



**D.C. Office of Cable Television and Telecommunications**  
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To help consumers better understand the various charges and terms appearing on their monthly cable bills from Comcast or Starpower Communications, the District's Office of Cable Television and Telecommunications (OCTT) has listed below short definitions that describe some of the most commonly used terms and charges. OCTT also reminds consumers that the operators bill for cable service *in advance*, so consumers' initial bills will typically be higher than usual, as they include not only a pro-rated portion for a partial month of service but also an amount for the next full month's service payable in advance.

### **TYPES OF TAXES, CHARGES AND OTHER FEES ON CABLE BILLS**

Basic Cable Service or Basic Service. Basic cable service is the cable service distributed by Comcast or Starpower for a basic monthly fee. Comcast's basic cable service tier includes both the broadcast channels (*i.e.*, channels NBC4, FOX5, ABC7, CBS9, UPN20, etc.) and the PEG channels (see below) and consists of approximately thirty channels in all. However, Starpower's basic tier consists of approximately eighty-five channels and is comparable in price and number of channels to Comcast's combined basic and expanded basic tiers.

Expanded Basic Service or Expanded Service. In addition to offering channels on its basic service tier, Comcast offers additional channels, such as ESPN, CNN, TNT, and HGTV, as "expanded basic" channels. Comcast's expanded basic tier includes approximately fifty channels; consequently, consumers subscribing to both Comcast's basic and expanded basic service tiers receive approximately eighty channels. Starpower does not offer an expanded basic service tier of channels; instead, its basic tier of approximately eighty-five channels includes both basic channels and channels typically offered on an expanded basic tier.

Digital Cable Service or Digital Service. Digital cable service is a tier of additional cable channels available to consumers that requires a digital converter box for viewing. This tier offers channels such as BBC America, Sundance Channel, Discovery Health, and all digital music channels.

Premium Channels. Premium channels are channels to which a customer may subscribe on an *a la carte* basis for an additional monthly charge. These channels include HBO, Showtime, Cinemax, Starz!, The Movie Channel, and, in the case of Starpower, certain international channels.

Pay-Per-View and Video-On-Demand. Pay-per-view programs or video-on-demand services are optional programs or services, such as movies, one-time sporting events or sports league packages which subscribers may order on an *a la carte* basis for an additional charge. Video-on-demand allows the subscriber to select movies or programs for viewing at any time from a large selection of titles and categories typically stored on a remote server. Video-on-demand service may also provide VCR functionality (stop, pause, etc.) to allow the subscriber to control the playback from his or her remote control.

High Definition Television (HDTV). High definition television is a level of cable service which offers certain channels in an advanced format, featuring higher-resolution picture quality, a wider screen format, and Dolby Digital Surround Sound. Both Comcast and Starpower offer certain channels in the HDTV format as part of an HDTV tier of channels.

Franchise or OVS Fee. Franchise or OVS fees are fees imposed on the cable operator by the District government equal to five percent of cable television revenues collected by the operator. Comcast and Starpower elect to pass this fee along to consumers as a separate itemized amount. The Federal Communications Commission has interpreted the federal law to permit the pass-through of such fees to customers.

PEG Access Fees. PEG access fees are fees imposed on the cable operator by the District government for capital support of the District's PEG channels. Comcast and Starpower elect to pass this fee along to consumers as a separate itemized amount.

Gross Receipts Tax. The gross receipts tax is a tax imposed by the District of Columbia on revenues generated from the sale of telecommunications services generally, including telephone service and cable television service. Effective January 1, 2003, this tax is equal to eleven percent of the amount billed to a consumer.

## **OTHER USEFUL TERMS**

Closed Captioning. Closed captioning is a service for persons with hearing disabilities. Channels providing closed captioning translate television program dialogue into written words appearing on the bottom of the television screen.

Digital Converter Box and Digital Converter Rental. A digital converter box is a device attached between the television set and the cable system that allows the cable operator to increase the number of channels available for viewing, enabling customers to view digital cable television programming carried via a compressed digital signal. Comcast and Starpower charge subscribers a monthly rental fee for use of the digital converter.

Local Franchising Authority. Local franchising authorities award cable television franchises, specify the terms of such franchises, and regulate cable television and OVS service in a city or other municipality. Typically, a local government office handles everyday regulatory duties. In the District, the Office of Cable Television and Telecommunications (OCTT) is the local franchising authority and regulates Comcast and Starpower Communications. OCTT also oversees the physical integrity of the Comcast and Starpower cable plant throughout the District and assists residents who have been unsuccessful in reaching a resolution of disputes with their provider.

Open Video System (OVS). The open video system (OVS) framework is an alternative regulatory structure, established at the federal level, for operators providing multichannel video service to subscribers. Most District cable laws apply to such providers. Starpower provides service to District residents under an OVS framework.

PEG Channels. PEG channels are channels set aside by the cable operator for use by the public, educational institutions, and municipal government. D.C. government's Office of Cable Television and Telecommunications (City Cable 13 and City Cable 16), the Public Access Corporation (public access channels Comcast 5 and 6 or Starpower 10 and 11), the D.C. Public Schools (DCPS TV 28), and the University of the District of Columbia (UDC TV 19) operate PEG channels in the District.