

STATEMENT OF CHAIRMAN MICHAEL K. POWELL

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

Today's decision by a unanimous Commission is a victory for consumers and a major step in the digital television transition. Consumers who want digital television sets will have an easier time connecting them to their cable service and having them work with high definition and other digital programming. I am more convinced than ever that high definition programming is becoming a competitive differentiator among television programmers.

But programmers who want to roll out new high definition programming need people to be able to see the programming. Until now, many consumers have been reluctant to invest in the newest televisions because of uncertainties about compatibility with cable systems and set top boxes. The FCC's actions today are a major step toward alleviating those problems.

I would take this opportunity to acknowledge the leadership of key Congressional leaders, including Chairman Billy Tauzin and Chairman Fred Upton, on the issue of digital television. Their personal commitment in this area bears fruit today, and consumers are the beneficiaries.

Of course, at core of the digital television transition is programming. It is important to me that we preserve incentives for program producers to invest in high value content. Today's decision facilitates protection of high value content on cable systems by providing incentives for cable and consumer electronics manufacturers to work together to include various content protection technologies in consumer devices.

Now that we have taken this step in the cable world, we must immediately turn our attention to broadcasting. Over 35 million Americans continue to receive television programming exclusively from over-the-air broadcasters. And over 30% of all television sets in this country are not connected to cable or satellite service. The viability of our free broadcasting system is a high priority for me, and the government needs to ensure that broadcast television is not disadvantaged as a delivery platform for high value content.

In that regard, I plan to deliver to my colleagues a draft decision on the Broadcast Flag proceeding in the very near future. All affected parties should be aware that this proceeding is in the on-deck circle. I look forward to working with my colleagues and the public on this important proceeding.

Finally, I wish to be clear that our encoding rules included in today's Plug & Play decision are not intended to modify existing copyright law. Consumers and content owners retain all of their existing rights and remedies under copyright law. In this proceeding, the FCC simply looks to copyright law for guidance on policies that will promote the DTV transition.