



GET THE STORY ON SET TOP BOXES

WHY THE COMPETITIVE NAVIGATION SOLUTION IS GOOD FOR CONSUMERS, INNOVATORS, AND CONTENT CREATORS

It is no secret that the abysmal lack of competition in the cable marketplace frustrates most Americans. This frustration extends not only to the lack of choice in access provider, but to the stranglehold those providers hold over the device market as well. The bottleneck power cable companies control results in [surging prices for consumers](#) and a quelling of technological innovations and diverse voices.

Currently, consumers are overpaying between \$6 and \$14 billion dollars annually in set-top box rental fees for devices that are not only rarely updated, but also offer features and user interfaces that are years behind what is available from devices in other competitive markets, such as smartphones.

This is in spite of a 1996 statute that directed the Federal Communications Commission to ensure a competitive market in devices that can access and display subscription TV programming. The FCC's current implementation of that statute (Section 629 of the Communications Act, as amended) is the [CableCARD system](#), which has not achieved Congress's purpose. Public Knowledge has long argued that the best way to promote competition would be for the FCC to move away from the CableCARD regime to a more modern, capable solution.

Happily, with the passage of STELAR, Congress created the opportunity for exactly that. Among other provisions, that bill directed the Commission to "establish a working group of technical experts" to detail a "downloadable security system designed to promote the competitive availability of navigation devices in furtherance of section 629 of the Communications Act of 1934." Public Knowledge was a member of the Downloadable Security Technology Advisory Committee (DSTAC) STELAR established, and throughout 2015 worked closely with other stakeholders on the "competitive navigation" proposal.

The competitive navigation proposal is a lightweight, IP-based protocol based on existing and widely-deployed technologies. As a testament to its feasibility, proponents of the competitive navigation proposal have put on demonstrations of it working with various pay TV systems using existing hardware. Under this proposal, any properly licensed device in a viewer's household would be able to directly access subscription television content without needing to be attached to a rented set-top box. For instance, devices like the Amazon Fire TV, Apple TV or Roku, smart TVs, and mobile phones and tablets would be able to display cable content directly. Like CableCARD, the competitive navigation proposal would allow each device to present its own user interface and program guide. Unlike CableCARD, however, each device will not require a separate, physical piece of hardware, meaning that viewers would be able to access programming on multiple devices within their households. Additionally, the proposal is only a requirement that pay TV operators support third-party devices for those subscribers who want to use them; operators can continue to offer whatever devices and services they want to, without change.

With the filing of the DSTAC report, the technical questions were largely resolved. However, there still exist a variety of discrete issues that must be addressed in order to ensure a truly competitive device marketplace that equally serves the rights of consumers, tech innovators and content creators. This Notice of Proposed Rulemaking is the appropriate forum for the agency to initiate a thorough examination of such policy questions.

For instance, the FCC must create deadlines so that customers who want to use competitive devices know when they can. It must make sure that pay TV providers don't shift fees and try to overcharge customers in other areas. And it must make sure that the licensing and certification processes associated with creating a competitive device are reasonable, open and fair while respecting the legitimate rights of programmers. The rulemaking process is the best way the Commission can consider how to address issues of this sort. Public Knowledge applauds the FCC's ongoing progress to find the modern solution for competitive set-top devices. We will continue to weigh in on how best it can achieve this goal, and encourage others to do the same.

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