



ELECTRONICS

January 7, 2009

VIA ECFS

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

Re: Notice of Ex Parte Presentations:

CS Docket No. 00-96, "Carriage of Digital Television Broadcast Signals: Amendment to Part 76 of the Commission's Rules; Implementation of the Satellite Home Viewer Improvement Act of 1999: Local Broadcast Signal Carriage Issues and Retransmission Consent Issues"

(and)

CS Docket No. 97-80, "Commercial Availability of Navigation Devices"

Dear Ms. Dortch:

On January 6, 2009, John Godfrey, Vice President, Government and Public Affairs, Samsung Information Systems America (the undersigned) met with the following Media Bureau staff regarding the Commission's Second Further Notice of Proposed Rulemaking ("SFNPRM") on satellite carriage of digital television broadcast signals¹: Mr. Steven Broeckaert, Ms. Rosalee Chiara, Mr. Lyle Elder, Ms. Eloise Gore, Ms. Mary Beth Murphy, and Mr. Brendan Murray. In the same meeting, I also provided an update on Samsung's progress in implementing "tru2way" interactive digital cable technology. The following is a summary of these discussions.

1. Satellite Carriage of High-Definition Local Broadcast Programming

Samsung Electronics is the U.S. market leader in high definition ("HD") televisions. Samsung is also a key vendor of HD set top boxes ("STBs") to satellite operator DIRECTV. U.S. television viewers are embracing HD television rapidly, both for the higher resolution pictures it provides and for its wide, 16:9 aspect ratio. HD is becoming the mainstream format for television programming. In its current proceeding, Samsung urges the Commission to make decisions that will foster, not impede, the deployment of HD local service to satellite TV viewers nationwide.

¹ Carriage of Digital Television Broadcast Signals: Amendment to Part 76 of the Commission's Rules; Implementation of the Satellite Home Viewer Improvement Act of 1999: Local Broadcast Signal Carriage Issues and Retransmission Consent Issues, 23 FCC Rcd. 5351 (2008) ("SFNPRM").

In its Comments responding to the SFNPRM, Rancho Palos Verdes Broadcasters (“RPVB”) proposed that the Commission require satellite operators to ensure that in any market where any local stations are carried (“local-into-local” markets), all subscribers can receive all local must-carry signals, whether their television receiver is analog or digital and whatever the technical characteristics of their satellite STB. To meet this requirement in practice, satellite operators would have to carry all local must-carry signals both in HD format on the satellite operator’s Ka-band infrastructure and in standard-definition (“SD”) format on the operator’s Ku-band infrastructure, in order for subscribers with legacy (Ku band-only) SD STBs to receive local stations’ programming using their current STB.

Samsung opposes RPVB’s proposal as unnecessary and contrary to the public interest. First, all Samsung-supplied HD satellite STBs (and very likely all other HD satellite STBs) have analog outputs and can down-convert HD programming to analog so it is viewable on analog displays. No subscribers with analog televisions need worry that if local stations are carried only in HD, their televisions will be unable to display the local stations. Second, although it is true that legacy SD STBs cannot receive Ka-band HD satellite transmissions, subscribers can easily upgrade their equipment (obtaining a new HD STB from the satellite operator) in order to receive all local stations.

The RPVB proposal’s minor consumer benefit of eliminating any need for consumers ever to swap their STB for a new one is far outweighed by the harm to the public interest that would arise from making it more difficult for satellite operators to expand the number of markets in which HD local service is provided. To comply with the RPVB proposal, for a satellite operator to initiate HD local-into-local service in any new market, the operator would have to find capacity in both its Ka-band and Ku-band infrastructure. DIRECTV’s Comments responding to the SFNPRM explained that its Ku-band infrastructure is full, so it would be unable to add any new local-into-local markets under RPVB’s proposal. The RPVB proposal therefore would impede the expansion of local-into-local service to new markets, denying an important public benefit.

By contrast, if the Commission rejected RPVB’s proposal, satellite operators could introduce local-into-local service in new markets solely in HD format. Subscribers in those markets who currently use an SD STB would be able to obtain local broadcast programming by upgrading their STB. (They would not have to upgrade their television, because they could connect the new STB’s analog output to their analog television set.) To expect subscribers to upgrade their STB in order to receive the new local service is in no way unreasonable.

In the SFNPRM, the Commission also asked about the implications for consumers should it require satellite operators that carry any local stations in both HD and SD formats to carry all local must-carry stations in both HD and SD. Samsung makes the same observation in this case as in the case described above—it is not an unreasonable burden for subscribers to obtain an HD STB in order to ensure they can receive all the local stations. The Commission has already mandated a schedule for satellite operators to

carry all must-carry stations in local-into-local markets in HD format, and as HD becomes the mainstream format for American television viewers to enjoy television content, HD carriage is where the Commission's focus should remain.

2. Update on Samsung's Implementation of Interactive Digital Cable Technology

Samsung has previously explained to the Commission its continuing, strong support for achieving nationwide compatibility of competitive cable navigation devices (including televisions and STBs) through the implementation of tru2way technology, also known as the OpenCable Application Platform ("OCAP").² Tru2way enables navigation devices to receive interactive cable programming (e.g., interactive program guide, video on demand, pay-per-view programming) without a separate cable STB or cable remote, while relying upon the same tru2way technology that leading cable operators are deploying for their own use.. Earlier this year, Samsung signed a Memorandum of Understanding with the six largest cable multiple system operators (MSOs) promising our mutual cooperation in developing and deploying tru2way.³

Working with CableLabs and MSOs, Samsung has made significant progress and is a leader in the implementation of tru2way technology. Samsung has demonstrated tru2way in both television and STBs and will be doing so again at the International Consumer Electronics Show in Las Vegas, Nevada, Jan. 8-11, 2009. Samsung has also supplied a substantial and growing number of HD tru2way STBs to cable operators, beginning with Time Warner Cable's system in New York City where Samsung STBs have been operating smoothly in subscribers' homes since their introduction in 2007. Samsung looks forward to continuing to build the market for products that attach directly to interactive digital cable services using tru2way.

² See Notice of Ex Parte Presentation: Letter from John Godfrey, Vice President, Samsung Information Systems America, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, CS Docket No. 97-80 (November 9, 2007).

³ For text of MOU, see Comcast Submission of Memorandum of Understanding, CS Docket No. 97-80 (June 10, 2008).

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This letter is being provided to your office in accordance with Section 1.1206 of the Commission's rules. A copy of this letter is being delivered by e-mail to the parties listed below. Please direct any questions regarding this notice to the undersigned.

Respectfully submitted,

/s/ John M. Godfrey

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