

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

*Re: Implementation of Section 304 of the Telecommunications Act of 1996;
Commercial Availability of Navigation Devices; Compatibility Between Cable
Systems and Consumer Electronics Equipment*

This item demonstrates once again the commitment of this Commission and our Chairman to move forward to resolve important issues in order to expedite the digital transition. With some 70 percent of U.S. households subscribing to cable television services, issues like cable compatibility and other technical matters that have been holding up the digital transition need to be decided.

Today's decision is not an ideal solution, but it is a step forward and far preferable to a status quo in which consumers are unable to access digital cable services without a set-top box and in which innovators face continued uncertainty. By establishing a standard to ensure the compatibility of cable systems with DTV devices and providing a process for approval of new products and technologies with the Commission as neutral arbiter, this decision should speed the commercial availability of digital cable ready products with greater functionality, thereby providing consumers with more choices and ultimately reducing the costs of DTV technology.

We will, however, only succeed in accelerating the digital transition when we confront head-on the significant consumer confusion that exists in this area. Consumer education and outreach are indispensable in gaining consumer acceptance. Today's Order requires manufacturers to include post-sales material describing the features and limitations of unidirectional cable televisions. I would prefer to see information provided to consumers up-front. I believe we need a greater commitment from the industry and from the Commission for consumer outreach and education if we are to succeed in this transition. What we can require, we should require. Where we can't require, we should exhort, bring parties together, and encourage the development of such practices that will bring needed consumer information to buyers before they become owners.

I vote for today's Order with the understanding that it will not affect any of the rights or remedies available under our nation's copyright laws and cognizant that it is Congress that ultimately sets national policy in this critical and sensitive area. As we implement this decision, I for one, and I trust my colleagues, will remain sensitive to this and not venture into content matters beyond our authority.

I commend the cable and consumer electronics industries for their efforts to reach agreement. It is, however, not the end of the process. There are still many miles to walk here. I expect this decision will provide added impetus to work out the remaining details on bi-directional cable compatibility. As this process moves forward, I hope that the cable and consumer electronics industries will reach out and work more closely with other interested parties to reach consensus. Many individuals and groups have an interest in the outcomes here, and in the next round I will be looking to see if they are more fully

consulted as we struggle toward resolution of these often-thorny issues. So when I say that I look forward to working with my colleagues, the industry, and all interested stakeholders to resolve those issues together, I say it with more than passing interest. The bi-directional agreement will need to be more than a bi-polar discussion. We live in a multi-polar world.

The issues attending this item were many, complicated and often highly technical. Our Bureau and personal staffs did yeoman work in developing and plowing through an item that, while it may not answer everyone's fondest hopes and dreams, keeps the digital television transition on track and provides processes to monitor and resolve issues as they develop. I want to salute my colleagues, too, for their immersion in all this and for the constructive cooperation that brought the item to us this morning.