

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: *Video Device Competition*, MB Docket No. 10-91; *Implementation of Section 304 of the Telecommunications Act of 1996: Commercial Availability of Navigation Devices*, CS Docket No. 97-80, *Compatibility Between Cable Systems and Consumer Electronics Equipment*, PP Docket No. 00-67.

Here we continue with more steps to implement the National Broadband Plan. One lesson we learned from the incredible research and analysis that went into the Plan is that video content will clearly be an important driver of broadband adoption. And the Plan also suggested some creative pathways--dare I say gateways?--to help get us there. One of these ideas is a dynamic "integrated user interface" so that consumers will have unlimited choice in content. That term--"integrated user interface"--is about as explanatory as "network neutrality," so not the least part of an ingenious plan is the much better terminology for a "gateway device" that can open up new worlds of content and services for consumers. We are moving to a world where consumers will be able to watch the content of their choice on the platform of their choice. A lot of folks have worked on this idea and I thank them all, and I want to take special note of the public interest groups in their comments for the National Broadband Plan that encouraged us down this path. They had a front row seat for the CableCARD saga and they appreciated that we truly needed something different.

The once-shining promise that Section 629 of the 1996 Communications Act held out for greater competition has gone largely unfulfilled. Thus far, the CableCARD endeavor has produced more consumer frustration--not to mention agency travail--than it has competition. The intent, we all recall, was to spur on a competitive retail market to provide consumers more choice. But it didn't happen. In many ways, the outcome of our pursuit has been the opposite of what was intended. The path to the retail market has been, for many reasons, obstructed at nearly every turn. Something is clearly not working as intended when consumers encounter such disparities between the cost, installation and support of CableCARD devices for those who purchase a retail device and for those leasing the cable provider's set-top box. The push for gateway devices has the potential to spur real competition to bring amazing new technology to the marketplace.

While the Commission is thinking creatively about this exciting new gateway and other ideas and gathering a record to encourage them, we are also looking toward correcting some of the shorter-term problems and disparities that our present set-top box and CableCARD worlds have brought us. The rules proposed in the Fourth Further Notice have the potential to mitigate some of these shortfalls until the next-generation solution--the goal of the NOI--becomes available. Part of this would be greater transparency and making sure that consumers understand the costs associated with both retail and leased devices. Under a proposed rule, cable companies would be required to list their fees for the CableCARDS on a line-item of the bill. Also, instead of processing interface waivers on an individual basis, we open the door to more innovation by allowing connectivity in varying interfaces. Manufacturers would have more options in

terms of specific interfaces, thereby enabling consumers to connect to the Internet on a host of devices in their homes. We also raise the issues associated with cable companies transitioning their systems to all-digital, which would help make better use of the spectrum and encourage higher broadband speeds and more high-definition channels for consumers.

Whether we are talking new gateway technologies or short-term fixes for short-term issues, we want at all costs to avoid yet another cycle of delay and dead-ends that result only in less competition, higher prices and fewer choices for consumers. Too much is at stake here to countenance more delays and obstructions. In order for the gateway device or the interim fixes to work and work quickly, the Commission and the private sector are going to need to roll up their sleeves, work together and reach consensus on what will spur innovation and competition and what will improve the consumer experience.

I look forward to this process. It is, all will note, a particularly ambitious one. To meet our timeline will require some true private sector-public sector coordination and partnering. But this is exactly what these digital times call for--aspirational objectives, expeditious actions, and everyone pulling together for the common good. That's the "gateway" that will bring us a truly gateway device!