

October 23, 2003

Rick Chessen
Associate Bureau Chief, Media Bureau
Federal Communications Commission
445 Twelfth St., SW
Washington, DC 20554

Re: MB Docket No. 02-230

Dear Mr. Chessen:

I'm writing in response to Fritz Attaway's October 17 letter to you. In that letter, he cites Thomson's October 8 letter, in which Thomson stated "there is very little cost involved for a manufacturer to implement this change," where "this change" refers to the manufacture of HDTV sets "that have digital outputs with the necessary software to affirmatively respond to the Broadcast Flag bit in the ATSC bitstream."

In the spirit of charity, we at Public Knowledge assume that Mr. Attaway and the Motion Picture Association of America must have misunderstood the issue we raised in our October 16 letter; that issue did not focus particularly on the costs associated with Thomson's (or anyone's) *manufacture of HDTV sets*.

Instead, our letter of October 16 referred to "what we know about the costs normally associated with re-engineering *product lines of consumer-electronics and information-technology devices*." [Emphasis added.] The MPAA/5C proposal, by its own language, reaches not just TV sets, but also cable set-top boxes, DBS receivers, personal video recorders, advanced PVRs, DVD recorders, D-VHS recorders and computers with DTV tuner cards, not to mention the vastly greater array of devices that may include modulators or qualify as "downstream devices."

Leaving aside the question of whether Thomson, which has a strong motivation for wanting this proceeding wrapped up quickly, is truly a neutral evaluator of the costs of this array of engineering changes, the point here is that *an entire array* of devices will have to be redesigned to make the broadcast-flag scheme work. And those design costs, which neither the MPAA nor Thomson has yet demonstrated are reducible to "pennies," will be passed on to consumers.

A better way to evaluate the MPAA claims about *de minimis* costs, as we have suggested before, is to consult neutral engineering experts at our leading technical universities, such as MIT or Carnegie Mellon. In the alternative, if the cost of re-

engineering is indeed “*de minimis*,” it seems reasonable to require as part of this rulemaking that the member studios of MPAA to contribute at least 50 percent of the cost of developing and deploying flag-compliant technology in consumer-electronics and information-technology products.

Respectfully,

A handwritten signature in black ink that reads "Mike Godwin". The signature is written in a cursive, slightly slanted style.

Mike Godwin
Senior Technology Counsel
Public Knowledge

cc:

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Commissioner Kathleen Q. Abernathy
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