

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: Commercial Availability of Navigation Devices, CS Docket 97-80 – Third Further Notice of Proposed Rulemaking

This is a rulemaking that can wait no longer. It has been 11 years since Congress directed the Commission to *assure* that equipment used to access video programming and other services offered by multi-channel video providers are available to consumers at retail. And yet today consumers cannot walk into their local retailer and purchase a television set that will receive two-way digital cable services like VOD, PPV, and EPGs – as well as other acronyms that haven't been invented yet – without renting a set-top box from their local cable operator.

Why is this important? First, many consumers in the analog world do not use a set-top box to receive cable programming and would not consider it “progress” to be told that they need one in order to transition to digital. Indeed, the absence of plug-and-play capability may discourage some consumers from investing in new digital equipment at precisely the time we are attempting to minimize the legacy analog equipment in the marketplace. Second, and equally important, a flourishing market for two-way devices would create tremendous and ongoing competitive benefits for consumers. Right now, two companies dominate the market for interactive cable equipment. Opening up that market to competition would bring in scores of new companies to compete and innovate, which ultimately would mean higher quality products at lower prices.

This is not to diminish the progress made to date. In 2003, for instance, the Commission adopted rules to permit the development of one-way plug-and-play devices, and many one-way products are on the market today. But while one-way equipment was a start, it's not where we need to be – as the marketplace seems to be telling us. The world is not only going digital, it's becoming increasingly interactive. More and more of the services that consumers are demanding require equipment that can talk back to their provider. We need a two-way solution.

When the one-way rules were adopted, the hope was that they would provide a springboard for a consensus two-way proposal. Unfortunately, though the parties have spent countless hours in discussions over the past four years, there is no indication that they are close to reaching an agreement. Given our statutory obligation to assure the retail availability of navigation devices, we must act, and act quickly. I support the item and thank the Chairman and my colleagues for making this issue a priority.