

October 23, 2003

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

Re: CS Docket No. 97-80: Status Report of the National Cable & Telecommunications Association

Dear Ms. Dortch:

The National Cable & Telecommunications Association (“NCTA”) hereby submits the status report called for in the April 14, 2003 Order and Further Notice of Proposed Rulemaking in the above-referenced proceeding. That Order followed the December, 2002 submission to the Commission of proposals to implement the “plug and play” Agreement the cable and consumer electronics industries had reached for unidirectional digital cable products (“UDCP”). In the Order, the Commission requested that the two industries submit status reports on their negotiations on specifications for bi-directional digital cable receivers and products at 90, 180, and 270 day intervals. This is the second of those status reports.

As noted in our first status report, final implementation of the unidirectional Agreement was dependent upon the FCC’s action on the proposed rules underlying that Agreement. That unidirectional Agreement and the FCC’s rules provide a necessary foundation for the bi-directional agreement. With a Commission order now adopted, the parties are rapidly concluding remaining one-way issues and we look forward to focusing our discussions with the CE industry on completion of a bi-directional agreement.

Since our last report, a number of steps have been taken to facilitate production of both one-way and two-way devices. Perhaps most significant, on October 20, 2003, and consistent with the terms of the Commission’s Order on the “plug and play” Agreement provisions, CableLabs released the DFAST license. The DFAST license provides manufacturers with intellectual property needed to build “plug and play” devices that will accommodate a separate security module (the CableCARD, formerly known as the “POD”). CableLabs has made available the DFAST agreement allowing the manufacture of CableCARD-enabled DTVs (and other products) as envisioned by the December 2002 Agreement.

In addition, the parties finalized the test suite for UDCPs, and have posted it at <http://www.cablelabs.com/udcp/>. By the end of next week, CableLabs also hopes to finalize arrangements with a Public Key Infrastructure (PKI) management company to administer the security certificates that permit CableCARDs and UDCPs to operate in a secure manner. This PKI architecture will also serve two-way products. Although the FCC's implementing order establishes deadlines further out into 2004, MSOs will support CableCARD-enabled devices even before the dates required by the plug and play rules.

In response to the Commission's expressed concern that consumers be well informed about new digital products, NCTA is creating a set of common consumer education materials that may be used to inform cable customers of the capabilities of UDCPs. MSO representatives have been conferring with NCTA and CableLabs on a weekly basis to develop a toolkit of consistent answers to anticipated questions consumers may have when calling their local help-desk for support. A whitepaper is also being crafted to serve as a common guide for operational issues and CSR script development, easing MSO migration to new methods of customer care support necessary to accommodate CableCARD field deployments. Inserts have been created for inclusion with the packaging materials of new UDCPs to provide consumers with additional information on their new purchase as it relates to their cable services.

Moreover, work has been completed on consumer-friendly logos and acronyms for CableCARD, "Digital Cable Ready" and "Interactive Digital Cable Ready" sets. To enhance the retail availability of such devices, CableLabs' Go2Broadband service has been updated with the capability to identify cable systems that support UDCPs. (Go2Broadband is the Internet-based electronic commerce tool that assists affiliated computer makers, retail partners, and content providers in identifying what cable services are available at an address and linking affiliates directly with the cable operator.) Similar updates to Go2Broadband can now readily be made for two-way product launches.

Many major manufacturers of digital televisions and related products have taken advantage of CableLabs' offer to make its testing facilities available. Under this program, manufacturers have access to state-of-the-art headend equipment, test tools, and personnel to help evaluate and develop their CableCARD enabled products. Because they operate in a highly competitive manufacturing environment, their names are protected by confidentiality agreement. However, we can report that each month since our first report in July, a significant number of major companies have utilized CableLabs' facilities for product development:

August 2003: 3 manufacturers
September 2003: 5 manufacturers
October 2003: 5 manufacturers
November 2003: 7 manufacturers are scheduled
December 2003: 3 manufacturers are scheduled

In our first report, we noted that the parties have also cooperated with respect to finalization of the harmonization of the DASE (broadcast) and OCAP (cable) standards, in order

Ms. Marlene H. Dortch
October 23, 2003
Page 3

to enable manufacture of devices that can receive interactive content from both digital cable and over-the-air digital broadcasting. This specification has now been submitted to SCTE, an ANSI accredited standards body, and to ATSC.

Since our last report, the parties have engaged in negotiations focused on matters required to implement the unidirectional Agreement. As a practical matter, this has diverted attention from addressing bi-directional issues. However, since the Commission's September 10, 2003 meeting adopting "plug and play" rules, and in response to Commission concerns about obtaining third-party input, cable representatives have conducted discussions – and have additional meetings scheduled within the next few weeks – with a number of third-party interests (including representatives of the IT and program content communities) regarding issues concerning unidirectional "digital cable ready" products.

Finally, other actions important to the bidirectional discussions are taking place. For example, the Advanced "Multistream CableCARD" specification has been completed and published. The current CableCARD specification supports two-way interactive devices, but this new specification will allow for multiple program streams (e.g., for picture-in-picture and other viewing options). The OCAP test suite and environment – which is the basis for the interactivity functionality in two-way devices – is far along in development by CableLabs. Seven software and CE companies are currently contributing to this effort. Moreover, OCAP IPR owners will be meeting in Geneva on October 28, 2003 to discuss the formation of a patent pool and licensing terms for patents essential to the OCAP specification.

The Commission's action in adopting rules applicable to UDCPs should give the parties a solid base to fully resume two-way discussions.

Respectfully submitted,

/s/ Neal M. Goldberg

Neal M. Goldberg

cc: Susan Mort, Esq., Media Bureau