



# WARREN'S Consumer Electronics Daily

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## Comcast CableCARD Waiver Denied, Hours After Martin Foretold Action At CES

LAS VEGAS -- Waivers of FCC CableCARD rules are going to be a lot harder to come by when they start expiring in the summer, FCC Chmn. Martin warned at the CES here Wed. Hours later, the FCC acted on a slew of CableCARD waivers, and as Martin foreshadowed in his talk, Comcast's waiver was denied.

Comcast can file an amended request seeking exemption for inexpensive set top boxes. Granting Comcast's request would have exempted a wide swath of the boxes, the Media Bureau said: "Comcast failed to demonstrate that grant of the waiver would have a direct and immediate impact on its migration to an all-digital network." Comcast vowed to appeal the action.

Cablevision was perhaps the biggest beneficiary of the CableCARD exemption actions. The company's SmartCard can be used until July 1, 2009 -- 2 years after the set-top box security and integration ban takes effect, the Media Bureau said. Bend Cable won a waiver on the condition it operate an all-digital network by 2008, the Media Bureau said: "The Bureau noted the difficulties that small cable operators may face in complying with the July 1, 2007, deadline for separate security because manufacturers prioritize orders from the largest providers."

A group of several other small cable operators won a victory. The Media Bureau said Beyond Broadband's product is one way cable operators can meet the integration ban rules. Beyond Broadband met recently with 8th floor aides to tout its product. Martin is believed to have used the group's plan as a way to address small cable operator concerns while standing firm on his reluctance to grant waivers, said a Commission official. Martin criticized cable and CE for not agreeing on a downloadable security solution but saved most of his wrath for cable. "The issues addressed today did not begin several months ago when cable operators filed these requests," he said in a written statement: "Ten years later, cable operators have never fully implemented the Commission's set-top box requirement... The inaction has served to hinder innovation, deter competition and harm consumers."

Comcast was the first cable operator to say it would seek a reversal of Media Bureau decisions. The company said it will "immediately" appeal to the full Commission. "We are very disappointed in this regrettable FCC Media Bureau decision," Exec. Vp David Cohen said in a written statement: "This amounts to an FCC tax of hundreds of millions of dollars on consumers with no countervailing benefits." Cohen didn't say if Comcast will amend its waiver request.

Earlier at CES, Martin told CEA Pres. Gary Shapiro in a Q&A that "it's time for the FCC... to find a way for CE makers to make a TV that consumers can take home and plug into any cable system." He said the FCC has a batch of cable waiver requests to determine, but "I don't think we should grant blanket waivers... It's time for us to try to move forward." Martin didn't say whether a majority of FCC commissioners agree.

The FCC will be "sympathetic" to some waiver requests, Martin indicated, speaking at CES. He cited, for example, small cable operators that might have trouble getting the needed equipment, as well as those moving toward all-digital operations. But for others, Martin said, "it's time for use to move forward to meet congressional expectations."

A "bigger challenge" for the FCC will be moving toward 2-way cable-CE plug & play compatibility to make DTV "fully functional," Martin said. Cable-CE industry talks on 2-way plug & play have been bogged down for years. Repeating his own phrase, he said industries "have to find a way to move forward." On other issues, Martin said the DTV transition is going slower than expected but is accelerating.

Martin's stance won't deter industry from seeking integration ban waivers. "We'll continue to make the case that the integration ban is an unnecessary equipment mandate," a cable industry official said: "The integration ban will in fact slow down the digital transition for cable customers, and foist unnecessary fees on cable customers at a time when the FCC has expressed its concern about cable prices." After Martin Wed. criticized rising cable bills, NCTA said a wealth of new media announcements at CES is proof of a competitive market. "The marketplace is working," an NCTA spokesman said: "There is no indication that the [product] developments will slow down, so consumers are benefitting from a plethora of options for watching TV."

Comcast's waiver bid -- a "request specifically tailored to the boxes that the FCC had repeatedly represented that it would grant" -- had languished for months at the FCC, Comcast's Cohen said hours before the unfavorable decision was handed down: "We have been stuck in limbo and unable to move ahead with clear guidance. The only people being hurt by this delay are consumers." NCTA urged Martin "to move in another direction on this issue and grant cable's requests to relieve consumers of this potential burden." -- *Michael Feazel, Jonathan Make*

### **3 Production Lines Needed**

## **Warner's Only Next-Gen Discs Will Be THD, Once 'Up and Running'**

LAS VEGAS -- Once Warner Home Video (WHV) is "up and running" with its dual-format THD flipper disc (CED Jan 5 p1, Jan 10 p1), "this will be the only platform we'll be releasing" for movies on next-generation

optical media, Pres. Ron Sanders told a Bellagio news briefing here late Tues. His statement was more sweeping than those of other executives, who had suggested WHV would evaluate using THD title by title.

At the briefing, WHV Senior Vp Steve Nickerson argued the case for THD's versatility by inserting a factory-made THD copy of *Superman Returns* in a Toshiba HD-A2 HD DVD player. *Superman Returns* has been WHV's top-selling title in Blu-ray and HD DVD. He scrolled through the disc until he arrived at a scene in which a plane is about to crash into a baseball stadium. He then removed the disc and put it in a Panasonic Blu-ray player, scrolling to the same scene. Finally, he put the same THD in LG's newly introduced Super Multi Blue dual-format player, and scrolled again to the same scene. His purpose was "just to prove the point that if you put a THD in a dual player, you are not going to upset the balance of the universe," Nickerson said. "You'll just have the guarantee of great entertainment for years." LG's John Taylor told reporters it doesn't matter which side of the THD flipper is face-up in the combo's drive. It instantly recognizes the format and decodes it appropriately, Taylor said.

The THD sample used for the demo was made by Cinram, Warner's lead replicator. Cinram executive Dominick Dallaverde confirmed to *Consumer Electronics Daily* that his factory will make 50-GB Blu-ray, including for THD. Cinram is just waiting for official certification from the Blu-ray Disc Assn., Dallaverde said. He dismissed contentions that THD requires longer cycle times than other flippers, saying there would be no negative consequences. Dallaverde acknowledged that THD at the start would need 3 production lines -- one each for the Blu-ray and HD DVD sides and a 3rd to sandwich them. But Cinram ultimately can move to a single production line, he said.

THD will arrive the "latter part of this year," likely Q4, Sanders said. Pricing is "still being worked out and in consultation with our retail partners," but likely "won't be materially more than making any other hybrid disc" such as WHV's "Twin-Format" HD DVD/DVD flipper. Initial consumer research found that "interest in HD goes up considerably with the knowledge of THD," Sanders said. "That bodes well for hardware from both formats. We know the [THD] manufacturing process, and know the price won't be considerably more than discrete formats, or prohibitive."

There will be no difference between Blu-ray and HD DVD sides of a THD, said Kevin Tsujihara, pres.-WB Home Entertainment Group. "There will be the exact same content on both sides, so in any player or a dual player you're not missing anything." He didn't discuss any differences in interactive extras between the formats. Most Blu-ray releases have lagged in the format's BD-Java interactivity compared with HD DVD's iHD -- a point that HD DVD proponents repeatedly drove home during CES interviews. Other studios have been approached on THD and are evaluating it, Tsujihara said. Warner's corporate affiliates New Line and HBO will use THD.

### Today in Washington Internet Daily

- **DOES DATA MINING WORK?** Senate Judiciary examines govt. collection, right to review, and 'demonstrable prejudice' from getting flagged. Reporting bill reintroduced.
- **CAPITOL HILL:** Thompson bill would pull privacy board out of White House... Feinstein revives push for ID theft protections.
- **AGENCIES:** SEC settles fraud charges with former Comverse gen. counsel... FBI notes 'twist' in e-mail extortion scheme.
- **COURTS:** Supreme Court decision will make holding onto Internet, software patents harder, expert says.
- **INTERNATIONAL:** Bahrain bars rights site, RWB tells ruler.

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go to [www.warren-news.com/widtrial.htm](http://www.warren-news.com/widtrial.htm) or call us at 800-771-9202.

Producing THDs isn't exclusive to Cinram, Dallaverde said: "Anyone with manufacturing ability for both formats can make THD." Thomson executives told us at CES that the company's Technicolor replication unit would be ready to go on THD. Technicolor produces HD DVDs for Universal, and Blu-rays and HD DVDs for Paramount. -- *Stephen A. Booth, Paul Gluckman*

\* \* \* \* \*

Warner and LG share "a common vision of addressing consumer confusion and hesitancy" when it comes to the competing Blu-ray and HD DVD formats, LG said Wed. in a statement. THD "complements" LG's dual-format player, it said. "We believe there are multiple solutions to end the confusion and hesitation caused by the existence of 2 formats, and it's logical to approach the issue from both the hardware and software side," it said. Just as THD is expected to promote increased hardware sales, the LG dual-format player will mean more disc sales, LG said: "Either way, each company is choosing to put the customer first."

### Lacking an Ethernet Port

## **LG Dual-Format Deck Might Not Qualify for HD DVD Logo, Microsoft Says**

LAS VEGAS -- LG's dual-format Super Multi Blue Player (CED Jan 8 Supplement p1) might not qualify for the DVD Forum's HD DVD logo because it lacks online networking capability, Microsoft's HD DVD evangelist, Kevin Collins, told *Consumer Electronics Daily* in a CES interview here Tues.

Online networking is mandated in the HD DVD spec, and LG's BH100 dual-format player -- as described by LG executives at the company's CES news conference Sun. -- lacks the needed Ethernet port to do that. The Internet connection is used for online updating and other functions, such as HD DVD's iHD interactivity, which also won't be included in the LG player. "If there's no networking, it can't use the HD DVD logo," Collins said. He represents Microsoft on the DVD Forum's Verification Policy Committee, which among other entities oversees compliance with DVD and HD DVD specs.

Collins Tues. said he hadn't yet seen LG's \$1,199 combo, but planned to take a look before CES was over. "To get the logo it has to comply with all the HD DVD specs, including decoding for Dolby True HD and DTS HD-Master," Collins said. "Assuming it is a fully featured player, I'd think it would be great for the HD DVD format." Late Tues. at CES, LG spokesman John Taylor told us his company was aware of the HD DVD specs, wasn't calling the BH100 an "HD DVD player" and didn't expect certification for that format's logo. The BH100 is essentially a Blu-ray player with basic HD DVD-ROM movie playback as a value-added function, he said.

HD DVD studio executives have bristled at the BH100's lack of iHD because they consider the interactivity feature to be HD DVD's crown jewel. At the same time, they hailed LG for being straightforward about what the BH100 could and couldn't do. They said they had been given assurances that LG would build iHD into future players earmarked for introduction this year.

Meanwhile, Collins said he welcomed Warner's THD dual-format disc introduction (CED Jan 5 p1, Jan 10 p1), but cautioned that he needed to ask replicators how hard THD would be to produce and at what cost. "I think we can assume it will take three lines to produce, one for BD, one for HD, and another to put the sandwich together," he said of Warner's flipper disc. "That raises questions about yields and cycle times. But assuming the technology works and the price is right, it would benefit HD DVD because people could buy the less expensive format." Replicator executives familiar with THD said production complexity and cost wouldn't be issues (see report, this issue).

Microsoft's HD DVD drive for Xbox 360 has given studios the assurance that every such drive purchased is a conscious choice by a consumer that he wants to play HD DVD movies through the console.

Though Blu-ray movie playback is built into every PS3 console, some pundits contend PS3 buyers aren't necessarily Blu-ray movie customers. Sony disputes that contention, and cited a survey that found 80% of PS3 owners will buy Blu-ray movies, and 75% intend to use the game console as their sole playback device for Blu-ray movies (CED Jan 9 p1).

Studios hope the Xbox 360 drive will maintain HD DVD's annual attach-rate at 28 discs per player, Collins said. About 175,000 HD DVD players of all types -- home set-top, PC and Xbox 360 -- were sold in N. America in 2006, the HD DVD Promotion Group said Mon. Microsoft hasn't said how many Xbox 360 drives it sold last year, but Toshiba said it sold 60,000 HD DVD players. That suggests Microsoft's Xbox 360 drive accounts for the bulk of the rest. -- *Stephen A. Booth*

### National Mobile Home Tour

## **Best Buy Bows 'ConnectedLife.home' Automation Installation Program**

LAS VEGAS — Vendors aren't alone in making CES announcements. Best Buy also used the show here Tues. to introduce ConnectedLife.home, a homegrown home automation installation program. The effort builds on HP's Digital Entertainment Center and Exceptional Innovation's Lifeware home control software as a step toward bringing home automation closer to mainstream consumers.

"It's really about digital entertainment. That's what's driving this business," said Chris Mauzy, dir. of business development at Best Buy for Business. "We saw a problem and realized we had to give the customer a place to start." One problem: Getting customers to understand why they would even want home automation. Solution: Make it entertaining, Best Buy said. Another problem: Delivering home automation cost-effectively to existing homes. Solution: Run it through existing wiring and package everything needed for the job in a single bundle.

Included in the bundle is a media server, automation software, HVAC interfaces, dimmer switches, in-wall keypad controls and a digital thermostat. For a limited time, Best Buy also will throw in a 42W HP plasma TV -- all for \$15,000, including installation. The server and software gives consumers access to digital content, and control of lights and temperature, from any screen in the home, Mauzy said: "We're giving them the 10-foot experience in every room of the house."

Best Buy began testing the program last year and has serviced 160 homes in the Sacramento market. A team of 33 installers -- home theater and Geek Squad technicians in hub markets -- can travel to customers' homes no matter how remote, Mauzy said. Best Buy has fitted a mobile home with the system for CES demonstrations. It's parked outside the Las Vegas Convention Center. After CES, the vehicle will go on tour nationally to promote the service. Schedules, dates and how to incorporate the program into stores haven't been settled, Mauzy said. It's marketed under the Best Buy for Business umbrella but likely will shift to the chain's Magnolia Home Entertainment operation. -- *Laura Heller*

### Publishers Give Mixed Grades

## **Don't Trust Accuracy of Sony's PS3 Launch Claims, Microsoft Tells CES**

LAS VEGAS -- Senior Microsoft executives at CES here came down heavy on Sony's PS3 launch, openly questioning the veracity of PS3 shipment data and casting doubts on Sony's claims that the PS3 introduction has been a success thus far. The executives included Entertainment & Devices Pres. Robbie Bach --

Microsoft's top Xbox 360 man -- who spoke at an investor presentation, and Game Developer Group Gen. Mgr. Chris Satchell, who was a CES panelist.

Bach even questioned the accuracy of Sony claims it had achieved 2006 shipments of a million PS3s in N. America (CED Jan 9 p5). Sony figures historically have included all units shipped from the factory, including those not yet delivered to retail, Bach told analysts. Microsoft's reports, by comparison, include only products shipped to retail, he said. "So I'm not exactly sure" what Sony was referring to when it said it shipped a million PS3s, Bach said. A Sony Computer Entertainment America (SCEA) spokeswoman said the million PS3s shipped in N. America were those shipped to retail. Sony typically expresses shipments in terms of units shipped from the factory when it discusses global shipments, she said.

Even so, a million PS3s is "not a big number," Bach said. Microsoft announced early this week it had shipped 10.4 million Xbox 360s worldwide through Dec. 31 (CED Special CES Supplement Jan 8 p6). Sony has "struggled" with the PS3 launch, Bach said, but mentioned nothing about the similar struggle Microsoft had to meet consumer demand at the Xbox 360 launch in late 2005. There were also reports of 360 consoles breaking down quickly after the launch, at least some of them related to an overheating problem. In comparison, there have been few similar reports at the PS3 launch. Instead, there have been complaints of compatibility issues with certain older HDTVs that can't play some PS3 games at anything higher than a 480p resolution.

Sony will face a major "challenge" early this year because "outside the holiday season" selling a product "at a \$100 to \$300 premium" over competing systems "is much tougher," Bach told investors. There are "still some early adopters that they'll get" to buy PS3, he conceded. But Bach added "when you get to March, April, May and you want to start ramping up your run rate, how do you [do that at the current] price point at a time of year when people traditionally just don't pay?" He conceded it was "not a lot of fun" when Microsoft attempted to launch the first Xbox during March in Europe. It "certainly wasn't easy to do at a premium price point," he said. Sony won't only be looking to attract more PS3 buyers in the U.S. and Japan -- it will also be launching PS3 in Europe during March after a delay from last year.

The delayed European PS3 launch was among various issues raised during the CES console panel discussion Tues. The "worst thing" Sony did with the PS3 launch was the European delay, said Microsoft's Satchell, who's from the U.K. It's "really sad" that European consumers "have to wait longer" than customers in the U.S. and Japan, he said.

But Satchell said the PS3 launch in the U.S. and Japan went about as he "expected," though there were actually more games available for the console than he projected. However, like others on the panel, he complained that -- aside from Sony's own *Resistance: Fall of Man* -- the PS3 launch games ranged from "bad to OK." It was "a weak launch," therefore, "on the games front," he said. PS3's online offering is also "extremely weak" and pales in comparison to Xbox Live, Satchell said. He also echoed the frequently heard complaint that PS3 is going to be a tough system to develop for.

The PS3 launch software was "a big letdown" for consumers after all the fanfare over the hardware, said Jay Cohen, publishing vp for Ubisoft, which makes games for all the new consoles. Sony has "a great machine" but the consensus seemed to be that no games available for it yet took full advantage of PS3's capabilities, he said. It now appears PS3 really is the "Trojan horse" to get Blu-ray into consumers' homes and many PS3 owners are spending a lot of time watching Blu-ray movies on their consoles, Cohen said recent home video sales data seemed to show. The games will "have to catch up" -- but that will happen, he predicted. The question is will the market be forgiving, he said.

But Electronic Arts (EA) Online Vp Chip Lange said PS3 had a relatively "good launch" -- albeit not a "great" one -- despite Sony's production challenges. He, too, said the initial games aren't taking full advantage of

PS3's capabilities. Not even EA has "scratched the surface" yet on that front but it will happen over time, he said. He called the initial lineup of PS3 games, which includes EA titles, a "good" one but conceded it wasn't a great one.

It is "certainly too early to declare a winner" of the current console cycle, Lange said, adding there had never been a new console cycle in which 3 competing systems were so distinctly different. This is, however, "really putting a strain on" developers, who must now be sure to offer strong functionality for Wii's remote when doing a title for that console, and must leverage the power of PS3 when making a title for Sony's system and come up with strong online game play when doing an Xbox 360 title, he said. Until we see what PS3 can actually achieve, it will remain too soon to declare a winner this cycle, he later said. "I think it will be the closest race we've ever seen," he predicted.

The panelists seemed to agree that Nintendo's Wii launch went far better than PS3's. It was "super smart" for Nintendo not to go "head to head with us and Sony" in this cycle, Satchell said. But he said "I just don't know how far [Wii] is going to go." Gamers, for one thing, might tire of the lower graphics capabilities of Wii vs. its rivals -- especially as more consumers buy HDTVs, he said.

Unclear for now is just how many exclusive games 3rd-party publishers will make for each of the 3 consoles, and this could determine who wins, said Cohen, who predicted Nintendo will finish #2 in this cycle, up from #3 in the previous one. He declined to predict which platform would wind up #1 and #3. But Cohen said Microsoft needs to be strong in Europe to beat Sony because 360 remained weak in Japan and there might not be much space in market share between the consoles in the U.S.

Satchell predicted his company will do better in Europe and will win overall. Despite 360's weakness in Japan, he said "I honestly don't believe Japan" is that important of a market to win anymore. He predicted PS3 will finish #2.

But Bach told investors Nintendo "has a pretty good chance of taking back leadership in the console market in Japan [and] they have a chance to beat Sony there" because it is "a price sensitive market" and Nintendo has the right price and content for that market. Microsoft has "more traction today" in Japan "than we did a month ago," thanks to strong sales of the game *Blue Dragon*, which the company now expects to also sell in N. America, Bach said. However, "I'm not going to tell you that" the recent increase in 360 demand in Japan is "a big deal" because its console still accounts for a small percentage of sales there," he said.

Of predictions Microsoft would use CES to unveil new Zune portable devices, Bach said "we're 6 weeks into the product life cycle, so maybe announcing new things that we're working on probably isn't the thing you're going to hear a lot from us in the near term." Apple doesn't typically announce new iPods until just ahead of the holiday season and "I think you're going to see us follow more of that model," he added. Microsoft already said it planned to add Zunes offering games and other functionality but had yet to provide many specifics. The company didn't immediately respond to a request for comment about a published report saying Microsoft plans to make games available for Zune by July 2008. -- *Jeff Berman*

### Capitalizing on 1080p 'Buzzword'

## **CES Now a Treasure Hunt for Margins Following Black Fri. Bloodbath**

LAS VEGAS -- With the Q4 flat-panel price wars still squarely visible in the industry's collective rear-view mirror, margin pressures continue to be "Topic A" at CES here among CE retailers and the Wall St. analysts who follow their every move. So severe was the damage for some that CES has become more a treasure hunt for margin-boosters than for new innovations, said analysts and retailers we polled.

"There's not a whole lot of innovation," said Bill Sims, Citigroup Investment Research vp-retailing & hardlines. "Everyone is talking about accessories as a margin opportunity." But accessories for portable music players, cables and power products will only get a retailer so far, he said: "The main takeaway is that gross margin will continue to be pressured throughout the industry again, maybe not to the same degree as in the 4th quarter, but price deflation will continue to be an issue."

To cope, virtually all retailers have stepped up the effort to cut SG&A and boost service offerings to squeeze every dollar they can. "With every new innovation you have to also look at what's being taken away," Marc Cook, gen. mgr. at Abt Electronics & Appliances told *Consumer Electronics Daily*, referring to wireless home theater and digital media server products introduced here. "Here, you're taking away the wires and also the installation," Cook said -- not a make it or break it proposition, but one that potentially impacts a profit center. And there's a consensus the technology is still not quite there. "When someone comes out with a true multiroom, multisource solution, the loss of installation is hardly a factor," said Cook. "You have to look at what's important to the consumer."

All the emphasis at this year's CES on 1080p may mean a lot to industry insiders, but makes relatively little difference to consumers not ready for it, said Citigroup's Sims: "Consumers don't need 1080p, and the incremental step up in price means little to retailers." One benefit may come in the unified jargon and coordinated exposure as the industry rallies behind 1080p, said Jon Abt, vp at Abt Electronics & Appliances. "They've marketed it to a point where it's a buzzword," he said. But as 1080p becomes a more ubiquitous label, it also increases the pressure to educate consumers who walk into the store repeating the buzzword, albeit with no knowledge of what it means, Abt said. -- *Laura Heller*

## Flat Fee?

### **DRM's Demise Predicted, RIAA-XM Recording Rights Fight Flails On**

LAS VEGAS -- This will be "the year when DRM for music is going away," Gerd Leonhard of Media Rights Technologies said in speaking on a copyright panel at CES here. Other panelists seemed less sure, with RIAA Gen. Counsel Steven Marks and XM Senior Vp Jeff Blattner vigorously invoking claims from their suit over XM devices that can record selected songs and play them back from a playlist.

The music industry will dump DRM simply because it "will not succeed if DRM goes on," Leonhard said. The industry is considering giving up now, he said: "I think there is a consensus behind closed doors." Industry representative Marks didn't comment.

The music industry will switch from per-song fees to flat fees or subscriptions, probably with ad support, according to Leonhard. He doesn't advocate free music, he said: "There's a big difference between free and 'feels-like-free.'" Cable can be costly but feels "free" since users pay a monthly fee typically dating back years. It's like your water bill, TiVo Gen. Counsel Matt Zinn said. You pay it, but "you can do whatever you want with the water," he said.

A problem with flat-fee services is the potential issue of paying the most popular artists what they deserve, Marks said. But there's technology to monitor which songs are downloaded and base artist payments on that, said Richard French of Avvenu.

Congress "is not well suited" to developing copyright policies such as those discussed at CES, XM's Blattner said. "I don't see a mechanism for Congress to achieve consensus. They'll just tell us to go work it out," he

said. But "there are a lot of things we can do" about reaching an industry consensus on copyright that might be acceptable to govt. "if people are restrained about it," he said.

XM and RIAA speakers mainly rehashed debates over whether the XM player violates copyright, each saying a win for the other would hurt consumers. But they and others agreed that it's unfair for satellite radio to pay multiple license fees, including performance rights, while broadcasters, including HD Radio, pay only one. "There is no rationale anymore for treating over-the-air broadcasters differently than XM," Gigi Sohn of Public Knowledge said: "It's just a matter of fairness." -- *Michael Feazel*

## Industry Notes

**CE products in 2006 used about 11% of U.S. residential electricity**, accounting for about 4% of total consumption, said a report commissioned by CEA for release Wed. at CES. CEA has said it financed the study to amass "high-quality research" for honing policies on CE energy consumption, after seeing too much energy policy-making based on faulty data (CED Oct 31 p5). The report's biggest caveat: It doesn't include data on DTV power use. The report will be updated in spring to include those data, said author Tiax LLC, a consulting firm in Cambridge, Mass. DTV test procedures are being developed and the scant DTV data available are on sets sold in 2004, Tiax has said. A holdup: The International Electrotechnical Commission (IEC) is writing standardized methods for measuring DTV energy consumption, but there has been "much disagreement" in that body due to geographic variations in TV set use, CEA has said. Average annual unit energy consumption (UEC) varied widely by device, the study found. Products with the highest UEC -- desktop PCs, stand-alone PVRs, analog TV sets -- used an order of magnitude more electricity per product than those with the lowest UEC -- cordless phones -- the study said. In 2006 analog TVs accounted for 36% of total CE energy use, the report said. In active mode, analog TV power draw has grown with screen size, the report said. Desktop and notebook PC power draw also has grown, it said. But the UEC of all PC and monitors has fallen over time because notebook PCs and LCD monitors make up more of the mix, the report said. -- *PG*

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**A veteran of Hollywood and Capitol Hill soon will be top MPAA spokesman.** Seth Oster, formerly of Entertainment Strategies Group, also has been Napster public affairs chief, Screen Actors Guild spokesman and a communications aide to Sen. Feinstein (D-Cal.). He takes over Mon. as MPAA exec. vp-communications. Exec. Vp John Feehery, responsible for U.S. govt. relations, will add global politics to his duties, plus the title of exec. vp-worldwide govt. affairs, said Chmn. Dan Glickman.

## Companies

**U.K. high-end vendor Meridian used CES to show a Video iPod docking station that upscales** video from small-screen iPod quality to HDTV resolution. Meridian's MV-D1, a small and highly-styled bright red device, will ship in April at about \$400. At a CES demo, Meridian used clips from *Toy Story*, ripped from a DVD and converted to MPEG-4 with 640 x 480 resolution in a 700-800 MB file. The dock contains upscaling circuitry that analyzes the low resolution recording, adds extra picture lines and displays a 1080p picture. All processing is done within the dock. In the demo we witnessed, on a 42W Sharp LCD-HDTV connected to the MV-D1 by HDMI, the picture quality was superb. "I tried several of the encoder software packages and found that PQDVD ([www.pqvd.com/](http://www.pqvd.com/)) gave the best results," said Meridian's William Phelps. "The picture quality from MPEG-4 was better than from H.264, and the whole file is only around 700 or 800 megabytes." Meridian wouldn't disclose what upscaling system it's using, but the company has close ties with Faroudja. -- *BF*

**Sony plans to add 16 GB Memory Stick media to its 2008 line** and to double capacity again, to 32 GB, for 2009, a spokeswoman said Wed. The company early this week announced at CES its plan to ship an 8 GB Memory Stick Pro Duo next month at about \$300 (CED Jan 10 p6). The Memory Stick Duo form factor “will become the standard for the Memory Stick format,” the spokeswoman said, adding that “we will continue to produce Memory Stick Pro media in capacities up to 2 GB to support existing Sony products.” Executives at rivals SanDisk and Lexar told *Consumer Electronics Daily* they had decided to phase out the Pro cards to concentrate on Duo. Sony declined to comment on its pricing plans for Memory Sticks. -- **JB**

## Videogames

**Nintendo raised its earnings forecast for this fiscal year** because of stronger than expected sales of DS hardware and software, the company said Wed. The company expects to post a profit of ¥93 billion for the year ending March 31, up from its earlier estimate of ¥60 billion. Nintendo expects sales to reach ¥820 billion, up from ¥620 billion. Nintendo posted a ¥91.59 billion profit last year on sales of ¥411.77 billion. It also raised its DS hardware sales forecast to 23 million units from 20 million and its DS software sales estimate to 100 million units from 82 million. Wii got off to a strong start but its sales paled in comparison to the company’s dual-screen handheld system, in part because of supply constraints. Nintendo still expects to sell 6 million Wiis this fiscal year. Although the company “reached its goal of manufacturing 4 million Wii systems by calendar year end, it could not distribute the full amount to retail locations around the world in the same period,” it said. But the company boosted its Wii software sales forecast for the year to 21 million units from 17 million.

## Consumer Electronics People

**Glenn Rogers**, ex-Tweeter, named PRO Buying Group business mgr... **Clif Denney**, ex-Circuit City, appointed Floor & Decor Outlets senior vp-chief mdse. officer... **Mark Beaumont** promoted to Capcom exec. vp and head of consumer software publishing for N. America, S. America and Europe... **Joseph Damato**, ex-Delphi, named Unwired Technology CEO-pres., replacing **Larry Richenstein**, who shifts to chmn.

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