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August 16, 2007

EX PARTE

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

RE: Verizon's Petition for Waiver of the Set-Top Box Integration Ban, 47 C.F.R. Sec. 76.1204(a)(1), CS Docket No. 97-80; Compatibility Between Cable Systems and Consumer Electronics Equipment, PP Docket No. 00-67

Dear Ms. Dortch:

On August 15, 2007, Mark Wegleitner, David Young, Will Johnson and I met with Daniel Gonzalez, Chief of Staff to Chairman Martin, and Michelle Carey, Senior Legal Advisor to Chairman Martin, to discuss our positions in the above-referenced proceedings. We reiterated our arguments, consistent with previous filings in these proceedings, concerning Verizon's need for a temporary waiver of the integration ban for the HD and DVR set-top boxes used in conjunction with its FiOS TV service. FiOS TV employs a unique hybrid QAM/IP approach, delivered over an advanced fiber-to-the-premises (FTTP) network. Because of the significant technological differences between Verizon and traditional cable providers, compliance with the integration ban poses significant and special challenges for Verizon, not faced by incumbent providers.

We explained that Verizon is working diligently with its equipment vendors to develop a compliant solution that is compatible with its unique architecture, while also working within open industry standards setting bodies to develop longer term solutions to address the Commission's navigation device goals, including both separate security and bidirectional functionality. Among other things, Verizon is currently specifying its next-generation set-top boxes, which will include the separation of the security elements from the host device. We further explained, however, that given the technological differences between Verizon and traditional cable providers and the work that remains to be done, it will be very difficult for Verizon to implement an approach to separate security by the current July 1, 2008 deadline. Moreover, a requirement that Verizon comply with that deadline would require the diversion of resources better spent developing advanced new services that would benefit consumers, as well contributing to the ongoing industry efforts to develop longer term solutions.

We also discussed the critical importance of adopting standards for bidirectional functionality on digital cable ready devices that are network agnostic and can work across all video delivery systems. We described our efforts, thus far, in working with open industry forums – including in particular efforts underway through ATIS, such as the IPTV

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Interoperability Form and the IP-Enabled Separate Security Incubator – to develop such common standards. We also reiterated the harm to consumers, competition, and innovation that would result from the adoption of two-way standards that are only compatible with the technological approach or platform of incumbent cable providers.

Sincerely,
Leora Hochstein

A handwritten signature in black ink, appearing to read "Leora Hochstein". The signature is written in a cursive, flowing style with a prominent initial "L".

cc: Daniel Gonzalez
Michelle Carey