July 30, 2003

Mr. W. Kenneth Ferree
Media Bureau, Chief
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Ms. Marlene Dortch, Secretary
Federal Communications Commission
Office of the Secretar
445 12th Street, SW
Room TW-B204
Washington, DC 20554

RE: **Media Bureau Docket 03-124** [Proposed acquisition of DirecTV by NewsCorp]

Dr. Mr. Ferree:

Sun Microsystems, Inc. respectfully requests that the Commission require, or at a minimum encourage, DirecTV to migrate to MHP-based settop box standards as a condition for NewsCorp's proposed acquisition. This migration to an application platform interoperable with standards such as the CableLabs' Open Cable Application Platform (OCAP) and ATSC's Digital Application Software Environment (DASE), which the US cable and broadcast industry have respectively approved, would provide a number of benefits, such as ensuring a common software platform for US terrestrial broadcast, cable, broadband, and satellite digital transmissions, and providing greater incentive for the development of new and compelling TV applications.

As broadcasters and network operators worldwide transition from analog to digital television transmission, the ability to deliver applications and data over the broadcast stream creates a significant opportunity to provide new entertainment, community, and educational services to the public.   Without coherent standards in place, however, the full potential of this opportunity will not be reached.

Standards bodies and industry groups including DVB, ATSC, and CableLabs have agreed on a common platform for execution of applications delivered via a digital television stream. DVB-MHP (Multimedia Home Platform, http://www.mhp.org) is currently deployed in a number of European and Asian countries, with trials and rollouts planned in dozens more. MHP also forms the   basis   for   CableLabs'   Open   Cable   Application   Platform   (OCAP, http://www.opencable.com) and ATSC's Digital Application Software Environment (DASE), and has recently been approved as the basis for Japan's ARIB specification. In addition, the Globally Executable MHP (GEM) specification, which serves as an umbrella spec for the various MHP-based standards, has been approved by the ITU and endorsed by the United Nations as the worldwide standard for television applications.

The US cable industry is currently migrating from proprietary settop box software environments to OCAP as part of the FCC-mandated transition to interoperable settop box technologies. Additionally, as the requirement for the incorporation of digital tuners into all new US television sets nears, leading consumer electronics manufacturers have signalled their intention to integrate OCAP support as a standard feature in their full product lineup.

A requirement for DirecTV to migrate to MHP-based settop box standards would bring about a

number of benefits. It would ensure a common software platform for U.S. Terrestrial broadcast, cable, broadband, and satellite digital transmissions, and would provide greater incentive for the development of new and compelling TV applications. The migration to these standards would also increase consumer adoption of new digital televisions incorporating interactive capability, thereby accelerating the transition from analog to digital broadcast transmission.

Furthermore, this migration would enable broad supplier competition through the use of open standard technologies, and would make available the possibility of delivering educational, governmental, and community-based services via the television to rural and otherwise underserved segments of the US population. Finally, DirecTV's migration to these standards would provide incentive for NewsCorp to migrate their other worldwide satellite operations from proprietary to standards-based software platforms. This in turn would provide a significant boost to the establishment of a meaningful worldwide content platform resulting in increased competition, lower technology costs, and more widespread availability of TV-based services and content.

Thomson Multimedia recently announced   (http://www.thomson.net/gb/06/c03/030613b.htm) that DirecTV has selected Canal+ Technologies' Java-based MediaHighway settop box middleware.   In an interview in the June 16th issue of Interactive TV Today (http://www.itvt.com) Laura O'Donnell, DirectTV VP of product development, said that the fact that Canal+'s middleware is based on Java was a significant factor in DirecTV's decision, as the satellite-TV provider is "interested in having compatibility with OCAP-based services to the extent possible."   Requiring DirecTV to deploy MHP-based settop box middleware as a condition of an acquisition by NewsCorp would affirm this decision by DirecTV's current management team.

Thank you for considering these points.

Sincerely,

Bill Sheppard
Industry Marketing Manager, Digital TV
Software Systems Group

cc: Barbara Esbin, Associate Bureau Chief
      Douglas Webbink, International Bureau
      James Bird, Office of the General Counsel