

PRESERVING THE RIGHT TO CONNECT

BACKGROUND: Over the past several years, Americans have benefited from a revolution in consumer technology – a revolution that has allowed an ever-increasing array of products to interconnect and access the power of IP-enabled services through the Internet. This revolution has fueled the U.S. economy and helped maintain our country’s leadership in innovation and entrepreneurship.

Policymakers recognize the value of unfettered access to communication services. FCC regulation in the 1970s and 1980s fostered the growth of the Internet by prohibiting telephone companies from preventing the offering of “enhanced services” and allowing consumers to attach their own devices to the network. Further, in 1996, Congress recognized the importance of consumer choice when it enacted Section 629 mandating the commercial availability of navigation devices connecting to multichannel video programming systems.

CEA EVALUATION: The success of IP-enabled services depends on preserving and promoting the existing paradigm between consumer electronics manufacturers, service providers, network operators, content developers and the government. This paradigm includes a commitment to open and unfettered consumer access to content, services and applications and protecting a consumer’s ability to connect devices of their choice.

We are very excited about new entrants in the video service providers’ marketplace which create more consumer choice in providers. These new services should be allowed to develop and not be saddled with burdensome and inappropriate legacy regulations. However, we must ensure a robust marketplace for consumer electronics devices that will attach to these new video services.

To do so, manufacturers need certainty that their products will be able to connect to IP-enabled services, as well as be portable and compatible with all IP-enabled services nationwide. High-speed broadband networks offer a platform for innovation that will thrive if application developers, device manufacturers and network providers are free to differentiate their offerings and invest in new technologies without undue restrictions imposed by other industry players.

If this freedom is not preserved in the IP-enabled world, network service providers will have the ability to dictate consumer electronics (CE) product design and functionality. Using proprietary standards and restrictive licensing terms, service providers will have complete control over the consumer experience, determining what devices consumers can use and how they use them. The retail marketplace for “edge network” technologies like TiVo and portable video players, and the incentive to create new technologies, will no longer exist.

CEA POSITION: It is essential that legislation and regulations dealing with IP-enabled services preserve and protect consumers’ ability to attach devices developed and marketed by a competitive manufacturer to IP networks. To this end, policies should be promoted and adopted to accomplish the following objectives:

1. Ensure the commercial availability of devices manufactured by parties unaffiliated with any facilities-based IP-enabled network service providers;
2. Ensure the nationwide interoperability between commercially available devices and facilities-based IP-enabled network services;

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3. Promote the use of open standards/interface protocols pertaining to network access by authorized users so that nationwide interoperability may be achieved among all facilities-based IP network service providers and customer premises equipment designed and manufactured by unaffiliated parties; and
4. Prohibit facilities-based service providers from preventing the attachment of devices that do not cause harm to the IP network or facilitate theft of IP-enabled services, or from hindering the functions and operations of such devices.

For more information, please contact CEA at publicpolicy@CE.org or visit www.CE.org/governmentaffairs.