

**Before the
Federal Communications Commission
Washington, DC 20554**

<i>In the Matter of</i>)	
)	
Implementation of Section 304 of the Telecommunications Act of 1996)	CS Docket No. 97-80
)	
Commercial Availability of Navigation Devices)	
)	
Compatibility Between Cable Systems and Consumer Electronics Equipment)	PP Docket No. 00-67
)	

Comments of the Computer & Communications Industry Association (CCIA)

For three decades, CCIA has worked to promote open markets, open systems, open networks, interoperability and full and fair competition in computer and communications markets. This proceeding is about removing technical barriers to entry so that electronic video equipment vendors may be allowed to meet the market demands of consumers who subscribe to cable TV and other services offered by cable networks operators.

CCIA agrees with the Commission's observation that consumer purchase of digital television sets is an important part of the transition to digital television (DTV) scheduled for February 17, 2009. According to FCC Chairman Martin, fully 50 percent of cable TV subscribers still get analog service only.¹ Clearly, many U.S. consumers are not yet equipped for the impending transition to digital television, now a mere 18 months

¹ Testimony of the Honorable Kevin J. Martin, Chairman, Federal Communications Commission before the U.S. House of Representatives Energy & Commerce Subcommittee on Telecommunications and Internet, 110th Congress, (July 24, 2007), at http://energycommerce.house.gov/cmtc_mtgs/110-ti-hrg.072407.FCCoversightPart2.shtml

away. Meanwhile, lack of two-way capability in commercial digital video receivers is an impediment to more widespread adoption of digital equipment. Availability of new interactive features and functionality would accelerate market penetration of digital TV equipment.

Eleven years ago, the 1996 Telecom Act directed the FCC to ensure that equipment used to access video programming of cable operators and other multichannel video providers (MVPDs) is available directly to consumers at independent retail outlets.² One-way receivers are now available with a security module known as CableCARD, so that consumers are not forced to rent set-top boxes from their cable operator or other service provider. However, consumers cannot yet purchase set-top boxes or digital cable-ready TV sets capable of handling two-way services like video on demand (VOD), pay per view (PPV), video games and other interactive services. Bidirectional video technology is available, and offered by some cable operators on a proprietary basis, but industry standards agreements (necessary for independent consumer electronics vendors to harmonize their products with cable systems) have not materialized. Licensing restrictions on the capability of navigation devices, and cable operator resistance to offering licenses and technical specifications that would permit the design and marketing of competitive two-way devices are persistent barriers to entry.

While industry negotiations sometimes produce technical solutions independent of regulatory requirements, no such solution has emerged for two-way, so-called “plug and play” devices. Despite protracted multi-year efforts, industry sectors have not come to agreement on their own. Consumers should not be left hostage to the status quo as a

² 47 U.S.C. §549(a)

result. The FCC must secure cable industry support for specifications and product licenses that give consumers choices as to their own variety of interactive digital features, cost options and opportunities for more efficient home networking.

Introduction of competition in the market for telephone equipment in the 1980s unleashed a smorgasbord of new devices including touch tone phones, cordless phones, fax machines, phones with voice mail capability and computer modems to connect PCs to information service providers (ISPs). All these new retail equipment options stimulated network usage without compromising telephone network operation.

As CCIA noted in the context of the current 700MHz auction proceedings, open network access and interoperability of end-user wireless devices will most certainly spur additional innovation by designers and manufacturers of such products in direct response to consumer demand. This Commission should be commended for its pioneering new plans to license one future wireless network on which any non-harmful end-user devices may be used.³ That was a laudable, but discretionary initiative. By contrast, in this proceeding, the Commission must quickly ensure independent availability of interoperable two-way video devices, because Congress determined long ago that consumers should not be confined to proprietary digital video devices locked into a particular cable TV network; and because Congress mandated a February 2009 date for nationwide transition to digital broadcast television.

Since the '96 Telecom Act was passed, many cable TV operators have become the sole broadband Internet access provider for millions of their customers. Without

³ Federal Communications Commission, Service Rules for the 698-806 MHz Band, Revision of the Commission's Rules Regarding Public Safety Spectrum Requirements, and Declaratory Ruling on Reporting Requirement under the Commission's Anti-Collusion Rule, Final Rule, 72 Fed. Reg. 48813-48868 (August 24, 2007).

innovative commercial hardware solutions, households face a tangle of separate devices for accessing video programming, video games and other two-way applications.

Consumers should be able to choose unitary equipment that integrates all the capability they need or desire for home networking. A range of features can be built into television receivers and other multipurpose hardware. Of course, cable operators will continue to be able to offer customers the option of leasing their proprietary digital equipment. Our point is simply that the Commission should not allow the cable industry to be the sole arbiter of the adequacy of support for the products that compete with its own products. The proposal put forward by the Consumer Electronics Association (CEA) in November of last year would accomplish this goal. Further, CEA's plan would boost the transition to digital TV by increasing both consumer awareness of the additional capabilities of digital TV sets, and their overall market penetration.

CCIA recommends that eventually all MVPDs, including DBS and wireline (telephone company) providers should be subject to the rules the Commission adopts to promote bidirectional compatibility between cable television systems and consumer electronics equipment. However, the first priority should be availability of competitive two-way products for use by cable customers, which represent by far the largest segment of broadcast TV consumers.

Ideally, in the future, consumers should be able to freely move their digital equipment from one video platform to another at the same location. Perhaps more importantly, geographic re-location by consumers should not result in the need to junk their digital TVs. In many areas of the country, video services are available from either a cable company or the telephone company, but not both. In some areas, only satellite TV

is available. Having purchased digital TV equipment, consumers should be free to switch providers and/or move elsewhere and still use that same equipment.

Open Technical Standards

The Commission should require cable operators and other MVPDs to allow a mainstream standards setting body to develop bidirectional cable compatibility and related specifications for consumer devices. If the cable industry cannot either provide a downloadable software solution or commit to using conditional access technology in their proprietary devices, then the FCC should implement a hardware approach based on CableCARD technology, incorporating existing open standards plus a standard format for bidirectional communication. A solution based on extensions to the existing CableCARD architecture would be evolutionary, minimizing the cost and time to develop compatibility and new features.

Respectfully submitted,

A handwritten signature in black ink that reads "E J Black". The signature is written in a cursive style with a large, stylized "E" and "B".

Edward J. Black
President & CEO

Catherine Sloan
Vice President, Government Relations

Computer & Communications
Industry Association (CCIA)
900 17th Street, NW
Suite 1100
Washington, D.C. 2006
Ph: 202-783-0070
eblack@ccianet.org

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