

**Panasonic**

ORIGINAL

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APR 20 2001

April 20, 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

BY HAND

Ms. Magalie Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street S.W., Room TW-B204  
Washington, D.C. 20554

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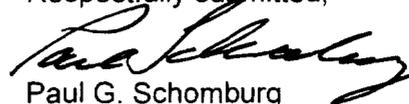
Re: Ex Parte Presentation in CS Dockets No. 97-80

Dear Ms. Salas:

Pursuant to 47 CFR §1.1206 of the Commission's Rules, enclosed is an original and one copy of a memorandum prepared by Matsushita Electric Corporation of America ("MECA", d.b.a. "Panasonic") summarizing the substance of its oral *ex parte* presentation to FCC staff members on April 18, 2001. Issues discussed in this meeting may relate to the FCC rules regarding Implementation of Section 304 of the Telecommunications Act of 1996 (CS Docket No. 97-80).

Additional copies of this memorandum have also been provided to the FCC representatives who attended this meeting and who are listed below.

Respectfully submitted,



Paul G. Schomburg  
Manager, Government & Public Affairs

Enclosures:

Cc: William H. Johnson, Cable Services Bureau  
Deborah Klein, Cable Services Bureau  
Steven Broeckaert, Cable Services Bureau  
John Wong, Cable Services Bureau  
Michael Lance, Cable Services Bureau  
Thomas Horan, Cable Services Bureau

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

April 20, 2001

MEMORANDUM TO THE FEDERAL COMMUNICATIONS COMMISSION

RE: CS Docket No. 97-80

*Ex Parte* Presentation Disclosure Concerning Implementation of Section 304 of the Telecommunications Act of 1996

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Pursuant to 47 CFR §1.1206, Matsushita Electric Corporation of America ("MECA", d.b.a. "Panasonic") submits this memorandum summarizing the substance of its oral *ex parte* presentation to members of the FCC's Cable Services Bureau, on Wednesday, April 18, 2001. Issues discussed in this meeting may relate to the FCC rules regarding Implementation of Section 304 of the Telecommunications Act of 1996 (CS Docket No. 97-80). A copy of this memorandum has been submitted via ECFS to the Commission's Secretary.

The meeting took place at Panasonic AVC American Laboratories, Inc. ("PAVCAL") offices in Westampton, NJ, where the FCC staff toured Panasonic's premier DTV development laboratory and met members of PAVCAL's engineering staff engaged in developing digital television products. The purpose of the meeting was to provide information about Panasonic's DTV development activities for cable, satellite, and terrestrial products for consumer and professional applications.

The meeting was attended by Panasonic representatives Mr. Sai Naimpally, President & Chief Operating Officer, PAVCAL; Mr. Joe Rodolico, Project Leader, Technical Marketing, PAVCAL, Mr. Peter Fannon, Vice President, Technology Policy & Regulatory Affairs, MECA, and Mr. Paul Schomburg, Manager, Government & Public Affairs, MECA. FCC Cable Bureau participants were Mr. William H. Johnson/Deputy Bureau Chief, Ms. Deborah Klein/Chief, Consumer Protection and Competition Division, Mr. Steve Broecker/Deputy Chief, Consumer Protection and Competition Division, Mr. John Wong/Chief, Engineering and Technical Services Division, Mr. Michael Lance/Deputy Chief, Engineering and Technical Services Division, Mr. Thomas Horan/Counsel, Cable Services Bureau. During the laboratory tour additional Panasonic staff provided demonstrations of their work.

Panasonic provided an overview of Matsushita's worldwide business and R&D activities. Panasonic described in general the status of Panasonic's DTV development efforts worldwide and in the United States, and PAVCAL's mission to develop DTV products for consumer and

professional use. Panasonic also described major PAVCAL projects, including digital set-top box products for AT&T Broadband Services (cable) and DIRECTV (satellite), professional AV equipment, and consumer AV products, including networked products using digital interfaces such as IEEE-1394, and including accessories such as hard-disk drives, DVD drives, and SD-Memory Cards.

Panasonic described its desire to develop "cable-ready" products (such as set-top boxes with a POD interface; and DTV sets with a POD interface, for direct connection to a cable system without using a set-top box and/or with a digital interface such as IEEE-1394 to connect an advanced digital cable set-top box) for retail sale unaffiliated with a specific cable operator. Panasonic described its long-standing work with CableLabs, cable operators, and other industry participants to resolve outstanding technical and business issues associated with such products, including Panasonic's frequent participation in CableLabs' interoperability testing and engineering change request ("ECR") process, demonstrations at cable industry trade shows, and joint testing with individual POD and cable head-end manufacturers.

In response to FCC questions on the status of OpenCable™ specifications, Panasonic noted that final implementation of important services such as Electronic Program Guide (EPG) and impulse-pay-per-view (IPPV) requires additional work in the CableLabs process. Panasonic reported it believes that, if cable systems' EPGs are not available to Panasonic or its products' design and operation, then while it would be perhaps less desirable, there may be some means to acquire program data independently for the purposes of creating a complete program guide including all appropriate cable program listings. For example, Panasonic said it was studying wireless and wired dial-up connection, cable modem, and other transmission methods either relying on the cable system or independent of the cable system. In response to questions from FCC staff for more information on the EPG issue, Panasonic reported that efforts with cable operators for access to their EPGs and/or their program data had not been successful to date in providing business arrangements which would provide such access.

Panasonic also reported that it had successfully tested the "reverse data channel" and "IPPV protocols," which are part of the approved OpenCable™ POD-HOST specification, with a major POD vendor in January 2001, at the vendor's facilities, and unofficially at CableLabs in parallel with the interoperability testing there in February 2001. Panasonic noted that it had, at that time, requested that CableLabs provide an opportunity soon to officially test and certify IPPV at the next interoperability testing period. While IPPV is required to be built into the POD and Host devices under the OpenCable™ POD-HOST specification, CableLabs has not

scheduled testing of PODs for compliance with IPPV; and CableLabs has advised Panasonic that it will not address testing of IPPV contained in the completed OpenCable™ POD-HOST specification, until CableLabs completes its ongoing specification for “OCAPS application middleware.” Panasonic reported that CableLabs had indicated that OCAPS middleware is required for testing IPPV due to the need for access to an EPG to make it work. Panasonic reported it had indicated to CableLabs that Panasonic believes that basic IPPV functionality (i.e. the purchase of a current program), which is included in the OpenCable™ POD-HOST specification and already unofficially proven to work with a POD, can be successfully implemented without access to an MSO-supplied EPG. Panasonic reported that it had urged CableLabs (and some Cable operators) not to defer any longer implementation of IPPV while awaiting completion of the OCAPS middleware specification through the CableLabs process and its deployment in cable systems, in as much as it would effectively stop Panasonic development of an important feature which is key to consumer acceptance of a “cable-ready” product. . In response to FCC questions on Panasonic’s plans to support OCAPS middleware, Panasonic noted its concerns regarding the tremendous complexity inherent in such designs, and therefore Panasonic’s concern that it will take a long time, possibly years, for such a complex specification to be completed and then actually implemented in all US cable systems. Panasonic noted that the current, approved OpenCable™ POD-HOST specification already provides a working solution for implementing now simple IPPV, which should work on any cable system in compliance with that OpenCable™ POD-HOST specification; and Panasonic said such near-term implementation would help realize both “cable-ready” TV sets sooner and speed both their penetration in homes and the overall DTV transition.

In response to FCC inquiries regarding differences between other service providers and the OpenCable™ development process, Panasonic noted that some other service providers require certification to a detailed specification, but allow manufacturers flexibility to add additional features so long as these features do not compromise the service providers’ basic requirements. In comparison, Panasonic noted that the CableLabs PHILA, as submitted in January 2001 to the FCC, requires compliance not only with the OpenCable™ HOST-POD Specification, but also to other CableLabs device specifications that are not now completed and thus are open-ended, or which require specific features. At Panasonic’s urging CableLabs did eliminate in its “final PHILA” a requirement for IEEE-1394 in PHI licensed devices; but Panasonic remains concerned about other obligation under the license it feels are neither necessary or desirable for cable-specific purposes. Panasonic reported that, as it has advised CableLabs that these other CableLabs device specifications required by the PHILA are

unnecessary and inappropriately rigid with respect to product features and thus preclude flexibility needed by manufacturers to develop innovative products of interest to consumers and helpful to the DTV transition.

In response to FCC questions on deployment schedules for cable-ready DTVs and independent retail set-top boxes, Panasonic reported that without a practical EPG solution and near universal cable system support for IPPV, such products would not be appealing to consumers, practical for use, or competitive with MSO-supplied, leased set-top boxes. With the addition of these two features, however, Panasonic felt that such products would be well accepted by consumers, and would also provide additional revenue sources to cable operators from IPPV sales in "cable-ready" homes and through connection of multiple "cable-ready" DTV sets in a cable subscriber's home.

Attachments:

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## FOR IMMEDIATE RELEASE

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## **PANASONIC DEMONSTRATES INTEGRATED DIGITAL CABLE TELEVISION PROTOTYPE AT THE WESTERN CABLE SHOW 2000**

### **\* Points to Potential Future Interactive Digital Cable Services \***

**LOS ANGELES, CA (November 29, 2000)** – Panasonic AVC American Laboratories, Inc. today demonstrated a prototype Digital TV Cable Receiver platform built into both a television and a set-top box at the Western Cable Show in Los Angeles. The integrated digital television and set-top box are on display at the Panasonic booth (1901) with an additional set-top display at the CableNet 2000 booth.

Developed by Panasonic AVC American Laboratories, Inc., in the heart of New Jersey's "Video Valley," the new prototype derives its versatility from a Point of Deployment (POD) interface designed to the CableLabs OpenCable™ POD-Host interface specifications. The POD module takes the form of a standard PCMCIA card equipped with all cable service security-related features. This module easily fits into a slot in the digital television set or set-top.

"This platform demonstrates real progress toward building what the FCC has termed digital 'cable-ready' television products," explained Joe Rodolico, Technical Marketing project leader at Panasonic AVC American Laboratories, Inc. "The OpenCable™ compliant POD module enables separable security, a key requirement for portability. This portability is important to consumers, as it will allow them to use their integrated digital TV receiver, even if they move to a new neighborhood that is served by a different cable company."

Although low-cost POD modules may be specific to a cable company, the integrated digital TV receiver will work with any cable company. The integrated receiver can eliminate any requirement for the consumer to use a separate set-top box.

Sai Naimpally, president of Panasonic AVC American Laboratories, Inc., added: "Final implementation of important services – such as impulse-pay-per-view and video-on-demand – will require additional work on the CableLabs process. We are looking forward to working with the cable industry to complete these requirements as soon as possible."

To demonstrate conditional access operation with leading cable system POD module suppliers, the Digital TV Cable Receiver exhibit will use video content that consists of clear and scrambled digital streams.

Conditional access operation is the software system by which only authorized subscribers can view certain programming/services.

The prototype Digital TV Cable Receiver is capable of receiving in-the-clear analog channels, tiers of digital basic and digital premium programming channels and is equipped with basic return path for the reception and processing of some information carried in the Out of Band (OOB) data channel. Panasonic plans to continue working with the cable industry to enhance the two-way capability to enable the receiver to have access to all digital video programming tiers including Impulse-Pay-Per-View (IPPV) programs by remote control.

This represents the first demonstration of an integrated digital TV set that provides, through the POD, a secure mechanism for conditional access of any cable system in the country compliant with OpenCable™ specifications. The prototype platform is the foundation for a variety of future digital cable receiver products, including integrated digital TVs, digital set-top boxes, digital VCRs, digital TV/VCR combinations and digital PVRs (personal video recorders) available for purchase at retail.

**About Panasonic AVC American Laboratories, Inc.**

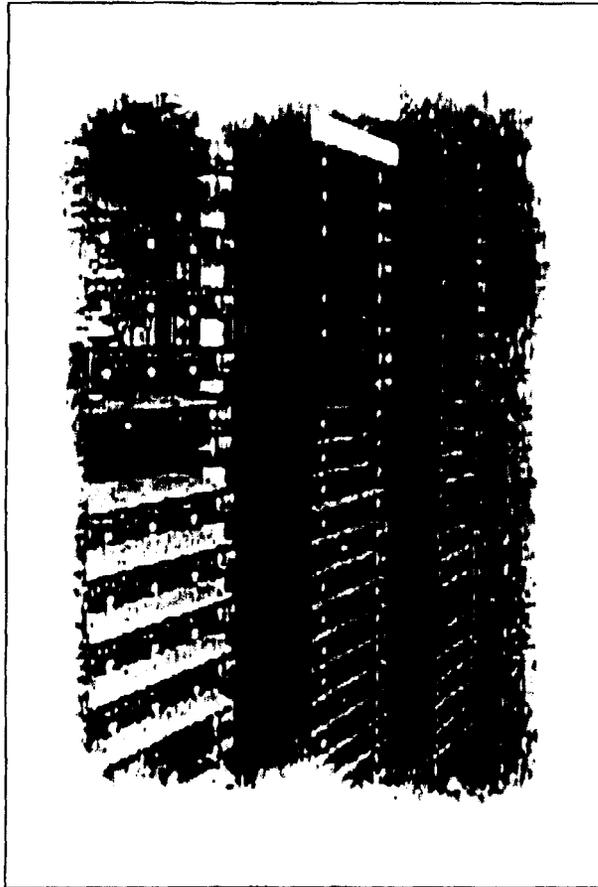
Westampton, NJ-based Panasonic AVC American Laboratories, Inc., is a leader in the field of digital TV, having introduced the world's first single-chip MPEG HDTV all-format video decoder, ATSC digital TV set-top box and Universal Format Converter. PAVCAL is the primary Panasonic research and development site for advanced digital television and multimedia technologies in North America for Japan-based Matsushita Electric Industrial Co., Ltd. (NYSE: MC). One of the world's leading developers and manufacturers of digital and other electronic products for the home, the office and in between, Matsushita Electric is best known for its Panasonic brand products. For more information on Panasonic and Matsushita, visit [www.panasonic.com](http://www.panasonic.com).

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# Panasonic Digital Prototype Platform Television

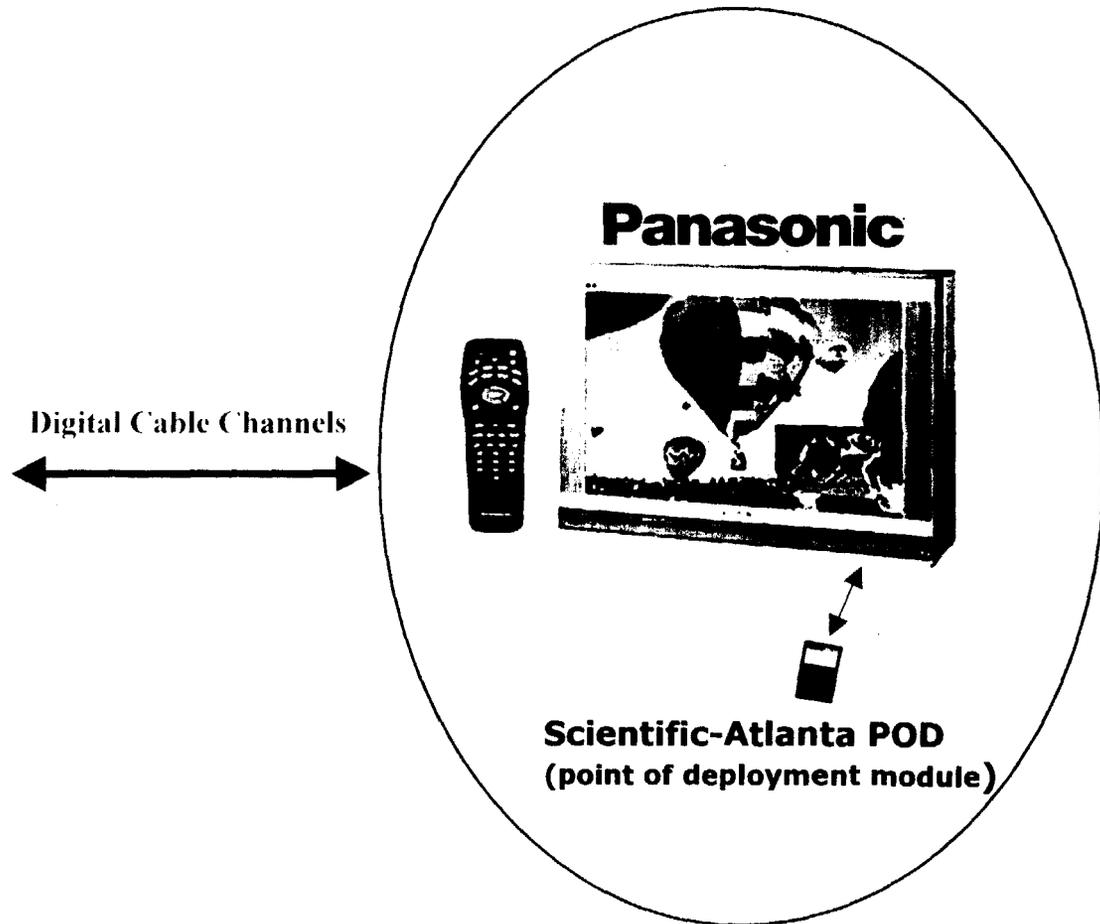
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## COX Communications Las Vegas Cable TV System



**Cox Communications, Las Vegas Headend**  
121 S. Martin Luther King Blvd.  
Las Vegas, NV 89106

## Las Vegas Convention Center (CES Panasonic booth 2001)



**Convention Center**  
3150 Paradise Road  
Las Vegas, NV 89109

# Panasonic

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## **Our demonstration will show:**

- Digital Cable Receiver operation on a live Digital Cable system (Cox Communications, Las Vegas)
- Display of in-the-clear stream content
- Display of encrypted stream content
- Authorization of Digital Cable Programming Services

## **Background**

Today's fielded Digital Set Top boxes encompass integrated security. The set top is permanently tied to the same vendor that provides the Conditional Access System residing in the Cable Systems Headend. Portability across all cable systems is not an option for integrated security set tops.

To separate the security, a Point of Deployment (POD) module is utilized for the deployed set top. The POD module is tied to the associated Conditional Access System. Portability is accomplished by providing the POD module to the customer.

The digital prototype platform is the foundation for future Digital Cable receiver products including Integrated Digital TVs, Set Tops, VCRs, TV/VCR Combos and other products.

## **Benefits**

- Portability across Cable Systems
- More advanced services into the home
- Reduced Cable system inventory costs due to retail availability
- Healthy competition for the industry



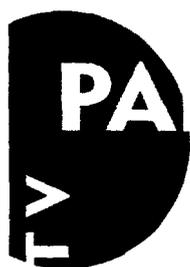
# Panasonic



*For more information contact Joe Rodolico, Panasonic AVC American Laboratories, Inc. Technical Marketing at (609) 518-3700  
<http://www.TheNextRevolution.com/>*

CES 2001 Las Vegas Nevada, January 6-9, 2001

# Panasonic®



## Technology

Today's fielded digital set-top boxes include integrated security. The set-top box is permanently tied to the same vendor that provides the conditional access (CA) system residing in the cable systems headend. Portability across all cable systems is not an option for integrated security set tops.

To separate the security, a point-of-deployment (POD) module is utilized for the deployed set top. The POD module is tied to the

associated CA system, and portability is obtained by providing the POD module to the customer.

Panasonic has tested its navigation host devices (digital cable hardware platform) at the November 2000 dry run held at Cable Television Laboratories, Inc. (CableLabs®). The platform is the foundation for future digital cable receiver products, including integrated digital TVs, set tops, VCRs, TV/VCR combinations, and other products.

## Benefits to Cable

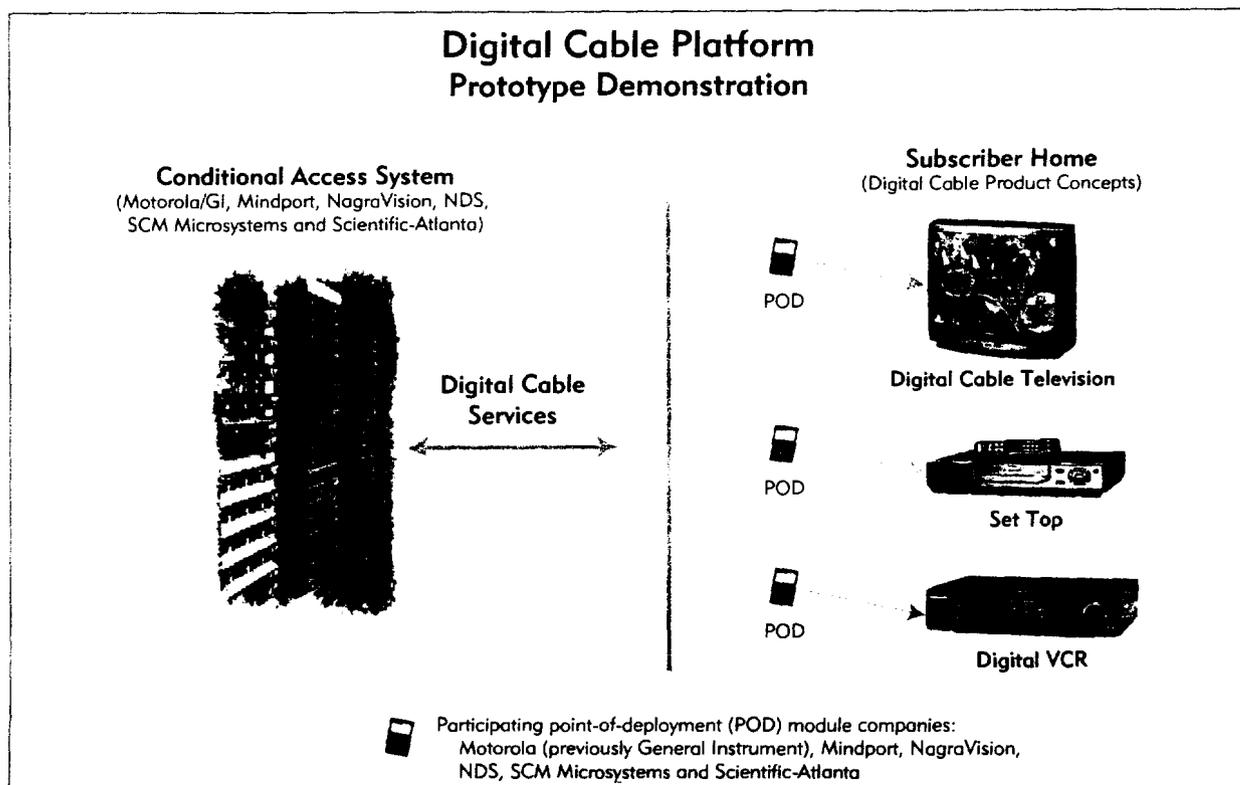
Panasonic's technology provides:

Portability across cable systems;

More advanced services into the home;

Reduced cable system inventory costs due to retail availability; and

Healthy competition for the industry.





## Demonstration

Panasonic's demonstration will include:

Digital cable receiver operation on a live digital cable system;

Display of in-the-clear stream content;

Display of encrypted stream content;

Authorization of digital cable programming services; and

Ability to interface with a variety of CA systems utilizing POD modules.

# Panasonic



## Panasonic

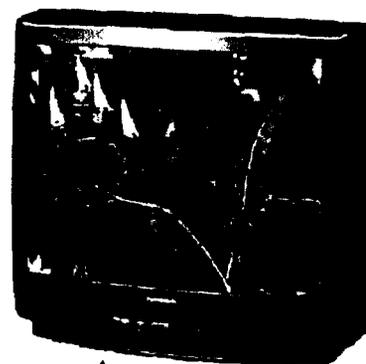
### DIGITAL CABLE TELEVISION

Prototype Demonstration



**Conditional  
Access System  
(MSO Headend)**

**Digital Cable Services**

A horizontal double-headed arrow pointing from the MSO Headend on the left to the Digital Cable Television on the right.

**Digital Cable  
Television**

Our demonstration will show:

- Digital cable television operation on a live digital cable system
- Display of in-the-clear stream content
- Display of encrypted stream content
- Authorization of digital cable programming Services
- Ability to interface with a variety of conditional access systems through Point-of-Deployment (POD) modules.

CableLabs/CCTA

CableNET® '99

## Background:

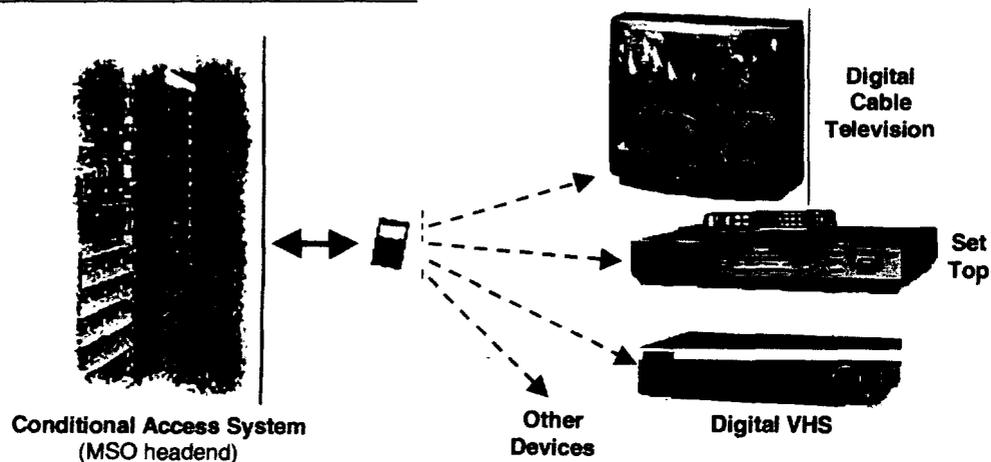
Today's fielded digital set-top boxes encompass integrated security. The set top is tied forever to the same vendor that provides the conditional access system which resides in the cable systems headend. Portability is not an option for integrated security set tops.

To separate the security, a Point-of-Deployment (POD) module is utilized for the deployed set top. The POD module is tied to the associated conditional access system. Therefore, portability can be accomplished by providing the POD module associated with the conditional access system of the cable system providing service to the customer.

Panasonic has successfully completed initial testing of its navigation host devices (Digital Cable Hardware Platform) at the July 1999 Interop held at CableLabs. The host OpenCable POD interface has successfully completed initial testing using the required SCM POD Tool™.

- Digital cable television portability across cable systems is attained by the use of the POD Module.
- The POD moves advanced services into the home by providing more choices for the consumer.
- Healthy competition for the industry is the overall result of separable security utilizing the POD.
- Cable system inventory costs are reduced through retail deployment of digital cable television products.

### DIGITAL CABLE PRODUCT CONCEPTS



For more information contact Joe Rodolico, Panasonic AVC  
American Laboratories, Inc. at (609) 386-8600 or by website:  
[www.thenextrevolution.com](http://www.thenextrevolution.com)