Consumer Electronics Association 2500 Wilson Blvd. Arlington, VA 22201-3834 USA (703) 907-7600 main (703) 907-7601 fax www.CE.org

January 21, 2004

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

Re: CS Docket No. 97-80: Consumer Electronics Association Status Report

Dear Ms. Dortch:

The Consumer Electronics Association (CEA) is pleased to submit its Status Report pursuant to the Commission's April 14, 2003 Order and Further Notice Of Proposed Rulemaking in this Docket (rel. April 25). The Order requires representatives of the consumer electronics and cable industries to report to the Commission, at stated periods, their progress in developing specifications (and a proposed regulatory and legal framework) for "interactive" or "bidirectional" products. These are competitive products, independently manufactured and sold, that are fully interactive with compliant cable headends. The Commission addresses this process in its regulations as part of its implementation of Section 304 of the Telecommunications Act of 1996, and pursuant to its oversight of the DTV transition.

"Phase I" Status

As both parties have reported previously, "Phase I" Unidirectional Digital Cable Products ("UDCPs") represent the foundation for progress on "Phase II" products that work bi-directionally with cable headends. The Commission paved the way for market introduction of such products with its October 9, 2003 release of its Report & Order and Further Notice of Proposed Rulemaking in this Docket. After the release of this Commission action:

- CableLabs made a version of the DFAST license available for signature.[1]
- The parties worked to refine details and procedures for administration of the mutually developed Joint Test Suite ("JTS")
- The parties finalized "DCR" and "iDCR" logos
- CableLabs publicly posted (to www.cablelabs.com/UDCP) test-related documents: 2004 Testing Schedule; 2004 Testing Fees; RFI for 2004 UDCP Test

[1] In its October 24, 2003 Status Report, CEA reported its concerns and objections about the DFAST version that had been made available. CEA is not aware of any change in DFAST since then. CEA does not know how many companies have signed DFAST, but notes that such signature is a precondition to the testing at CableLabs discussed in this Status Report.

Events; Test Guidelines for Unidirectional Digital Cable Products; Joint Test Suite PICS. The Test Guidelines document, posted as ver. 1.0, remains under active and constructive discussion and negotiation between representatives of the CE and Cable industries.[2]

- On December 29, 2003, NCTA petitioned the Commission for reconsideration of its regulations pertaining to certain aspects of the testing regime, and the status of independent laboratories generally. To the extent the Petition touches on matters relevant to testing at CableLabs, these matters are being addressed in the ongoing discussions.[3]

While CEA does not collect information about product plans of manufacturers, it notes that at the recent International Consumer Electronics Show™ ("CES") a variety of DTV navigation device products, including displays, were announced for introduction in 2004; at least one displayed the recently finalized DCR logo.

Phase II Status

On several occasions – most recently via a public statement at CES by Chairman Powell – the Commission has formally and informally urged the cable and CE parties to (1) work expeditiously to complete and submit their Phase II recommendations and legal framework, and (2) consult with companies and industry groups that have expressed interest and/or concern about the nature of such recommendations. As has been noted in earlier status reports, Phase II work did advance through the first half of 2003, but ultimately the attention of the parties was substantially captured by final work on the JTS and test-related issues, and by the FCC's own processes leading to and resulting from its Report & Order and Further Notice Of Proposed Rulemaking.

The parties are again moving forward, expeditiously, to complete Phase II. This will include consultations with interested or concerned companies and associations, on both joint and separate consultative bases. The objective will be to identify other parties' goals and objectives, while clarifying and ordering the necessary CE-cable tasks and recommendations. In CEA's view, necessary objectives will include:

---

[2] There remain novel, difficult and often contentious questions, not yet resolved, pertaining to scheduling; timely feedback of information to manufacturers for purposes of re-testing; circumstances under which follow-on or OEM products may be considered the "same model" as a tested model; adjudication criteria; the necessity for inclusion of additional interoperability tests; the nature and timing of remedies for failed test elements; and whether the "JTS" ("PICS" plus "ATP") jointly developed for purposes of testing at CableLabs must be the only procedural basis for self-verification according to the PICS, or for testing of the PICS that may be conducted at an independent test laboratory in the future. It is possible that ultimately some of these or other issues of first impression could be presented to the Commission for resolution under its regulations governing eligibility to use the DCR and iDCR logos.

[3] Five other parties have petitioned for reconsideration. In CEA's view, some of these petitions, if granted, would undermine the regime of consumer confidence in secure digital interfaces that is central to progress in both Phase I and Phase II. CEA will respond in due course.

- Establishing known, minimum technical requirements for bidirectional operation
- Creating a truly "level" playing field for competition between competitively-sourced and MSO-sourced devices, including common reliance on the security interface
- Maintaining competitive parity as systems, technologies, or services are upgraded
- Avoiding the creation of any disadvantage for the operation of device features or functions on home or external networks that are different from or competitive with programs or services provided by a cable network
- Maintaining a competitive market in the provision of home network services, as well as devices
- Meeting consumer expectations and maintaining consumer reliance on products and services

CEA does not underestimate the ambition, complexity, or urgency of Phase II. Building on the established cooperation and good will between cable and CE industry participants, however, and relying on the Commission's encouragement and oversight, we look forward to a positive outcome that will bring all of the potential benefits of the DTV and HDTV transitions home to consumers.

Respectfully submitted,

/s/ Michael D. Petricone

Michael D. Petricone

cc: Susan Mort, Esq., Media Bureau