

BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

In the Matter of)	
)	CSR-7012-Z
Comcast Corporation's)	
Request for Waiver of)	CS Docket No. 97-80
<u>47 C.F.R. § 76.1204(a)(1)</u>)	

COMMENTS OF MOTOROLA, INC.

Steve B. Sharkey
Director, Spectrum and Standards Strategy
Jason E. Friedrich
Assistant Director, Telecommunications Regulation
1455 Pennsylvania Avenue, NW
Suite 900
Washington, DC 20004
TEL: 202.371.6953

February 14, 2007

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Motorola, Inc. (“Motorola”) strongly supports Comcast’s Application for Review filed in the above-captioned proceedings.¹ On April 19, 2006, Comcast filed a request for waiver of the Commission’s integration ban rule for certain low-cost, limited-capability set-top boxes, including Motorola’s DCT-700.² The waiver request was denied by the Media Bureau on January 10, 2007.³ Motorola respectfully urges the Commission to grant Comcast’s Application for Review of that decision and expeditiously approve the Comcast Waiver Request.

¹ See *In the Matter of Comcast Corporation’s Request for Waiver of 47 C.F.R. § 76.1204(a)(1)*, Application for Review, CS Dkt. No. 97-80, CSR-7012-Z (Jan. 30, 2007) (“Application for Review”).

² See *In the Matter of Comcast Corporation’s Request for Waiver of 47 C.F.R. § 76.1204(a)(1)*, Request for Waiver, CS Dkt. No. 97-80, CSR-7012-Z (Apr. 19, 2006) (“Comcast Waiver Request”). Motorola filed comments in support of the Comcast Waiver Request, as well as *Ex Parte* comments addressing issues raised in the proceeding. See Motorola Comments, filed in CS Dkt. No. 97-80, CSR-7012-Z (June 15, 2006) (“Motorola Comments”); see also Motorola *Ex Parte* (Aug. 16, 2006); Motorola *Ex Parte* (Nov. 8, 2006).

³ See *In the Matter of Comcast Corporation’s Request for Waiver of 47 C.F.R. § 76.1204(a)(1)*, Mem. Opin. & Order, DA 07-49 (rel. Jan. 10, 2007) (“Waiver Order”).

As Motorola noted in its comments in this waiver proceeding, the DCT-700 is the lowest-cost, most limited-function digital set-top box that Motorola has ever manufactured for the cable industry.⁴ The DCT-700 includes a single digital tuner, an RF output and a composite video output, and right and left audio channel outputs, and allows customers to access an electronic program guide (“EPG”), pay-per-view (“PPV”) services, video-on-demand (“VOD”), and limited interactive television (“ITV”) capabilities. The DCT-700 does *not* support high-definition (“HD”), digital video recording (“DVR”), Internet access, or other advanced capabilities, nor does it include an analog tuner. In fact, the Commission’s guidance in its *2005 Integration Ban Order*⁵ had a significant influence on the design of the DCT-700.

The DCT-700 has been a very popular product with cable operators and their customers. A total of 6.4 million DCT-700s have been shipped worldwide, including approximately 6.1 million in North America. It is widely used by Comcast, Charter, RCN, and numerous other U.S. cable operators.⁶ As explained by Comcast and other operators, the DCT-700 provides a cost-effective and affordable way for millions of cable customers to access a wide array of digital programming and services, including powerful parental control technologies.⁷ The DCT-

⁴ See Motorola Comments at 1-2.

⁵ See *Implementation of Section 304 of the Telecommunications Act of 1996: Commercial Availability of Navigation Devices*, Second Report and Order, 20 FCC Rcd. 6794 ¶ 37 (2005) (“*2005 Integration Ban Order*”) (“We do not believe waiver will be warranted for devices that contain personal video recording (‘PVR’), high-definition, broadband Internet access, multiple tuner, or other similar advanced capabilities.”)

⁶ A total of eight waiver requests were filed by cable operators for the DCT-700, including Comcast, Charter, RCN, Armstrong Utilities, BendBroadband, Sunflower Broadband, Suddenlink, and City of San Bruno. Many other cable operators also use the DCT-700.

⁷ See Comcast Waiver Request at 10-14; Charter Waiver Request, CSR-7049-Z, at 12-14 (July 14, 2006); BendBroadband Waiver Request, CSR-7057-Z, at 5-11 (Oct. 4, 2006); Armstrong Utilities Waiver Request at 6-7 (Nov. 6, 2006); Sunflower Broadband Waiver Request at 2-3 (Nov. 21, 2006); RCN Waiver Request at 4 (Nov. 17, 2006); Suddenlink Waiver Request at 6-7 (Dec. 5, 2006); City of San Bruno Waiver Request at 4-5 (Dec. 14, 2006).

700 is critically important to operators' efforts to increase digital subscribership and accelerate their transitions to all-digital networks -- thereby facilitating the recapture of analog spectrum for more HD channels, faster Internet access, and other video and non-video services consumers want and value.⁸

By contrast, failure to grant the waiver will eliminate this low-cost and highly-valued box option for Comcast and its customers. It is simply not possible to incorporate a CableCARD and CableCARD interface into the DCT-700. As Motorola noted in its earlier comments, accommodating the CableCARD requires an entirely different set-top box, with a larger chassis, greater power supply, and a redesign of the motherboard, among other things.⁹ These modifications plus the CableCARD add significantly to the overall cost of the set-top box. Consequently, the lowest-cost CableCARD-enabled set-top box Motorola is manufacturing -- the DCH-100 -- will cost substantially more than the DCT-700, even in higher volumes. Comcast and numerous other commenters have explained how the deployment of such a costlier set-top box will negatively affect consumer uptake of digital services and thereby slow cable's transition to digital.¹⁰

⁸ In its BendBroadband waiver order, the Bureau acknowledged the importance of the DCT-700 to cable's transition efforts. *See In the Matter of BendBroadband's Request for Waiver of Section 76.1204(a)(1) of the Commission's Rules*, Mem. Opin. & Order, DA 07-47 ¶ 24 (rel. Jan. 10, 2007) (recognizing that conditional grant of a waiver for the DCT-700 would "facilitate BendBroadband's rapid transition to an all-digital network (*i.e.*, by 2008)").

⁹ *See* Motorola Comments at 4.

¹⁰ *See* Comcast Waiver Request at 17-18; Application for Review at 4-5; *see also* Black Leadership Forum (Sept. 28, 2006); Hispanic Federation (Oct. 2, 2006); League of Rural Voters (Oct. 2, 2006); Americans For Prosperity *et al.* (Oct. 2, 2006); National Black Chamber of Commerce (Oct. 3, 2006); Hispanic Technology & Telecommunications Partnership (Oct. 4, 2006); Hispanic Chamber of Commerce (Oct. 6, 2006); Hispanic National Bar Association (Oct. 17, 2006); *see also* Thomson Comments at 1; *ACA Ex Parte* (Aug. 31, 2006); *Armstrong Utilities Ex Parte* (Sept. 11, 2006); *RCN Ex Parte* (Oct. 31, 2006); *ACA Ex Parte* (Dec. 11, 2006). The Bureau did not address these cost concerns in the *Waiver Order*. *See 2005 Integration Ban Order* ¶ 37.

Furthermore, the Bureau's decision to limit the scope of the waiver process under the *2005 Integration Ban Order* to one-way devices is at odds with marketplace realities. All of the digital set-top boxes that Motorola has manufactured for U.S. cable operators -- from the low-cost DCT-700 to the higher-end DCT-6412 with HD and DVR capabilities -- have been two-way. A chief selling point of digital set-top box technology to American consumers has been its interactive capabilities. Cable customers have made plain that they want VOD, an EPG, and other two-way services, and the DCT-700 has provided a cost-effective way to meet that demand.

In contrast, there is simply no marketplace interest for a *one-way* digital set-top box -- among consumers, operators, or retailers. The Bureau did not offer an example of a commercially deployed digital set-top box that has only one-way functionality, nor did any commenter in the waiver proceeding (including waiver opponents) indicate any interest in building or deploying such a device.¹¹ Given this lack of marketplace interest, it is difficult to believe that the Commission would have intended to limit waivers for low-cost, limited-capability devices to one-way set-top boxes.¹² Rather, the Commission plainly intended to entertain waiver requests for low-cost boxes -- like the DCT-700 -- that cable operators wanted to deploy and cable customers wanted to use.

For the foregoing reasons, and those set forth in the Application for Review and Motorola's prior comments in this proceeding, Motorola respectfully asks that the Commission

¹¹ As the Bureau acknowledges, the Pace set-back device referenced in the *Waiver Order* was never commercially manufactured due to a lack of marketplace interest. See *Waiver Order* ¶ 26 n.97.

¹² As Motorola also pointed out in the Comcast waiver proceeding, limiting the DCT-700 to one-way functionality would provide no cost savings while denying consumers the two-way capabilities they want and value. See *Motorola Ex Parte* (Nov. 8, 2006).

grant Comcast's Application for Review and approve its request for waiver of the integration ban for the DCT-700 and similar low-cost, limited-capability set-top boxes.

Respectfully submitted,

/s/ Steve B. Sharkey

Steve B. Sharkey

Director, Spectrum and Standards Strategy

Jason E. Friedrich

Assistant Director, Telecommunications

Regulation

1455 Pennsylvania Avenue, NW

Suite 900

Washington, DC 20004

TEL: 202.371.6953

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CERTIFICATE OF SERVICE

I, Steve B. Sharkey, hereby certify that, on February 14, 2007, copies of the attached Comments of Motorola, Inc. were served via regular mail, on the following:

James L. Casserly Jonathan Friedman Willkie Farr & Gallagher LLP 1875 K Street, N.W. Washington, D.C. 20006 <i>Attorneys for Comcast Corporation</i>	Mr. Paul G. Schomburg, Senior Manager Government and Public Affairs Panasonic Corporation 1130 Connecticut Ave., N.W. Suite 1100 Washington, D.C. 20036
Mr. Jim Morgan Sony Electronics Inc. 1667 K Street, N.W. Suite 200 Washington, D.C. 20006	Mr. Christopher C. Cinnamon Cinnamon Mueller 307 North Michigan Avenue Suite 1020 Chicago, IL 60601 <i>Attorneys for American Cable Association</i>
Mr. Michael V. Pulli Pace Micro Technology Americas 3701 FAU Boulevard Suite 200 Boca Raton, FL 33431	Mr. Frank E. Dangeard Chairman and CEO Thomson 46 quai A Le Gallo 92648 Boulogne Cedex France
Mr. Adam Petruszka Director, Strategic Initiatives Hewlett-Packard Company 20555 State Highway 249 MS-140302 Houston, TX 77070	Mr. Jeffrey T. Lawrence Director, Content Policy and Architecture Intel Corporation JF3-147 2111 N.E. 25 th Avenue Hillsboro, OR 97124-5961
Mr. Michael D. Petricone, Esq. Vice President, Technology Policy Consumer Electronics Association 2500 Wilson Boulevard Arlington, VA 22201	Mr. Neal M. Goldberg General Counsel National Cable & Telecommunications Association 1724 Massachusetts Avenue, N.W. Washington, D.C. 20036

<p>Mr. Gerard J. Waldron Covington & Burling 1201 Pennsylvania Avenue, N.W. Washington, D.C. 20004-2401 <i>Counsel for Microsoft Corporation</i></p>	<p>Mr. Craig K. Tanner Vice President, Cable Business Development Sharp Laboratories of America 8605 Westwood Center Dr., Suite 206 Vienna, VA 22182</p>
<p>Mr. Jeffrey A. Campbell Director, Technology & Comm. Policy Cisco Systems, Inc. 1300 Pennsylvania Avenue, N.W. Washington, D.C. 20004</p>	<p>Ms. Marlene Dortch Secretary Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554</p>
<p>Mr. Brendan Murray Media Bureau Room 4-A802 445 12th Street, S.W. Washington, D.C. 20554</p>	<p>Ms. Jean L. Kiddoo Bingham McCutchen LLP 3000 K Street, N.W., Suite 300 Washington, D.C. 20007 <i>Counsel for RCN</i></p>
<p>Mr. Adam Goldberg Vice President, Government Affairs Pioneer North America, Inc. 8000 Towers Crescent Drive, 13th Floor Vienna, VA 22182</p>	<p>Mr. Jeffrey Ross President, Armstrong Utilities, Inc. One Armstrong Place Butler, PA 16001</p>
<p>Mr. John Godfrey Vice President, Government Affairs Samsung Information Systems America, Inc. 1200 New Hampshire Avenue, N.W., #550 Washington, D.C. 20036</p>	<p>Ms. Lillian Rodriguez Lopez President Hispanic Federation 55 Exchange Place, 5th Floor New York, NY 10005</p>
<p>Mr. Neil Ritchie Executive Director League of Rural Voters P.O. Box 80259 Minneapolis, MN 55408</p>	<p>Mr. Jason Wright President Institute for Liberty 4094 Majestic Lane, #278 Fairfax, VA 22033</p>

<p>Mr. Grover Norquist President Americans for Tax Reform 1920 L Street NW, Suite 200 Washington, DC 20036</p>	<p>Mr. Geoffrey Segal Director of Government Reform Reason Foundation 3415 S. Sepulveda Blvd., Suite 400 Los Angeles, CA 90034</p>
<p>Mr. Tim Phillips President Americans for Prosperity 1726 M Street NW, 10th Floor Washington, DC 20036</p>	<p>Mr. John Berthoud President National Taxpayers Union 108 N. Alfred Street Alexandria, VA 22314</p>
<p>Mr. Tom Schatz President Citizens Against Government Waste 1301 Connecticut Ave., NW, Suite 400 Washington, DC 20036</p>	<p>Mr. Chris Llana 110 Melville Loop Chapel Hill, NC 27514</p>
<p>Mr. Harry C. Alford President & CEO National Black Chamber of Commerce 1350 Connecticut Avenue, N.W., Suite 405 Washington, DC 20036</p>	<p>Mr. Manuel Mirabal Founder & Co-Chair Hispanic Technology & Telecommunications Partnership 1901 L Street, N.W., Suite 802 Washington, DC 20036</p>
<p>Mr. Matthew Blank Chairman & CEO Showtime Networks, Inc. 1633 Broadway New York, NY 10019</p>	<p>Mr. Philip Kent Chairman & CEO Turner Broadcasting Systems, Inc. One CNN Center Atlanta, GA 30303</p>
<p>Ms. Debra Lee President & CEO BET Holdings, Inc. 1235 W Street, NE Washington, DC 20018</p>	<p>Ms. Judy McGrath Chairman & CEO MTV Networks 1515 Broadway New York, NY 10036</p>
<p>Ms. Abbe Raven President & CEO A&E Networks 235 E. 45th Street New York, NY 10017</p>	<p>Mr. David Zaslav President NBC Universal Cable 100 Universal City Plaza Universal City, CA 91608</p>

<p>Mr. Michael L. Barrera President & CEO Hispanic Chamber of Commerce 2175 K Street, N.W., Suite 100 Washington, D.C. 20037</p>	<p>Mr. Jimmie V. Reyna President Hispanic National Bar Association 815 Connecticut Avenue, N.W., Suite 500 Washington, D.C. 20006</p>
<p>Mr. Alex Curtis Policy Director Public Knowledge 1875 Connecticut Avenue, N.W., Suite 650 Washington, D.C. 20009</p>	<p>The Honorable Joe Barton House Energy and Commerce Committee Rayburn House Office Building Washington, D.C. 20515</p>
<p>The Honorable Fred Upton House Energy and Commerce Committee Rayburn House Office Building Washington, D.C. 20515</p>	<p>The Honorable Ted Stevens Senate Commerce Committee Dirksen Senate Office Building Washington, D.C. 20510</p>
<p>Mr. George Bodenheimer Co-Chairman, Disney Media Networks President, ESPN, Inc. and ABC Sports ESPN Plaza Bristol, CN 06010</p>	<p>Mr. Decker Anstrom President and Chief Operating Officer Landmark Communications, Inc. 150 W. Brambleton Avenue Norfolk, Virginia 23510-2075</p>
<p>Mr. John Hendricks Founder & Chairman Discovery Communications, Inc. 7700 Wisconsin Avenue Bethesda, MD 20814</p>	<p>Mr. Geraldine Laybourne Chairman & CEO Oxygen Media, Inc. 75 9th Avenue New York, NY 10011</p>

/s/ Steve B. Sharkey
Steve B. Sharkey