

AllVid, FCC Set-Top Box Proposal

AT-A-GLANCE

The AllVid Proposal by the Federal Communications Commission (FCC) would impose a mandate on Multichannel Video Programming Distributors (MVPDs) to open "information streams" around programming to creators of competitive devices and apps; opening up set-top boxes to third parties.

BACKGROUND

The AllVid regulation would require MVPDs to open "three core information systems": service discovery (what programming is available to the consumer e.g. channel listing, video on demand and channel lineup); entitlements (information about what a device is allowed to do with content, such as recording); and content delivery (the programming itself) to third-party companies. The FCC's rationale is that AllVid will lower consumer costs, increase competition, and expand independent and minority programming.

Due to broad concerns communicated to FCC Chairman Wheeler, the proposal is being revisited and revised by the FCC. The cable industry has submitted a counter proposal that offers a more favorable app-based solution as well. There is pressure from both sides of the aisle to make a decision.

ANALYSIS

The cable industry is one of the most innovative with new technologies and standards emerging every day that improve the consumer's video programming experience and choice. Innovation is already driving a competitive market place. Set-top boxes continue to evolve, increasing consumer value and experience. Cable providers are incentivized to offer more innovative set-top boxes as they become available to stay competitive, and are currently rolling-out app-based services. (Contour Flex) – no mandate is necessary.

AllVid will allow third party companies access to programming, which they haven't paid for, in order to repackage for profit. AllVid requires content that is provided to distributors under detailed licensing agreements to be available to companies that aren't beholden to licensing agreements. Without security standards, AllVid opens the doors to "piracy-laden black boxes" to enter the marketplace, accessing legitimate devices and stealing copyrighted content.

Under AllVid, distributors would be forced to foot the bill for third-party companies to launch competing services by requiring cable providers to buy and install a new box that would give these companies access to their programming – live and in real time. Allowing third party companies to essentially siphon off programming from paying providers further threatens companies' ability to do business and remain competitive in video programming, as they will be forced to bear the financial burden of the programmers' lost profits.

AllVid won't create a single new program. By eroding licensing agreements, content creators would be deterred from investing in new programming in any significant way. Independent and minority content will suffer.

The additional equipment consumers would be forced to purchase would fail to uphold consumer protections – privacy, kids’ programming, emergency alerts. Third-party companies would be getting a free pass to access consumer viewing activities without their consent or ability to opt-out. Security protections currently afforded customers by standards placed on cable operators are abandoned under AllVid and replaced with self-certification systems of third parties (which are nothing more than the honor system). This threatens consumers’ privacy.

Consumers already have a vast variety of choice when it comes to how they view content. There are currently more than 115 legitimate services to access video content. AllVid supporters assert that with one single box viewing would be easier by the consumers. Opponents assert that the newer smart tv’s are already addressing ease of use.

AllVid strips cable providers’ ability to protect against theft of service. Section 629(b) of the Federal Communications Act forbids FCC rules that “jeopardize security of multichannel video programming” or “impede the legal rights” of pay-TV providers “to prevent theft of service.” AllVid would do both of these by giving unaccountable third parties unbridled access to data while removing security layers.

AllVid violates other provisions of the Communications Act. Cable providers will be forced to re-engineer their networks to grant access to third party companies, which will alter aspects of service, regulating the provision and content of cable service. (violation Section 624(f)) Cable providers will be turned into common carriers as they will be forced to act as content “dump pipes”. (violation Section 621(c)).

Supporters of the proposal assert that unlocking pay-TV set-tops so that devices from third-party manufacturers, sold at retail, can work with cable and satellite services. Many consumers, Wheeler states, have expensive lease requirements by operators, which are making money off this business.

Opposition

Congressmember Issa, Peters and Vargas
Future of TV Coalition
Congressional Black Caucus

Support

Congressmember Anna Eshoo (D, CA)
Google