



## ***2002 International Consumer Electronics Show***

### 1. HDTV: Building Momentum and New Widescreen Products

Industry sales of HDTV monitors and sets doubled in 2001, and Thomson is responding to growing demand for a wide variety of RCA and RCA Scenium high-definition televisions, monitors, and related home entertainment gear. A new lineup of 2002 HDTV sets and HDTV monitors add convenient copy-protected DVI-HDTV and DTVLink (1394) interfaces that connect to next-generation HDTV satellite and cable equipment.

### 2. Cable Must Come To The Party

The ability to receive Digital TV via digital cable systems not only is readily achievable but is essential to drive DTV receiver penetration to the 85 percent target established by Congress. Most of the nation's cable TV Major System Operators have yet to fully commit to delivery of digital HDTV signals to their customers. No national standard exists for cable operators to deliver digital TV, and the result is a fragmented rollout with few systems actually passing broadcaster-provided HDTV signals.

Since most U.S. households subscribe to cable, it's obvious that a stronger commitment to carry digital HDTV signals is needed from the nation's cable operators.

### 3. The Cable and Consumer Electronics Industries Must Work Together To Develop True DTV Cable Compatibility

The recent release of OCAP 1.0 and the SCTE digital cable network interface standards are important first steps toward DTV cable compatibility, but they will not result in plug-and-play DTV cable interconnection such as consumers currently enjoy with analog products.

The process needs to be opened up and the next iteration of these specifications needs to be the product of the full collaboration of the cable and consumer electronics industries. The model for such cooperative standards setting exists – it was embodied in the development of the ATSC standard and its ultimate adoption by the FCC in 1996.

Absent such a process, with a deadline for completion, future DTV consumers will be forced to purchase or lease separate cable set-top boxes. The option of an integrated cable DTV receiver will be foreclosed.

#### 4. An Acceptable Compromise on Copy Protection Must Be Achieved

The proposed Point-Of-Deployment (P.O.D.) license (PHILA) will allow content owners to prevent home recording of some digital programs or to automatically erase others that have been legally recorded with digital consumer products, such as personal video recorders, for use within a personal home network. If the PHILA license is not changed, consumers will only be able to purchase digital home recording products that are LESS functional than a common analog VCR.

Regrettably, manufacturers are prohibited (by licensing agreements) from sharing information with each other about the contents of the PHILA license presented to 5C licensees for consideration. The FCC should review the PHILA license and solicit public comment on it to insure that both the rights of content owners and the home recording rights of consumers are protected in a digital environment.

#### 5. Forced Integration of DTV Tuning Would Slow, Not Hasten, the Transition

A mandate whereby all television receivers would be required to include DTV reception capability for terrestrially broadcast signals by some date certain would impose substantial and unreasonable costs on consumers – potentially doubling or tripling the cost of the average TV set. At minimum, forced integration of digital TV tuning would add \$250 to the cost of the average consumer TV set.

Such a requirement does nothing to address the bigger issue of ensuring that digital TV sets work with digital cable systems, or that unique digital programming is actually available to give consumers a good reason to transition to digital equipment.