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July 10, 2006

EX PARTE

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Portals
Washington, DC 20554

RE: Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices, CS Docket 97-80

Dear Ms. Dortch:

On July 7, 2006, Paul Brigner, Leora Hochstein, Mike Nawrocki, Mahasti Pourdastan, Ed Shakin, and Brian Whitton from Verizon met with David Bodnariuk, Steve Broeckaert, Alison Greenwald, William Johnson, Andrew Long, Natalie Roisman, Kathryn Todryk and John Wong of the FCC to provide an engineering overview of Verizon's FiOS TV network architecture and discuss Verizon's views on the commercial availability of set-top boxes and downloadable security. The attached presentation was distributed at the meeting and covers the major points of discussion.

If you have any questions about this matter or need more information, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink that reads "Paul Brigner".

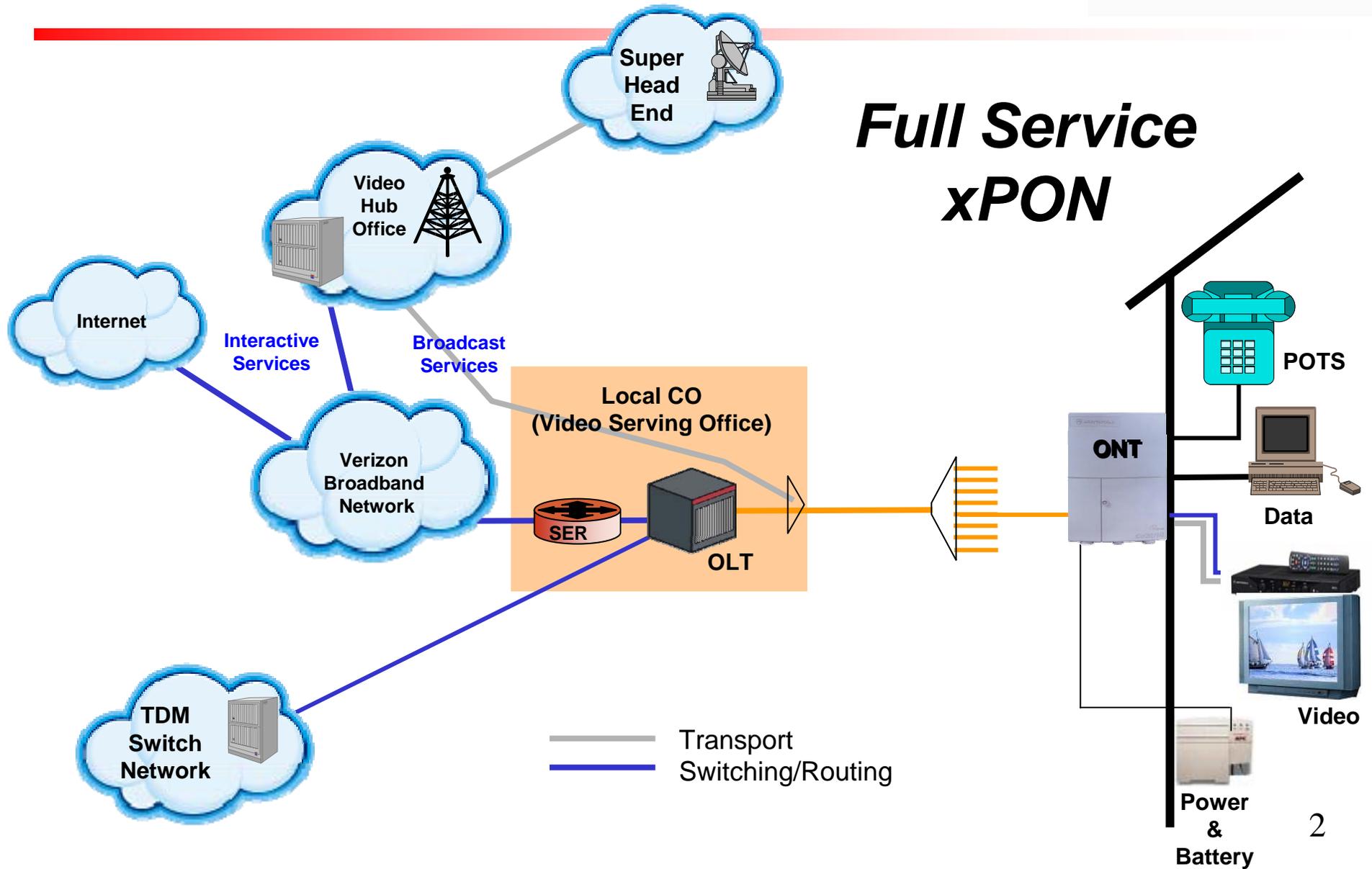
cc: David Bodnariuk
Steven Broeckaert
Alison Greenwald
William Johnson
Andrew Long
Natalie Roisman
Kathryn Todryk
John Wong



Verizon FiOS TV

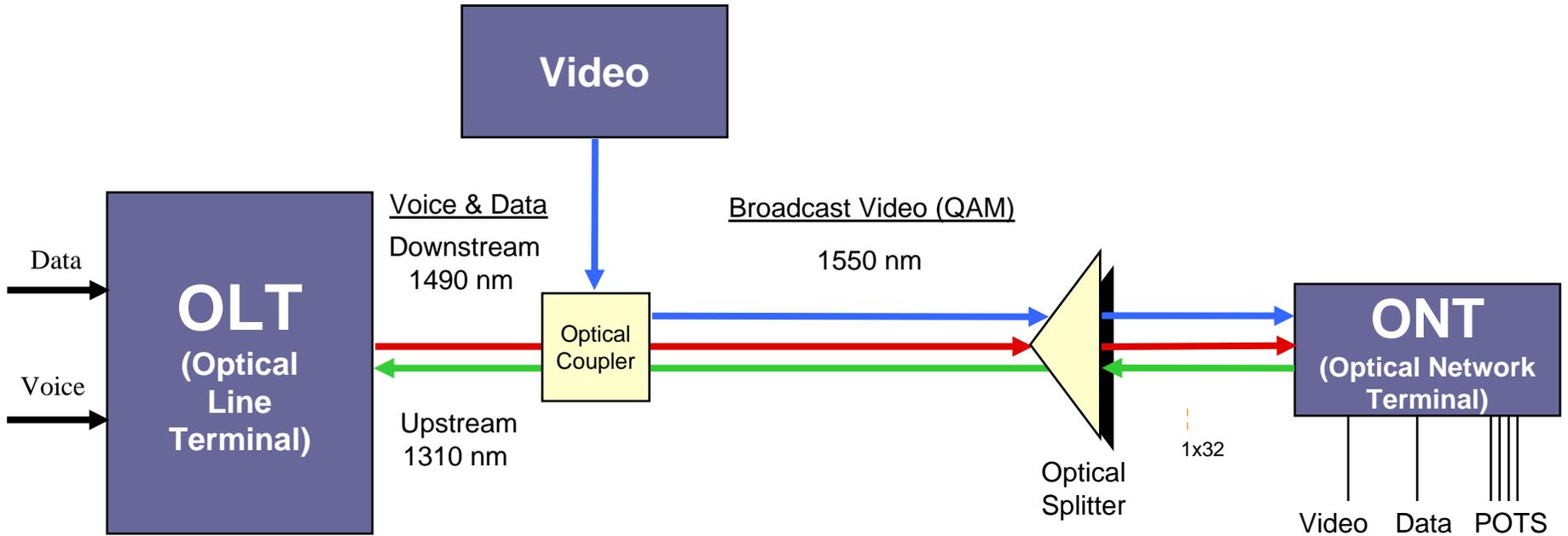
**Briefing for the
Federal Communications Commission
July 7, 2006**

FTTP Architecture Implementation

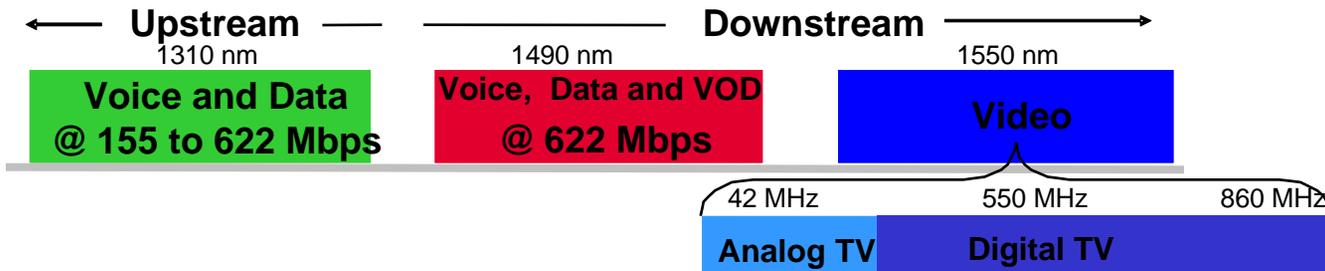


FTTP Architecture:

ITU Standard G.983 Broadband Passive Optical Network



Bandwidths & Services



Introducing FiOS TV



Great Value for the Consumer...



**More Choices.
Right Before Your Eyes.**

- 100% digital
- ~ 330 channels
- 26 HD channels
- 100% VOD capable
- 2500 VOD titles
- 120 hour DVR
- Advanced IPG
- Simple, compelling packaging
- Genre-based channel line-up
- \$39.95 Expanded Basic¹

... and it'll keep getting better

¹ Price of service offering in Keller, TX at launch. Pricing in other markets may vary.

The Integrated Set-top Box Ban



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- **July 1, 2007**
 - Physical Separation of CAS Using CableCard or other hardware solution
 - Software-based Downloadable CAS (DCAS)

 - **What is the goal of the integration ban?**

 - **The ban should not stifle the development or introduction of new or improved multichannel video products.**

Downloadable Conditional Access System Standard Should Work for All Competitors



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- Verizon does not believe the integration ban should apply to new entrants in the multichannel video market
 - Verizon agrees that competitively neutral downloadable security option is preferable to requiring physical separation
 - The Commission should not accept a downloadable security approach that is cable-centric
 - NCTA's proposed downloadable security option will unfairly and unnecessarily benefit traditional cable companies

*“Open DCAS” that will provide True Interoperability
Must Comply with Four Principles*

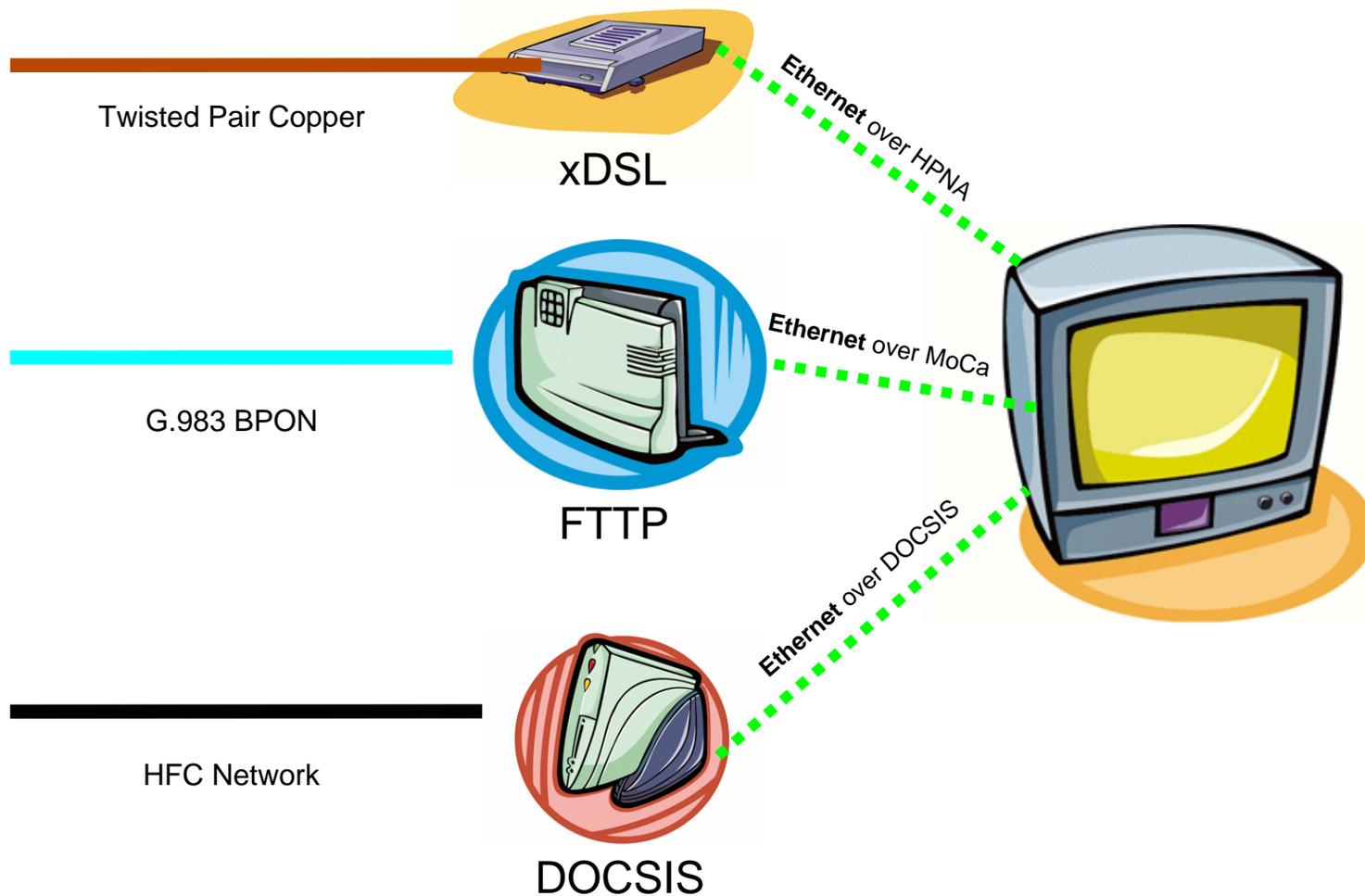


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- Open DCAS must utilize a non-proprietary chipset based on standards developed in an open forum
 - Open DCAS must use a transport-agnostic solution such as IP over Ethernet for the return path, rather than a technology that favors any particular type of network architecture such as DOCSIS
 - Under Open DCAS the root trust authority must be competitively neutral and not beholden to any particular competitor or group of competitors
 - Open DCAS standards must be limited to the hardware and software necessary for conditional access support, and must not require providers or consumer electronics manufacturers to implement extraneous, unrelated technologies

Verizon's Access Network Proposal



- ◆ Implement bi-directional capability as an IP over Ethernet implementation (network agnostic)





How Will Consumers Benefit?

- ◆ **Rules based on open standards developed through the participation of all industry participants will ease the transition to Digital TV by promoting competition, convenience and simplicity for consumers**
 - Consumer electronic devices will be transparent to the video delivery network
 - Open, technologically-neutral standards will create an environment of innovation that encourages new applications
 - The consumers experience with home networking will be simplified and drive demand for products and services
 - Digital TV devices will more readily share applications with PVRs, PCs and other home electronic devices
- ◆ **Competitively-neutral open standards will foster an environment that encourages new entrants and creates more consumer choice**
 - Cable-centric standards would further entrench the cable incumbents and hinder competitive entry

What needs to be done?



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- Waive the integration ban for competitive providers like Verizon who offer video services using innovative technological approaches
 - Don't lock the industry into a cable-centric standard for DCAS
 - Require open standards for DCAS that are competitively neutral
 - Support and promote the development of an open DCAS solution via open standards and forums
 - The same requirements for open standards setting processes should apply for two-way plug and play