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CableLabs®

Cable Television Laboratories, Inc.

VIA AIRBORNE

February 16, 2000

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Ms. Magalie R. Salas
Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, D.C. 20554

Re: Ex Parte Presentation; In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996; Commercial Availability of Navigation Devices: CS Docket No. 97-80

Dear Ms. Salas:

I am writing on behalf of Cable Television Laboratories, Inc. ("CableLabs") and its OpenCable project to respond to the concerns expressed by Circuit City Stores, Inc. ("Circuit City") with respect to the draft license for DFAST scrambling technology proposed by CableLabs. That license would permit DFAST technology to be used in individual Point-of-Deployment ("POD") modules and compatible host devices and thereby foster the commercial availability of navigation devices consistent with the rules adopted in the above-referenced proceeding. In particular, I am responding to issues raised by Alan McCollough, President and COO of Circuit City, in a meeting convened by Commissioner Susan Ness on January 29, 2000, and also raised in an ex parte filing on February 2, 2000 by Robert S. Schwartz, counsel for Circuit City.

First, as Circuit City recognizes, the draft license agreement for the POD-Host interface is not in final form. The draft which gave rise to the Circuit City concerns is for an "evaluation license" for the DFAST proprietary encryption technology used in the POD-Host interface. That evaluation license allows manufacturers access to the DFAST technology for developmental purposes. Given the July 1, 2000 deadline for cable operator provision of digital POD modules, it was important to get this license (even if not in the final form required for commercial production of PODs and host devices) in the hands of manufacturers as soon as possible.

Second, it is important to recognize that the requirements in the draft license generally are included because they address encryption technology by which cable operators will be able to prevent access to programming by anyone other than legitimate paying customers. We believe such requirements are consistent with the Commission's Navigation Devices rules. Circuit City acknowledges that provisions which relate to protection of content distributed on cable systems, many of which were included at the request of the Motion Picture Association of America and its members, are permitted by those rules. Other provisions were required by contracts we have with the owners of the DTCP technology used by the POD module to authenticate the host devices.

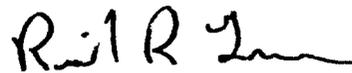
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In any event, in light of the concerns raised by Circuit City and others, we are in the process of scheduling a meeting with all interested parties, in order to reach a mutually-acceptable final DFAST licensing agreement. CableLabs has also solicited comments on the proposed agreement from Circuit City and from manufacturers who would be signing the agreement. To date, two companies have signed the agreement as it now exists and two other manufacturers have commented. CableLabs looks forward to finalizing the agreement and will keep the Commission apprised of our progress made.

In accordance with Section 1.1206 of the Federal Communications Commission rules, this original and one copy are provided to your office. A copy of this letter has been faxed to the parties listed below.

Very truly yours,



Richard R. Green
President and Chief Executive Officer

Enclosure

cc: Chairman William Kennard
Commissioner Susan Ness
Commissioner Harold Furchtgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani
David Goodfriend
Mark Schneider
David Farber
Robert Pepper
Dale Hatfield
Amy Nathan

Fritz Attaway
Chris Cookson
Alan McCollough