

April 22, 2016

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Expanding Consumer's Video Navigation Choices, MB Docket No. 16-42; Commercial Availability of Navigation Devices, CS Docket No. 97-80

Dear Ms. Dortch:

Despite much of what's been written about the FCC's open set-top box proposal and its potential impact on minority-led channels and programmers, this issue is not an issue about minorities. There are no minority-owned cable systems, no minority-owned Hollywood studios and no minority-owned major tech companies poised to take profit away from any of them, so pitting civil rights organizations and channels like TV One and Fusion against up-and-coming streaming channels is a distraction at best, a cynical ploy for sympathy at worst.

Cable systems know that the traditional locked cable box system is coming to an end as alternative content providers such as Netflix and YouTube, and alternative devices such as Apple TV and Chromecast gain market share. Not only do they know, but they have planned for that future and invested heavily in it by buying up virtual reality companies and other innovations that will leave competitors in the dust.

By the time new entrants come into the set-top market, cable companies will have new virtual reality (VR) offerings that will let you see yourself sitting in Vin Diesel's car as he jumps a cliff in *Fast and Furious 15*. But until those tools are ready, Big Cable wants to delay the inevitable for as long as possible until the technology is cheap enough to seize a mass market.

So why should minorities —or anyone else— care about this fight? Because as a battle wages on *#OscarsSoWhite*, there are hundreds of thousands of hours of quality programming —documentaries, shorts, lifestyle, indie movies, global movies —that don't fit well within the traditional ad-based TV model and will never make it onto broadcast, cable or even Netflix and Amazon. And for those content creators and the entrepreneurs who want to distribute that work, the only viable market is direct to consumers in the streaming world. But as long as the streaming world is locked out from the mainstream, many

audiences will never find them and they will not succeed. Set-top box innovation would open that system.

You don't have to go as far back as telephone monopolies to understand where the set-top innovation issue lies in context. You only have to look back 25 years. Cable today is AOL circa 1995, a hugely popular —but closed— system, with deep penetration into the American home. It masquerades as offering real choice. Streaming channels and apps are, by comparison, the pre-browser websites with long URLs that sat outside that system.

View unlocked set-top boxes, then, as the 21st century version of web browsers, innovations that allow you to find the wide array of choices faster and easier. And, as with browsers, the ability for the content to be discovered will make a huge difference for both consumers and creators. No need for multiple devices or changing between television inputs, to find what you are looking for. This workaround, while it helps, is costly, frustrating, and caused entirely by pay-TV systems in the cable and satellite arena that prefer to maintain control and profit close to \$20 billion each year on set top box rentals.

To be sure, the streaming world is no guarantee of success. Apple TV is a tough nut to crack for new streaming channels. ROKU wants 20 percent of your revenue. And just as with early websites, most new channels will struggle to find a revenue model and fail before it gets figured out. That's how business works. But an open system could mean that two guys in their basement could create a new set-top software model that makes it easier for anyone to launch a new channel, and out of those new channels, a few smart people are going to get it right —without a cable system deciding whether one is worthy to reach an audience.

That is the promise of innovation. No promise of winning, but a shot to try on a more even playing field. This is precisely why the FCC, against a strong tide of pay-TV systems, should move forward with its set-top box proposal. It's time to Unlock the Box.

Eric Easter
Chairman
National Black Programming Consortium
CEO of BLQBOX, a streaming video service.