

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	File No. EB-07-SE-256
	)	
Panasonic Corporation of North America	)	Acct. No. 200832100032
	)	
	)	FRN No. 0003762242

**ORDER**

**Adopted: April 9, 2008**

**Released: April 10, 2008**

By the Chief, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (“Bureau”) and Panasonic Corporation of North America (“Panasonic”). The Consent Decree terminates an investigation by the Bureau against Panasonic for possible violations of section 330(c) of the Communications Act of 1934, as amended (the “Act”),<sup>1</sup> and section 15.120(d)(2) of the Commission’s rules (“Rules”),<sup>2</sup> regarding the manufacture in the United States and interstate shipment, after March 15, 2006, of digital television receivers that do not comply with the V-Chip technology requirements because they lack the ability to adapt to new rating systems, and for possible violations of section 15.117(i)(1)(iv) of the Rules,<sup>3</sup> regarding the importation and interstate shipment, after March 1, 1007, of television receivers that do not comply with the DTV tuner requirement.

2. The Bureau and Panasonic have negotiated the terms of the Consent Decree that resolve this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Panasonic possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to section 4(i) of the Act<sup>4</sup> and sections 0.111 and 0.311 of the Rules,<sup>5</sup> the Consent Decree attached to this Order **IS ADOPTED**.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

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<sup>1</sup> 47 U.S.C. § 330(c).

<sup>2</sup> 47 C.F.R. § 15.120(d)(2).

<sup>3</sup> 47 C.F.R. § 15.117(i)(1)(iv).

<sup>4</sup> 47 U.S.C. § 154(i).

<sup>5</sup> 47 C.F.R. §§ 0.111, 0.311.

7. **IT IS FURTHER ORDERED** that all third-party complaints against Panasonic before the Bureau related to the above-captioned-investigation as of the date of this Consent Decree **ARE DISMISSED**.

8. **IT IS FURTHER ORDERED** that Panasonic shall make its voluntary contribution to the United States Treasury, as specified in the Consent Decree, by credit card through the Commission's Revenue and Receivables Operations Group at (202) 418-1995, or by mailing a check or similar instrument payable to the order of the Federal Communications Commission, to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code).

9. **IT IS FURTHER ORDERED** that Panasonic will file reports with the Commission ninety days after the Effective Date, twelve months after the Effective Date, and twenty four months after the Effective Date. Each report shall include a compliance certificate from an officer, as an agent of Panasonic, stating that the officer has personal knowledge that Panasonic has established operating procedures intended to ensure compliance with this Consent Decree, together with an accompanying statement explaining the basis for the officer's compliance certification. All reports shall be submitted to the Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

10. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Peter M. Fannon, Vice President, Technology Policy, Government & Regulation, Panasonic Corporation of North America, 1130 Connecticut Ave., NW, Suite 1100, Washington, DC 20036.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith  
Chief, Enforcement Bureau

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Federal Communications Commission  
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	)	File No. EB-07-SE-256
	)	
Panasonic Corporation of North America	)	Acct. No. 200832100032
	)	
	)	FRN No. 0003762242

**CONSENT DECREE**

The Enforcement Bureau (“Bureau”) and Panasonic Corporation of North America (“Panasonic”), by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau’s investigations into: (1) whether Panasonic violated Section 330(c) of the Communications Act of 1934, as amended (“Act”),<sup>1</sup> and Section 15.120(d)(2) of the Commission’s Rules (“Rules”),<sup>2</sup> regarding the interstate shipment of digital television (“DTV”) receivers that do not comply with the V-Chip technology requirements because they lack the ability to adapt to new rating systems, and (2) whether Panasonic violated Section 15.117(i)(1)(iv) of the Rules,<sup>3</sup> regarding the importation and interstate shipment, after March 1, 1007, of television receivers that do not comply with the DTV tuner requirement.

**I. DEFINITIONS**

1. For the purposes of this Consent Decree, the following definitions shall apply:
  - (a) “Act” means the Communications Act of 1934, as amended U.S.C. §§ 151 *et seq.*
  - (b) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
  - (c) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
  - (d) “Complaints” means third-party complaints that may have been received by, or are in the possession of, the Commission or Bureau alleging violations of the V-Chip technology requirements.
  - (e) “Compliance Plan” means the program described in this Consent Decree at paragraph 10.
  - (f) “Digital Television Receivers” or “DTV Receivers” means (i) digital television broadcast receivers with display screens in the 4:3 aspect ratio measuring 13 inches or larger diagonally, (ii) digital television broadcast receivers with display screens in the 16:9 aspect ratio measuring 7.8 inches or larger vertically, and (iii) digital

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<sup>1</sup> 47 U.S.C. § 303(c).

<sup>2</sup> 47 C.F.R. § 15.120(d)(2).

<sup>3</sup> 47 C.F.R. § 15.117(i)(1)(iv).

television broadcast receivers sold without an accompanying display device, such as DVR recorders.

- (g) “Effective Date” means the date on which the Commission releases the Adopting Order.
- (h) “Investigations” means (1) the investigation commenced by the Bureau’s August 7, 2007 and October 23, 2007 Letters of Inquiry<sup>4</sup> regarding whether Panasonic violated section 330(c) of the Act, and section 15.120(d)(2) of the Rules, by shipping interstate DTV receivers that do not comply with the V-Chip technology requirements because they lack the ability to adapt to new rating systems, and (2) the investigation commenced by the Bureau following Panasonic’s March 26, 2008 disclosure to Bureau staff regarding the importation and interstate shipment of television tuners that do not comply with the DTV tuner requirement.
- (i) “Order” or “Adopting Order” means an Order of the Bureau adopting the terms of this Consent decree without change, addition, deletion, or modification.
- (j) “Parties” means Panasonic and the Bureau.
- (k) “Panasonic” means Panasonic Corporation North America.
- (l) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

## II. BACKGROUND

2. Section 303(x) of the Act directs the Commission to prescribe rules that require television receivers with picture screens 13 inches or greater shipped in interstate commerce or manufactured in the United States to be equipped with a feature designed to enable viewers to block the display of all programs with a common rating.<sup>5</sup> Section 330(c) of the Act provides that no person shall ship in interstate commerce or manufacture in the United States television receivers that do not comply with rules prescribed by the Commission pursuant to Section 303(x).<sup>6</sup> The Commission adopted program blocking capability requirements for both analog and digital television (“DTV”) receivers in 1998.<sup>7</sup> In 2004, the Commission adopted specific technical standards to implement V-Chip functionality for DTV receivers (“V-Chip technology requirements”).<sup>8</sup> The DTV V-Chip technology requirements provide that, effective March 15, 2006, digital television receivers with picture screens 13 inches or greater that are shipped in

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<sup>4</sup> See Letter from Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, to Richard C. Mullen, Panasonic Corporation of North America (August 7, 2007) (“August 7, 2007 LOI”); Letter from Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, to Peter Fannon, Panasonic Corporation of North America (October 23, 2007) (“October 23, 2007 LOI”).

<sup>5</sup> 47 U.S.C. § 303(x).

<sup>6</sup> 47 U.S.C. § 330(c).

<sup>7</sup> *In the Matter of Technical Requirements to Enable Blocking of Video Programming Based on Program Rating, Implementation of Sections 551(c), (d), and (e) of the Telecommunications Act of 1996*, Report and Order, 13 FCC Rcd 11248 (1998).

<sup>8</sup> *In the Matter of Second Periodic Review of the Commission’s Rules and Policies Affecting the Conversion to Digital Television*, Report and Order, 19 FCC Rcd 18279 (2004). The V-Chip technology requirements also apply to devices sold without an accompanying display device. *Id.* at 18348.

interstate commerce must be equipped with V-Chip technology to allow blocking of the display of programming based on its content and be able to respond to changes in the content advisory rating system.<sup>9</sup>

3. The DTV tuner requirement provides that all new television broadcast receivers that are imported into the United States or shipped in interstate commerce be capable of receiving the signals of DTV broadcast stations over-the-air.<sup>10</sup> Under the phased-in implementation schedule for the DTV tuner requirement, receivers with screen sizes 36” and above were required to include DTV tuners effective July 1, 2005, receivers with screen sizes 25-35” were required to include DTV tuners effective March 1, 2006, and receivers with screen sizes less than 25” and other video devices that receive television signals were required to include DTV tuners effective March 1, 2007.<sup>11</sup>

4. On August 7, 2007, the Bureau issued a letter of inquiry (LOI) to Panasonic.<sup>12</sup> The August 7, 2007 LOI directed Panasonic, among other things, to submit a sworn written response to a series of questions relating to its compliance with the DTV V-Chip technology requirements. Panasonic responded to the August 7, 2007 LOI on September 5, 2007.<sup>13</sup> On October 23, 2007, the Bureau issued a second LOI to Panasonic.<sup>14</sup> Panasonic responded to the October 23, 2007 LOI on November 13, 2007.<sup>15</sup>

5. On March 26, 2008, Panasonic voluntarily disclosed to the Bureau that, after March 1, 2007, one of its sales units had continued to import and ship interstate analog-only tuners marketed as kits for after-market installation in automotive video entertainment systems.

### III. TERMS OF AGREEMENT

6. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

7. **Jurisdiction.** Panasonic agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

8. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the date on which the Bureau releases the Adopting Order. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other final Order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation

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<sup>9</sup> 47 C.F.R. § 15.120(d)(2).

<sup>10</sup> *Review of the Commission’s Rules and Policies Affecting the Conversion to Digital Television*, Second Report and Order and Second Memorandum Opinion and Order, 17 FCC Rcd 15978, 15996 (2002).

<sup>11</sup> 47 C.F.R. § 15.117(i)(1)(i)-(iv).

<sup>12</sup> See August 7, 2007 LOI.

<sup>13</sup> See Letter from Peter M. Fannon, Vice President, Technology Policy, Government & Regulation, Panasonic Corporation of North America, to Neal McNeil, Spectrum Enforcement Division, Enforcement Bureau (September 5, 2007).

<sup>14</sup> See October 23, 2007 LOI.

<sup>15</sup> See Letter from Peter M. Fannon, Vice President, Technology Policy, Government & Regulation, Panasonic Corporation of North America, to Neal McNeil, Spectrum Enforcement Division, Enforcement Bureau (November 13, 2007).

of a Bureau Order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Commission Order.

9. **Termination of Investigations.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate the Investigations and dismiss the Complaints. In consideration for termination by the Bureau of the Investigations and dismissal of the Complaints in accordance with the terms of this Consent Decree, Panasonic agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that in the absence of new material evidence, the Bureau will not use the facts developed in these Investigations through the Effective Date of the Consent Decree, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against Panasonic concerning the matters that were the subject of the Investigations. The Bureau also agrees that it will not use the facts developed in this investigation through the Effective Date of this Consent Decree, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against Panasonic with respect to Panasonic's basic qualifications, including its character qualifications, to hold Commission authorizations.

10. **Compliance Plan.** For purposes of settling the matters set forth herein, Panasonic agrees to maintain a Compliance Plan related to future compliance with the Act, the Commission's Rules, and the Commission's Orders. The Compliance Plan includes the following components.

- (a) **Compliance Officer.** Panasonic will designate a Compliance Officer who will be responsible for administering the Compliance Plan.
- (b) **Compliance Measures.** Panasonic has a Corporate Compliance Program to insure compliance with the V-Chip and DTV tuner requirements. The parent company's Corporate Quality Assurance Division is responsible for design and specification compliance at the factory and our U.S. company's Technology Policy and Regulatory Affairs Division is responsible for review of all related products imported for sale in the U.S. They are also responsible for post-production testing, notices and information bulletins of regulatory requirements/changes necessary to insure compliance.
- (c) **Receiver Upgrades.** Panasonic customers who purchased 2006 model year televisions were advised that a free software upgrade was available, which software upgrade can be easily installed (by inserting an SD card) on their DTV receivers to enable the receivers to respond to changes in the content advisory rating system. Only the 2006 models are involved. Panasonic agrees to send reminder notices to customers who registered their DTV receivers stating that they can download the software from Panasonic's website to an SD card, or call Panasonic's 800 number and obtain a free SD card with the software upgrade. In addition, Panasonic agrees to continue to make the free software upgrade available on its website or by calling its 800 number for a period of five years from the Effective Date of this Consent Decree.
- (d) **Compliance Reports.** Panasonic will file compliance reports with the Commission ninety days after the Effective Date, twelve months after the Effective Date, and twenty-four months after the Effective Date. Each compliance report shall include a compliance certificate from an officer, as an agent of Panasonic, stating that the officer has personal knowledge that Panasonic has established operating procedures intended to ensure compliance with this Consent Decree, together with an accompanying statement explaining the basis for the officer's compliance certification. All compliance reports shall be submitted to Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.



- (e) **Termination Date.** Unless stated otherwise, the requirements of this Consent Decree will expire twenty-four months after the Effective Date.

9. **Voluntary Contribution.** Panasonic agrees that it will make a voluntary contribution to the United States Treasury in the amount of \$320,000. The payment will be made within 30 days after the Effective Date of the Adopting Order. The payment must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the Account Number and FRN Number referenced in the caption to the Adopting Order. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the Account number in block number 23A (call sign/other ID), and enter the letters “FORF” in block number 24A (payment type code).

10. **Waivers.** Panasonic waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Order adopting this Consent Decree, provided the Bureau issues an Order adopting the Consent Decree without change, addition, modification, or deletion. Panasonic shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Panasonic nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Panasonic shall waive any statutory right to a trial *de novo*. Panasonic hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

11. **Severability.** The Parties agree that if any of the provisions of the Adopting Order or the Consent Decree shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Adopting Order or Consent Decree, but rather the entire Adopting Order or Consent Decree shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly. In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

12. **Subsequent Rule or Order.** The Parties agree that if any provision of this Consent Decree conflicts with any subsequent rule or Order adopted by the Commission (except an Order specifically intended to revise the terms of this Consent Decree to which Panasonic does not expressly consent) that provision will be superseded by such Commission rule or Order.

13. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission’s Rules and Orders.

14. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

15. **Paragraph Headings.** The headings of the Paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

16. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

17. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

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Kris Anne Monteith  
Chief  
Enforcement Bureau

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Date

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Dr. Paul Liao  
Chief Technology Officer and Vice President  
Panasonic Corporation of North America

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Date