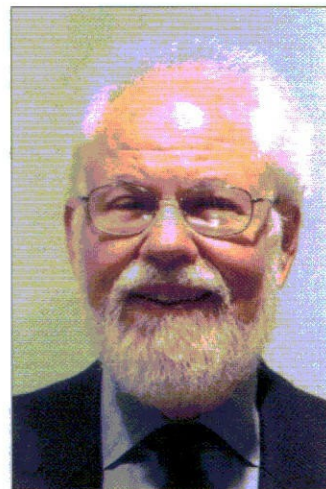


Every Story

Dave Says: MSOs Were Right To Wait



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A broadband industry pioneer, Dave has worked on residential broadband for nearly 20 years. In the 1990s he directed several of the earliest residential cable modem trials, and later helped MSOs plan and deploy broadband services. When Dave is not busy consulting for clients or co-writing the Report on the Broadband Home, he tests new broadband-related products and maintains the multiple Web sites he's created.

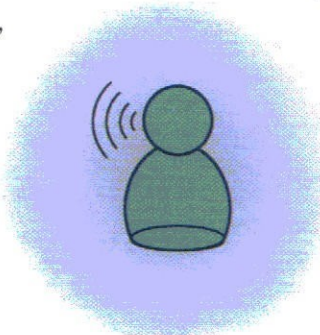
Multiroom DVR may well be a good thing, but it would have been a mistake for MSOs to rush into it. The market needs are changing as Internet TV takes hold, several key technologies and standards are still in development, and the optimum functionality and packaging of the remote box is uncertain. The cable industry would be wise to let things settle down a little and allow time to make the key decisions deliberately.

While the major telcos now provide multiroom DVR, their services are quite different. Consumers find fault with their features — and some prefer Dish Network's older multiroom service. The total penetration is not very high, suggesting that none of the providers has worked out the "right" mix of features and pricing.

Many key technologies are still in development. There are several competing technologies for home networking over coax, and the telcos have cast opposite bets — AT&T on HPNA and Verizon on MoCA. Only MoCA is really suitable for MSOs, HPNA interferes with the cable upstream. Although a second supplier of MoCA chips has been announced, only one supplier is delivering them today and their chips are still viewed as expensive.

An individual manufacturer's approach for multiroom DVR can result in the vendor lock-in MSOs try to avoid, so the industry has been working on a set of standards suitable for multiroom DVR. Known as OpenCable Home Networking (OCHN) 2.0, these establish a framework for integrating multiple tru2way devices with PCs and other media devices in a home network. Most of the key protocols were published in the latter half of 2008, while some are still works in process. Many cable suppliers have announced tru2way solutions with multiroom capability, presumably based on OCHN 2.0. These are only now beginning to come to market.

At the same time, several MSOs have been



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working on network-based DVR. This promises to simplify DVR services for the consumer, since the key functionality is in the network, with recorded video delivered over the existing cable infrastructure to any digital STB. In principle this would allow a simpler, cheaper STB without the need for a hard drive and multiple HD tuners. With little or no dependence on home networking, it should be far simpler and very cost-effective to deploy in consumer homes. The U.S. Supreme Court has asked for Justice Department views on an appeal by movie studios and TV networks against an earlier ruling. But this issue has dragged on since 2006, so there is no clear date by which MSOs will have a ruling.

So, the industry would be wise to let all of these issues settle down a little, and make its decisions carefully.

It should watch consumer response to multiroom DVR offerings from the telcos and satellite providers. It should watch the response to likely offerings from retail providers of STBs. And it should continue to watch the evolution of key technologies.

MSOs need to decide just what functionality is provided by a "multiroom DVR." Competitors are moving rapidly to incorporate access to Internet video content such as YouTube and Netflix, to music, photos and videos on consumer PCs, and more. MSOs also need to track the rapid evolution of home networking technology. For an example, Broadcom's 7420 has all the functionality for a multiroom DVR in a single chip suitable for master and remote STBs. Plus, ITU just approved the initial protocols for G.hn — a new advanced protocol for home networking over existing wiring. As well, cable operators need to address the multidevice control problem.

Finally, tru2way is the key priority for all MSOs. Only after tru2way is successfully deployed will MSOs have the spare brainpower to focus on the complex issues surrounding multiroom DVR.