

FCC MAIL ROOM DOCKET FILE COPY ORIGINAL
MAY 5 1997
RECEIVED

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Implementation of Section 304)
of the Telecommunications Act) CS Docket No. 97-80
of 1996)
)
Commercial Availability of)
Navigation Devices)

**National Retail Federation
Comments on Notice of Proposed Rule Making**



NATIONAL RETAIL FEDERATION
The World's Largest Retail Trade Association

♦
CATHY HOTKA
Vice President, Information Technology

♦
Liberty Place, 325 7th Street NW, Suite 1000, Washington, DC 20004
Direct Dial: 202-626-8118 Office: 202-783-7971 Fax: 202-626-8174

Dated: 2 May, 1997

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC MAIL ROOM
MAY 5 - 1997
RECEIVED

In the Matter of)
)
Implementation of Section 304)
of the Telecommunications Act) CS Docket No. 97-80
of 1996)
)
Commercial Availability of)
Navigation Devices)

**National Retail Federation
Comments on Notice of Proposed Rule Making**

The National Retail Federation (“NRF”) respectfully submits these comments in response to the Federal Communications Commission (“FCC” or “Commission”) February 20, 1997 Notice of Proposed Rule Making (“NPRM” or “Notice”) in the above captioned proceeding. The National Retail Federation is the world's largest retail trade association with membership that includes the leading department, specialty, discount, mass merchandise and independent stores, as well as 32 national and 50 state associations. NRF members represent an industry that encompasses over 1.4 million U.S. retail establishments, employs more than 20 million people, 1 in 5 American workers, and registered 1996 sales of nearly \$2.5 trillion. NRF's international members operate stores in more than 50 nations.

Retailers survive and thrive by making available to consumers the goods they want and need. America enjoys a wealth of consumer choices in part because retailers know that innovation in product offerings and presentation can increase their market share, and drive new markets where none previously existed. The fact of competitive availability of hundreds of thousands of consumer items, in turn, creates improvements in those items.

This has been demonstrated in the dramatic increase in recent years of home computing. Commercial availability of home computers is now commonplace, and consumers have enjoyed decreases in price and increases in functionality. This year, for instance, consumers can purchase a fast, relatively well-equipped PC for under \$1,200. Had personal computers been available only through online networks, we doubt that the technology would have come as far as it is today.

Navigation devices like cable set top boxes have not enjoyed this renaissance. They, and most of the other devices mentioned in the NPRM, are available only through signal providers. The absence of competition results in a stunting of this technology's potential.

It also deprives consumers of the opportunity to own their own equipment, and decide what kind of equipment they will have. The promise of convergence is that new services will be available both for commercial business and for consumers in their homes. We firmly believe in the power of the market to make this happen. We worry that, if the Commission allows too broad a definition of open video systems, the purpose of Section 304 will be defeated, and consumers will be robbed of the opportunity to reap the benefits that Congress intended.

We vigorously supported the enactment of Section 304 of the Telecommunications Act of 1996 as the best way to bring the promise of advanced communications technologies home. We urge the Commission to look ahead to the benefits that competitive availability of navigation devices can bring, and, as Congress mandated, "adopt regulations to assure the commercial availability, to consumers...of...equipment used...to access multichannel video programming and other services offered over multichannel video programming systems".¹

¹ 47 U.S.C. §549(a)