

H B

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Alaska State Legislature

Representative Brian S. Porter



CHAIRMAN
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MEMBER
HOUSE LABOR & COMMERCE COMMITTEE
SELECT COMMITTEE ON LEGISLATIVE ETHICS

MEMBER
FINANCE SUBCOMMITTEES
DEPARTMENT OF LAW
DEPARTMENT OF PUBLIC SAFETY
COURTS

SESSION:
STATE CAPITOL ROOM 118
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ANCHORAGE, AK 99501-2133
PHONE: (907) 258-8197
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DISTRICT 20

SPONSOR STATEMENT **HB 315 - Theft of Cable Service**

If you are paying for Cable Service, your money is not only used by the local cable company to fund its operation but is also passed on to the people who run the satellites, the programming distributors and the people who produce that programming. If someone is using equipment designed to circumvent paying for these services then they are not only stealing from each and every one of the companies involved in bringing cable programming to your home, they are stealing from you.

The Alaska Cable Television Association estimates that annual theft of cable television service in Alaska exceeds \$1,000,000 based on a conservative rate of 2.5% of service revenues. HB 315 provides a more accurate definition of cable service theft along with criminal penalties which should act as a better deterrent to anyone considering the purchase and use of illegal devices.

Recently published demographic information lists our State as third in population in front of only Vermont and Wyoming. We are, though, the most difficult state in which to provide cable service as we have our small population spread over such a big expanse and have no adjacent population centers. Without a reasonable level of volume, cable service just won't pencil out in a given area and consequently will not be offered. This is one of the reasons why this legislation, to assure, as much as possible, that everyone who receives this service pays for the service, is so important in Alaska. Additionally, there is indication that our illegal interception problem may already be twice as bad as the national average.

This legislation fills a gap in law that now makes enforcement virtually impossible.

I would appreciate your favorable consideration of this important legislation.

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450

FAX (907) 465-2029

Mail Stop 3101

130 Seward Street, Suite 409

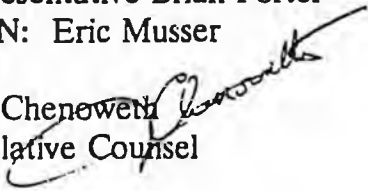
Juneau, Alaska 99801-2105

MEMORANDUM

January 12, 1994

SUBJECT: House Bill 315 -- Sectional analysis (Work Order No. 8-LS1200J)

TO: Representative Brian Porter
ATTN: Eric Musser

FROM: Jack Chenoweth 
Legislative Counsel

House Bill 315 amends four sections of the chapter of the state criminal code defining offenses against property--theft offenses--to address theft of subscription cable services.

Essential to an understanding of the bill is an appreciation drawn in its section 3, defining "theft of services." To the definition of "theft of services" is added one additional offense--the taking of services provided by a subscription cable system without authorization of the system. The offense may involve any one of several acts. In bill section 3, proposed AS 11.46.200(a)(4)(A) generally speaks to action taken knowingly in order to obtain unauthorized interception, receipt, or use of a program or other service provided by the subscription cable system, while proposed AS 11.46.200(a)(4)(B) generally prohibits unauthorized manufacture, distribution, sale, and like acts designed to decode, descramble, or intercept a nonstandard signal carried by the subscription cable system. The distinction essentially is drawn between illicit activity to obtain and use a service without authorization--(a)(4)(A)--and activity intended to capture a financial profit from the sale or distribution of the illicit obtaining or use of the service--(a)(4)(B).

Bill section 1: The bill section amends the definition of the crime of theft in the second degree--a class C felony--to add theft of subscription cable services under AS 11.46.200(a)(4)(B), the activity intended to capture a financial profit from the sale or distribution of the illicit obtaining or use of the service.

Bill section 2: The bill section amends the definition of the crime of theft in the third degree--a class A misdemeanor--to add theft of subscription cable services under

Representative Brian Carter
January 12, 1994
Page 2

AS 11.46.200(a)(4)(A), the illicit activity to obtain and use a service without authorization of the subscription cable service.

Bill section 4, proposing a new subsection to AS 11.46.200, sets out definitions of terms used in the earlier sections.

JBC:mi
94-001.lmai

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 315

Revision Date: January 18, 1994
Title: "...unauthorized use...unauthorized interference with transmission...cable services..."
Sponsor: Representative Porter
Requestor: Representative Porter

Department Affected: Department of Law
BRU: Prosecution
Component: All

COMPONENT SERIAL NO. 0085 through 0090

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)
Please see the attached analysis.

Prepared by: Richard I. Pegues, Director
Division: Administrative Services Division

Phone: 465-3672
Date: January 18, 1994

Approved by Commissioner: Bruce M. Botelho, Attorney General
Agency: Department of Law

Date: January 18, 1994

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 315

ANALYSIS CONTINUATION:

Some of this bill is already addressed by existing law, but this bill would also make it a theft offense to buy or possess a "black box" that receives or descrambles coded cable services, or to sell, or to manufacture such devices. It is hard to predict a fiscal impact, but there is likely to be little or none because the current level of cable theft cash is relatively small.



ALASKA CABLE TELEVISION ASSOCIATION

Received

January 6, 1994

RECEIVED

The Honorable Brian Porter
Alaska State Legislature
State Capitol Bldg.
Juneau, AK 99801-1182

Dear Representative Porter:

On behalf of the entire membership of the Alaska Cable Television Association ("ACTA"), I would like to thank you for your efforts in helping us prepare stronger "Theft of Service" legislation.

Theft of Service within the cable television industry has become annually, a \$4.7 billion dollar monster! As you know, Alaska is not immune from this problem. Cable television operators from throughout the state desperately seek stronger criminal and civil penalties for this high-tech thievery. We can no longer allow honest, paying subscribers to continue to subsidize these illegal activities.

It's important to note that there are many examples of unauthorized access to cable television services. The most common, of course, is the distribution of illegal converter boxes to descramble secured signals. Gary Haynes of Prime Cable has described these activities in great detail. But there are other security devices, such as decoding filters, which are also distributed illegally.

These devices, normally connected to the customer's service drop at the telephone pole or utility pedestal, either "decode" a scrambled signal, or prevent the reception of a channel or block of channels (a "negative" trap). Once tampered with, the outcome is the same with stolen services and lost revenue. Cable operators spend a considerable amount of time monitoring the theft of these filters. Generally, if the device is defeated, the integrity of the physical connection is weakened causing interference to other customer service drops, and contributes to signal leakage putting the cable system at serious risk with potential interference among the aeronautical frequencies. Stolen and/or illegal "decoding" devices are usually installed inside the home, making it virtually impossible to detect.

The ACTA stands by ready to provide you, your staff and the appropriate legislative committees with other examples of illegal equipment used to gain access to secured cable television signals. The ACTA strongly supports this legislation as we estimate that annual theft of cable television service in Alaska exceeds \$1,000,000 based on a conservative rate of 2.5% of service revenues. A more accurate definition of this type of service theft along with stiffer criminal penalties will create a deterrent to those considering the purchase of illegal equipment. Hopefully this would keep the rate of theft from growing and would also

Representative Brian Porter
- Page 2 -

follow through on the intent of the statute as originally created allowing for the aggressive pursuit of the distributors of such illegal burglary devices.

Please do not hesitate to call on us if we may provide you or staff with any additional information. The ACTA looks forward to working with you on the passage of this important piece of legislation.

Sincerely,

ALASKA CABLE TELEVISION ASSOCIATION



Michael W. Roberge
President

K. L. Loper
416-3334

cc: Eric Musser
Daniella Loper
Mary Hughes, Hughs, Thorsness, Gantz, Powell & Brunden
Gary Haynes, Prime Cable
Kent Dawson, Dawson & Associates

PRIME CABLE

December 9, 1993

Received

DEC 13 1993

ANCHORAGE, ALA

The Honorable Representative Brian Porter
3111 "C" Street
Anchorage, Alaska 99503

Dear Representative Porter:

I have had a chance to review the work draft of a Bill to clarify the criminal act of Theft of Cable Service as suggested by Jack Chenoweth, Legislative Counsel. As I understand it, this deals with the criminal provisions of this type of theft and there may be a separate bill for the civil provisions. Mr. Chenoweth did a good job of covering our main concern with the language of the changes, that being defining the illegality of owning or trafficking in this type of telecommunications burglary tool. Unless you have other thoughts, I believe that if we could get this Bill through the legislature this session that the civil provisions could be worked on at a later date or may be altogether unnecessary. Our main thrust here is to address the problem presented to us by local law enforcement agents of lack of proper possession provisions for these particular theft devices.

I would like to repeat some of the other reasons that Prime Cable as well as other cable operators around the state are concerned with this type of activity. The National Cable Television Association publishes statistics on pay unit penetration nationwide and has shown that premium service penetration has actually declined by 9.2% between 1989 and 1992. Historically, Alaska with its younger population has had a higher penetration of pay units than the national average, however our erosion during this same period for the Anchorage market has been 20%. This is over twice the national average and clearly indicates that there are other forces at work here. Using the national figure of 9.2% and factoring in our net subscriber growth due to new construction and natural penetration growth we calculate our loss of pay unit activity due to theft of service for 1993 to be 1211 units. If you consider that our net activity for this period is actually only 2350 pay units it becomes clear that we are suffering a loss of almost a third of our net growth.

You must keep in mind that these figures are based on single pay units. In fact, someone who has purchased an illegal descrambler or modified one of our converter boxes gets all premium and pay per view channels. The normal churn of services does not occur with these customers so their loss strictly using the pay unit figure is grossly understated. This

Representative Porter
December 9, 1993
Page -2-

loss is also exacerbated by the loss of special event revenue for boxing and other musical and sporting events. The true value of lost service due to the capabilities of these illegal devices has been documented as seven channels of premium service and 22 different titles of pay per view movies per week for a monthly loss of \$373.55. If you assume that someone who possesses one of these devices only uses 10% of its capability and you use the conservative figure of 1211 units in the marketplace this represents a \$500,000 loss for Anchorage alone.

We believe that this figure as high as it is may be understated for the following reasons. Our "Theft of Service Hotline" has received over 50 anonymous tips from disgruntled neighbors and acquaintances this past year alone. Of these complaints, six are for commercial operations that are selling these boxes for prices that range from \$175 to "fix" a Prime cable box to \$450 for boxes that are imported from out of state or are Prime Cable boxes obtained from our non-pay pool of disconnected subscribers who have never returned their box. The commercial ventures range from small electronic repair shops to taxi drivers to utility technicians trying to make a little money on the side. Services rendered range from simply selling the illegal descrambler and encouraging the customer to reduce their service to the lowest level possible to full service operations that will actually install an illegal drop from our cable plant to your home disguising the drop by entering the house low to the ground or tapping into a neighbor's drop. We also have reports of apartment managers who will work out a lease plan on the boxes.

As we have mentioned before, it would seem easy for us to catch and prosecute these offenders under simple theft of utility service laws. This is not the case with telecommunications that is delivered to the home in that we do not have an affective method of measuring services used. With level of criminal theft being tied to value of services stolen it is understandable that local law enforcement and prosecutors are reluctant to take these cases on. In the singular, they represent petty theft. In the aggregate they represent substantial losses not only to the cable company but also to every person in the distribution path of the programming stolen.

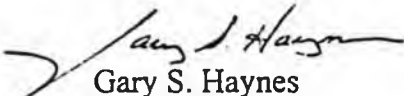
So this is where the damage is occurring. It starts with the Cable Company who loses revenue and does not have the funds available to invest in plant and system improvements. It damages the producers of programming and affects everyone in that circle from the satellite distributor, to the movie studio, to the producer and all the way to

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the guy who caters lunches on location. Locally, the ability of the cable system to offer pay per view events such as college hockey is threatened because the loss of revenue may not allow the proceeds from it to cover production cost. Most of all, we are concerned about the outrage of our legitimate customers who call us to report theft only to see that we have little power outside of threats to discontinue service to control this type of theft.

Strengthening of the law to include penalties for this type of device is imperative. The only use of them is to steal service. No cable company in the country would sanction their use because they are all designed to ignore all security measures for access control transmitted by the cable company. The telecommunications industry will not be able to grow and offer expanded service if it can not effectively control access to its product. Prime Cable appreciates the attention you have given us on this topic and hopes that you will be able to introduce this Bill in the upcoming session. Please call me at 786-9326 if you have any further questions.

Sincerely,


Gary S. Haynes
V.P. of Operations

GSH:jb

Federal Prosecutions - A Thing of the Past?

According to a recent article published in The Connecticut Law Tribune, federal criminal prosecutions in the District of Connecticut fell 23 percent from 1985 to 1988, and civil cases handled by the local U.S. Attorney's Office fell 32 percent during that same period. The decline in federal prosecutions in Connecticut was directly attributable to the "all-out battle" to prosecute 16 defendants in connection with the 1983 Connecticut Wells Fargo robbery. Nationally, according to the article, federal criminal prosecutions declined approximately 4 percent and related civil filings declined about 7 percent during the 1983-1986 period. Federal prosecutorial resources in Connecticut, and presumably elsewhere, are concentrated on drug cases, white-collar crime (particularly public official corruption cases), and organized crime, with an overall emphasis on asset forfeiture cases.

Emphasis on certain matters, such as the Wells Fargo case, by the Department of Justice clearly impacts on the amount of federal law enforcement and prosecutorial resources available to undertake criminal action against descrambler distributors, even though such distribution is patently violative of 47 U.S.C. sec. 553 and sec. 605, as well as mail and wire fraud statutes. Because of DOJ's current allocation of resources, the willingness of federal prosecutors, with some exceptions, to institute criminal prosecutions against descrambler distributors is undoubtedly being tested, notwithstanding the assistance of the cable industry, particularly from the NCTA's Office of Cable Signal Theft, and state association groups like the Connecticut Cable TV Association's Theft of Service Committee. Industry assistance to federal prosecutors has comprehensively been

(continued top of next column)

Signal Security Ideas Competition Deadline extended to March 15

in the form of investigative, technical and legal support to enforcement efforts. Theft of service action may turn, therefore, to state prosecutions where jurisdictionally possible. Otherwise, the civil action provisions of 47 U.S.C. sec. 553 and sec. 605 may become the enforcement tool of choice - by necessity.

Submitted by Burt Cohen, Esq.,
The law firm of Byrne, Slater, Sandler,
Shulman & Rouse, P.C.,
###

Warner Cable Hosts Signal Theft Seminar

Warner Cable Communications of Cincinnati, OH has conducted its first seminar as a step to unify the issue of combatting signal theft. Warner hosted other Cincinnati operators, program suppliers, prosecutors from area counties and state and local law enforcement officials to be addressed on the problem of signal theft.

Jim Allen, of NCTA's OCST, addressed the group in his keynote speech which gave a global look at the cable theft issue.

Virgil Reed, President and General Manager of Warner noted that "This seminar is an important milestone in the local cable industry as it will mark the first time that a concerted effort has been undertaken to coordinate the anti-cable theft effort."

Warner Cable of Cincinnati has had over thirty theft of service cases successfully prosecuted within the past four years.

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People News...

Roger Williams was named president of The Travel Channel soon after its purchase by Landmark Communications' Broadcast and Video Enterprises Division in March of this year. He had been a senior vice president, affiliate sales and consumer marketing, for ESPN.

While with ESPN, Mr. Williams stepped up the network's protection of its programming through extensive work in theft of service prosecutions. Mr. Williams serves as the vice-chairman of the Coalition Opposing Signal Theft Committee, an advisory body to the Office of Cable Signal Theft.

also...

Michael L. Ward was promoted to vice president and counsel for Showtime Networks Inc. from counsel, SNI. Mr. Ward serves as a member of the Coalition Opposing Signal Theft Committee.

HBO Settles Suit With New Jersey Bar

Home Box Office Inc. concluded another case against a bar for the unauthorized distribution of the premium service. Poor Billy's Sports Cafe of Woodbridge, New Jersey has agreed to pay HBO \$7500 in damages and to adhere to a federal court injunction prohibiting any further exhibitions of HBO programming.

HBO is conducting a nationwide campaign to enforce the programming rights of its product. John Redpath, senior vice president and general counsel for HBO, commented on the settlement, "This action and subsequent settlement clearly shows that protecting the HBO signal and programming from unauthorized reception remains a top priority with our company. We are serious about continuing to locate and prosecute establishments that misappropriate our product."

Cable Pirate Receives 16 Year Sentence

In Norfolk Circuit Court, Norfolk, Virginia, defendant Christopher Deering pleaded guilty to three felony charges and one misdemeanor charge under the recently amended Virginia State Theft of Cable Television criminal statute 18.2 - 165.1.

The Honorable Judge John Morrison sentenced Deering to 16 years in prison: five years for each felony count and one year for the misdemeanor charge. Additionally, Morrison ordered the defendant to pay Cox Cable \$885 in restitution. Per the plea agreement, Deering will serve one year in jail and then be placed on five years supervised probation.

The charges and subsequent conviction resulted from a three-month investigation by Cox Cable's Field Audit Department. The department discovered that Deering, posing as a cable TV installer, was breaking into the cable television distribution system and connecting cable service for residents in the Tidewater Gardens section of Norfolk.

Deering was charging residents \$10 - \$25 for each illegal connection. The connections have since been disconnected by Cox Cable. Cox received information about Deering from his customers.

Cable operators in Virginia lobbied for the upgrade of the state statute which went into effect on July 1, last year, making it a class 6 felony violation to perform unauthorized cable TV connections to residents for personal or financial gain.

UNAUTHORIZED RECEPTION OF CABLE SERVICE
U.S. Code, Title 47, Section 553
As Amended By The Cable Television Consumer
Protection and Competition Act of 1992

Sec. 553 (a)(1) No person shall intercept or receive or assist in intercepting or receiving any communications service offered over a cable system, unless specifically authorized to do so by a cable operator or as may otherwise be specifically authorized by law.

(2) For the purpose of this section, the term 'assist in intercepting or receiving' shall include the manufacture or distribution of equipment intended by the manufacturer or distributor (as the case may be) for unauthorized reception of any communications service offered over a cable system in violation of subparagraph (1).

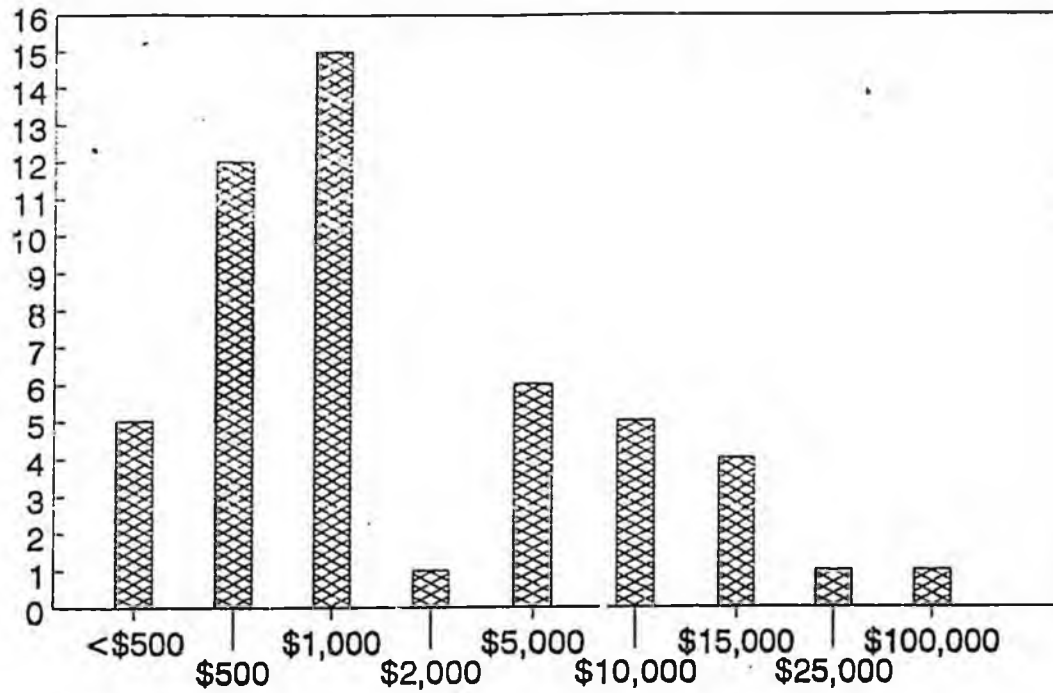
(b)(1) Any person who willfully violates subsection (a)(1) shall be fined not more than \$1,000 or imprisoned for not more than 6 months, or both.

(2) Any person who violates subsection (a)(1) willfully and for purposes of commercial or private financial gain shall be fined not more than [~~\$25,000~~] \$50,000 or imprisoned for not more than [1 year] 2 years, or both for the first such offense and shall be fined not more than [~~\$50,000~~] \$100,000 or imprisoned not more than [2] 5 years, or both, for any subsequent offense.

(3) For purpose of all penalties and remedies established for violations of subsection (a)(1), the prohibited activity established herein as it applies to each such device shall be deemed a separate violation.

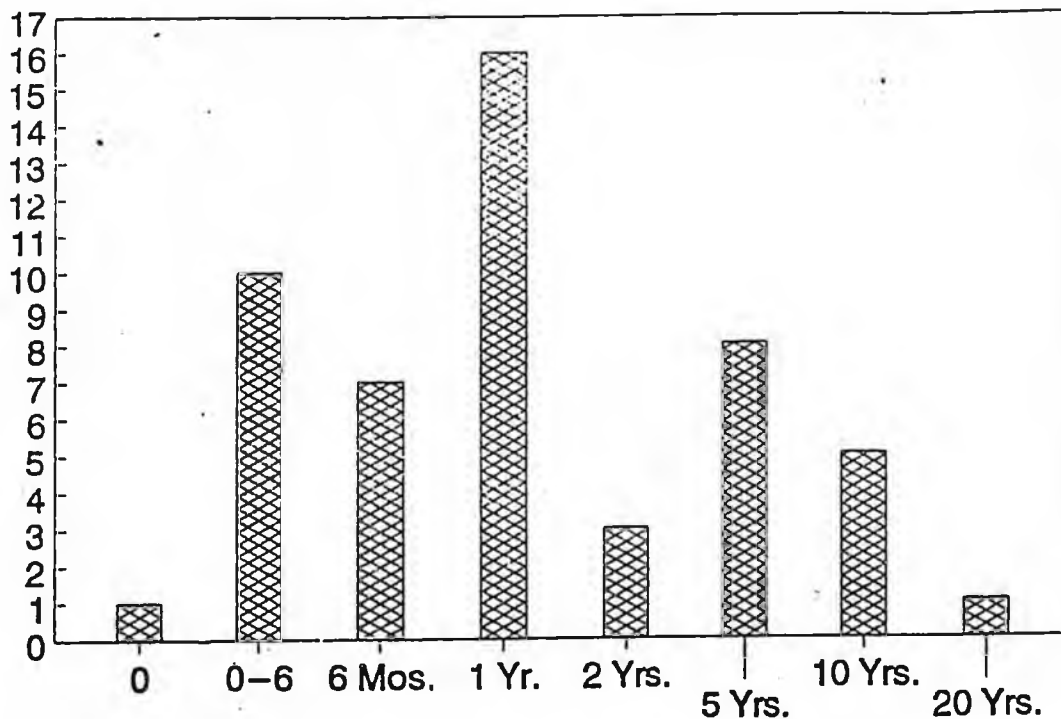
NOTE: Brackets "[]" signify language deleted under the new law, underscored language signifies additions as of December 4, 1992.

FINES



< \$500	5 Colorado, Indiana, New Mexico, Vermont & Delaware
\$500	12 Arizona, Arkansas, Louisiana, Maine, Maryland Michigan, Montana, New Jersey, North Carolina North Dakota, Rhode Island & West Virginia
\$1,000	15 Alabama, California, Florida, Georgia, Idaho Mississippi, Nebraska, New Hampshire, New York Oklahoma, South Carolina, South Dakota, Tennessee Virginia & Nevada
\$2,000	1 Texas
\$5,000	6 Alaska, Hawaii, Minnesota, Missouri, Ohio & Washington
\$10,000	5 Connecticut, Iowa, Kansas, Kentucky & Utah
\$15,000	4 Massachusetts, Pennsylvania, Wisconsin & Wyoming
\$25,000	1 Washington, D.C.
\$100,000	1 Oregon
Punitive	1 Illinois

JAIL TERMS



0	1 Vermont
0-6 Mos.	10 Indiana, Arizona, Arkansas, California, Colorado Louisiana, New Jersey, New Mexico, North Carolina & North Dakota
6 Mos.	7 Alabama, Washington D.C., Maryland, Montana Nebraska, Nevada & Oklahoma
1 Yr.	16 Alaska, Florida, Georgia, Idaho, Illinois, Maine, Michigan New Hampshire, New York, Rhode Island, South Carolina, South Dakota Tennessee, Texas, Washington & West Virginia
2 Yrs.	3 Kansas, Massachusetts, Minnesota
5 Yrs.	8 Delaware, Hawaii, Kentucky, Mississippi, Missouri Pennsylvania, Virginia & Wisconsin
10 Yrs.	5 Iowa, Ohio, Oregon, Utah & Wyoming
20 Yrs.	1 Connecticut

PRIME CABLE

March 8, 1993

The Honorable Representative Brian Porter
State Capitol, Room 122
Juneau, Alaska 99801-1182

RE: Alaska Theft of Service Statutes

Dear Representative Porter:

Prime Cable of Alaska would like to bring to your attention a problem that is plaguing cable operators in this state as well as nationally "Theft of Cable Service". Especially hard hit are those systems like Anchorage that employ addressable technology for signal security. This problem promises to escalate in that new federal rules may require most cable systems to provide addressable technology to all subscribers in the near future to allow universal access to all programming tiers and pay-per-view services.

The problem presents itself in Alaska as imported or locally modified decoder boxes. Unfortunately in Alaska, state statute does not have the same "possession and sales/distribution" prohibition found in the federal statute. State law only prohibits the use of such devices to circumvent the cable companies securities measures. Please consider the following scenario:

An ex-employee who is familiar with our system, customer base and security practices imports descramblers from out of state at a cost of approximately \$150.00 each and re-sales these to our current subscribers at \$395.00 each. He persuades the subscriber to down grade service to the lowest possible package of broadcast basic but the subscriber actually gets not only all available expanded basic and premium channels but also an average of 22 titles per week of pay-per-view movies. The ex-employee sells 30 converter boxes for a tax free net profit to himself of \$7,350.00 and the cable company loses approximately \$872.00 a month in lost revenue without regard to the loss from the 22 titles of pay-per-view movies. Frustrated legal subscribers hear of this activity and contact the local cable company upset because they honestly pay for the service and have heard of others getting it virtually for free. Naturally the cable company contacts federal authorities to see what they can do about the situation.

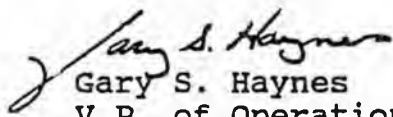
Representative Porter
March 8, 1993
Page -2-

Federal law prohibits this type of activity but, as you can see from the enclosed correspondence we received from the local FBI office, we would have to wait for this person to sell over 100 boxes before we could get any federal assistance. The next stop is the local Municipal police and District Attorney who are very cooperative but inform us that even if we are able to get a search warrant and find many of these boxes in the residence of the ex-employee ready for delivery, we cannot prosecute for possession or confiscate the equipment but could only prosecute him if we physically saw him using one of the boxes. You can now see what the problem is. The state statute must match federal "possession and re-sale" language before it can be used to stop local distribution of these types of illegal descramblers or decoders.

Unfortunately, not only is the above scenario true in Anchorage, but there are several rings comprised of ex-employees, after hours establishments, drug dealers and even some unscrupulous small businessmen. This situation has been corrected in many other states such as Virginia and California by ensuring that the local laws closely match the possession language and penalties of the federal law.

Our attorney has reviewed the state statute and offers the attached additions to A.S. 11.46 that are specific to theft of cable service and will not only give the cable companies protection from this type of illegal activity but also will give local authorities the means to stop it. The Alaska Peace Officers Association suggested that we contact you to ask if you would be willing to introduce this before the Alaska House of Representatives. If this were to occur, they would consider it for endorsement. Please feel free to contact me at your convenience if you are interested and wish to discuss this further. I may be contacted in Anchorage at 786-9326. Prime Cable wishes to thank you in advance for your consideration.

Sincerely,


Gary S. Haynes
V.P. of Operations

GSH:jb

cc: Kent Dawson

Attachments: 1. Proposed Addition to A.S. 46
2. U.S. Department of Justice Letter to Prime
3. Fact Sheet from National Cable Television Assoc.

ROGERS™

Rogers CableSystems of
Alaska, Inc.
P.O. Box 873107
Wasilla, Alaska
99687-3107

Tel: (907) 373-2288
Fax: (907) 376-8888

January 20, 1994

Representative Brian Porter
House of Representatives
State Capitol
Room 122
Juneau, Ak. 99801-1182

Dear Mr. Porter:

I am taking this opportunity to extend Rogers CableSystems support of House Bill 315.

I commend you and Mr. Larson on your effort to clarify and amend the law in regards to Theft Of Subscription Cable Service. Theft of cable service has become a much too common problem. In our industry's effort to combat this problem, it has become a large expense in the operation of a cable company through the development and installation of security procedures such as scrambling devices and placement of set top converters. Cable theft has not only made it more expensive for our customers, it has greatly detracted from our ability to make cable service more compatible with our customer's home video equipment.

It is through the passage of legislation such as House Bill 315 and the efforts of officials such as yourself, that will send a clear message to the public that theft of cable service is a crime and that it will not be tolerated. It will also provide us, along with the cooperation of local law enforcement, the ability to successfully prosecute those individuals who would persist in engaging in this criminal behavior.

I thank you for your efforts and extend an open invitation to call on me to assist in any way I can. Please feel free to contact me at 373-5026.

Sincerely,


Kevin Sheridan
General Manager

ALASKAN CABLE NETWORK INC

Representative Brian Porter
State Capital
Juneau, AK 99801-1182

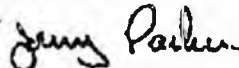
January 20, 1994

Dear Representative Porter;

As the District Manager of the second largest Cable operator in Alaska, please let it be known that I, on behalf of Alaskan Cable Network, fully support your House Bill No 315, concerning the sections that provide for criminal action being taken against a person or persons stealing subscription cable service.

If I can be of further assistance, please let me know.

Sincerely,



Jerry Parker
District Manager



Sonic Cable Television
of Alaska, Inc.

201 E. 56th Avenue, Ste. 100, Anchorage, AK 99518

(907) 562-2400

2/27/89

Mary Hughes
Hughes, Thorness, Gantz, Powell and Brunden
509 W. Third Ave
Anchorage, Ak. 99501

Re: Theft of Service

Dear Mary:

In the past few weeks, we have received an alarming number of reports of theft of service from various sources. I have at least four names of people who have modified our subscriber's converter boxes or are selling stolen and modified converter boxes to people in the Anchorage area.

I contacted APD dispatch and presented the list of suspects to an Officer Caswell. He contacted his Sargeant and also spoke with the District Attorneys office and we were able to determine that the only laws applicable are receipt/possession of stolen merchandise or theft of service.

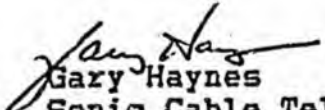
Theft of service must be proved on an individual basis and it will be very difficult to detect. What we need to do is go after the guy who is taking boxes that we list as stolen and modifying them to pick up our service. Unfortunately, because of the constant changes in our stolen database (the stolen file currently holds 4,999 serial numbers, and is considered a "missing" rather than "stolen" database) the police department thinks that it will be an unusually burdensome task to try to constantly update and correct this file.

This leaves us with a receipt of stolen property law that can not be used because our boxes are not reported to them as stolen, but only listed in our database as such. We do have a theft of service law that is being broken, but it would be very hard to track down everyone that has purchased a modified box. What we need is a law that makes modification of our converter boxes by anyone for the express purpose of theft of service a crime.

There is a federal law that states closely what we want in the state statute. I have attached it for your review. Could you please review it and modify it where necessary in order to introduce it as a bill in Juneau? We will also need assistance in finding the right legislators to introduce and back it.

If we are successful in getting the bill passed, then we can launch a media campaign explaining the new law and be able to persue prosecution of the seller as well as the end user. If you have any questions on the mechanics of the problem feel free to call me. If you have suggestions on possible sponsors, it may be more appropriate to contact Marty with them. Thanks for your help.

Sincerely,


Gary Haynes
Sonic Cable Television

Attach: Copy Section 633/Cable Communications Act of 1984

cc: Marty Robinson