Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street SW
Washington, DC 20554

Re: Comment on DSTAC Report, MB Docket No. 15-64

Ms. Dortch:

As a cable TV customer, I have suffered from the lack of competition in cable TV service, generally, and set-top boxes, specifically. In 2003, I paid $39.04 per month for cable TV service with no requirement or need for a set-top box. Today, thirteen years later, I pay $70.99 for the same service and an additional $7.98 for set-top boxes that are required so I can view the content for which I have already paid. That represents a 100% increase during a period when the consumer price index rose 29% (according to the Bureau of Labor Statistics). To add insult to injury, the service I pay for includes a number of "High-Definition" channels, but although I am paying for them, I cannot view them unless I pay an additional $10 per month for a "High-Definition" set-top box.

There is a long history of anti-competitive behavior by utilities. The Bell Telephone System controlled terminal equipment and lines as well as the service provided through them until the Hush-A-Phone and Carterfone court decisions and the Telecommunications Act of 1996. Combined, these allowed consumers to select third-party equipment and service providers and opened the door to competition to that resulted in lower prices and a variety of equipment unimaginable under the previous monopoly.

Similarly, the cable TV industry also controls the terminal equipment and lines as well as the service provided through them. In the Telecommunications Act of 1996, the U.S. Congress not only sought to address the remaining anti-competitive aspects of the Incumbent Local Exchange Carriers, it also foresaw the problems with the cable TV monopolies and took steps to introduce competition and marketplace reforms.

However, these have proved either ineffective or have been poorly implemented. The result has been the dramatic increase in costs noted above. In the intervening years, the capabilities of consumer electronics, in general, have grown exponentially while their average price has fallen. This is typical for a competitive market and stands in stark contrast to the cable TV and set-top box markets where there is little or no incentive to reduce costs or improve capabilities.

You will undoubtedly hear from the cable TV industry that the reforms being considered will cause irreparable harm or even lead to the end cable TV service as we know it. Similar statements are made by every other monopoly or oligopoly at risk of exposure to competition, but they are always self-serving and rarely true. The Bell Telephone System made similar statements, yet somehow the telecommunications market has survived...even thrived...since the introduction of competition.

Parallels supporting reforms to the set-top box market abound. In the early 1970s, a (very) basic wired, rotary phone from the Bell System cost two to three dollars per month. Today, you can purchase cordless, touch-tone phones with memory, redial, caller ID, and other features for less than $30, or approximately $5 (in 1972 dollars). Strong competition in the cellular phone market drove capabilities up while driving size down, all while prices fell from nearly $1,000 in the early 1990s to less than $200 today.

It is time for the Commission to reform the set-top box market. Doing so will help protect consumers from the predatory practices of the cable TV monopolies and lead to reduced costs as well as improved access to online content and advances in features that serve consumers, not the cable TV companies. Americans have suffered for years at the hands of the cable TV monopolies and it is the duty of the Commission to take steps to achieve the objectives found in Section 629 of the Communications Act by immediately implementing the virtual head-end proposal now under consideration.

Respectfully submitted,

/s/ Marc Thornsbury