



#DitchTheBox: A New Approach to Increase Consumer Choice in the Video Marketplace

TV Providers & Independent Networks Back a New Solution with Open Standards, Cross-App Search, FCC-Enforced Deadlines

The FCC's goals of accelerating competition, innovation, and consumer savings in the video navigation device market are broadly shared, but the record before the Commission makes clear that the current "Unlock the Box" proposal is riddled with unfixable problems. A diverse chorus of stakeholders and experts have explained how the current proposal poses major threats to copyright, program diversity, and consumer privacy protections.

Fortunately, there is a better way. A new proposal recently presented to the FCC combines the enforceable Open Standards approach championed by the FCC with the market-driven apps approach preferred by critics of the "Unlock the Box" plan.

This new "Ditch the Box" approach calls for binding, enforceable obligations for major TV providers to allow customers to ditch their set-top boxes and access live and on demand programming via boxless apps compatible with a wide range of retail devices, including smart TVs, game consoles, streaming devices, laptops, tablets, phones, and more. This proposal achieves the goals laid out by the FCC while addressing the criticisms and concerns raised in the record before the Commission:

- **Apps, Not Boxes.** Pay-TV customers will gain the option of ditching their leased boxes* in favor of downloadable apps that can run on smart TVs and other connected devices. (**Satellite TV providers will also offer apps, but customers will still need one in-home gateway device to receive signals from the satellite and offer features competitive with two-way services.*)
- **No Monthly Box Rental Fees.** Consumers will be able to download apps onto connected devices they own themselves, eliminating the need for leased boxes and equipment rental fees. In addition, TV providers will license their apps without charge to third-party devices for their app stores – provided the device makers or app stores do not impose their own fees or surcharges.

- **Open Standards.** Providers' apps will be built on open HTML5 standards, or more advanced successor standards. Providers will be required to make the apps available to any manufacturer on commercially reasonable terms.
- **Protecting TV Diversity and Strengthening the Creative Ecosystem.** Unlike the FCC's proposal, apps deployed in this "Ditch the Box" approach will include the technical means to protect content and enforce program licensing terms. The app license agreements would also prohibit equipment manufacturers from violating licensing terms, burying niche programming, or inserting or overlaying additional advertising.
- **Integrated Search.** Consumers will be able to use the interfaces of third-party devices to seamlessly search for and discover content from both pay-TV providers and online video services offering licensed content on the same device.
- **Preserving Federal Privacy Rules and Other Consumer Protections.** Unlike the FCC's proposal, viewers will enjoy the same federal privacy protections on these new apps that they have when watching pay TV on traditional set-top boxes. This solution also preserves federal requirements relating to emergency alerts, accessibility features, children's programming requirements, and other consumer protections.
- **Concrete Deadlines.** Providers will have two years to fully implement the new requirements – and many are already racing to do so sooner. By contrast, independent experts predict the FCC's approach would take years longer.