



Hauppauge Computer Works, Inc.
91 Cabot Court
Hauppauge, NY 11788

January 26, 2012

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

Re: Compatibility Between Cable Systems and Consumer Electronics Equipment,
PP Docket No. 00-67; MB Docket No. 11-169

Dear Ms. Dortch,

On January 25, 2012, I spoke by phone with Michelle Carey of the Media Bureau in regard to the proposed Basic Tier Encryption rulemaking. During our conversation, I discussed Hauppauge's position on the elimination of 'clear QAM' digital cable TV. Clear QAM digital cable TV is unencrypted cable TV and can be received directly in TV sets which have built-in ATSC/clear QAM receivers. Clear QAM digital cable TV will be eliminated if the proposed Basic Tier Encryption is allowed.

It is Hauppauge's opinion that Basic Tier Encryption should not be put into effect, and that clear QAM digital cable TV should continue to be available to consumers in the United States. After the over-the-air transition to ATSC digital TV in 2009 and the reclamation of analog cable TV over the last year, eliminating clear QAM TV would be yet another change to the way consumers receive television in less than three years. Consumers are not very happy today with these changes and another change will make them even less happy. An article in FierceCable (January 24, 2012) recently noted "Following complaints, Comcast blankets Savannah with door-to-door reps ... Comcast officials say its efforts to knock on the doors of subscribers to ask if they are happy with their service are related to its recent completion of a conversion to an all-digital programming lineup. But the city has been

pressing Comcast to respond to service complaints, and the MSO says it will file a report with the city related to customer service and digital upgrade issues next week.” And in another report (FierceCable, Jan. 25, 2012) “Digital conversion create customer service headaches for Comcast ... A story in a Florida newspaper Tuesday--and an accompanying photo and video that showed hundreds of subscribers waiting in lines for new adapters .. Most of the subscribers who lined up for digital converters say they woke up to discover that they could not access TV programming after Comcast had completed the switch from analog to digital.”

Hauppauge believes that good policy protects consumers but still enables and encourages innovation. Hauppauge has recently read about whole home TV distribution systems being developed by Comcast and Verizon, which we consider to be very encouraging and an indication of the innovative nature of the cable TV distribution business. These types of systems, when integrated with new generations of ‘smart’ TV sets, would reduce the power consumption of cable TV equipment in the home, which today is a big problem. As I mentioned in a previous filing, the New York Times reported in an article entitled “Atop TV Sets, a Power Drain That Runs Nonstop” (The New York Times; Elisabeth Rosenthal; June 25, 2011) that “Those little boxes that usher cable signals and digital recording capacity into televisions have become the single largest electricity drain in many American homes”.

These new whole home TV distribution systems being designed by Comcast and Verizon are much more energy efficient than multiple cable TV boxes currently being used. But until these new systems become widely deployed, using clear QAM to directly connect digital cable TV to clear QAM enabled TV sets without requiring a cable TV box is the best way to lower the power consumption of cable TV in the home.

If the proposed ruling goes into effect, the elimination of clear QAM TV will require the deployment of yet more digital cable boxes, which will increase the electricity usage in American homes. This is certainly contrary to our national interests to reduce power consumption.

The elimination of clear QAM digital cable TV certainly has benefits to the cable operators, primarily being the reduction in theft of service, but there is no urgency to this. Compared with the reclamation of the analog bandwidth on a cable network, which allowed cable operators to offer more programming content, the elimination of clear QAM does not provide additional services or content which benefits consumers. The only thing it provides is the ability to prevent the loss of revenue due to theft of service. Eliminating theft of service is a worthwhile goal, but not at the expense of more power consumption and increased consumer dissatisfaction.

I also mentioned to Ms. Carey that Hauppauge believes that cable operators do not appreciate the value of clear QAM digital cable TV. It is difficult to track the number of clear QAM cable TV users because many of them, including myself, subscribe to cable TV and

rent several DVR boxes but still use clear QAM on spare or occasionally used TV sets. There is a high value to consumers to be able to connect digital cable directly to a TV set using clear QAM, yet this usage cannot be measured by cable operators – therefore, they do not have a good indication of how many of their subscribers are using clear QAM TV. If cable operators cannot measure the usage of clear QAM by the rental of boxes, then they assume the usage does not exist. We believe this is a bad assumption and that clear QAM usage is more widespread than assumed.

I noted to Ms. Carey that I have read in filings made by cable operators that eliminating clear QAM digital cable TV will reduce the number of truck rolls when disconnecting cable service at a customer's residence. But what is not mentioned is that these truck rolls will be replaced by individual trips by consumers to their local cable TV service center to pick up equipment when starting service and to drop off their equipment when discontinuing their service. Instead of the cable company paying for the trip, the consumer would.

Finally, we spoke about the Hauppauge TV tuner products for PCs, which we have been designing and manufacturing since 1992. Consumers who buy our TV tuners are using them to watch live TV while they work on their PC, doing things like e-mail, web surfing, social networking and such while they see live TV in a window on their screen. Our most popular TV tuner is the WinTV-HVR-950Q, which connects to a Windows PC or laptop and brings NTSC analog TV plus ATSC and clear QAM TV to a PC screen. We believe our customers buy this TV tuner so they can have live TV plus other types of PC based entertainment on their PC screen at the same time. This product sells for \$79 - and is available at Best Buy and other electronic products retailers in the U.S. I noted in my previous filings that we believe about 40% of our customers use clear QAM, about 10% still use analog TV and 50% use ATSC digital over the air TV.

The elimination of clear QAM digital TV will have an impact on our customers who have purchased the WinTV-HVR-950Q. Our customers who are using clear QAM for their TV watching will see their screens go dark. The alternative is to use ATSC, but ATSC reception is often not possible from within homes and apartments unless there is access to an external, rooftop antenna.

Our customers have been through two transitions in less than three years: the switch off of analog over-the-air TV as the U.S. moved to ATSC in June of 2009, and the discontinuation of analog cable TV as the cable operators moved to full digital cable networks. A third transition, the elimination of clear QAM, is simply too many transitions in too short a period of time. This will cause yet more consumer dissatisfaction.

This letter is being provided to your office in accordance with Section 1.1206 of the Commission's rules.

Respectfully submitted,

/s/ Ken Plotkin

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Michelle Carey

Chairman Genachowski
Commissioner McDowell
Commissioner Clyburn