

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Implementation of Section 304 of the Telecommunications Act of 1996)	CS Docket No. 97-80
)	
Commercial Availability of Navigation Devices)	
)	
Compatibility Between Cable Systems and Consumer Electronics Equipment)	PP Docket No. 00-67
)	
)	

REPLY COMMENTS OF VERIZON

Michael E. Glover
Of Counsel

Edward Shakin
William H. Johnson
1515 North Court House Rd.
Suite 500
Arlington, VA 22201
(703) 351-3060

Helgi C. Walker
Joshua S. Turner
Nicholas M. Holland
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
(202) 719-7000

Attorneys for Verizon

September 10, 2007

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I. INTRODUCTION AND SUMMARY

As Verizon has demonstrated,² and as further supported by the comments of other parties in this proceeding, any standard for bidirectional navigation devices should work for *all* providers and should not favor any one set of providers over another in the marketplace. To those ends, the Commission should not codify any specific technical standards for the development of bidirectional navigation devices, but should instead support and encourage ongoing industry efforts that are open to participation by all providers and manufacturers to create technology- and platform-agnostic standards for two-way devices.

In any event, the Commission must reject the demands of some commenters in this proceeding to adopt cable-centric proposals. These cable-centric proposals run counter to the

¹ The Verizon companies participating in this filing (“Verizon”) are the regulated, wholly owned subsidiaries of Verizon Communications Inc.

² Comments of Verizon, CS Dkt. No. 97-80, PP Dkt. No. 00-67 (Aug. 24, 2007) (“Verizon

goals of encouraging competition, innovation, and investment in new technology that animated Congress' passage of the Cable Act, and that this Commission has sought to promote for more than two decades. By granting a government-sanctioned technological advantage to already-entrenched cable operators, these proposals would make it more difficult for consumers to benefit from new, innovative services, thus turning the entire purpose of Section 629 and this proceeding upside down.

Finally, the Commission should not consider issues not directly related to conditional access and two-way services in this proceeding. The Commission should maintain a narrow focus on two-way standards and reject efforts by parties to further agendas that have little to do with the appropriate standards in this area.

II. TECHNICAL STANDARDS FOR BIDIRECTIONAL DEVICES SHOULD BE PLATFORM- AND TECHNOLOGY-NEUTRAL.

Verizon has identified five essential characteristics that any standard for two-way devices should incorporate in order to ensure that such standards serve the goals embodied in the Cable Act generally and Section 629 specifically. *See* Verizon Comments at 3-5. First, any such standard should be transport-agnostic, *i.e.*, its functionality must not depend upon the type of facilities or technology used to deliver video or other services. Second, the standard should be developed by an industry group that is open to all types of providers and promotes transparency in the standard-setting process. Third, the standard should allow and encourage advances in network technology and services while maintaining backwards compatibility. Fourth, the standard should use a widely adopted and universally implementable return path, such as IP over Ethernet. Fifth, and finally, an appropriate standard should eliminate dependency on unnecessary “middleware” like the Open Cable Platform (“OCAP”), which serves only to benefit

Comments”).

incumbent providers.

A standard that includes the characteristics identified by Verizon will result in significant consumer benefits by ensuring that consumers are able to choose their video provider without worrying about whether the provider's video services will function correctly with their televisions, digital video recorders, and other home entertainment devices. Indeed, a platform-agnostic standard will encourage the adoption of two-way digital devices by eliminating confusion and compatibility concerns that might otherwise dampen demand or necessitate large-scale consumer education efforts about such devices.

A standard incorporating these features will also encourage continued technological innovation and competition in the video services marketplace by ensuring that providers do not have to compromise their new and innovative systems in order to work with a standard designed for a different technology. The video marketplace is currently experiencing an explosion of competition from wireline providers using new distribution technologies, including fiber, xDSL, and even broadband over power line to deliver innovative services. This competition is already bringing considerable benefits to consumers as providers compete on price, service quality, and customer service. The deployment of cutting-edge transmission technologies like Verizon's fiber-to-the-premises ("FTTP") system also advances the Commission's goal of broadband availability. A technology- and platform-agnostic bidirectional device standard would allow new competitive video providers to deploy their systems in the way that offers consumers the best user experience and most innovative services. It also would ensure that these new and innovative technologies can compete on a level playing field with the entrenched incumbent cable companies, allowing new providers to continue to expand their service territories to bring the benefits of competition to even more communities nationwide.

The use of standards created by industry groups open to all types of providers and other interested stakeholders also will promote consumer welfare and competitive neutrality. As a coalition of consumer groups noted in their comments, “[t]echnology standards should be created by ANSI [American National Standards Institute]-accredited standards-setting bodies, not private coalitions and anti-competitive industry groups.”³ Though the National Cable and Telecommunications Association (“NCTA”) claims its standards have been approved by the Society of Cable Television Engineers (“SCTE”), an ANSI-accredited body, these standards were created solely for the traditional cable industry in conjunction with CableLabs, and did not consider the different systems now being deployed to deliver video services.

Common standards established by neutral and open industry standards-setting groups avoid the problems associated with standards created by exclusive bodies like CableLabs,⁴ including the need for providers and manufacturers to use proprietary technology and enter into restrictive agreements such as the CableCARD-Host Interface License Agreement (“CHILA”) and the OCAP Implementer License Agreement (“O-ILA”). As the Consumer Electronics Association (“CEA”) noted, “the CHILA and O-ILA licenses...place inappropriate and onerous burdens on competitive entrants” and exert control beyond that necessary for conditional access and security as contemplated by the Commission’s rules.⁵ The use of standards created by an ANSI-accredited group that is not affiliated with only one segment of the industry, on the other

³ Comments of Public Knowledge, *et al.*, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 3 (Aug. 24, 2007) (“Public Knowledge Comments”).

⁴ CableLabs is a body that excludes all consumer electronics groups and any video provider that is not a traditional cable provider. *See* Verizon Comments at 11; Public Knowledge Comments at 3.

⁵ Comments of Consumer Electronics Association, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 11-12 (Aug. 24, 2007) (“CEA Comments”).

hand, will ensure that no group of providers possesses a government-sanctioned competitive advantage. In fact, some cable companies now seem to recognize that an “all-MVPD” solution is the best approach here.⁶ While the details of such an approach are not yet clear, the Commission should encourage all industry participants to work towards a platform- and technology- neutral solution to two-way devices for the benefit of consumers.

III. THE COMMISSION SHOULD ENCOURAGE AND SUPPORT THE STANDARDS BEING DISCUSSED BY ATIS FOR BIDIRECTIONAL FUNCTIONALITY.

The Commission should not adopt any rules that require providers or manufacturers to implement specific cable-centric bidirectional standards. This is especially true because there are already ongoing industry efforts spearheaded by the Alliance for Telecommunications Industry Solutions (“ATIS”) – an open, ANSI-accredited, standards-setting body – to develop bidirectional compatibility standards that incorporate the five characteristics identified above and allow maximum flexibility and innovation. Comments filed by ATIS on behalf of its Incubator Solutions Program #5 – IP-based Separable Security Incubator (“ISSI”) provide the Commission with a detailed summary of its efforts to bring together all facets of the industry to develop a standard that could work for all providers and can be implemented in a relatively short timeframe – efforts that the Commission should encourage and support.⁷

As ATIS explains in its comments, ISSI is currently endeavoring to establish standards for bidirectional functionality and conditional access that will work for all video service providers, including traditional cable providers, IPTV providers, and QAM/IP providers like

⁶ Comments of Time Warner Cable Inc., CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 15 (Aug. 24, 2007).

⁷ Comments of Alliance for Telecommunications Industry Solutions, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 3 (Aug. 24, 2007) (“ATIS Comments”).

Verizon. ISSI is open to all sectors of the industry and includes consumer electronics manufacturers such as Scientific Atlanta, LG, Sony, and Samsung. Unlike CableLabs, which explicitly restricts its membership to traditional cable operators, this group is open to *all* video service providers and interested groups.⁸

ISSI's ultimate goal is the development of "a common platform for downloadable security functionality."⁹ Recognizing that such a solution is a complex undertaking that could take two to three years to develop, test, and deploy, ISSI is now working toward a shorter-term solution that builds upon the existing point-of-deployment module("POD")/CableCARD™ technology and "enhance[s] how the Host uses the existing CableCARD™ Multichannel specification to enable IP flows that are agnostic to the network technology of the service or network provider," consistent with the characteristics discussed above.¹⁰ ATIS identifies a number of other specifications that will be included in the standard being developed by ISSI, including support for basic two-way functionality and conditional access; access to multicast channels; compatibility with ATIS's IPTV Interoperability Forum;¹¹ and backwards compliance with existing unidirectional CableCARD™ standards.¹² ISSI has a target date of July 2008 for

⁸ *Id.* at 2.

⁹ *Id.* at 4.

¹⁰ *Id.* (internal citations omitted).

¹¹ As Verizon explained in its initial comments, ATIS also has an ongoing effort addressing additional standards related to IPTV called the IPTV Interoperability Forum. This effort will address numerous issues central to effective bidirectional standards, including standards related to channel mapping, network attachment, electronic program guides, and video-on-demand. These standards – which can be adopted by any provider that utilizes IP, including traditional cable companies – would provide a basis for consumer electronics manufacturers to create equipment that interacts with various video providers' systems and that provides more robust, bidirectional capabilities for consumers.

¹² ATIS Comments at 5.

completion of this effort. Once the standard is finalized, ISSI will work closely with manufacturers to encourage and quickly implement this platform-agnostic standard to the benefit of consumers. Indeed, it is possible – particularly given the active participation of consumer electronics manufacturers in ISSI – that if the hardware aspects of the ISSI proposal can be settled on sooner, manufacturers could begin to design and manufacture devices that could be available, pending completion of the software portion, by the 2008 holiday season.

As noted above, ISSI is also working towards a downloadable security functionality that would be “an alternative to the cable industry’s proposal for a downloadable conditional access system.”¹³ ISSI has set a target date of December 2008 to complete a feasibility study related to this effort, and will continue to develop this solution on a fast-track basis after the completion of this study.¹⁴ Both the downloadable solution and the POD-solution being developed by ISSI will, among other things, maximize consumer choice; be agnostic to the layer 1 and layer 2 characteristics of the network delivering the service; and utilize IP as the interface for bidirectional functionality.

The solutions being developed by ATIS promise to quickly bring a platform- and technology-agnostic solution for bidirectional devices to the video marketplace. Moreover, these solutions are being developed by an ANSI-accredited standards-setting body open to all stakeholders, an approach favored by Public Knowledge and others. Public Knowledge Comments at 3. CEA has also recognized that the ATIS standard would be consistent with its proposed framework and would be a viable solution for IP-based providers. In fact, in recent filings responding to petitions by IPTV providers for waiver of the Commission’s navigation

¹³ *Id.*

¹⁴ *Id.* at 5.

device rules, CEA stated that it “applauds these efforts by operators and technologists, and asks the Commission to encourage these efforts” underway at ATIS.¹⁵ CEA also expressed hope that such efforts could lead to a “national standard that can encompass both QAM and IPTV.”¹⁶ At the same time, and notwithstanding its current support for a proposal incorporating cable-centric standards, CEA correctly recognized in those filings that balkanized standards could undermine the goals of Section 629. *Id.* At 4-5; CEA IPTV Waiver Comments at 4.

The Commission should encourage the efforts of ISSI, which advance the purposes identified by Congress in adopting Section 629 and promise to bring non-speculative benefits to consumers in the form of robust competition in the two-way device market and growth of competition between video service providers utilizing all forms of distribution technologies.

IV. THE COMMISSION SHOULD REJECT CALLS TO ADOPT EITHER THE CEA OR NCTA PROPOSALS.

Some of the commenters in this proceeding lend their support to one of the two flawed proposals discussed in the Commission’s *NPRM*. Not surprisingly, consumer electronics manufacturers largely back the CEA proposal, while cable providers prefer the NCTA proposal. Both groups go to great lengths to point out the shortcomings of the other’s proposal in their pleadings. In addition, some parties that recognize the limitations of both proposals still feel it necessary to support one or the other of the two proposals, presumably out of a belief that the Commission will simply choose between them.¹⁷

¹⁵ Comments of CEA on Eleven IPTV Operators’ Petitions for Waiver of 47 C.F.R. § 76.1204(b), CS Docket No. 97-80, at 3 (Aug. 27, 2007) (“CEA IPTV Waiver Comments”).

¹⁶ Comments of CEA on Four Requests for Clarification or Waiver of 47 C.F.R. § 76.1204(a) and (b), CS Docket No. 97-80, at 6 (Aug. 13, 2007).

¹⁷ Public Knowledge Comments at 5-6 (supporting the CEA proposal, but noting that an “all-MVPD” solution is preferable).

The Commission should reject this false dichotomy between the CEA and NCTA proposals. Although the Commission should not codify any particular standards for two-way devices, it should reject each of the cable-centric proposals discussed in the NPRM. Indeed, it is not particularly useful to discuss the specific shortcomings of each proposal as compared to the other, because, while CEA's proposal is certainly less objectionable from Verizon's standpoint, both share the same fatal flaw: they rely on cable-centric technology that is not compatible with any video providers other than traditional cable incumbents. Moreover, the consumer and competitive harm caused by adopting either of these proposals is not eliminated by providing a waiver to new service providers or by establishing a different timeline for video service providers not using traditional cable technology.

A. **The NCTA Proposal is Cable-Centric and Would Harm Consumers and Competition.**

NCTA and its members tout their bidirectional standards proposal as the "only solution capable of bringing product to market anywhere near the Commission's proposed timeframe" of the 2008 holiday season for market availability of bidirectional devices.¹⁸ The cable companies make much of the fact that their exclusionary standards are largely complete and that some manufacturers are building devices to these specifications already. However, the Commission should be wary of any promises that NCTA or CableLabs makes regarding the availability or deployment of its bidirectional standards: in November 1997, CableLabs announced that it was placing Open Cable on the "fast track," although today, nearly ten years later, the deployment of

¹⁸ Comments of NCTA, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 7 (Aug, 24, 2007); Comments of Comcast Corp., CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 1-3 (Aug, 24, 2007) ("Comcast Comments").

cable's bidirectional standard remains minimal.¹⁹ The Commission should not adopt NCTA's proposal even if it were the first available – something that is far from clear – but should instead consider the impact that adopting this proposal will have on consumers, technological innovation, and competitive entry. Given the harms to each of these interests that would result from a cable-centric standard, the NCTA proposal cannot form the basis for an industry-wide solution.

As an initial matter, NCTA's plan will not necessarily bring bidirectional products to market faster than the standards being developed by ATIS. NCTA's initial proposal included two milestones. First, by July 1, 2008, cable providers with more than 2 million subscribers would be required to ensure that 50% of their subscribers are served by cable systems that support interactive digital cable products. Second, by July 1, 2009, all operators would be required to support interactive digital cable-ready products running OCAP technology.²⁰ NCTA discusses these deadline in its most recent comments, but suggests that these deadlines may not be achievable if adopted today because the Commission did not act sooner on NCTA's proposal and cable operators have not begun widespread deployment of OCAP technology to date.²¹ Even if NCTA meets its original deadlines, however, by its own admission, NCTA's bidirectional technology will not be deployed to all cable subscribers until *at best* six months after the 2008 holiday season, and, as Sony shows, full deployment of NCTA's solution would require a huge, expedited undertaking to upgrade cable head-ends nationwide by the digital

¹⁹ "CableLabs® Executive Committee Puts OpenCable™ on Fast Track," at http://www.cablelabs.com/news/pr/1997/1997_11_05.html (last visited Sept. 7, 2007).

²⁰ NCTA Comments at 28.

²¹ *Id.*

transition date.²² This “solution” would also be completely unavailable to providers using other technology.

On the other hand, ATIS’s fast track development of its POD solution contemplates development of prototype devices by July 2008 and manufacturers could begin to deploy the technology in a relatively short time after that. Moreover, because the ISSI standard will utilize IP over Ethernet as a return path, all video service providers, including cable operators, should be able to implement it. Thus, the solution developed by ATIS has the potential to result in the availability of bidirectional devices that could work for all providers in a relatively short time-frame. This stands in stark contrast to NCTA’s efforts, which have taken more than ten years and still have not been uniformly adopted by the operators for whom the standard was specifically designed.

Putting aside the question of when NCTA’s solution could be implemented by providers using other technological approaches, the Commission must reject the proposal simply because it relies on cable-centric technology designed by a closed industry group with an allegiance to incumbent cable operators and their technological approach. Though both NCTA and Comcast argue that NCTA’s proposal is, in fact, an “all-MVDP ready” approach, this statement is misleading.²³ NCTA’s proposal was designed by CableLabs, a group that specifically excludes any video service provider that is not a traditional cable provider and that includes no consumer electronics manufacturers. Not surprisingly, the standard that was developed by this group is designed for and most easily implemented by incumbent cable providers. For example, the NCTA proposal relies on DOCSIS for upstream communications, which in turn relies on the

²² Comments of Sony Electronics Inc., CS Dkt. No. 97-80, PP Dkt. No. 00-67, 12 (Aug. 24, 2007) (“Sony Comments”).

²³ NCTA Comments at 73; Comcast Comments at 14, n.30.

existence of an RF return path, something that fiber-based providers, such as IPTV or hybrid QAM/IP providers, do not have. Moreover, adding that functionality to the systems of such providers would require the deployment of expensive and otherwise unnecessary equipment at each subscriber's home in order to translate the IP streams used by these systems into an RF signal compatible with DOCSIS. Indeed, NCTA admits that requiring non-cable video providers to implement its plan would require consumers to purchase additional equipment if they wanted to use bidirectional devices with a service provider utilizing new transmission technologies.²⁴ Thus, adoption of this proposal would give entrenched incumbent operators a government imposed technological advantage over new entrants, and impose additional costs on subscribers to those services, at a time when these new services are still nascent.

In addition, because CableLabs owns and licenses the proprietary technology required to implement NCTA's proposed two-way standards, the cable companies would be able to assert an unreasonable amount of control over their competitors. The currently available licensing agreements for CableLabs technology essentially require the use of OCAP, CableLabs proprietary middleware, despite the fact that OCAP is not required for bidirectional functionality or conditional access. As Sony stated, these agreements "do little more than perpetuate the cable industry's one-sided control over the navigation devices market" and make CableLabs the "take-it-or-leave-it gatekeeper."²⁵ These agreements appear to run counter to the congressional finding that "compatibility among televisions, video cassette recorders, and cable systems can be assured with narrow technical standards that mandate a minimum degree of common design and operation, leaving all features, functions, protocols, and other product and service options for

²⁴ NCTA Comments at 73-74.

²⁵ Sony Comments at 14-15.

selection through open competition in the market.”²⁶ NCTA’s proposal would be overly burdensome on video service providers utilizing new transmission technologies, and the Commission should reject such a proposal.

B. The CEA Proposal Is Based on Laudable Principles, but Nevertheless Should Not Be Adopted.

The proposal for bidirectional standards proposed by CEA is largely based on a set of principles with which Verizon agrees. CEA’s proposal aims to provide flexibility to providers in the services they deploy, manufacturers in the devices they build, and consumers in the devices they choose to purchase. Moreover, it rejects unnecessary OCAP middleware for basic two-way services and conditional access and contemplates backwards compatibility with existing CableCARD™ technology.

Unfortunately, however, because CEA’s proposal still relies on cable-centric technology, such as OCAP and DOCSIS, it falls short of the mark. As noted above, if the Commission wants to advance the goals of Section 629 and maximize consumer welfare, it simply cannot adopt any proposal that depends on the existence of an RF return path or the use of proprietary technology controlled by the dominant provider of video services. CEA’s current proposal is no exception.

C. A Waiver or Separate Timeline for Nontraditional Video Service Providers Would Not Fully Mitigate the Harms Caused by Adopting Cable-Centric Standards.

Many parties, including CEA, recognize that both NCTA’s proposal and the plan advanced by CEA are not workable for video service providers that use any transmission technology other than QAM over coaxial or hybrid fiber/coax with an RF return path, including,

²⁶ 47 U.S.C. § 544a(a)(3).

for example, IP-based, hybrid QAM/IP, and satellite providers.²⁷ In order to alleviate the complications created by the adoption of a cable-centric standard, these parties propose that the Commission grant a blanket waiver or exemption to providers whose systems are not compatible with these standards or that the agency establish a different timeline for the implementation of standards that do work with these systems.²⁸ If the Commission were to codify a specific standard here, which it should not do, such a waiver would be necessary but not sufficient. Though Verizon supports the grant of such a waiver or exclusion should the Commission choose to adopt either of the cable-centric proposals currently under consideration, such a waiver would not mitigate all of the harms that would result should the Commission adopt a cable-centric solution for traditional cable operators.

If the Commission adopts or endorses any proposal at this time, consumer electronics manufacturers are likely to design and sell devices that are compatible with that standard. However, to the extent that these devices are not compatible with other service providers' technology, the presence of a "standard" that does not apply to a range of new entrants will cause consumers confusion and frustration when their newly purchased two-way devices do not work for their chosen video provider. Even once customers determine which devices and networks are

²⁷ AT&T and Qwest suggest that providers that utilize QAM to deliver video will be able to comply with the NCTA or CEA proposals. *See* Comments of AT&T Inc., CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 6 (Aug. 24, 2007) ("AT&T Comments"); Comments of Qwest, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 4 (Aug. 24, 2007) ("Qwest Comments"). This is misleading. In fact, even though Verizon utilizes QAM for the downstream delivery of some programming, as it has explained before, NCTA and CEA's proposals are unworkable because they rely on the existence of an RF component to send *upstream* communications, which Verizon's FTTP system does not have. Instead, like AT&T or other IPTV providers, Verizon's upstream communications are in IP.

²⁸ *See* CEA Comments at 15; Qwest Comments at 5; AT&T Comments at 15; Comments of EchoStar, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 6 (Aug. 24, 2007); Comments of DirecTV, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 11-14 (Aug. 24, 2007); Comments of Intel Inc., CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 10,13 (Aug. 24, 2007).

compatible, consumers will suffer further harm because they will not be able to enjoy all of the benefits of the new device technology unless they subscribe to a traditional cable operator. Thus, consumers will be faced with the choice of using the most advanced bidirectional devices available with a traditional cable operator's services or subscribing to an advanced competitive entrant and not getting the benefit of the bidirectional functionality of their devices.

In the face of this choice, one of two negative results will follow. Either consumers will adopt these bidirectional devices and then be resistant to switching to competitive providers that are incompatible with them, thus further entrenching cable's position, or the consumer confusion and dissatisfaction with these early devices will result in a marketplace rejection of bidirectional devices similar to that experienced with unidirectional devices. Thus, while a waiver provided to the competitive entrants may save those providers from the burden of implementing an incompatible standard, it would not serve the long term interests of consumers or further competition for video services or navigation devices.

V. THE COMMISSION SHOULD REJECT PROPOSALS UNRELATED TO BIDIRECTIONAL STANDARDS.

Several parties to this proceeding make arguments or encourage Commission action on issues unrelated to bidirectional compatibility or conditional access. The Commission should not consider these unrelated requests and should maintain a narrow focus on the standards necessary to encourage the manufacture and deployment of two-way devices. Specifically, the Commission should not consider the requests of the 1394 Trade Association to "stipulate the continued use of 1394 in Set-Top Boxes and expand the scope of this directive to usage in home networking."²⁹ The Commission currently requires that all high-definition set-top boxes include

²⁹ Comments of the 1394 Trade Association, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 2 (Aug. 27, 2007).

an IEEE 1394 interface.³⁰ This requirement was adopted as a “means of ensuring the connectivity” of set-top boxes.³¹ However, as home networks become more common and consumers demand more connectivity between their home entertainment systems, personal computers, and mobile devices, the marketplace is responding to those demands. For example, efforts are underway now through the Digital Living Network Alliance to develop standards for home networking that utilize an IP interface. Indeed, given the advent of competitive standards, consumers’ failure to embrace the 1394 standards, and the high licensing costs of including 1394 outputs in equipment, the Commission should consider repealing the current 1394 requirement, thereby allowing the marketplace to decide which standards for home networking interfaces should be included in consumer electronics equipment.

Finally, the Commission should reject suggestions by the Motion Picture Association of America (“MPAA”) that would assign to CableLabs the principal role in setting standards for content protection and should similarly refuse to appoint CableLabs the certifying body for new digital equipment.³² The content protection issues raised by MPAA are not appropriate for this proceeding and, in any event, can be worked out by marketplace negotiations between programmers and video providers. MPAA’s proposals assigning a principal role to CableLabs to address such issues, however, is particularly inappropriate. No one standard is fundamentally superior to another with regard to content protection, and the use of OCAP and reliance on

³⁰ See 47 C.F.R. § 76.640(b)(4)(ii) (2007).

³¹ *Implementation of Section 304 of the Telecommunications Act of 1996; Commercial Availability of Navigation Devices; Compatibility Between Cable Systems and Consumer Electronics Equipment*, Second Report and Order and Second Further Notice of Proposed Rulemaking, 18 FCC Rcd 20885, ¶ 24 (2003).

³² Comments of the Motion Picture Association of America, CS Dkt. No. 97-80, PP Dkt. No. 00-67, at 7, 20 and 22 (Aug. 24, 2007).

CableLabs to test devices for interoperability and content protection would only serve to entrench incumbent providers.

Though content providers need reasonable means to protect their copyrighted materials from illegal copying and use, marketplace solutions to protect content of the type supported by MPAA can be created without the proprietary technical approach created by CableLabs for cable operators. Alternative video providers are sensitive to the concerns of the MPAA and the potential consequences if they were to fail to deploy adequate protection. MPAA's testing proposal would also cede too much power to the incumbent cable providers to establish testing and standards regarding interoperability and content protection that could be detrimental to competitive providers.

VI. CONCLUSION

For the reasons stated above, the Commission should encourage and endorse only those industry efforts that are open to all providers and seek to create technology- and platform-neutral bidirectional standards incorporating the characteristics identified above. Likewise, the Commission should reject proposals that rely on cable-centric technology or that request that the Commission take action unrelated to bidirectional devices.

Respectfully submitted,

Michael E. Glover
Of Counsel

/s/ Edward Shakin
Edward Shakin
William H. Johnson
1515 North Court House Rd.
Suite 500
Arlington, VA 22201
(703) 351-3060

Helgi C. Walker
Joshua S. Turner
Nicholas M. Holland
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
(202) 719-7000

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Attorneys for Verizon