

An FCC AllVid Mandate:

Harmful to the Video Ecosystem, Costly to Consumers, and Completely Unnecessary in Today's Dynamic Marketplace.

“The world is trending toward app-based everything, and the FCC is considering requiring the development of a new set-top box in the name of creating a retail market for set-top boxes.

— Tim Sparapani

The FCC is considering fundamentally changing the way that consumers will engage with TV. "AllVid" would require pay TV providers to disassemble their service into piece parts that could then be repackaged by device companies and presented as their own on retail devices, without negotiating for content rights and without having to abide by the privacy, public safety, and other consumer protections that apply to TV distributors.

This approach will harm content creators, independent and diverse programmers, and consumers, and create risks to the broader TV ecosystem.

The Apps Approach is Already Popular with Consumers:

AllVid purports to be about giving consumers greater device choices, but there has already been explosive growth in device options for consumers without any government intervention.

- Today, consumers access video apps through a variety of devices like smart TVs, tablets, smartphones, Google Chromecast, Roku and Apple TV. Traditional TV distributors, streaming video providers, and networks are all using apps to deliver video to consumers. This apps-based model is helping to drive innovation and competition across the video ecosystem.
- AllVid proponents also claim that their proposal would reduce consumer reliance on operator-supplied set-top boxes, yet the proposal could result in the development and deployment of additional boxes that consumers would have to lease in order to access service on their AllVid-compatible devices.

AllVid Jeopardizes the Entire Video Ecosystem:

AllVid would ignore existing licensing agreements that are carefully crafted to establish such terms as geographic distribution, advertising, channel placement, branding, and security requirements to protect content from piracy. These agreements give programmers the certainty they need to negotiate with advertisers and fund content production. If these licensing agreements can be ignored, the economic model that supports the current Golden Age of TV would be threatened.

AllVid would Harm Consumers by:

- Depriving consumers of the features and functionalities – like sports scores and instant channel changes –they have today and the innovations of tomorrow;
- Undermining consumer protections like privacy and emergency alerts, and giving tech companies free rein to gather and monetize customer viewing data;
- Diminishing provider's ability to provide quality customer service;
- Forcing pay TV customers to foot the bill for the development of yet-to-be-invented AllVid standards that will soon become obsolete in the rapidly innovating video marketplace;
- Requiring customers to lease an additional box in order to watch TV on their AllVid-compatible retail device.

CALinnovates advocates against the FCC implementing the AllVid approach, which would force the creation of soon-to-be obsolete technology on consumers at their expense, increase the potential of consumer harm and risk marketplace distortion. An apps-based approach promotes competition among content providers and device manufacturers alike.



CALinnovates

| calinnovates.org

