

**Before the
Federal Communications Commission
Washington, DC 20554**

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| In the Matter of |) | |
| |) | |
| Implementation of Section 304 of the Telecommunications Act of 1996 |) | CS Docket No. 97-80 |
| Commercial Availability of Navigation Devices |) | |
| |) | |
| Comcast Corporation's Request for Waiver of 47 C.F.R. §76.1204(a)(1) |) | CSR-7012-Z |

**COMMENTS OF THE PANASONIC CORPORATION OF NORTH AMERICA
IN SUPPORT OF COMCAST CORPORATION’S REQUEST FOR WAIVER
OF 47 C.F.R. § 76.1204 (a)(1)**

I. Summary

Panasonic Corporation of North America (“Panasonic”) respectfully submits these comments in support of Comcast Corporation’s request for waiver in the above-captioned proceeding. The waiver, if granted, would relieve Comcast from providing the CableCARD “separable security” function—which otherwise would be required under Federal Communications Commission (“Commission”) rules, effective from July 1, 2007—for specified types of cable set-top boxes with limited capabilities, among them only an analog NTSC television output for use with conventional NTSC televisions in cable subscribers’ homes.

Panasonic fully supports the Commission’s Navigation Device Rules, and their underlying goal of a vibrant, competitive, independent retail market for digital cable-ready products. Indeed, Panasonic was the first company to introduce (in 2002) a digital television equipped to support CableCARD. Nevertheless Panasonic agrees that

Comcast's ability to offer such limited-capability set-top boxes would assist in the Nation's transition to all-digital television. This is because such set-top boxes would enable cable subscribers to continue to use their existing, conventional NTSC television displays even as they purchase new digital TVs. In addition we believe that first-time exposure of basic and/or analog-only cable subscribers to even a limited number of such digital services—albeit still in NTSC (i.e., analog standard definition) quality and without the powerful impact of high definition television (“HDTV”)—will broaden awareness of the digital transition and encourage cable subscribers to learn more about their overall digital television choices. In this way approval of the Comcast waiver will ease a successful national transition based on consumer understanding and convenience, indeed, enthusiasm. Therefore, at this unique and historic moment for U.S. television services and for all who rely them, Panasonic supports Comcast's waiver request primarily as a means to help ensure the Nation's smooth, non-disruptive transition to digital television.

II. Background

Panasonic is the principal North American subsidiary of Matsushita Electric Industrial Co. Ltd., a world leader in electronics and telecommunications technology and products. Panasonic and its subsidiary and affiliated companies manufacture and market a wide range of consumer electronics, information technology, and other electronic products.

With regard to the instant proceeding, Panasonic has substantial interests. It is a manufacturer of digital and high definition televisions—having introduced in 1998 the first HDTV and the first all-format digital set-top receiver in the U.S., and in 2003 the

first digital cable-ready HDTV (i.e., using CableCARD)—and is by far the market leader today in the performance-leading plasma television, many of which are digital cable-ready. Panasonic also designs and manufactures home theater systems, AV receivers and amplifiers, DVD recorders and players, network routers, and wireless and wired home networking equipment (including the new HD-PLC High Definition Power Line Communications system, which uses a home's existing electric power wires for networking at data rates up to 170 Mbs). Some of these (and other) Panasonic products are offered for sale to Comcast cable subscribers via a joint Panasonic-Comcast website (www.comcast.panasonic.com).

Also, in January 2006, Panasonic and Comcast announced an agreement for Panasonic to license its OCAP middleware to Comcast, develop and supply OCAP-capable advanced digital set-top boxes to Comcast (for lease to Comcast subscribers), and collaborate with Comcast on extensions to OCAP middleware. Panasonic announced at the same time inclusion in its HDTVs of a new "CEC Consumer Electronics Control" system (now branded as "EZ Sync") which would permit the TV's single remote control to operate all of a home theater's equipment—the functions of the TV and audio system, as well as the functions of the Comcast digital set-top box.

While Panasonic hopes to increase its business in direct sales to cable operators, who will lease such devices to their subscribers, Panasonic also wishes to be able to design and market a variety of digital cable-ready products—including interactive, two-way products—at retail, independent of cable operators, to meet the diverse needs and interests of consumers who use cable service. Therefore, Panasonic was an early signer of the CHILA and OCAP license agreements offered by CableLabs.

It is important to note, however, that Panasonic also strongly supports the ongoing “interactive (two-way) digital cable-ready” negotiations, fostered and overseen by the Commission, between cable multiple system operators (“MSOs”, including Comcast) and consumer electronics manufacturers and information technology companies (“CE and IT”, including Panasonic). We believe that an early industry-wide agreement on this matter would benefit consumers most by: 1) increasing their choice of digital cable-capable equipment; 2) expanding the features, options, and connections on devices which they may wish to use stand-alone or in their home networks; and, 3) propelling both innovation and price competition. Therefore, in addition to its action on this waiver request, we respectfully urge the Commission to continue its oversight and work to encourage speedy conclusion of the two-way negotiations in order to achieve the maximum consumer benefit.

III. Supporting the Nation’s Transition to All-Digital Television

As a leader in digital and high definition technology in both consumer equipment and professional and studio video production and recording equipment, Panasonic is committed to supporting the Nation’s transition to all-digital television. With the adoption by Congress earlier this year of a February 2009, switch-over to digital broadcasting, it can be anticipated that consumers could be confused about what actions they must take in their homes with their own television equipment. Since the beginning in 1998 of digital broadcasting in the U.S., Panasonic itself and in cooperation with its retail partners and the Consumer Electronics Association has and is continuing to create and support consumer awareness about the digital transition, through promotions and

advertising; information and materials for in-store, mail, and web-based use; and tune-in advertising and program messages on broadcast TV and radio, including sponsorship of HDTV programming for broadcast television.

Consumers have many new choices in this emerging age of digital and high definition television, in both TV products and TV services; and easing the transition for them will be an important part of making the national switchover successful. While we expect consumers will rapidly replace the primary television in their homes with a new digital television, Panasonic believes granting the Comcast waiver would permit consumers to continue also to benefit from previously purchased conventional, NTSC analog televisions through the deployment of low-cost, limited feature set-top boxes. In addition, nearly half of all cable subscribers currently receive analog-only service and directly connect their analog cable service to their cable-ready NTSC televisions, without use of a set-top box. For many of these subscribers, one suspects that the proposed Comcast set-top boxes (which translate digital signals on the cable into analog ones for connection to analog TVs) would provide a first-time view of the benefits of going “digital”, both in improved signal quality, as the Comcast request notes, and in expanded quantity and choice of programming.

At the same time, the sooner Comcast can free up the space in its cable systems currently occupied by relatively bandwidth-hungry analog channels, the faster Comcast would be able to provide additional digital programming channels and other services to its customers, including more HDTV programming (which consumes more bandwidth than standard definition-quality digital TV programs)—whose picture and sound quality are driving dramatic increases in sales of the new, large screen HDTVs which can

display that quality. Because the availability of HDTV programming is the driving and motivating force for consumers to participate in the digital transition, Panasonic deems more HDTV programming to be essential to the transition.

IV Summary

Therefore, and principally because of its potential salutary impact on consumers during the digital transition over the next few years, Panasonic supports the Comcast Corporation's request for a waiver of its obligations to provide separable security in the limited-function, analog NTSC-output-only set-top boxes it has cited in its filing and for similar set-top boxes (i.e., with only analog NTSC outputs).

Respectfully submitted,

PANASONIC CORPORATION OF NORTH AMERICA

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CERTIFICATE OF SERVICE

I, Paul G. Schomburg, certify that a copy of the foregoing Comments of Panasonic Corporation of North America in CS Docket No. 97-80, was served on this 15th day of February 2006 via U.S. postage mail or electronically to the following persons:

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