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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2107**

October 6, 2010

**1601**

The Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Genachowski:

I am writing with respect to the Commission's ongoing efforts to spur greater video competition and consumer access to innovative video navigation devices consistent with the congressional intent of Section 629 of the Communications Act. I am the author of that provision, which I successfully added to the Telecommunications Act of 1996 with then-Commerce Committee Chairman Tom Bliley (R-VA). I am pleased that the National Broadband Plan cited this provision as an opportunity to spur innovation in video navigation devices, fostering the broadband video marketplace and greater adoption of broadband.

In the age of the smart phone, these devices essentially are "smart video boxes" -- the range of navigation devices from converter boxes and set-top boxes to modems and digital video recorders that consumers use daily -- the very devices that ideally would help consumers navigate to the video and information sources of their choice. Unfortunately, fourteen years after the enactment of Section 629, the promise of the smart video box provision has not been fulfilled, as the Commission noted in the National Broadband Plan. There has been tremendous innovation in two of the three main devices for connecting to broadband services -- smart phones and personal computers -- but the set-top box is simply not as "smart" or as available as it should be for consumers.

The failure of a more robust market for set-top boxes can be attributed in part to problems with implementation and support of the CableCARD system. Specifically, installation of a CableCARD requires assistance from a professional technician and can be laborious and time-consuming; the inability to access switched digital video without the need for adjustments makes CableCard-enabled devices an unappealing choice for consumers who subscribe to cable systems that utilize switched digital video; and CableCard pricing also has made it less competitive in the marketplace.

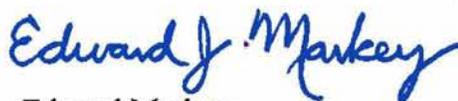
In its current CableCard proceeding, I encourage the Commission to fulfill the original intent of Section 629, ensuring that consumers are able to purchase CableCard-enabled devices at retail that they can self-install without having to purchase additional equipment to access switched digital video signals from their cable company. In this way, the Commission would achieve the goal that Congress established fourteen years ago when it envisioned a future in which consumers had vast video choices untethered to a particular multi-channel video programming distributor (MVPD).

I also note that in addition to resolving the CableCard issue in the short-term, the Commission should concurrently initiate a proceeding, consistent with the recommendations in the National Broadband Plan, to make progress towards the widespread availability of video navigation devices as envisioned by Section 629. Such a proceeding should ensure that all MVPDs install a gateway device or equivalent functionality in all new subscriber homes and in all homes requiring replacement set-top boxes, starting on or before Dec. 31, 2012. As outlined in the National Broadband Plan, this gateway device must be simple and inexpensive for consumers and its sole function should be to bridge the proprietary or unique elements of the MVPD network to widely used and accessible, open networking and communications standards.

With these gateway devices, consumers should be able to navigate the universe of video content that is available to them, moving seamlessly between watching their favorite show or a Netflix movie, updating their Facebook page, or accessing their computer's hard drive and Internet content through their broadband connection. Such capability would benefit consumers, foster innovation and fulfill the intent of Section 629.

I appreciate your consideration and look forward to your response.

Sincerely



Edward Markey



OFFICE OF  
THE CHAIRMAN

Federal Communications Commission  
Washington, D.C.

November 16, 2010

The Honorable Edward J. Markey  
U.S. House of Representatives  
2108 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Markey:

Thank you for your letter regarding the Commission's CableCARD rules and ongoing efforts to promote the development of a competitive market for retail navigation devices, as contemplated in Section 629 of the Communications Act. I appreciate your longstanding leadership on communications policy, and agree that the Commission's CableCARD regime has not worked effectively to encourage the development of a competitive market for navigation devices, and has not provided the intended benefits to consumers.

I am pleased that the Commission adopted the *Third Report and Order and Order on Reconsideration* at its October Meeting to revise the CableCARD rules. The new rules established by the *Order* will require comparable treatment of retail and leased devices. By ensuring that the consumers get the equipment credit and services to which they are entitled, the rules also will create a level playing field for consumers who buy set-top boxes. The rules streamline installation, including self-installation, and make billing more transparent. They also streamline the process for getting set-top boxes to market by eliminating unnecessary delays and costs associated with set-top box testing and certification.

Of course, this is only one step toward unleashing maximum innovation through TV. A major element still to be addressed is the possibility of increased interoperability between a consumer's pay-TV programming stream and the consumer's broadband stream of data. As the National Broadband Plan described, one approach may be to utilize a gateway device to the consumer's home that would preserve the integrity of the pay stream, while spurring greater innovation around it in new devices and services. The Commission is examining the proposals outlined in the "AllVid" *Notice of Inquiry*, which requested public comment on specific steps to establish a standardized interface or "gateway" that would enable smart navigation devices to deliver video from any multichannel video programming distributor, the Internet, and other sources together.

I appreciate your interest in this important matter and look forward to working with you as the Commission continues to revise its rules and policies governing video navigation devices. Please do not hesitate to contact me if I may be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Julius Genachowski".

Julius Genachowski