



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

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FCC Affirms Ban on Integrated Set-Top Boxes, Extends Effective Date and Imposes Stringent Reporting Requirements

Washington, DC – In its ongoing effort to promote competition and assure the commercial availability of cable-ready DTV equipment, the Federal Communications Commission (FCC) today adopted a *Second Report and Order* in the Commercial Availability of Navigation Devices proceeding.

The *Order* maintains the ban on cable operator deployment of integrated set-top boxes, but defers the effective date of the ban by 12 months from July 2006 to July 2007. The 12-month deferral is intended to afford cable operators additional time to investigate and develop a downloadable security solution that will allow common reliance by cable operators and consumer electronics manufacturers on an identical software security function without the additional costs of physical separation inherent in the CableCard solution.

The Commission also imposed several reporting requirements to ensure that progress continues to be made toward the statutory goals of Section 629. Specifically, the *Order* requires:

Downloadable Security Progress

By December 1, 2005, the cable industry must report to the FCC:

- Whether development and deployment of downloadable security is feasible.
- If feasible, a timeline for deployment and state that it will use downloadable security in its own devices.
- Draft licensing terms for the downloadable software solution.

Two-Way Plug-and-Play Negotiations

By August 1, 2005 and every 60 days thereafter:

- NCTA and CEA must file joint status reports and hold joint status meetings with FCC on progress on the negotiation of a bidirectional “plug and play” agreement and software-based security agreement.

CableCards

By August 1, 2005 and every 90 days thereafter, the six largest cable operators (Comcast, TW, Cox, Charter, Adelphia and Cablevision) must file status reports on CableCard deployment, including such issues as:

- The number of CableCards in service;
- Whether service calls are required for installation;
- The monthly price for CableCards;
- Problems encountered with CableCards and how they have been resolved; and
- Progress on the development, and a timetable for deployment, of multi-stream CableCard.

Section 629 of the Communications Act directs the FCC to adopt regulations to assure the commercial availability of navigation devices equipment used by consumers to access cable or satellite services. The FCC adopted its *First Report and Order* pursuant to this directive in 1998, setting a deadline of January 2005 for cable operators to cease deploying navigation devices (e.g., set-top boxes) with integrated security. In April 2003, the FCC extended the deadline to July 2006 due to ongoing marketplace developments and sought further comment on the effectiveness of the Commission's navigation device rules.

The Order will be available online at www.fcc.gov.

-FCC-

Action by the Commission, March 17, 2005, by *Second Report and Order* (FCC 05-76). Chairman Powell and Commissioners Abernathy, Copps, Martin and Adelstein. Commissioner Adelstein issuing a separate statement.