NCTA
NATIONAL CABLE TELEVISION ASSOCIATION

ORIGINAL

DECKER ANSTROM
PRESIDENT & CHIEF EXECUTIVE OFFICER

EX PARTE OR LATE FILED

July 1, 1999

The Honorable William E. Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Carriage of the Transmissions
Of Digital Television Broadcast Stations
CS Docket 98-120

Dear Chairman Kennard:

We appreciate your leadership and continued emphasis on resolving compatibility issues as the nation begins the transition to digital television. Pursuant to your request at the Commission's May 20, 1999 digital roundtable, this letter outlines our schedule for resolving the remaining issues needed to achieve compatibility between digital television receivers and cable television systems. This is a top priority for us, and as you know, substantial progress has already been made. But resolving the final remaining issues will require the full cooperation of the consumer electronics manufacturing companies.

Interconnection and Copy Protection Issues

The ability to interconnect devices such as digital television receivers and set-top boxes is instrumental in the development and introduction of a myriad of new services, including digital video programming. As you know, NCTA and CEMA took a critical first step in October, 1998 by agreeing to complete the necessary extensions to the baseline IEEE-1394 specification for compatibility between digital television receivers and digital set-top boxes. We were pleased to report to you in January, 1999 that this

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specification was adopted as an standard through the Society of Cable Telecommunications Engineers (SCTE).

The next stage involved ensuring that the digital information passed over the interface is not vulnerable to unauthorized copying. In recognition of the concerns of the Motion Picture Association of America (MPAA), the cable, broadcast and consumer electronics industries continued to work together to ensure that copyrighted material sent over this digital link is protected. Several companies have developed the "5C" Digital Transmission Content Protection (DTCP) technology which appears to meet the needs of the MPAA with respect to content over digital interfaces. The cable industry believes that the proposed 5C technology is an effective way to provide copy protection, and has included this technology within the IEEE-1394 standard adopted in December 1998.[1] On June 29, 1999, we affirmed our support of this interconnection and copy protection technique (1394/5C) with a joint letter to the Commission from the National Association of Broadcasters and NCTA.[2]

We now expect to deploy set-top boxes in calendar year 2000 that will contain the IEEE-1394 interface for digital interconnection between a cable television set-top box and the input to a digital television receiver. We also will utilize the 5C copy protection technology in conjunction with this interface. While the use of 5C is subject to completion of a licensing agreement with the use of this technology, we believe that product development of this copy protection technique can proceed in parallel.

The cable industry expects that the first use of this interface will be with high definition digital television receivers. Specifically, we will begin to deploy set-top boxes with the IEEE-1394 interface and 5C copy protection in the third quarter of calendar year

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1 See Letter from Decker Anstrom, President and CEO, NCTA and Gary Shapiro, President, CEMA to William E. Kennard, January 5, 1999.

2 See Letter from Decker Anstrom, President and CEO, NCTA and Edward O. Fritts, President and CEO, NAB to William E. Kennard, June 29, 1999.

2000. NCTA believes that this approach will satisfy MPAA's concerns about the transmission of high definition and other copyrighted program material to consumers.

Cable Ready Digital Television Receivers

We are continuing to work closely with the consumer electronics industry to define requirements for "cable ready" digital television receivers. Our industries are working together to complete specifications and standards that will allow an "integrated" digital television receiver to be connected directly to a consumer's cable system. In April of this year we notified you that we were jointly examining certain requirements that should be present at the interface between a cable system and an integrated DTV receiver in order to facilitate basic compatibility.[3]

These issues are complex, but the cable industry is committed to resolving them this year with the consumer electronics industry. Specific issues still under discussion include RF interface specifications, video display formats, service information and the separable security module interface. We also believe that the 1394/5C interface should be included as an integral part of a cable ready DTV. While we understand that not all manufacturers support this 1394/5C combination, we are hopeful that this will be agreed to as part of the requirements for a cable ready DTV, particularly in light of the recent agreement between NAB and NCTA regarding the use of 1394/5C.

We have proposed a series of joint meetings between the cable and consumer electronics industries over the next several months that will include CableLabs and our MSOs' senior-level technical representatives to help resolve these items. The cable industry is committed to provide specifications for cable compatibility by October 31, 1999.

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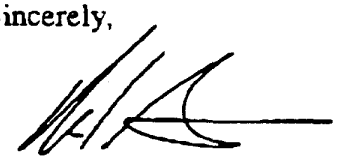
[3] See Letter from Decker Anstrom, President and CEO, NCTA and Gary Shapiro, President, CEMA to William E. Kennard, April 19, 1999.

To augment this process. CableLabs will develop an incubator for interoperability testing for integrated digital receivers that will accelerate the development cycle. CableLabs has invited consumer electronics manufacturers to work with the cable industry in a laboratory environment to address compatibility issues. We believe this type of effort can significantly help resolve technical issues and help accelerate development of individual manufacturers' equipment.

In sum. the cable industry is pursuing a variety of approaches to facilitate the deployment of digital television over cable systems. We believe that it is important for the American consumer to have inter-operable, compatible equipment in the transition from analog to digital television. We appreciate your continued interest and will keep you and your staff apprised of further developments.

Sincerely,



Decker Anstrom
President and CEO
National Cable Television Association

cc: Commissioner Susan Ness
Commissioner Harold Furchtgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani
Mr. Dale Hatfield, Chief, Office of Engineering and Technology
Ms. Deborah Lathen, Chief, Cable Services Bureau
Mr. Robert Pepper, Chief, Office of Plans and Policy
Mr. Jack Valenti, President and CEO, Motion Picture Association of America
Mr. Gary Shapiro. President. Consumer Electronics Manufacturers' Association
Mr. Edward O. Fritts, President and CEO, National Association of Broadcasters