DOCKET FILE COPY ORIGINAL

RECEIVED & INSPECTED
MAR 1 2007
FCC - MAILROOM

BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

In the Matter of	)	
	)	CSR-7012-Z
Comcast Corporation's	)	
Request for Waiver of	)	CS Docket No. 97-80
47 C.F.R. § 76.1204(a)(1)	)	

REPLY COMMENTS OF THOMSON

Thomson hereby submits these reply comments in support of Comcast's Application for Review filed in the above-captioned proceedings.[1] Thomson respectfully urges the Commission to grant Comcast's Application for Review and approve Comcast's request for waiver of the integration ban for certain low-cost, limited-capability set-top boxes.

As Thomson has previously stated, grant of Comcast's waiver request would have significant public interest benefits for consumers, cable operators, and CE companies.[2] The low-cost set-top boxes covered by the waiver request are essential to Comcast's and other operators' transition to all-digital platforms. These boxes provide a cost-effective way for millions of consumers to access digital services for the first time. The more consumers who opt to use these boxes, the more quickly Comcast and other operators can advance their digital transition efforts and reclaim analog spectrum for more HD programming, faster Internet transmission speeds, and other services consumers want. As Thomson pointed out in its initial comments, this transition

---

1 *See In the Matter of Comcast Corporation's Request for Waiver of 47 C.F.R. § 76.1204(a)(1)*, Application for Review, CS Dkt. No. 97-80, CSR-7012-Z (Jan. 30, 2007) ("Application for Review").

2 *See* Thomson Comments, filed in CSR-7012-Z, CS Dkt. No. 97-80 (June 14, 2006).

No. of Copies rec'd 0
List ABCDE

process will *benefit* CE companies since the rollout of more HD programming will spur more consumer interest in buying HDTVs and other digital products at retail.[3]

In contrast, denial of the Comcast waiver will have significant public interest harms. As previously noted, a CableCARD requirement will substantially increase the cost of the low-cost set-top box.[4] These higher equipment costs will dampen consumer interest in subscribing to digital services and slow Comcast's and other operators' transition to all-digital networks.[5] Any delay in cable's transition to digital would harm CE companies as well since it would delay the reclamation of analog spectrum and retard the rollout of HD programming, thereby depressing sales of HDTVs at retail.

Thomson is a firm supporter of the OpenCable process and a level playing field for consumer electronics companies.[6] However, it does *not* believe that a waiver for low-cost, limited-capability boxes would impair the retail marketplace for navigation devices. First, Thomson is not aware that there is or ever has been a retail marketplace for these low-cost digital set-top boxes; the clear focus of CE companies is on the higher-end HD products consumers

---

3 *See* Thomson Comments at 1; *see also* Panasonic Comments, filed in CSR-7012-Z, at 2-4 (Feb. 14, 2007). Curiously, although the Media Bureau order denying the waiver request says "the CE industry argue[s] that grant of the waiver will unfairly advantage cable providers in the set-top box market and run afoul of the purpose of Section 629," and although it cites statements of CEA, Sony, Sharp, and Pioneer, it fails to discuss the support for Comcast's waiver request that was expressed by Thomson, Panasonic, Samsung, Motorola, Cisco, and Pace. *See In the Matter of Comcast Corporation's Request for Waiver of 47 C.F.R. § 76.1204(a)(1)*, Mem. Opin. & Order, DA 07-49, ¶¶ 9-10 (rel. Jan. 10, 2007).

4 *See* Thomson Comments at 1 ("The cost of low-end STBs has declined dramatically over the last 3 years. It is now economically feasible to accelerate the transition to digital services. However, the cost of the current implementation of separable security has not followed the same trend and now represents a very large percentage of the cost of the low-cost STBs.").

5 *See* Application for Review at 21.

6 *See* Thomson Comments at 1.

value and want. Second, Comcast has said that, even with a waiver for low-cost boxes, it expects to deploy millions of CableCARD-enabled higher-end boxes once the integration ban goes into effect.[7] Deployment of these boxes will assure that the Commission's objective of "common reliance" is achieved.

A few years ago, when it created DOCSIS, the cable industry successfully implemented a standardization process in the area of high speed data that was similar to what OpenCable is today. We are concerned that the extra burden created by CableCARDs will divert Comcast and other cable operators resources from OpenCable, thereby delaying the introduction of new, open set-top-boxes. This would reduce competition, limit innovation, and harm consumers as well as CE companies.

For the foregoing reasons, and those set forth in the Application for Review and Thomson's earlier comments, Thomson respectfully asks that the Commission grant Comcast's Application for Review and approve its request for waiver of the integration ban for certain low-cost, limited-capability set-top boxes.

Respectfully submitted,

/s/ Frank E. Dangeard
Frank E. Dangeard
Chairman and CEO
Thomson
46 Quai A Le Gallo
93648 Boulogne Cedex
France

February 26, 2007

---

7 *See* Application for Review at 17-18; Comcast Reply, filed in CSR-7012-Z, at 14-15 n.56 (June 30, 2006).

CERTIFICATE OF SERVICE

I, Frank Dangeard, hereby certify that, on February 26, 2007, copies of the attached Reply Comments of Thomson, were served via regular mail, on the following:

James L. Casserly
Jonathan Friedman
Willkie Farr & Gallagher LLP
1875 K Street, N.W.
Washington, D.C. 20006
Attorneys for Comcast Corporation

Mr. Jim Morgan
Sony Electronics Inc.
1667 K Street, N.W.
Suite 200
Washington, D.C. 20006

Mr. Michael V. Pulli
Pace Micro Technology Americas
3701 FAU Boulevard
Suite 200
Boca Raton, FL 33431

Mr. Adam Petruszka
Director, Strategic Initiatives
Hewlett-Packard Company
20555 State Highway 249
MS-140302
Houston, TX 77070

Mr. Michael D. Petricone, Esq.
Vice President, Technology Policy
Consumer Electronics Association
2500 Wilson Boulevard
Arlington, VA 22201

Mr. Paul G. Schomburg, Senior Manager
Government and Public Affairs
Panasonic Corporation
1130 Connecticut Ave., N.W.
Suite 1100
Washington, D.C. 20036

Mr. Christopher C. Cinnamon
Cinnamon Mueller
307 North Michigan Avenue
Suite 1020
Chicago, IL 60601
Attorneys for American Cable Association

Steve B. Sharkey
Director, Spectrum and Standards Strategy
Motorola, Inc.
1350 I Street, N.W.
Suite 400
Washington, D.C. 20005-3305

Mr. Jeffrey T. Lawrence
Director, Content Policy and Architecture
Intel Corporation
JF3-147
2111 N.E. 25th Avenue
Hillsboro, OR 97124-5961

Mr. Neal M. Goldberg
General Counsel
National Cable & Telecommunications Association
1724 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Mr. Gerard J. Waldron
Covington & Burling
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2401
Counsel for Microsoft Corporation

Mr. Jeffrey A. Campbell
Director, Technology & Comm. Policy
Cisco Systems, Inc.
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Mr. Brendan Murray
Media Bureau
Room 4-A802
445 12th Street, S.W.
Washington, D.C. 20554

Mr. Adam Goldberg
Vice President, Government Affairs
Pioneer North America, Inc.
8000 Towers Crescent Drive, 13th Floor
Vienna, VA 22182

Mr. John Godfrey
Vice President, Government Affairs
Samsung Information Systems America, Inc.
1200 New Hampshire Avenue, N.W., #550
Washington, D.C. 20036

Mr. Neil Ritchie
Executive Director
League of Rural Voters
P.O. Box 80259
Minneapolis, MN 55408

Mr. Craig K. Tanner
Vice President, Cable Business Development
Sharp Laboratories of America
8605 Westwood Center Dr., Suite 206
Vienna, VA 22182

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

Ms. Jean L. Kiddoo
Bingham McCutchen LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Counsel for RCN

Mr. Jeffrey Ross
President, Armstrong Utilities, Inc.
One Armstrong Place
Butler, PA 16001

Ms. Lillian Rodriguez Lopez
President
Hispanic Federation
55 Exchange Place, 5th Floor
New York, NY 10005

Mr. Jason Wright
President
Institute for Liberty
4094 Majestic Lane, #278
Fairfax, VA 22033

Mr. Grover Norquist
President
Americans for Tax Reform
1920 L Street NW, Suite 200
Washington, DC 20036

Mr. Tim Phillips
President
Americans for Prosperity
1726 M Street NW, 10th Floor
Washington, DC 20036

Mr. Tom Schatz
President
Citizens Against Government Waste
1301 Connecticut Ave., NW, Suite 400
Washington, DC 20036

Mr. Harry C. Alford
President & CEO
National Black Chamber of Commerce
1350 Connecticut Avenue, N.W., Suite 405
Washington, DC 20036

Mr. Matthew Blank
Chairman & CEO
Showtime Networks, Inc.
1633 Broadway
New York, NY 10019

Ms. Debra Lee
President & CEO
BET Holdings, Inc.
1235 W Street, NE
Washington, DC 20018

Ms. Abbe Raven
President & CEO
A&E Networks
235 E. 45th Street
New York, NY 10017

Mr. Geoffrey Segal
Director of Government Reform
Reason Foundation
3415 S. Sepulveda Blvd., Suite 400
Los Angeles, CA 90034

Mr. John Berthoud
President
National Taxpayers Union
108 N. Alfred Street
Alexandria, VA 22314

Mr. Chris Llana
110 Melville Loop
Chapel Hill, NC 27514

Mr. Manuel Mirabal
Founder & Co-Chair
Hispanic Technology & Telecommunications Partnership
1901 L Street, N.W., Suite 802
Washington, DC 20036

Mr. Philip Kent
Chairman & CEO
Turner Broadcasting Systems, Inc.
One CNN Center
Atlanta, GA 30303

Ms. Judy McGrath
Chairman & CEO
MTV Networks
1515 Broadway
New York, NY 10036

Mr. David Zaslav
President
NBC Universal Cable
100 Universal City Plaza
Universal City, CA 91608

Mr. Michael L. Barrera
President & CEO
Hispanic Chamber of Commerce
2175 K Street, N.W., Suite 100
Washington, D.C. 20037

Mr. Jimmie V. Reyna
President
Hispanic National Bar Association
815 Connecticut Avenue, N.W., Suite 500
Washington, D.C. 20006

Mr. Alex Curtis
Policy Director
Public Knowledge
1875 Connecticut Avenue, N.W., Suite 650
Washington, D.C. 20009

The Honorable Joe Barton
House Energy and Commerce Committee
Rayburn House Office Building
Washington, D.C. 20515

The Honorable Fred Upton
House Energy and Commerce Committee
Rayburn House Office Building
Washington, D.C. 20515

The Honorable Ted Stevens
Senate Commerce Committee
Dirksen Senate Office Building
Washington, D.C. 20510

Mr. George Bodenheimer
Co-Chairman, Disney Media Networks
President, ESPN, Inc. and ABC Sports
ESPN Plaza
Bristol, CN 06010

Mr. Decker Anstrom
President and Chief Operating Officer
Landmark Communications, Inc.
150 W. Brambleton Avenue
Norfolk, Virginia 23510-2075

Mr. John Hendricks
Founder & Chairman
Discovery Communications, Inc.
7700 Wisconsin Avenue
Bethesda, MD 20814

Mr. Geraldine Laybourne
Chairman & CEO
Oxygen Media, Inc.
75 9th Avenue
New York, NY 10011

/s/ Frank Dangeard
Frank Dangeard