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August 31, 2006

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
455 12th Street, S.W.
Washington, D.C. 20554

Re: American Cable Association ("ACA"); Notice of Ex Parte Presentation; CS Docket No. 97-80; CSR-7012-Z

Dear Ms. Dortch:

Under 47 CFR § 1.1206(b), we electronically provide this notice of an ex parte oral presentation in the docket listed above. On August 30, 2006, Jeff Ross, President of Armstrong Cable and ACA member, and I met with Heather Dixon, legal advisor to Chairman Kevin J. Martin.

The purpose of the meeting was to discuss new information received by Mr. Ross concerning the cost of the replacement set-top for the low cost, limited functionality DCT-700. If Comcast's waiver request is not granted, the replacement set-top will nearly triple the box cost and will adversely impact the ability of Armstrong and other ACA members to provide digital simulcast service to their customers.

The meeting included a discussion of a handout summarizing Armstrong's digital simulcast service, the enthusiastic customer response to it, and how the DCT-700 or similar low cost box is critical to this service. We attach a copy of that handout to this letter.

Sincerely,

Christopher C. Cinnamon

cc via email:

James Casserly (jcasserly@willkie.com)
Heather Dixon (heather.dixon@fcc.gov)
Donna Gregg (donna.gregg@fcc.gov)
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Armstrong Cable Services
Low-cost Digital Deployment and the DCT-700 set top
August 2006

Armstrong strongly supports ACA's request to grant Comcast's petition for the DCT-700. The DCT-700 has enabled us to deliver a low cost, all digital service to our rural subscriber base. Without a CableCard waiver for this set top, we will have no choice but to discontinue the service or raise the price.

Background

Armstrong Cable Services – delivering advanced services to smaller markets. Armstrong is a family-owned cable company serving about 230,000 customers in PA, OH, WV, KY and MD. The systems serve predominately smaller markets and rural areas. We offer Broadband Internet, VoIP, HD, and DVRs to our entire customer base.

All digital upgrades: In 2006, we invested $1,600,000 to support an all digital cable service.

TV Plus: In July 2006, we launched all digital "TV Plus." It includes 70 digital channels, an Interactive Program Guide (IPG), VOD, music, and advanced Parental Controls. (See Attachment 1).

Price: $43.95 (expanded basic rate) + $2.95 for a DCT 700 with limited digital features.

Customer response: Customer response has been extremely positive. We are planning to deploy at least 3,000 – 4,000/month over the next 12 months. TV Plus is especially popular with price sensitive customers.

Advanced set top boxes and CableCards: Armstrong provides CableCards for all customers that request them. We will support all CableCard enabled televisions, DVRs and advanced set-tops. We are planning to deploy CableCard enabled advanced set tops in 2007.

The DCT-700 is essential to TV Plus

The DCT-700 enables Armstrong to provide TV Plus for only $2.95 more than standard expanded basic. The DCT-700 is the lynchpin to providing a low-cost, all digital service. We purchase the box for about $80 each. It has a small form factor that customers like. (See Attachment 2).

Demand for TV Plus is strong and growing. With the DCT-700, we are on target for adding nearly 40,000 TV Plus customers in the next year. This will increase digital penetration to nearly 50%. With TV Plus, we project nearly 100% digital penetration by 2009.

Without a CableCard waiver, we no longer be able to offer a low cost, all digital TV Plus

Motorola will not offer a CableCard-enable DCT-700. Last week, Motorola informed us that unless the DCT-700 receives a CableCard waiver, our only option will be the DCH 100, costing about $190, with a much larger form factor. (See Attachment 3).

We cannot offer TV Plus with a $190 dollar set top. Without a CableCard waiver for the DCT-700, we will need to either eliminate TV Plus, or raise the set top cost to at least $6.00/month. We estimate this will reduce deployment by more than half.

Attachment 1

Bring clarity and quality to any TV!

Introducing

Television Plus

TV Guide Interactive

The easiest way to see what's on and what's coming up. Scan listings by channel, time or category, search titles, and plan your viewing – all on your screen.

Parental Controls

Stay in control of what your kids watch, even when you're not around. Protect their viewing with locks for programs, movies, and channels, set individually and based on movie and TV ratings.

Video On Demand (VOD)

TV on your schedule – watch what you want, when you want. Great free content, exciting subscription services, premium channel exclusives and more, all ready at your convenience.

Digital Music

Choose from 47 continuous and commercial-free music channels in a variety of music styles. Listen to the songs you love by your favorite artists, played back to back without interruption.

Television Plus

All digital picture & sound, on every channel, delivered direct to your TV

FOR ONLY

$29.95 A Month!

PLUS, Parental Controls, TV Guide Interactive, Video On Demand and Digital Music are all included!

Television Plus

Over 65 of Your Favorite Channels **And** ALL of Your Local Broadcasters

Plus...

Parental Controls

Stay in control of what your kids watch, even when you're not around. Protect their viewing with locks for programs, movies, and channels, set individually and based on movie and TV ratings.

TV Guide Interactive

The easiest way to see what's on and what's coming up. Scan listings by channel, time or category, search titles, and plan your viewing – all on your screen.

Special Interest Channels

Over 35 channels dedicated to the topics that matter to you. From sports to science, garddening to game shows, history to home improvement, it's programming made for you.

Video On Demand (VOD)

TV on your schedule – watch what you want, when you want. Great free content, exciting subscription services, premium channel exclusives and more, all ready at your convenience.

ONLY $46.90 A Month!

1.877.277.5711

www.armstrongonewire.com

Attachment 2

Motorola DCT 700

Attachment 3

Motorola DCH 100