

THE SMITH-FREE GROUP, L.L.C.
1401 K STREET, N.W. - SUITE 1200
WASHINGTON, D.C. 20005
Telephone (202) 393-4760 Facsimile (202) 393-3516

July 1, 2010

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St SW
Washington DC

RE: Notice of Ex Parte Communication
MB Docket No. 10-91, CS Docket No. 97-80, PP Docket No.00-67

Dear Ms. Dortch:

On June 30, 2010, the undersigned, along with Antoinette Bush of Skadden, Arps, Slate, Meagher & Flom, Linda Kinney of the MPAA, Frances Seghers Executive Vice President, Worldwide Government Affairs, Sony Pictures Entertainment Inc., Mitch Singer, CTO of Sony Pictures Entertainment Inc., and Spencer Stephens, Sr. Vice President, Standards & Solutions, Sony Pictures Entertainment Inc., held several meetings at the Commission to discuss issues relating to the Notice of Inquiry regarding gateway devices.

In attendance from the FCC were: Julius Knapp, Alan Stillwell, Ira Keltz, and Karen Ansari of the Office of Engineering & Technology; Rosemary Harold of Commissioner McDowell's Office; Kris Monteith, Brendan Murray, Jeffrey Neumann, Steven Broeckaert, Mary Beth Murphy, Nancy Murphy, Alison Neplokh, Joy Hewitt and Michelle Hilera of the Media Bureau; Millie Kerr of Commissioner Baker's Office; Josh Cinelli and Jay All of Commissioner Copps' Office.

The Sony Pictures representatives (SPE) indicated support for examining how to open the device market with viable solutions to foster innovation. In response to queries on the concept of providing a standardized interface for consumer devices, Sony Pictures representatives reviewed the potential limits of DTCP, which perhaps does not provide enough flexibility to provide the consumer a wide range of options. In reviewing marketplace developments that have already emerged, or are in process, SPE offered a review of recent innovations in the marketplace, both in consumer services, and in technology and hardware advances. In addition they reviewed developments in other telecommunications technologies and services such as DSL and cable modems for domestic broadband services, which were standardized decades after the IP protocol was first defined.

In addition, SPE reviewed the standards-setting process ETSI-TS102825 for DVB CPCM (Digital Video Broadcast Project – Content Protection Copy Management), which was years in development but has not yet been deployed. SPE stated that DVD CPCM is one example of a standard that can express content offerings enabling a rich consumer experience, and urged caution in avoiding setting standards for services rather than a technology, expressing concerns that the end result of this process not result in limiting the options for the consumer; thus any standards would need to leave ample room and flexibility for innovation to address changing consumer interests.

SPE expressed concerns that with regard to EPG designs and search mechanisms, legitimate content should not be presented side by side with illegally sourced content; additionally questions were raised on how to ensure that parents could be confident their children would not be presented with content they do not want their children to see.

SPE offered a brief review of the process underway under the management of the Digital Entertainment Content Ecosystem, LLC (DECE) in which a wide range of industries are working together to develop a common standard for delivery of and remote access to digital content from a variety of platforms to a variety of devices. They outlined that, correctly done, AllVid could bring forth the same kind of rich experience envisioned, but that it is very complex. They discussed issues related to licensing on various platforms, citing existing marketplace models where HD content is readily available to the consumer, because the distribution platforms adequately protect content against copying and redistribution. SPE pointed to the PSN and other platforms which are not subject to regulation and have facilitated continued innovation, resulting in a broader choice and richer experience for the consumer. SPE reviewed marketplace examples of existing devices which can detect and decline to play illegal camcorded theatrical content. SPE suggested that the best path would be to allow for technical innovations combined with licensing regimes, but also pointed out that the AACCS was over five years from inception to deployment .

SPE indicated it will be necessary to resolve a range of issues before working on technical standards for an AllVid device, in order to avoid the shortcomings experienced with CableCARD. SPE outlined hopes for an outcome resulting in opportunities for robust growth and new innovations in this area, thus the need for addressing not just current consumer trends, but to allow for future changes, without locking the marketplace out of new options.

Sincerely,


Alicia W. Smith

cc:	Julius Knapp	Steven Broeckaert	Josh Cinelli
	Alan Stillwell	Mary Beth Murphy	Jay All
	Ira Keltz	Nancy Murphy	
	Karen Ansari	Alison Neplokh	
	Rosemary Harold	Joy Hewitt	
	Kris Monteith	Michelle Hilera	
	Brendan Murray	Millie Kerr	
	Jeffrey Neumann		