In the following opinion, a set-top box is a device provided by a cable operator. A CableCARD device or retail CableCARD device is a device designed to accept a CableCARD, excluding set-top boxes. In order to protect any technological advancements we may see, a CableCARD device can also be construed to mean any device that allows for the reception and descrambling of content provided by cable operators.

With regards to item 3 of this proceeding:

The higher incurred cost of using a CableCARD device is in many cases due to the cable operator bundling services and features together in such a way that both CableCARD subscribers and set-top box subscribers are required to pay a fee, but set-top box customers get extra features or access to additional content that is not available to the CableCARD customer. In many cases, the additional feature or service that the CableCARD customer is missing out on must be acquired from another provider, and sometimes this results in an additional cost to the CableCARD customer. An example of this would when the cable operator charges a fee for access to one or more tiers of television channels, and allows set-top box customers access to content that the CableCARD cannot access. Examples of this type of content include electronic programming guides, on-demand viewing, pay-per-view, and other features that are provided solely to customers that either use the cable operator's set-top box. In many cases, these features are provided in a bundle or package along with some other feature or content that is available to the CableCARD customer, while not everything in the bundle is available because some of the features require the use of the cable operator's set-top box. It is my opinion that the FCC should impose rules that require cable operators to provide equal access to services and features to all customers that pay a specific fee. Services or features that are available to one customer that are not available to another customer should be billed only to the customer that has access to those services and/or features, and no bundle of services or features should exist unless all of those services and features are available to the customer without regard to the hardware the customer is using. Additionally, no fee charged by the cable operator should benefit any customer that chooses to use specific hardware for cable television reception but not benefit another customer with different hardware.

In regards to item 15 of this proceeding:

The FCC's proposed rule does not allow customers to "compare retail options to leasing a set-top box from their cable operator" in a fair manner. Cable operators have the option to decrease the cost listed on the customer's bill for leasing equipment from the cable operator, while at the same time inflating the cost of one or more of the other fees that appear on the same bill to compensate for the revenue lost as a result of lowering the cost of the leased hardware. If the cable operator currently charges $10 per month to lease a set-top box, the cable operator could decide to stop charging the $10 per month as a separate line item on the bill and instead add $10 to the cost of a service or feature that is accessible by all customers (such as the lowest tier of channels offered). The result of a move such as this is that the customer sees no direct cost for using the set-top box, even though the cable operator is obviously collecting the fee for the lease, even if the customer is not using the cable operator's set-top box. Unless the retail CableCARD device can do something that the set-top box cannot do, the customer assumes the better deal is to choose the set-top box from the cable operator. Though this is a drastic example, the concept is not drastic nor is it something out of the realm of possibility. If all cable operators were to take this course of action, it would mean the extinction of retail CableCARD devices, as no retailer could provide their hardware at such a low cost. Therefore, I propose that the FCC create a rule that requires a minimum cost for leasing hardware to customers. Doing so will ensure that there is always direct competition between the cable operator and the CableCARD device retailers. I would recommend setting the minimum price as a percentage of the cost of the cable television subscription. Doing so has a twofold effect. First, a clear comparison of the hardware cost can be made by the consumer. Second, in order to remain competitive, the cable operator will be required to adjust the subscription rates and features for the services it provides. Where previously the only competition the cable operators had were satellite and IPTV providers, the hardware retailers are able to directly influence the cost of the cable television subscription, thereby allowing them to indirectly influence the satellite and IPTV subscriptions as well. Because the cable operator will want customers to use their hardware, they will have to remain in competition with the CableCARD retailers, both in price and functionality. As the cable operator provides lower prices and more functionality, both the CableCARD device retailers and the satellite and IPTV providers will be forced to do the same. As they increase their functionality and lower their prices, the cable operator is again forced to come up with something new. This ends up creating a tightly woven web of competition, stirring economic activity, and it benefits the consumer much more than the FCC's proposed rule would.