

# Many Companies Advertise Legal Cousins of 'Black Boxes'

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**"DON'T PAY Monthly Cable Box Rental Fees!!!"** was the message from an advertisement in a recent New York area Sunday newspaper insert. The ad was selling "The Amazing Universal Cable 47 Channel Converter" for \$19.95, or two for \$37.95.

The ad promised that the "state-of-the-art converter" will deliver "all channels normally broadcast only by the cable companies ..."

The ad, placed by U.S. Buyers Network of Roanoke, Va., and Direct Marketing of Virginia Inc., did warn: "It is required to be a subscriber of your local cable company to watch cable TV stations. Picking up transmissions of pay TV stations such as HBO without a subscription is illegal."

Such claims, of course, are valid only if the customer's local system carries those networks. If the unassuming consumer doesn't realize that his system is addressable or that it scrambles basic networks to combat signal theft, such a box is useless at purchase. Yet lots of low-cost converters are being sold nationally via mail-order companies and retail stores.

Such "plain vanilla" converters, which are legal and shouldn't be confused with the so-called descrambling "black boxes," essentially transform a television set into being "cable-ready," as far as expanding the number of channels a set can receive if the cable signals are unscrambled.

The converters can cause headaches

for operators contacted by irate customers who assume the converter will deliver everything promised in the advertisements. But illegal converters are more of a concern, observers say.

"They're certainly out there," said Jim Allen, director of the National Cable Television Association's Office of Signal Theft. "The advertising copy often alludes to more programming than what it can deliver without qualifying what it can or cannot do. The plain vanilla boxes don't do much more than enhance the channel capacity of older TV sets. It can be misleading."

The Office of Signal Theft has its "hands full with the black box problem," Allen said. But occasionally, it has advised state cable associations to turn over misleading converter offers to state attorneys general and local Better Business Bureaus.

"They don't descramble, not the ones that are legitimate," said Wendell Bailey, the NCTA's vice president of engineering.

And at least one cable operator — this one, the general manager of a large addressable system — questioned how many of the plain vanilla boxes have actually been sold to cable subscribers: "We don't have the perception that there is a large number of these converters out in the field."

Keith Mirchandi, director of marketing for Advertising Group of Virginia — the company that markets the \$19.95 box — said his company's claims aren't misleading. He said the firm does several promo-

tions a year that do "pretty well," adding that the Advertising Group hasn't received any complaints from customers about what the box can't do.

Kent Shiple, director of marketing for Jasco Products Co. Inc., based in Oklahoma City, Okla., seemed more knowledgeable about what he sells. Jasco manufactures some 600 types of audio and video accessories, and it has marketed a 46-channel, VHF-to-UHF cable converter to retail stores and distributors.

The box is primarily used to connect a second set to a consumer's cable service without paying the cable system for an additional decoder. It also enables a subscriber to record a channel on a VCR while watching a different channel.

Jasco's box is limited by scrambling and addressability, Shiple said, adding, "It's illegal to sell a descrambling device."

## Phased out

A first-generation box, which sells for \$39-\$49 retail, is being phased out by Jasco partly because "it has not sold real good in recent years," Shiple said. Taking its place is "a more state-of-the-art device," a 75-channel converter with a remote control, which sells for \$79.95.

DAK Industries Inc., based in Canoga Park, Calif., offers "a sophisticated electronic VHF TV tuner/receiver that tunes in all possible stations that your cable company broadcasts." The device tunes up to 72 channels and sells for \$119 with a remote.

DAK's offer notes that "it's not an infamous 'black box' that unscrambles pay TV channels," adding, "Of course, only a few cable channels are scrambled." DAK also advises buyers to "check with your cable company before you watch anything. They may require you to pay an additional fee."

DAK promises a refund within 30 days of purchase if the customer isn't "100 percent thrilled" with the box.

The latest catalog from COMB Corp. a mail-order liquidation company based in St. Cloud, Minn., offers a 72-channel cable tuner with remote. The COMB and DAK boxes are manufactured by a company called Universal.

A COMB telephone operator, who identified himself as Tony, said the box sells "moderately well through the catalog."

He typically processes 10 orders a week for the product, priced at \$89 (the manufacturer's list price is \$149).

"We usually have over 300 in stock," Tony said. He described how the FCC-approved box is "like a huge antenna that would descramble all your basic stations." He added that the box would bring in cable services such as MTV and CNN.

## Telecorp Unveils Two New Products

**T**ELECORP SYSTEM, a manufacturer of automatic response units, is introducing two additions to its line of products.

The company is introducing a hardware and software enhancement to speed telephone ordering of pay-per-view events and offer a low cost alternative to automatic number identification systems, using dialed number identification, which Telecorp says is speedier and more efficient.

The Phone Ticket enhancement uses dialed number identification to identify and verify callers' order. Phone Ticket will perform on-line qualification

of all orders.

Tom McDonald, vice president of system integration, said adding as few as four Phone Ticket lines will give a system up to 80 separate phone numbers for ordering pay-per-view.

Telecorp said Phone Ticket lines can be added in small increments to keep costs low.

The other new product from the company is the Telephone Traffic Overflow Register, which will allow systems to monitor the amount of calls lost to busy signals and the time frame in which the calls were lost.

The system is also expected to be used to prove compliance with the National Cable Television Association's customer service standards.