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August 2, 2002

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

Re: Ex Parte Communication, In Response to Questions Posed By FCC Staff, In the Matter of Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television (MM Docket No. 00-39)

Dear Ms. Dortch:

On Friday, August 2, 2002, Lawrence R. Sidman and Sara W. Morris of Paul, Hastings, Janofsky & Walker (in person) and David Arland and Eric Carlsgaard of Thomson Multimedia ("Thomson") (telephonically), provided responses to questions posed by Rick Chessen, head of the Commission's DTV Task Force,¹ which related to the Commission's pending consideration of a DTV tuner mandate. Mr. Chessen specifically addressed Thomson's letter of August 1, 2002, to Chairman Powell, which expressed general support for the Chairman's phased-in approach to DTV tuner integration by a date certain. Mr. Chessen's questions, and Thomson's response to each, are as follows:

Q. What is the cost of DTV reception/decoding integration today and what would be the estimated cost such such capability by 2007 or 2008?

A. Thomson affirmed that the cost of DTV reception/decoding capability today is approximately \$250. Thomson anticipates that premium to decline over time, to a point where such capability will add costs of less than \$200 by July 2003; approximately \$75 to \$80 by 2006; and approximately \$60 by 2007-2008. Thomson clarified that these figures represent manufacturing costs, and that the final cost to the consumer would typically include an approximate 25% markup.

¹ Also present for Mr. Chessen's questions: William Johnson, Michael Lance, Michael Perko, Tom Horan and Susan Mort of the Media Bureau.

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Q. Is a July deadline for tuner integration preferable to a January deadline, and, if so, why?

Q. Thomson stated that new DTV models and features historically have been announced by manufacturers in July of every year, with actual retail availability coming in September (in time for the post-Labor Day shopping/holiday season). Not unlike the standard 18-month cycle required for the introduction of virtually all new CE products and features, this New Product Introduction (“NDI”) cycle is adhered to by most CE manufacturers. Thomson’s recently introduced Scenium line of integrated HDTV receivers was given as the most recent example of this production and marketing schedule. Accordingly, Thomson stated that any mandate of DTV tuner integration would best fit existing product introduction cycles if it is geared to a July, as opposed to a January, deadline.

In accordance with Section 1.1206 of the Commission’s Rules, 47 C.F.R. §1.1206, an original and one copy of this letter are being filed with your office.

Please direct any questions concerning this matter to the undersigned.

Respectfully submitted,

/s/

Lawrence R. Sidman

cc: Rick Chessen