by moving linear programming to a SDV platform that can only be accessed with a Cox-provided set-top box, Cox has prevented the use of the CableCARD subscriber’s use of a UDCP with respect to that programming, substantially diminishing the value of the subscriber’s equipment without any reduction in subscriber fees. Moreover, requiring compliance with Section 76.640(b) does not conflict with Section 15.123 and provides a significant practical benefit. As we stated in the *Cox NAL and Order*, including the SDV programming in the virtual channel table would make it clear to Cox subscribers using CableCARD-equipped UDCPs that their cable operator is charging them for programming that they cannot see.⁶¹ We reiterate that if Cox believed it had a legitimate reason to exclude two-way programming from the virtual channel table provided to customers with CableCARD-equipped UDCPs, the company should have sought a waiver of the relevant rules.⁶² Accordingly, based on the record before us, we find that Cox willfully violated Section 76.640(b) by failing to provide a virtual channel table as required by Section 76.640(1)(b)(i) and 76.640(b)(1)(v) in its Fairfax County Cable System.

C. Section 629 Supports the Bureau’s Enforcement Action

22. Cox argues that Section 629 of the Act provides an insufficient basis for an enforcement action.⁶³ According to Cox, Section 629 focuses on the competitive availability of equipment and does not prohibit the deployment of SDV technology or otherwise restrict MVPDs’ roll-out of new technologies or changes in channel line-ups.⁶⁴ Indeed, Cox appears to argue that Section 629 is not applicable here at all.⁶⁵

23. We disagree. As noted above, Section 629 of the Act⁶⁶ requires the Commission to ensure the commercial availability of navigation devices. By separating the security and navigation functions of equipment used to receive MVPD programming, Congress sought to spur competition and expand consumer choice. As the House Report accompanying Section 629

⁵⁹ *Id.* at § 76.640(b)(1)(i) (incorporating by reference SCTE 40 2003, Section 5.5, which states that “[w]hen one or more scrambled services are offered on the cable system, System and Service Information for all services (both scrambled and in-the-clear) shall be carried in an out-of-band Forward Data Channel...”).

⁶⁰ *Cox Response* at 9.

⁶¹ *Cox NAL and Order* at paras. 18-25.

⁶² 47 C.F.R. § 76.1207.

⁶³ *Cox Response* at 10.

⁶⁴ *Id.*

⁶⁵ *Id.* (“the scope of section 629 does not extend to material carried on cable systems via equipment that is subject to this statutory provision”).

⁶⁶ 47 U.S.C. § 549. Section 629 was adopted as part of the Telecommunications Act of 1996. Pub. L. No. 104-104, 110 Stat. 56 (1996).

noted, “competition in the manufacturing and distribution of consumer devices has always led to innovation, lower prices and higher quality. Clearly, consumers will benefit from having more choices among telecommunications subscription services available through various distribution sources.”⁶⁷ At the same time, Congress recognized that MVPDs have “a valid interest, which the Commission should continue to protect, in system or signal security and in preventing theft of service.”⁶⁸ The interests at stake here go beyond the protection in system or signal security, or in preventing theft of service. The Bureau’s action are fully consistent with letter and spirit of Section 629.

D. The NAL Does Not Weigh against Important Public Policy Goals

24. Cox argues that the SDV technology offers important benefits to Cox customers by, for example, only Cox to add HD channels, achieve bandwidth efficiency and offer higher broadband speeds.⁶⁹ In this way, Cox argues that even its deployment is prohibited by the Commission’s Rules, important public policy goals identified by Congress and the Commission weigh against the Bureau’s findings.⁷⁰

25. We reject Cox’s contention. As we stated in the *Cox NAL and Order*, we recognize that the *Plug and Play Order* does not prohibit cable operators from developing and deploying new technology and services. Nonetheless, it does not permit Cox’s actions here. In recognizing that cable operators are free to innovate and introduce new products and services, the Commission cautioned that such development and deployment of new products and services should not interfere with the functioning of consumer electronics equipment or the introduction of such equipment into the commercial market for navigation devices.⁷¹ Indeed, the Commission has continually emphasized that its navigation device rules are an important tool for promoting competition and bringing more choices to consumers.⁷² Yet the manner in which Cox has opted to administer its SDV programming effectively negates the concerted efforts and advances made thus far to achieve a competitive pro-consumer environment for such equipment.

26. The deployment of SDV technology may provide public benefits. As we have explained previously, it is not Cox’s deployment of SDV technology that violates Section 76.1201, but Cox’s migration of existing linear programming to an SDV tier that we find inconsistent with the Commission’s Rules.

E. The NAL’s Reading of Section 76.1201 Does Not Conflict with the First Amendment

27. Cox’s arguments that the NAL runs afoul of the First Amendment are insubstantial. There is no merit to Cox’s contention that the NAL violates the First Amendment by “directly interfere[ing] with a cable operator’s ‘exercise of editorial control and judgment’”

⁶⁷ H.R. REP. NO. 104-204, at 112 (1995).

⁶⁸ *Id.*

⁶⁹ *Cox Response* at 12-13.

⁷⁰ *Id.*

⁷¹ *2005 Deferral Order*, 20 FCC Rcd at 6809-10.

⁷² *Id.*

which would cause it to favor certain programming over other programming.⁷³ Simply put, Cox has no First Amendment right to undermine the development of a competitive market for navigation devices by preventing consumers from accessing linear programming in their existing programming packages with a CableCARD-equipped UDCP and instead requiring the consumer to obtain a Cox-provided set-top box. To the extent that the rules at issue here implicate the First Amendment at all, the requirements are content neutral and narrowly tailored to further the substantial federal interest in developing and maintaining a competitive market for navigation devices, an interest whose importance has been recognized by both Congress and the courts.⁷⁴

F. A Forfeiture Is Appropriate in the Instant Case

28. Finally, we reject Cox's contention that even if it is found to have violated the Commission's Rules, a forfeiture is inappropriate because Cox could not have ascertained with any certainty that its SDV deployment would violate the rules.⁷⁵ The Enforcement Bureau serves as the primary Commission entity responsible for enforcement of the Act, the Commission's rules, and Commission orders.⁷⁶ The Bureau has delegated authority to issue orders taking appropriate action in response to complaints or investigations, including issues notices of apparent liability and related orders,⁷⁷ and to decide matters unless they "present novel questions of law, fact or policy that cannot be resolved under existing precedents and guidelines."⁷⁸ The questions presented here are consistent with the Commission's *Plug and Play Order*, the Rules found in Section 76.1201 implementing that order, and the technical rules of Section 76.640(b). Moreover, the Bureau's action is fully consistent with Section 503 of the Act⁷⁹ and the Commission's Rules of practice and procedure.⁸⁰ As such, a forfeiture is appropriate.

G. Forfeiture Calculation

29. Under Section 503(b)(1)(B) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.⁸¹ To impose such a forfeiture penalty, the Commission must issue a notice of apparent liability and the person against whom such notice has been issued must have an opportunity to show, in writing, why no such forfeiture penalty should be imposed.⁸² The Commission will then issue a forfeiture if it finds by a preponderance of the evidence that the

⁷³ *Cox Response* at 17.

⁷⁴ See 47 U.S.C. § 549; *Comcast Corp. v. FCC*, 536 F.3d 763 (D.C. Cir. 2008); *Charter Communications, Inc. v. FCC*, 460 F.3d 31 (D.C. Cir. 2006).

⁷⁵ *Cox Response* at 18-19.

⁷⁶ 47 C.F.R. § 0.111.

⁷⁷ 47 C.F.R. § 0.111(17).

⁷⁸ 47 C.F.R. § 0.311(a)(3).

⁷⁹ 47 U.S.C. § 503

⁸⁰ 47 C.F.R. § 1.80.

⁸¹ 47 U.S.C. § 503(b)(1)(B); 47 C.F.R. § 1.80(a)(1).

⁸² 47 U.S.C. § 503(b); 47 C.F.R. § 1.80(f).

person has violated the Act or a Commission rule.⁸³ We conclude that Cox is liable for a forfeiture in the amount of twenty thousand dollars (\$20,000) for its willful violation of Sections 76.1201, 76.640(b)(1)(i), and 76.640(b)(1)(v) of the Rules.

30. Under Section 503(b)(2)(A) and Section 1.80(b)(1) of the Commission's Rules,⁸⁴ we may assess a cable television operator a forfeiture of up to \$32,000 for each violation or each day of a continuing violation, up to a statutory maximum forfeiture of \$325,000 for any single continuing violation. In exercising such authority, we are required to take into account "the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require."⁸⁵

31. The Commission's *Forfeiture Policy Statement*⁸⁶ and Section 1.80 of the Rules do not establish a specific base forfeiture for violation of Section 76.1201.⁸⁷ In a similar case, the Commission proposed forfeitures for each cable system involved in the violation.⁸⁸ Thus, we establish a base forfeiture amount for each cable system in which linear programming has been moved to an SDV platform, thereby impairing customers' use of navigation devices such as UDCPs to view such programming. As noted above, this case involves one of Cox's cable systems – Fairfax County, Virginia Cable System.

⁸³ See, e.g., *SBC Communications, Inc.*, Forfeiture Order, 17 FCC Rcd 7589, 7591 (2002).

⁸⁴ 47 U.S.C. § 503(b)(2)(A); 47 C.F.R. § 1.80(b)(1). The Commission has repeatedly amended Section 1.80(b)(1) of the Rules to increase the maximum forfeiture amounts, in accordance with the inflation adjustment requirements contained in the Debt Collection Improvement Act of 1996, 28 U.S.C. § 2461. Most recently, the Commission raised the maximum forfeitures applicable to cable operators, broadcast licensees, and applicants for such authority from \$32,500 to \$37,500 for a single violation, and from \$325,000 to \$375,000 for continuing violation. See *Inflation Adjustment of Maximum Forfeiture Penalties*, 73 Fed. Reg. 44663, 44664 (July 31, 2008). The new forfeiture limits took effect September 2, 2008, apply to violations occurring after that date, and accordingly do not apply to this case.

⁸⁵ 47 U.S.C. § 503(b)(2)(E). See also 47 C.F.R. § 1.80(b)(4), Note to paragraph (b)(4): Section II. Adjustment Criteria for Section 503 Forfeitures. We consider Cox's apparent violations of Section 76.1201 to have begun on the date its cable system moved previously available linear programming to an SDV platform. Cox's apparent violations continue each day that such programming remains unavailable to customers using CableCARD-equipped UDCPs.

⁸⁶ See *The Commission's Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, Report and Order, 12 FCC Rcd 17087, 17115 (1997) ("*Forfeiture Policy Statement*"), *recon. denied*, 15 FCC Rcd 303 (1999).

⁸⁷ The Bureau has substantial discretion in proposing forfeitures. See, e.g., *InPhonic, Inc.*, Order of Forfeiture and Further Notice of Apparent Liability, 22 FCC Rcd 8689, 8699 (2007); *Globcom, Inc. d/b/a Globcom Global Commun.*, Order of Forfeiture, 21 FCC Rcd 4710, 4723-24 (2006). We may apply the base forfeiture amounts described in the *Forfeiture Policy Statement* and the Commission's rules, or we may depart from them altogether as the circumstances demand. See 47 C.F.R. § 1.80(b)(4) ("The Commission and its staff *may* use these guidelines in particular cases[, and] *retain the discretion* to issue a higher or lower forfeiture than provided in the guidelines, to issue no forfeiture at all, or to apply alternative or additional sanctions as permitted by the statute.") (emphasis added).

⁸⁸ See, e.g., *Cablevision Systems Corporation*, Forfeiture Order, 15 FCC Rcd 24298 (2000) ("*Cablevision Forfeiture Order*") (imposing forfeitures against Cablevision on a cable system basis). SDV is installed at separate hubs throughout the cable system, but generally the operator will implement the technology on a system-wide basis.

32. As we stated in the *Cox NAL and Order*, one analogous violation for which the Commission has already established a base forfeiture is violation of the cable broadcast signal carriage rule, which has a base forfeiture of \$7,500.⁸⁹ Given the number of channels involved and the effect of actions like those here on the Commission's policy objectives, however, we conclude that a more significant penalty is appropriate. We conclude that \$10,000 per cable system in which linear programming is moved to an SDV platform is an appropriate base forfeiture for violation of Section 76.1201. In this case, Cox moved linear programming to an SDV platform in one cable system, Fairfax County, Virginia Cable System. Accordingly, we conclude that Cox is liable for a \$10,000 forfeiture for its willful violation of Section 76.1201 of the Rules.

33. Additionally, we conclude that Cox is liable for a forfeiture in the amount of \$5,000 for its willful violation of Section 76.640(b)(1)(i) of the Rules and \$5,000 for its willful violation of Section 76.640(b)(1)(v) of the Rules. The Commission's *Forfeiture Policy Statement* and Section 1.80 of the Rules do not establish a specific base forfeiture for violation of Section 76.640(b). However, we note that Section 1.80(b) establishes a base forfeiture of \$5,000 for unauthorized discontinuance of service.⁹⁰ We find that the actions of Cox effectively discontinue a portion of the services for each of its CableCARD subscribers who choose to view content via a UDCP. We also conclude that the amount of the forfeiture for each violation is commensurate with the harm imposed upon cable subscribers. Because the violation of Section 76.640(b)(1) coincides with the migration of linear channels to an SDV platform, we will also apply this base forfeiture amount of \$5,000 for each technical violation of Section 76.640(b)(1) on a per cable system basis. Accordingly, we conclude that Cox is liable for a forfeiture in the amount of \$10,000 for its willful violation of Sections 76.640(b)(1)(i) and 76.640(b)(1)(v) in its Fairfax County, Virginia Cable System.

34. Cox's implementation of SDV in its Fairfax County, Virginia Cable System, in which previously available linear programming was moved to an SDV platform, resulted in the removal of channel information and the loss of access to those switched channels for its subscribers using CableCARD-equipped UDCPs. Moreover, such implementation of SDV, without having in place standards to ensure bi-directional compatibility of cable television systems and CE equipment, effectively harms the Commission's policies to move navigation devices toward a fully competitive market. We note that Cox could have sought a waiver of these rules under Section 76.1207, but failed to do so.⁹¹ Accordingly, we conclude that Cox is liable for a total forfeiture amount of twenty thousand (\$20,000) for its willful violation of

⁸⁹ 47 C.F.R. § 1.80(b)(4)(Note). See also *Cablevision Forfeiture Order*, 15 FCC Rcd at 24298.

⁹⁰ 47 C.F.R. § 1.80(b)(4)(Note). Violation of the broadcast signal carriage rule is also analogous to Cox's failure to provide the SDV programming information in its virtual channel table. In contrast with violations of Section 76.1201, however, violations of Section 76.640(b)(1) do not affect the viewability of actual programming. Therefore, it is appropriate to impose a somewhat lesser penalty for such technical violations.

⁹¹ Under Section 629(c) of the Act, 47 U.S.C. § 549(c) and Section 76.1207 of the Commission's Rules, 47 C.F.R. § 76.1207, the Commission may waive rules adopted under Section 629(a) of the Act for a limited time "upon an appropriate showing by a provider of multichannel video programming and other services offered over multichannel video programming systems, or an equipment provider, that such waiver is necessary to assist the development or introduction of a new or improved multichannel video programming or other service offered over multichannel video programming systems, technology, or products. See 47 U.S.C. § 549(c), 47 C.F.R. § 76.1207.

Sections 76.1201 (\$10,000), 76.640(b)(1)(i) (\$5,000), and 76.640(b)(1)(v) (\$5,000) of the Commission's Rules.

H. Cox Must Issue Refunds to Customers Harmed by its SDV Implementation

35. As we noted in the *Cox NAL and Order*, Cox's implementation of SDV has harmed its customers who opted to purchase and use television receiving equipment that does not require a cable operator-supplied set-top device to receive cable service. Many consumers purchased expensive UDCPs, such as "cable ready" televisions and digital video recorders like TiVos, based on the reasonable assumption that no set-top box would be necessary to receive linear programming. In effect, Cox's movement of linear programming to an SDV platform has substantially diminished the value of its customers' UDCP devices. Moreover, CableCARD customers affected by Cox's SDV deployment now must pay higher prices to lease set-top boxes than they would have paid for CableCARDs. Those CableCARD customers who chose not to obtain the Cox-supplied set-top boxes after the implementation of SDV nevertheless have paid the same monthly rate for their cable service even though they can view significantly fewer channels. Most importantly, however, Cox's movement of linear programming to an SDV platform set back the shared goal of Congress and the Commission of a competitive market for commercially available navigation devices, as required by Section 629 and the Commission's Rules.

36. In calculating the harm to Cox's customers who use UDCP equipment, we recognize that Cox has made offers to its CableCARD customers to offset the costs of obtaining a set-top box. While Cox's offer to provide a free set-top box to its CableCARD customers may provide temporary relief to its customers, it is not a permanent solution – the benefits promised by Cox are, at best, limited in duration. Cox's offer does not address the critical problem concerning the company's interference with its customers' use of independently obtained UDCPs, *i.e.*, the loss of service to the extent customers can view fewer channels than they did before the movement of linear programming to an SDV platform, nor does it address the loss of functionality of the device in question.

37. In the *Cox NAL and Order*, we ordered Cox, within ninety (90) days of the *Cox NAL and Order*, to issue refunds to CableCARD customers affected by the October 16, 2007 implementation of SDV in its Fairfax County, Virginia Cable System.⁹² In addition, within thirty (30) days of the release of the *Cox NAL and Order*, we required Cox to submit to the Enforcement Bureau an explanation of the method the company planned to use to determine the appropriate amount of refunds, the number of customers receiving refunds, the total value of such refunds, and the planned timing of such refunds. Cox failed to comply with the Bureau's Order and the Bureau is separately addressing that violation of the Commission's Rules.

38. Thus, we order Cox, within ninety (90) days of this *Forfeiture Order*, to issue refunds to CableCARD customers affected by the October 16, 2007 implementation of SDV in its Fairfax County, Virginia Cable System. Specifically, Cox must provide refunds as follows:

- (a) For former CableCARD customers that began to lease any set-top boxes from Cox following notice of a possible SDV deployment, Cox must refund

⁹² *Cox NAL and Order* at 39.

the difference in cost (if any) between the charges for the Cox set-top boxes and the CableCARD previously leased by such customers; and

- (b) For CableCARD customers that kept their CableCARDS even after notice of the SDV deployment, Cox must refund the customers' subscriber fees based on the diminished value of their service following the movement of linear programming to an SDV platform by \$0.10 per month, per channel moved and reduce their rates on a going-forward basis accordingly.⁹³

IV. ORDERING CLAUSES

39. Accordingly, **IT IS ORDERED** that, pursuant to Section 503(b) of the Act, Section 1.80 of the Rules, and the authority delegated by Sections 0.111 and 0.311 of the Commission's Rules, Cox Communications, Inc., Fairfax County, Virginia Cable System **IS LIABLE FOR A FORFEITURE** in the amount of twenty thousand dollars (\$20,000) for willful violation of Sections 76.1201, 76.640(b)(1)(i) and 76.640(b)(1)(v) of the Rules.

40. **IT IS FURTHER ORDERED** that, pursuant to sections 1, 4(i), 4(j), 601, and 629 of the Communications Act of 1934, as amended 47 U.S.C. §151, 154(i), 154(j), 521, 549, Cox communications, Inc. must take the steps set forth in paragraph 39 of this *Forfeiture Order*.

41. Payment of the forfeiture must be made by check or similar instrument, payable to the order of the Federal Communications Commission within thirty (30) days of the release of this Order. The payment must include the NAL/Account Number and FRN Number referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Requests for full payment under an installment plan should be sent to: Chief Financial Officer -- Financial Operations, 445 12th Street, S.W., Room 1-A625, Washington, D.C. 20554. Please contact the Financial Operations Group Help Desk at 1-877-480-3201 or Email: ARINQUIRIES@fcc.gov with any questions regarding payment procedures. Cox will also send electronic notification on the date said payment is made to JoAnn.Lucanik@fcc.gov and Kevin.Pitman@fcc.gov.

⁹³ \$0.10 is our best estimate of the relevant license fee per channel. We note that Cox did not provide an explanation of the method the company planned to use to determine the appropriate amount of refunds as required by the *Cox NAL and Order*. The Bureau will reconsider the appropriate license fee per channel should Cox submit a petition for reconsideration that includes evidence that the license fees of the affected channels are lower than \$0.10 per month.

42. **IT IS FURTHER ORDERED** that a copy of this Notice of Apparent Liability for Forfeiture and Order shall be sent by first class mail and certified mail return receipt requested to counsel for Cox Communications, Inc.: Kathleen Q. Abernathy, Esq., David H. Solomon, Esq., and Natalie G. Roisman, Esq., Wilkinson Barker Knauer, LLP, 2300 N Street, N.W., Suite 700, Washington, D.C. 20037.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith
Chief, Enforcement Bureau