cable

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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Re: CS Docket No. 97-80: National Cable & Telecommunications Association Status Report

Dear Ms. Dortch:

The National Cable & Telecommunications Association ("NCTA") hereby submits a status report as called for in the Commission's Second Report and Order in CS Docket No. 97-80, 20 FCC Rcd 6794 (2005) ("Second R&O"). In the Second R&O, the Commission reviewed progress in negotiations regarding bidirectional ("interactive") digital cable ready products between the consumer electronics ("CE") and cable industries (involving at times other interested parties) and required that "NCTA and CEA shall file joint status reports and hold joint status meetings with the Commission on or before August 1, 2005 and every 60 days thereafter on progress in bidirectional talks and a software-based conditional access agreement." The CE and cable parties have agreed that for this report it would be most useful for each to update the individual reports we filed on November 30, 2005. This report updates the NCTA's November 30, 2005 submission.

Despite the animated rhetoric of pleadings filed in this docket on November 30, 2005, the cable and consumer electronics industries continue to meet and work with each other. Since November 30, 2005:

A joint meeting to discuss "business issues" took place on December 8, 2005 focusing on a discussion of the November 30, 2005 filings of each party.

A joint meeting to discuss "business" and "technical" issues took place on January 17, 2006. That meeting focused primarily on testing and certification issues.

The parties have also continued joint engineering discussions on how device resources can be shared practically between cable applications and other applications of an Interactive Digital Cable Ready Product ("IDCP"). These discussions, which have been conducted by a smaller group of engineering and technical representatives from each party, are addressing several "use cases" that may arise in various generations of interactive DTVs. To date these have included tuning to terrestrial channels via an 8 VSB tuner while cable services are running; how functions (like volume and color controls) and picture-in-picture might appear; the ability of various applications (such as photo viewers) to operate; and which remote control keys must be reserved for different functions (whether in or out of viewer focus). These discussions are aimed at developing language for the submission of Engineering Change Requests ("ECRs") to CableLabs as may be needed to improve, clarify and adjust the OCAP specification through the CableLabs engineering change processes and to develop an Implementers Guide to assist manufacturers in bringing OCAP products to market. These discussions usually include weekly calls, plus in-depth face-to-face meetings. The last such meeting was held on January 18-19, 2006 at Sony's facility in San Diego.

A meeting was also held January 23, 2006 between attorneys for CableLabs and CEA to discuss the CHILA and OCAP licenses.

The list above accounts for only major face-to-face joint meetings involving cable representatives and substantially all of the major consumer electronics manufacturers as well as members of the IT community, such as Microsoft and Intel, or their representatives. Other sessions have been held by conference calls including many calls among cable and CE technical teams; meetings with other interested parties (e.g., content providers); and meetings between cable operators and individual consumer electronics manufacturers. There have also been countless meetings and conferences among company representatives on each side in order to work on the issues addressed in joint meetings. In addition, this list does not include sessions conducted to brief Commission staff.

As noted in our November 30, 2005 filing, we believe that IDCPs will come to market most quickly, with appropriate content protections, based on the CableCARD-Host Interface License Agreement ("CHILA") and the OpenCable Applications Platform ("OCAP") – both of which have been acknowledged by the Commission as reasonable pathways to development of commercially-available IDCPs. A separate NCTA report on November 30, 2005 summarized the feasibility and deployment schedule for a downloadable conditional access system ("DCAS").

We are also pleased to report the following additional milestones:

- OCAP - December 21, 2005. Thomson signs the CHILA agreement, joining other major CE companies who have signed CHILA including Samsung, LG Electronics, Panasonic, Toshiba, and Digeo, as well as CE support and chip and component companies such as Broadcom, Himax, ATI Technologies, Digital Keystone, and Video without Boundaries.

- DCAS - January 4, 2006. LG Electronics signs DCAS license agreement for the use and deployment of downloadable security.
- OCAP - January 5, 2006. Six of the largest MSOs commit to specific market deployment of OCAP in 2006. Consumer electronics manufacturers LG Electronics, Panasonic, and Samsung voiced their support for OCAP and for the public commitment of the cable operators announced at CES 2006.
- OCAP - Glenn A. Britt, Time Warner Cable Chairman and CEO, who also serves as Chairman of the CableLabs Board of Directors, announces that beginning in 2006 his company would deploy OCAP capabilities in headends of cable systems serving five markets with a combined customer base of about 2.5 million consumers. These markets are New York City; Milwaukee; Green Bay; Lincoln, NE; and Waco, TX.
- OCAP - Comcast Chairman and CEO Brian L. Roberts, who also serves as Chairman of the Board of Directors of NCTA, announces that his company would deploy OCAP in 2006 in Philadelphia; Denver; Union, NJ; and Boston.
- OCAP - Advance/Newhouse Chairman and CEO Robert J. Miron announces that his company would support OCAP devices in Indianapolis.
- OCAP - Charter Communications, Inc., President and CEO Neil Smit announces that OCAP will also be deployed in select Charter markets beginning in 2006. Other cable companies making similar announcements included Cox Communications, Inc., and Cablevision Systems Corporation.
- DCAS - January 4-7, 2006. LG Electronics showcases a continuous demonstration of downloadable security operating on LG retail equipment at the 2006 CES. Dr. H.G. Lee, president and chief technology officer of LG, said, "DCAS is a compelling security solution that will help enable nationwide interoperability of advanced two-way cable services. DCAS benefits CE manufacturers by lowering material costs and reducing entry barriers in the digital cable receiver equipment market. Our DCAS demonstration with Comcast and Nagravision exemplifies LG's commitment to working with our industry partners to introduce CE innovation and offer more consumer choices in next generation two-way devices."
- DCAS - January 4-7, 2006. Samsung demonstrates downloadable security operating on Samsung retail equipment at the 2006 CES. When Samsung signed the DCAS agreement in November 2005, Byung Youl Yu, Samsung EVP and General Manager, said: "DCAS is an excellent solution for interactive devices. Samsung looks forward to continued collaboration with CableLabs and the cable industry to bring these cable-compatible products to market."

- OCAP - January 5, 2006. Samsung announces the current deployment of working certified two-way OCAP-based DTVs with Time Warner Cable in a North Carolina test market.
- IT Industry and Cable - January 4-7, 2006. Microsoft 2006 CES booth and Bill Gates keynote feature OCUR-enabled "digital cable ready" personal computers that receive one-way cable programming, including high-definition premium digital cable content, without set-tops pursuant to the CHILA agreement.
- OCAP – January 4, 2006. Comcast and Panasonic announce the industry's first agreement for the manufacture and deployment of Comcast's new series of digital cable set-tops, with OCAP-enabled high-definition digital video recording (DVR) capabilities, 250 GB+ storage capacity, and both MPEG-2 and H.264 decoder capabilities. Panasonic will manufacture and supply Comcast with 250,000 HD-DVR set-top boxes. Comcast will have the option to acquire up to a total of one million set-top boxes in the first year, with options for additional boxes in subsequent years. The initial 250,000 set-top boxes will be supplied with Panasonic's OCAP middleware.
- OCAP – January 4, 2006. Comcast and Samsung announce agreement for the manufacture and deployment of Comcast's new series of digital cable set-tops. Beginning in 2007, Comcast will purchase 200,000 OCAP-compliant digital cable set-top boxes from Samsung that will be capable of running Advanced Video Codecs (MPEG- 4 including H264 as well as MPEG-2) Subject to the satisfaction of certain conditions, Comcast will purchase an additional 500,000 OCAP set-top boxes from Samsung.
- OCAP – 2006. Four more OCAP interoperability lab working sessions are scheduled at CableLabs for March, May, August and October, building on the record of six successful interoperability sessions previously held at CableLabs. These interops have involved more than 50 companies, including vendors of Headend/Servers, Tools, Applications, Implementations and major content suppliers such as Walt Disney-ABC and Showtime.

As demonstrated in this report, the cable industry intends to continue working cooperatively in discussions with the CE industry, as well as in the commercial marketplace, in order to bring interactive digital cable ready devices to the retail market as soon as possible. If you have any questions about this report, please contact me.

Respectfully submitted,

/s/ Neal M. Goldberg

Neal M. Goldberg

cc: Natalie Roisman, Media Bureau
Julie Kearney, CEA
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