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June 6, 2002

Marlene H. Dortch
Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, D.C. 20554

RE: ***Written Ex Parte Communication:*** **CS Docket No. 97-80: Implementation of Section 304 of the Telecommunications Act of 1996; Commercial Availability of Navigation Devices**

Dear Secretary Dortch:

Pursuant to instructions from the Media Bureau, the Consumer Electronics Association ("CEA") hereby files the attached questions and answers as a follow-up to the May 10, 2002 roundtable discussion with Commission staff. Please contact me if you have any questions.

Respectfully submitted,

/s/ Michael Petricone

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Attachment

I. Introduction

The following are answers to the written questions distributed in advance of the May 10 roundtable discussion (Hoedown) with FCC staff. This filing is in response to the request of Media Bureau Chief Ken Ferree, who asked that answers to the written questions be entered in this docket.

II. CEA Answers to Hoedown Questions

I. PROCESS ISSUES

A. Has the issue of indemnification against 3rd party intellectual property infringement claims been resolved?

It is our understanding that a number of issues regarding 3rd party intellectual property infringement claims remain problematic for many consumer electronics manufacturers, for example:

- The non-assert provisions contained in section 8.5 remain overly broad in that they are not limited to claims which must necessarily be infringed in order to build a licensed product, and are not limited to those portions of a licensed product which must implement the technology pursuant to the specifications. The non-assert provisions are also ambiguous in that they do not specify how claims which are introduced into the specifications as a result of changes made pursuant to section 3.5 of the agreements should be treated. These shortcomings are particularly troubling given CableLab's wide discretion to change the robustness rules, compliance rules and other specifications

- The "third party beneficiary rights" provision of Section 12.1 would subject manufacturers to multiple claims arising out of identical circumstances. In addition, the award of actual damages and attorney's fees is unreasonable and inconsistent with similar agreements.

- Section 12's requirement that third party beneficiaries comply with the breaches and cures provisions of Section 7.2 is unreasonable. Actions and decisions with respect to cures or breaches are customarily undertaken by the licensor rather than a third party beneficiary.

- Section 12's reference to signers of the "standard POD-HOST interface license agreement" can be read to imply that not all manufacturers of the POD-HOST license agreement will be subjected to the same conditions, or compliance and robustness rules.

B. Does the PHILA non-disclosure agreement prevent a party from filing a complaint with the Commission regarding the terms of either of the PHILA's filed in the navigation devices proceeding?

Manufacturers who have been required to sign CableLabs' non-disclosure agreement must individually determine to what extent they may comment publicly on any given PHILA draft. However, the non-disclosure requirements cannot helpbutimpede manufacturers freedom to comment publicly on the PHILA. Moreover, CEA believes that the offering of the PHILA under a non-disclosure agreement is not only unnecessary but also improper given that the authority to license competitive manufacturers was delegated to CableLabs as a public trust and in fulfillment of FCC and statutory obligation.

It is notable that, after more than two years of negotiation with CableLabs, none of the manufacturers anxious to sell competitive navigation device products has been able to sign the PHILA license. Clearly the current process is not working.

We urge the Commission to insist on a more productive and transparent approach, including:

- the creation of a public web-based reflector, or, alternatively, an advisory committee operating under FCC auspices, in which manufacturers, Cable MSOs, CableLabs, interested parties, and the public can discuss PHILA license terms and their public policy implications;

- the determination that certain elements of the publicly available PHILA violate FCC regulations; and

- the imposition of sanctions on MSO's combined with the issuance of regulations enforcing the right to attach if a PHILA agreement is not concluded by a date certain.

C. Does the PHILA violate any of the Commission's navigation devices rules?

Yes, numerous provisions of the PHILA violate the "right to attach" guaranteed by sections 76.1201 and 76.1204 of the Commission's rules.

The PHILA requires an open-ended technical commitment by CE manufacturers to technical requirements that have no relationship to protecting cable networks from harm and preventing theft of service. The PHILA requires compliance with various unnamed (and possibly not yet formulated) OpenCable specifications beyond the PHI specification. For example, the proposed certification process encompasses numerous extraneous requirements such as audio and video output signal quality, immunity from power surges, inclusion of error displays, battery life for back-up memory, and many others. As a result, to comply with the license, retail manufacturers may be required to add features and functions beyond those necessary for compliance with the PHILA itself.

In addition, manufacturers may be precluded from adding competitive features/functions such as personal video recorders to their products. This is because the PHILA requires CableLabs certification of manufacturer added features or functions before the products may use the POD-Host technology.. Any such restrictions based on these provisions of PHILA appear to be in violation of the FCC Order on navigation devices, which prohibits

multi-channel video programming distributors from using their intellectual property rights to limit the design freedom of retail manufacturers who are forced to enter into licenses for the PHI technology.[1]

In addition, the PHILA does not reference the completed SCTE consensus technical standards, but rather, the OpenCable technical specifications despite Cable industry pledges to support SCTE standards.[2] The OpenCable specifications are subject to change without assurance of full participation or input from impacted licensees. Congress plainly instructed the FCC to rely on industry consensus standards for national retail compatibility, not OpenCable specifications.[3]

The license contains numerous requirements as to certification, indemnification, IP, and other critical business terms that appear to have nothing to do with preventing harm to the network or theft of service, and much more to do with conferring unreasonable commercial advantages on MSO's. These requirements constitute "commercially unreasonable terms" as specifically prohibited by subsections 1201 and 1204. This is especially true in light of the fact that there is no assurance as to when or if the specifications that PHILA requires manufacturers to meet will be fully implemented on cable systems or no certainty that competitive products will function fully on cable systems when cable operators are free to implement the specification only in part, or not at all, for their own proprietary equipment. Indeed, in signing the PHILA, a competitive manufacturer is required to accede to technical and market disadvantage with respect to MSO-distributed products, again in violation of applicable FCC regulations.

Finally, CableLabs continues to insist on the inclusion in PHILA by reference to the OpenCable Application Platform (OCAP) of "selectable output control", even after the Motion Picture Association of America (MPAA) stated that it was no longer seeking such protection for its content. In the May 10 PHILA "Hoedown" (the Hoedown) cable representatives explained that they believe such capability was required to ensure that cable remains competitive with future video delivery services. Inclusion of PHILA terms based on their conferral of commercial advantage to the cable MSO's clearly violates subsections 1201 and 1204.

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[1] Although PHILA includes provisions that purportedly allow for "Flexible Implementations" and "Limited Implementations" (see, i.e., § § 4.2 and 4.3 of PHILA), these provisions are insufficient to allow CE manufacturers to fully-exercise their design freedom. For instance, § 4.2 of PHILA, allowing for Flexible implementations, allows Cable Labs to prohibit additional features or functionalities for a variety of broadly stated reasons. Section 4.3, allowing for limited implementations, allows the manufacturer only to delete the IEEE1394 interface for unidirectional devices.

[2] In a 2/28/02 ex parte filing to the FCC, NCTA stated that its members would support three SCTE standards for cable-ready sets to fulfill its commitment to the February 2000 NCTA-CEA agreements and the OpenCable process. The NCTA Exparte states: "Consistent with our commitment to the February 2000 agreements, the OpenCable process, and these OpenCable specifications in particular, our companies will support CableLabs-certified, integrated DTV sets built to CableLabs specifications (now embodied in the above SCTE standards) so that those DTV sets can provide the services we make available to our customers using the set-tops we lease to them."

[3] See 47 U.S.C. § 549(a) ("The Commission shall, in consultation with appropriate industry standard-setting organizations, adopt regulations to assure the commercial availability, to consumers of multichannel video programming and other services offered over multichannel video programming systems, of converter boxes, interactive communications equipment, and other equipment used by consumers to access multichannel video programming and other services offered over multichannel video programming systems, from manufacturers, retailers, and other vendors not affiliated with any multichannel video programming distributor . . .).

The attachment of customer premises equipment (CPE) to the telephone network presents a model the Commission should consider with respect to cable equipment. In 47 CFR Part 68, the FCC promulgated regulations to protect the telephone network from harm. Those regulations reference private sector consensus standards and permit CPE manufacturers to self-declare compliance, or if they so choose, to obtain testing services from an independent laboratory unaffiliated with the telephone carriers.

The Part 68 approach permits maximum flexibility, innovation, and competition, while still ensuring the protection of the network from harm. The Commission should base its cable CPE regulations on the same concepts of full consensus technical standards and manufacturers' responsibility for self-certification or certification from competent laboratories of their choosing.

D. How many certification processes are there? Does signing a PHILA agreement require a set-top to be OpenCable/OCAP certified?

According to the PHILA,, before a POD is provided to a manufacturer or consumer, CableLabs must certify the host device in question. Section 1.4 of the most recent public PHILA explicitly restricts certification to "CableLabs' controlled process" In essence, PHILA empowers the owners of Cablelabs to act as a certification monopoly, free to set certification fees at whatever level they wish, establish certification schedules according to their timing, and approve or disapprove of the certification of products at will.

The resulting CableLabs certification process is costly, time consuming and risky for any participating retail vendor. The CableLabs certification board is a closed-door entity that does not include CE manufacturer representation, and can reject certification/qualification for a CE manufacturer's device based on their internal judgment call. We are particularly concerned that CableLabs,whenever its capacity to test and certify becomes stressed by a large flow of products, will give priority to testing products that CableLabs' owners want to evaluate for their own procurement at the expense of certifying retail products.

In addition, it is unclear how many certification processes CableLabs seeks to require. For example, Exhibit C, section 2.3 of the most recently released draft states that "licensed products shall be designed and manufactured as specified by OCAP." While it appears that OCAP is required in a licensed device, it is not specified whether OCAP would be certified as part of the OpenCable product category or would require a separate certification process.

CableLabs claims that the PHILA certification process was adapted from the procedure developed for the DOCSIS™ cable modem effort. Unfortunately, the digital television (DTV) technical environment is far more complex than that of cable modems, and includes a unique set of security and legacy issues. Additionally, consumer electronics products incorporate significantly more competitive product features than do simple modem products. As a result, the iterative certification process developed for DOCSIS™ is entirely inadequate for allowing rapid deployment of the many varieties of CE products that could be connected to a cable system.

For example, if a new device type, not defined by an OpenCable specification, (i.e. a TV/PVR combo) is submitted for certification, CableLabs requires the submitting vendor to write, test and submit the test plan required, which then becomes CableLabs property by default. Additionally, up front, the vendor must write the new specification (or an

update to an existing specification) for the new device and have the specification approved by CableLabs. This presents a significant burden to CE manufacturers who face substantial competitive pressures to continually diversify their product portfolios.

For competitive manufacturers, the CableLabs certification process would lead to an increase in bottom-line costs and significant delays in time-to-market for new products.

E. Is there any reason for a cable operator to require additional testing from an OpenCable certified piece of equipment before it authorizes the box to receive service?

No, and we are concerned about reports that further testing is being required by some MSOs for DOCSIS™ certified modems (as well as reports that such modems do not work on all cable systems) given that the cable industry has used the DOCSIS™ process as an example of their ability to successfully certify commercially available products.

Indeed, we do not believe there is any need for any testing or certification beyond a manufacturer self-declaration of conformity with the applicable specifications. The CableLabs certification process, as currently envisioned, can be expected to significantly delay the availability of cable devices in the marketplace. First, CableLabs is owned by cable operators and, in the absence of strong regulatory incentives, cannot be expected to represent competing interests fairly. There is a direct and obvious conflict of interest in the cable industry facilitating the sale of products that will compete directly with those offered by a MSO's.

In addition, the certification process introduces unnecessary cost, delay, and technical uncertainty for manufacturers. Manufacturers have the technical competence to self-test and self-declare conformity to the core compatibility standards, as well as the robustness rules for implementing content protection mechanisms. The FCC permits self-declaration of conformity for telephone terminal equipment attachment to public networks under the FCC's Part 68 rules. The same principle should apply to cable compatibility.

Finally, under CableLabs' proposed certification program, when manufacturers add new product features, they must develop (at their own expense) new certification test plans. It is unclear whether re-certification must take place if the new features are unrelated to a product's functions under PHILA (for example, merely changing the capacity of a hard disk drive or the speed of an optical storage drive would not change the inherent functionality of the product or pose harm to the network)) A process that requires every new product model to be certified is inherently expensive, slow, and anticompetitive. This is especially problematic in the competitive technology industry where consumer demand requires the constant and ongoing addition of innovative new functions and features.

II. COPY PROTECTION

A. Encoding Rules –

1. Should cable and satellite be operating under similar rules? Have manufacturers signed licensing agreements with satellite operators that contain copy protection standards that they oppose in the context of the PHILA?

CEA is not privy to the contracts that individual manufacturers have signed with satellite operators. However, at the May 10 "hoedown" manufacturers familiar with both agreements stated that the copy protection provisions of the PHILA are more stringent than those found in satellite licenses.

Specifically, CEA understands that satellite licenses contain no provisions for the downresolution of analog outputs, or the application of selectable output control as to digital interfaces. At the requirement of content owners, satellite contracts were said to provide for the disabling of unprotected analog outputs, although this capability has never been implemented.

These existing satellite contracts, however, should not be used as a "baseline" for all copy protection agreements. Satellite requirements aimed at analog inputs predated the development of secure digital interfaces such as 1394/DTCP and DVI/HDCP. These approved, secure digital connections now exist, making it no longer be necessary for such intrusive analog output controls to be required. More than two million consumers have purchased HDTV monitors and HDTV sets that ONLY have analog connections. These "early adopter" consumers should not be stranded by license provisions that would favor the digital connection over an analog connection. Some accommodation for such consumers must be made or policy makers and the industry will face a backlash from the very group of consumers at the forefront of the digital television transition.

This is especially important since, unlike in the satellite context, the most far reaching copy protection provisions of PHILA which are destructive of fair use rights and degrade HDTV apparently are no longer being demanded by MPAA or its members, but, as discussed at the Hoedown, are sought by Cable MSOs expressly to enhance their competitive position against future technologies and providers.

2. Could the affected industries live with the 5C encoding rules as a general policy? What about 5C encoding rules as a baseline that could be overridden for specific non-broadcast content with robust notice and customer express consent?

The CE industry believes that agreed-upon encoding rules are essential to protect Americans customary non-commercial home recording rights. The 5C encoding rules represent an example of an approach that has been found acceptable by a number of motion picture and CE companies. While the 5C rules might serve as a point of departure, the PHILA must contain a set of rules, not tied to any specific copy protection technology, which will preserve and protect Americans' home recording expectations.

At the May 10 FCC roundtable meeting and at other public fora, Cablelabs representatives stated that they would not object to the inclusion of such encoding rules. If this is indeed the case, it should be relatively easy to move to the inclusion of consumer fair use protections in the PHILA.

B. Down resolution – Is there an alternative to down resolution to address the analog hole issue?

Downresoluton should not be considered as a solution to address the retransmission of component video signals. CEA is committed to maintaining the full value of the investment made in good faith by the 2.7 million Americans who have already spent more than 5 billion dollars on DTV products. Virtually all of these products rely solely on component analog video interfaces.“ Downresolution” would punish these pioneering early adopters by cutting off their high-quality, HDTV signals. Such a result would lead to irate, alienated consumers and a stalled DTV transition.

At the same time, we are mindful of the content industry’s concerns that without technological and licensing tools, there will be no way to prevent re-digitization of HDTV signals for passage over the Internet. However, we do not believe that addressing this issue requires denial of consumer freedoms or disenfranchisement of current DTV owners.

Rather than downresolution or selectable output control, we would encourage a balanced approach that is fair to consumers. One such approach could be a narrowly tailored obligation on specifically defined future analog-to-digital converters to read and respond to watermark technology developed by private sector consensus.

The consumer electronics industry is willing to work with those seeking to address this issue so long as any solution is subject to reasonable encoding rules to protect customary consumer practices, the technology involved represents a multi-industry private sector consensus, and can be applied to devices without damaging their performance.

C. DVI Outputs - Is DVI spec something CE manufacturers can build-to, or does a decision need to be made between DVI and HDMI? If a choice needs to be made, how and when will it happen?

DVI (Digital Visual Interface), an uncompressed, digital video interface, was originally developed for the PC industry which was seeking a low-cost, high-bandwidth digital connection between PCs and digital monitors (such as LCDs). DVI now is the most widely used digital display interface in the PC industry and is available on most LCD monitors, as well as many PC display projectors and plasma panels.

CEA developed a standard (EIA/CEA 861-B) that defines how DVI is used in consumer electronics products for connecting a video source device to a digital television monitor (DTV Monitor). In addition, DVI, when combined with high-bandwidth digital content protection (HDCP) technology, creates a protected digital connection that may be required in the future for viewing some high value digital content on compatible DTV monitors. This was the first uncompressed digital interface solution for DTV monitors, providing consumers with digital quality and functionality.

HDMI (high definition multimedia interface) is the first industry-supported all-digital CE interface that enables the viewing of high-value digital content by providing a secure,

uncompressed video and audio stream. HDMI provides an interface between an audio/video source device, such as a set-top box or a DVD player, and an audio and/or video presentation device, such as a digital television or A/V receiver.

By combining audio with video on one cable, HDMI offers a convenient connection alternative to the maze of existing analog A/V cables. The new format uses a small, easy-to-use connector, suitable for portable products like digital camcorders. HDMI also ensures compatibility between products – the enhanced feature HDMI implementation is backward compatible to DVI, i.e. if a DVI device is connected to a HDMI device, consumers will be able to receive video, but with only DVI functionality. Capitalizing on the interoperability standards created in CEA (EIA/CEA-861-B), HDMI assures that the best video format is always sent from source to display.

HDMI is backwards-compatible with DVI. Ultimately, the choice between DVI, HDMI, and other digital connectors such as 1394 is a marketplace issue that consumers will decide.

D. Selectable Output Controls

1. Should specific PHILA/OCAP limitations regarding selectable output controls be established such as only an interface that has been compromised may be disabled?

It would not be acceptable nor is it necessary to allow movie studios or cable MSO's to unilaterally turn off the interfaces on which Americans currently rely for DTV content. As discussed above, such a requirement would unreasonably deny viewing privileges to millions of early adopter consumers. In addition, decisions on whether an interface has been "compromised" would not be clear-cut. No copy protection system is impregnable, and a technology may be "compromised" yet continue to fulfill its mission of protecting content and "keeping honest people honest" (as in the case of DSS)

At the May 10 Hoedown, cable industry representatives essentially admitted that selectable output controls were only needed in the event of a massive, catastrophic security breach. To the extent an MSO believes that consumers are receiving unauthorized service, it retains the power to deny conditional access on a case-by-case basis, without unduly punishing any of the millions of Americans who have invested more than seven billion dollars in DTV products and are not guilty of any theft of cable service.

2. Do cable operators or the studios have any interest in selectable output controls beyond a security breach?

At the recent PHILA hoedown, cable representatives stated that selectable output controls were necessary to preserve future competitiveness with unknown distribution technologies. MSO interest in preserving current business models, while arguably understandable from their perspective, does not justify the inclusion of selectable output controls under current FCC regulations.

3. How likely is it that the next generation set-top box will have two different digital outputs, a 1394 and a DVI?

At least one manufacturer already has announced that its new integrated DTV receiver to be available this Fall will have both copy-protected digital interfaces, and we anticipate that individual consumer electronics manufacturers will use a variety of digital outputs on their future set-top boxes in response to consumer demand. As a practical matter, since DVI is not recordable, future recording products will rely on 1394 or other interfaces. .

4. Are the OCAP specifications regarding selectable output control and down resolution similar to the licensing requirements for DBS boxes?

Please see answer to question II.A.1.

III. OCAP ("OPENCABLE APPLICATION PLATFORM" OR MIDDLEWARE)

A. Status of development - Is OCAP close to completion? What is the timetable for completion? What is the timetable for operator implementation? Will OCAP support be "turnkey" or will it be phased in through operator support of specific modules?

Specific answers to this question should be provided by individual MSO's, as should information with respect to whether OCAP will be relied on equally by MSO-supplied set-top boxes and competitive products.

CableLabs developed the OCAP 1.0 specification, without any CEA input, and with limited input from CE manufacturers. Those CE manufacturers that sought to participate in the development of OCAP were required to sign a non-disclosure agreement. As developed by CableLabs, the OCAP 1.0 specification could eventually be a stepping-stone towards the availability of DTV sets and digital set-top boxes for sale at retail that will fully interoperate with digital cable systems.

Unfortunately, the OCAP specification is currently in the early stages of development. Indeed, there is already an OCAP 2.0 version. It has not been vetted in an open standards forum, and will not be commercially deployable for a number of years. In addition, it is not clear which parts of the voluminous OCAP specification will initially be implemented by the cable industry. Cable system operators can and should precisely identify which parts of OCAP they will support on their systems and the timeframe for that support, so that any manufacturer can build at least to this level of performance.

For OCAP to live up to its promise, there must now commence an open process whereby CE manufacturers and the cable industry genuinely collaborate under the auspices of an open standard setting body to develop an OCAP specification that all affected parties can embrace and implement. Again, this appears to be years away.

Finally, since OCAP is not required for the "Digital Cable Ready 1" or "Digital Cable Ready 2" functionality as defined by the FCC, CEA members are concerned that CableLabs has taken the position that the inclusion of OCAP will be required for all retail cable-ready devices. Such a requirement could result in consumers being forced to pay for higher-level functions that they may not want nor need.

B. Have applications developers (i.e. software vendors) expressed a willingness to design products that will run on OCAP? Would any developer take issue with converting their program into the OCAP format? Have any started the task of porting their application to OCAP? Do any operators require that applications be written to OCAP?

Cable industry representatives are in the best position to answer this question.

C. CERC complains that OCAP contains a "monitor" application that restricts or disallows functions or features resident in the device – Given that the Commission's rules prohibit MVPDs from precluding the addition of features or functions in the boxes (76.1204(c)) why is this requirement in the specification?

The "monitor application" - an integral part of the OCAP specification (and a concept not envisioned by the DVB MHP specification) – would provide cable system operators with the ability to take control of all interactivity and functions in a consumer's digital TV. This ability to override a consumer's control is troubling and could potentially disable manufacturer-supplied product features such as competitive electronic program guides and/or impair a consumer's ability to record and watch the television programming the consumer has paid for. OCAP does this by providing cable system operators with the ability to mandate that the monitor application be downloaded from the cable system operator and be run before all other applications.

The OCAP specification also allows the cable system operator to establish proprietary communications between the monitor application and the POD, potentially allowing operators to force feed consumers their own EPG application, while denying guide data to a manufacturer's EPG application. Such an override would stop manufacturers from adding value to products that would accelerate the digital transition – such as integrating guide data from cable and terrestrial broadcasters in a seamless EPG.

CEA believes that 'tools' to such as the monitor application directly violate section 76.1204(c) of the FCC Navigation Device rule.[4]

[4] No multichannel video programming distributor shall by contract, agreement, patent, intellectual property right or otherwise preclude the addition of features or functions to the equipment made available pursuant to this section that are not designed, intended or function to defeat the conditional access controls of such devices or to provide unauthorized access to service.

D. IPPV – This area has been covered in previous hoedowns, but CERCs latest ex parte maintains that it cannot be done under the existing specification – Is OCAP implementation required for IPPV?

The existing SCTE compatibility standards were specifically designed to support—on current cable systems—the essential functions desired by consumers for digital cable compatibility, including simple interactive pay-per-view functions and access to program schedule data and simple interactive pay-per-view functions.

While such an "entry level" product would not be able to perform video on demand (VOD) services, many customers would be excited to buy such a product that offered HDTV over cable without the need for a set top box. OCAP may someday be a useful platform; but it is absolutely not necessary to delay retail availability of cable products until OCAP's completion.

CEA is very concerned about the cable industry's position that their support for even the simplest impulse-pay-per view (IPPV) functionality in DTVs and other retail set-top boxes, as well as any further discussion of access to a cable system's "program guide" information, must await OCAP deployment. In fact, both IPPV and program guide access can be accomplished right now, using existing standards.

IPPV and simple program guide access are basic features in the analog world, and must be supported if new DTV receivers and retail set-top boxes are to be accepted by consumers. Cable system operator support for the SCTE DVS-295 IPPV protocol is one element necessary for assuring consumer electronics manufacturers that cable systems will support basic features and functionality necessary for consumer acceptance of POD-equipped digital televisions.

Support of OCAP (by anybody—cable system operators or CE manufacturers) should not be made a prerequisite for retail cable-ready devices to support IPPV functionality. As Motorola indicated[5], the SCTE DVS-295 IPPV standard "allows IPPV to be performed <u>today</u> with <u>any</u> host device that complies with this specification. [Emphasis in the original]"[6] CEA agrees, but observes that unless the FCC requires all cable system operators to support this standard on a national basis it cannot be relied on for retail products. The FCC must codify an extension of the February 2000 agreement to support the IPPV function of DVS-295 (now SCTE-28 2001) to ensure national portability. This in turn will create the necessary financial incentives to consumer electronics manufacturers that will lead to the development and deployment of more advanced OCAP-compatible CE equipment to consumer markets.

While CEA members encourage continued work on OCAP standards by recognized standards developing organizations, i.e., CEA and SCTE, CEA urges the cable industry to support IPPV functionality in retail products immediately through existing standards, and provide appropriate access to complete program guide data for all services. National cable support for such standards would accelerate consumer acceptance of cable-compatible DTV products, and provide incentives for manufacturers to introduce products that will, in turn, accelerate the digital transition.

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[5] See *Ex Parte* Letter from Christine G. Crafton, Vice President & Director, Broadband Policy, Motorola, to Magalie Roman Salas, Commission Secretary, PP Docket No. 00-67, CS Docket No. 97-80 (filed Dec. 7, 2001)("*Motorola Letter*").

[6] Motorola Letter at 2.

II. CONCLUSION

A number of stakeholders have identified issues associated with the PHILA license as a serious and continuing obstacle to the advancement of the DTV transition and the accomplishment of the objectives of the Report and Order of this Docket as well as the 1996 legislation that the Report and Order was intended to implement. We urge the Commission to take the actions put forward herein to promote good faith negotiation and rapid, pro-consumer resolution of the outstanding issues surrounding the PHILA license.