

Federal Communications Commission.  
William F. Caton,  
*Acting Secretary.*

#### Rule Changes

Part 76 of Title 47 of the Code of Federal Regulations is amended as follows:

#### **PART 76—CABLE TELEVISION SERVICE**

1. The authority citation for Part 76 continues to read as follows:

Authority: 47 U.S.C. §§ 151, 152, 153, 154, 301, 302, 303, 303a, 307, 308, 309, 312, 315, 317, 325, 503, 521, 522, 531, 532, 533, 534, 535, 536, 537, 543, 544, 544a, 545, 548, 552, 554, 556, 558, 560, 561, 571, 572, 573.

2. Section 76.923 is amended by revising paragraphs (a), (c), (f), (g) and (m) to read as follows:

#### **§ 76.923 Rates for equipment and installation used to receive the basic service tier.**

(a) *Scope.* (1) The equipment regulated under this section consists of all equipment in a subscriber's home, provided and maintained by the operator, that is used to receive the basic service tier, regardless of whether such equipment is additionally used to receive other tiers of regulated programming service and/or unregulated service. Such equipment shall include, but is not limited to:

- (i) Converter boxes;
- (ii) Remote control units; and
- (iii) Inside wiring.

(2) Subscriber charges for such equipment shall not exceed charges based on actual costs in accordance with the requirements set forth in this section.

\* \* \* \* \*

(c) *Equipment basket.* A cable operator shall establish an Equipment Basket, which shall include all costs associated with providing customer equipment and installation under this section. Equipment Basket costs shall be limited to the direct and indirect material and labor costs of providing, leasing, installing, repairing, and servicing customer equipment, as determined in accordance with the cost accounting and cost allocation requirements of § 76.924, except that operators do not have to aggregate costs in a manner consistent with the accounting practices of the operator on April 3, 1993. The Equipment Basket shall not include general administrative overhead including marketing expenses. The Equipment Basket shall include a reasonable profit.

(1) *Customer equipment.* Costs of customer equipment included in the

Equipment Basket may be aggregated, on a franchise, system, regional, or company level, into broad categories. Except to the extent indicated in paragraph (c)(2) of this section, such categorization may be made, provided that each category includes only equipment of the same type, regardless of the levels of functionality of the equipment within each such broad category. When submitting its equipment costs based on average charges, the cable operator must provide a general description of the averaging methodology employed and a justification that its averaging methodology produces reasonable equipment rates. Equipment rates should be set at the same organizational level at which an operator aggregates its costs.

(2) *Basic service tier only equipment.* Costs of customer equipment used by basic-only subscribers may not be aggregated with the costs of equipment used by non-basic-only subscribers. Costs of customer equipment used by basic-only subscribers may, however, be aggregated, consistent with an operator's aggregation under paragraph (c)(1) of this section, on a franchise, system, regional, or company level. The prohibition against aggregation applies to subscribers, not to a particular type of equipment. Alternatively, operators may base its basic-only subscriber cost aggregation on the assumption that all basic-only subscribers use equipment that is the lowest level and least expensive model of equipment offered by the operator, even if some basic-only subscribers actually have higher level, more expensive equipment.

(3) *Installation costs.* Installation costs, consistent with an operator's aggregation under paragraph (c)(1) of this section, may be aggregated, on a franchise, system, regional, or company level. When submitting its installation costs based on average charges, the cable operator must provide a general description of the averaging methodology employed and a justification that its averaging methodology produces reasonable equipment rates. Installation rates should be set at the same organizational level at which an operator aggregates its costs.

\* \* \* \* \*

(f) *Remote charges.* Monthly charges for rental of a remote control unit shall consist of the average annual unit purchase cost of remotes leased, including acquisition price and incidental costs such as sales tax, financing and storage up to the time it is provided to the customer, added to

the product of the HSC times the average number of hours annually repairing or servicing a remote, divided by 12 to determine the monthly lease rate for a remote according to the following formula:

$$\text{Monthly Charge} = \frac{\text{UCE} + (\text{HSC} \times \text{HR})}{12}$$

Where, HR=average hours repair per year; and UCE=average annual unit cost of remote.

(g) *Other equipment charges.* The monthly charge for rental of converter boxes and other customer equipment shall be calculated in the same manner as for remote control units. Separate charges may be established for each category of other customer equipment.

\* \* \* \* \*

(m) Cable operators shall set charges for equipment and installations to recover Equipment Basket costs. Such charges shall be set, consistent with the level at which Equipment Basket costs are aggregated as provided in § 76.923(c). Cable operators shall maintain adequate documentation to demonstrate that charges for the sale and lease of equipment and for installations have been developed in accordance with the rules set forth in this section.

\* \* \* \* \*

[FR Doc. 96-16104 Filed 6-24-96; 8:45 am]

BILLING CODE 6712-01-P

#### **47 CFR Part 90**

[PR Docket No. 93-144; PP Docket No. 93-253; FCC 95-501]

#### **The Future Development of SMR Systems in the 800 MHz Frequency Band; Correction**

**AGENCY:** Federal Communications Commission.

**ACTION:** Correction to final rule.

**SUMMARY:** This document contains corrections to the final rule, which was published Friday, February 16, 1996, (61 FR 6138). The rule related to the special limitations on amendment of applications for assignment and transfer of authorizations for radio systems above 800 MHz in § 90.609 paragraphs (c) and (d).

**EFFECTIVE DATE:** June 25, 1996.

**FOR FURTHER INFORMATION CONTACT:** Lisa Warner, Wireless Telecommunications Bureau, at (202) 418-0620.

**SUPPLEMENTARY INFORMATION:****Background**

The portion of the final rule that is the subject of this correction, supersedes paragraph six of the rules section on the effective date and affects persons who amend applications for assignment or transfer of authorizations for radio systems above 800 MHz under Part 90 of Chapter I of Title 47 of the Code of Federal Regulations.

**Need for Correction**

As published, the final rule contains errors which may prove misleading and need clarification.

**Correction of Publication**

Accordingly, the publication on February 16, 1996 of the final rule, which is the subject of FR Doc. 96-3509, is corrected as follows:

**§ 90.609 (Corrected)**

On page 6155, in the second column, in instruction paragraph 6., in line three, the words "introductory text" are removed.

Federal Communications Commission.

David Furth,

*Acting Chief, Commercial Wireless Division,  
Wireless Telecommunications Bureau.*

[FR Doc. 96-13792 Filed 6-24-96; 8:45 am]

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**47 CFR Part 95**

[WT Docket No. 95-47; FCC 96-224]

**Permitting Mobile Operation in the Interactive Video and Data Service (IVDS)**

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission has amended its rules to permit IVDS licensees to provide mobile service to subscribers. This action authorizes mobile operation of response transmitter units (subscriber units) operated with an effective radiated power of 100 milliwatts or less. The Commission also eliminated the IVDS "duty cycle" requirement for operations outside of TV channel 13 Grade B contours. The Commission found that these amendments would provide additional flexibility for IVDS licensees to meet the communications needs of the public without increasing the likelihood of interference.

**EFFECTIVE DATE:** July 25, 1996.

**FOR FURTHER INFORMATION CONTACT:** Eric Malinen, Wireless Telecommunications

Bureau, telephone (202) 418-0638, e-mail at [emalinen@fcc.gov](mailto:emalinen@fcc.gov)

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's *Report and Order*, adopted May 16, 1996, and released May 30, 1996. The full text of this Commission action, including the rule amendments and Final Regulatory Flexibility Analysis, is available for inspection and copying during normal business hours in the FCC Reference Center, Room 239, 1919 M Street, N.W., Washington, D.C. The full text of this *Report and Order* may also be purchased from the Commission's copy contractor, International Transcription Services, Inc., 2100 M Street, N.W., Suite 140, Washington, D. C. 20037, telephone (202) 857-3800. Last, the full text may be obtained from the FCC's internet World Wide Web home page, <http://www.fcc.gov>

**Summary of Report and Order**

1. On April 13, 1995, the Commission adopted a *Notice of Proposed Rule Making*, 60 FR 25193 (May 11, 1995), proposing, *inter alia*, to allow IVDS licensees to provide mobile service to subscribers on an ancillary basis. By this *Report and Order*, and in light of the development of the industry and the views of a majority of the commenters, the Commission amends Part 95 of the rules to authorize fully mobile operation in addition to fixed operation for IVDS response transmitter units (RTUs) operated with an effective radiated power of 100 milliwatts or less. This action will enable licensees to respond more accurately to the public's preferred choices of interactive services and to offer a broader array of services.

2. Recognizing that allowing mobile operations increases the interference potential with respect to the operations of licensees in other services, the Commission concludes that the lower power limit of 100-milliwatts is appropriate. The limit applies even to mobile RTUs located both within the IVDS licensee's service area and outside a TV channel 13 predicted Grade B contour. In addition, as suggested by commenters, this 100-milliwatt limit is specified in terms of mean power. The Commission also concludes that no change to the power limit for fixed operations is necessary.

3. Given the development of IVDS and the Commission's current reexamination of the parameters of the duty cycle rule, the Commission also eliminates the duty cycle requirement for both fixed and mobile operations in IVDS service areas where no TV channel 13 predicted Grade B contour overlap exists. In such areas, TV channel 13 operations have no expectation to protection from

interference. The Commission also eliminates the duty cycle in areas where there is overlap, for fixed RTUs located within the IVDS licensee's service area, but outside the TV channel 13 predicted Grade B contour. In such areas, the interference potential is minimal, rendering the duty cycle restriction unnecessary. The duty cycle requirement is retained for mobile RTUs located within the IVDS licensee's service area, but outside the TV channel 13 predicted Grade B contour.

4. The Commission also adopts its proposal to allow indirect RTU-to-RTU operations, but will continue to prohibit direct RTU-to-RTU operations. Protecting TV channel 13 from interference is a primary concern in regulating IVDS, and direct RTU-to-RTU operation would increase the potential for such interference. Further, the Commission eliminates the requirement that RTUs operating at 100 milliwatts or less incorporate automatic power control. Finally, the Commission permits direct CTS-to-CTS communications (fixed point-to-point communications) on a primary basis, finding that such fixed operation can be designed to eliminate potential interference to TV channel 13 operations and does not present the interference potential presented by direct RTU-to-RTU operations.

5. The Commission declines to permit IVDS interconnection with the public switched network. This determination is consistent with retaining IVDS as a private, although newly mobile, radio service.

6. The amended rules are set forth below, effective July 25, 1996.

7. This *Report and Order* and the rule amendments are issued under the authority contained in 47 U.S.C. §§ 154(i), 303 (b), and 303 (r).

**List of Subjects in 47 CFR Part 95**

Communications equipment,  
Interactive Video and Data Service (IVDS), Radio.

Federal Communications Commission.  
William F. Caton,  
*Acting Secretary.*

**Rule Changes**

Part 95 of Chapter I of Title 47 of the Code of Federal Regulations is amended as follows:

**PART 95—PERSONAL RADIO SERVICES**

1. The authority citation for Part 95 continues to read as follows:

Authority: Secs. 4, 303, 48 Stat. 1066, 1082, as amended; 47 U.S.C. §§ 154, 303.