



December 22, 2011

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

***Re: Ex parte meeting on MB No. 11-154***

Dear Ms. Dortch:

On December 20, 2011, Paula Boyd of Microsoft along with Tom Cohen of Run Studios LLC (a consultant to Microsoft) by phone, met with Sherrese Smith, Senior Counsel & Legal Advisor to Chairman Genachowski. Ms. Boyd discussed a number of issues addressed in Microsoft's comments, reply comments and ex parte in this proceeding and in particular, she

- discussed the importance of having a minimum timeframe of two years for industry to comply with new closed captioning rules and noted that such a timeframe is needed to provide enough time for industry to take technical and other actions to come into compliance.
- reiterated the importance of appropriately identifying the different parties involved in making video programming available to consumers over an IP network: the video program owner, video programming provider, and the video program distributor. And she noted that the video program owner is the only one that holds the copyright to the content and has the right to caption the content and such responsibility should vest with the video program owner.
- highlighted the importance of adopting the SMPTE TT standard as a safe harbor to allow industry to develop products with the confidence that they are in compliance with the FCC's rules while preserving the ability of industry to innovate beyond the SMPTE TT standard. Ms. Boyd stated that any standard that provides a safe harbor should be developed in recognized standards bodies and in an open and transparent manner.
- supported the exclusion of software from the definition of apparatus.
- underscored, consistent with Microsoft's ex parte submission, that the cost of preparing clips for viewing by consumers is as resource intensive as preparing a one or two hour program and noted that clips should not be subject to regulation.
- noted that a fine of \$10,000 per violation is punitive and suggested that the FCC proceed as it has on other issues taking a case by case approach and increasing or decreasing fines based on the facts surrounding the violation.



- agreed with CEA's position that in evaluating waivers, the FCC should give weight to and be guided by the intent of the manufacturer.
- supported CEA's position that the quality of IP closed captions be required to be "functionally equivalent" and not "equal to" that of television based closed captioning. This will allow industry the flexibility to tailor captioning to the variety of consumer devices providing consumers with valuable user experiences and preserving the ability of industry to innovate.
- and lastly, discussed the NPRM's question about whether it was necessary to regulate Wi-Fi networks as interconnection mechanism and noted that there was no reason to unduly burden Wi-Fi networks since these networks routinely pass through anything that is correctly conveyed in the IP stream.

Pursuant to the Commission's rules, a copy of this notice is being filed electronically in the above-referenced dockets. If you require any additional information please contact the undersigned.

Sincerely,

/s/

Paula H. Boyd  
Director of Government and Regulatory Affairs,  
Microsoft Corporation

cc: Mrs. Sherrese Smith