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Federal Communications Commission
Office of the Secretary

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MUELLER

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Chicago, Illinois 60601
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FCC/MELLON

NOV 27 2006

November 20, 2006

Federal Communications Commission
Media Bureau
P.O. Box 358205
Pittsburgh, PA 15251-5205

RECEIVED

NOV 29 2006

MEDIA BUREAU

**Re: In the Matter of The World Company, d/b/a Sunflower Broadband's
Request for Waiver of 47 C.F.R. § 1204(a)(1)**

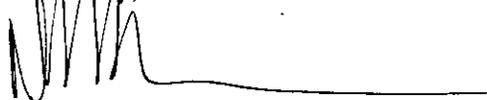
Dear Sir or Madam:

The World Company ("Sunflower Broadband") hereby transmits an original and four copies of the above-referenced Request for Waiver. Also enclosed is FCC Form 159 authorizing credit card payment in the amount of \$1,250 for the required filing fee.

We also enclose a copy of this letter and a copy of the first page of the waiver request. Please date-stamp each page and return in the enclosed federal express envelope.

Please contact me if you have any questions regarding this matter.

Sincerely,



Nicole Paolini-Subramanya

cc: Patrick Knorr
Donna Gregg (via email: donna.gregg@fcc.gov)
John Norton (via email: john.norton@fcc.gov)

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Before the
Federal Communications Commission
Washington, D.C. 20554

RECEIVED

NOV 29 2006

MEDIA BUREAU

In the Matter of:)
)
The World Company, d/b/a)
Sunflower Broadband)
)
Request for Waiver of)
47 C.F.R. § 1204(a)(1))

CSR- 71142

To: Chief, Media Bureau

**REQUEST FOR WAIVER OF 47 C.F.R. § 1204(a)(1) and
REQUEST FOR CLARIFICATION**

I. Introduction and Summary

Pursuant to 47 U.S.C. § 549(c), and 47 C.F.R. §§ 76.7 and 76.1207, The World Company ("Sunflower Broadband") respectfully requests that the Commission grant a limited waiver of 47 C.F.R. § 76.1204(a)(1) for the Motorola DCT-700 low-cost set-top converter box.¹ Granting Sunflower Broadband's requested waiver will benefit consumers and speed the digital transition in the smaller markets served by Sunflower Broadband. At the same time, granting Sunflower Broadband's request will have no negative effect on the development of a competitive market for navigation devices.

¹ As required by the Commission's *Second Report and Order*, Sunflower Broadband attaches as Exhibit 1 the full specifications for the DCT-700. See *In the Matter of: Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices, Second Report and Order*, 20 FCC Rcd. 6794 (2005) ("*Second Report and Order*") at ¶ 37.

We organize this waiver request as follows:

- Relief requested
- Background information on Sunflower Broadband and its use of the DCT-700
- Justification for the requested waiver
- Request for clarification
- Conclusion

II. Relief Requested

Waiver. Sunflower Broadband requests that the Commission grant a limited waiver of 47 C.F.R. § 76.1204(a)(1) for the Motorola DCT-700 until the earlier of: (i) December 31, 2009; or (ii) the availability of downloadable security. Alternatively, Sunflower Broadband requests that the waiver for the DCT-700 be limited to small and medium-sized cable operators like Sunflower Broadband. These operators serve the low-density and rural areas that will be hardest hit by the integration ban.

Request for clarification. Sunflower Broadband also requests that the Commission clarify that refurbished integrated boxes acquired on the used equipment market are not “new” navigation devices and are therefore not subject to the integration ban in 47 C.F.R. § 1204(a)(1).

III. Sunflower Broadband and the DCT-700

Sunflower Broadband provides cable services to about 30,000 basic subscribers in the lower-density and rural markets of Lawrence, Eudora, Tonganoxie, Basehor, Tanglewood, and Linwood, Kansas. In April 2005, the company began digital simulcasting and has already converted approximately 60% of its subscribers to a digital platform. For Sunflower Broadband, the DCT-700 has been the driver of this digital transition. The low price of the Motorola DCT-700 allows Sunflower Broadband to provide subscribers with a digital simulcast of its analog basic tier – along with

advanced parental controls and additional channels, including local VOD – for just \$3.95 per month more than its analog basic tier.² With this value proposition, Sunflower Broadband has deployed approximately 18,000 DCT-700 boxes since it began providing digital services. In the year and a half since Sunflower Broadband began deploying the DCT-700, Sunflower Broadband has been able to more than double its number of digital access subscribers, with almost all subscribers requesting one or more DCT-700s. This is a remarkably fast deployment rate, and a major step toward an all-digital network. At this pace - if the Commission grants a waiver for the DCT-700 - Sunflower Broadband anticipates that it can transition to an all-digital network by the end of 2008. If the DCT-700 remains subject to the integration ban, however, Sunflower Broadband's digital transition will be significantly delayed.

If Sunflower Broadband cannot deploy the DCT-700 box, it will be required to deploy the Motorola DCH-100. The DCH-100 costs nearly three times as much as the DCT-700, and Sunflower Broadband will need to charge \$6.95 per month for the DCH-100 – nearly twice the current cost of a DCT-700. Sunflower Broadband's remaining non-digital customers are extremely price-sensitive, and they are not willing to pay this higher cost to convert to digital. Without a waiver for the DCT-700, based on Sunflower Broadband's historic deployment rate for higher-priced set-top boxes,³ the integration ban will push back Sunflower Broadband's planned December 2008 transition to an all-digital network at least 2 years.

² We attach Sunflower's current price list as Exhibit 2.

³ In the same period in which Sunflower Broadband has deployed 18,000 DCT-700s, it has deployed only 4,000 "higher-end" set-top boxes. These boxes have HD or PVR capabilities, and include the Pace Vegas, Pace Tahoe, Motorola 3412, and Digeo Moxie.

Further, failure to grant the requested waiver will necessarily raise the price of access to the advanced parental controls available only on Sunflower's digital program guide,⁴ and will affect the company's ability to provide family and genre tiers. This is because programmers require smaller operators to achieve a certain digital penetration rate before permitting tiering.

In summary, if the Commission does not grant the requested waiver, Sunflower's digital transition will be slowed or halted, and its contractual ability to provide family-friendly and genre tiers will be correspondingly delayed.

IV. Justification for Requested Waiver

The Commission has ample authority to grant Sunflower Broadband's waiver. Section 549(c) of the Commission's rules expressly authorizes the Commission to grant waivers of the integration ban for a set-top box:

The Commission shall waive a regulation adopted under subsection (a) of this section for a limited time upon an appropriate showing by [an MVPD]...that such waiver is necessary to assist the development or introduction of a new or improved multichannel video programming or other service offered over multichannel video programming systems, technology, or products.⁵

Similarly, Section 76.1207 of the Commission's rules provides:

The Commission "may waive a regulation adopted under this subpart for a limited time, upon an appropriate showing by [an MVPD]...that such a waiver is necessary to assist the development or introduction of a new or improved multichannel video programming or other service offered over multichannel video programming systems, technology, or products."⁶

⁴ This is because Sunflower will need to raise its rates to account for the increased price of the DCH-100.

⁵ 47 U.S.C. § 549(c).

⁶ 47 C.F.R. § 76.1207.

In its *Second Report and Order*, the Commission confirmed that it would grant waivers under Section 549(c) and 47 C.F.R. § 76.1207 for low-cost, limited functionality set-top boxes:

It is critical to the DTV transition that consumers have access to inexpensive digital set-top boxes that will permit the viewing of digital programming on analog television sets both during and after the transition. The availability of low-cost boxes will further the cable industry's migration to all-digital networks, therefore freeing up spectrum and increasing service offerings such as high-definition television....We are inclined to believe that the provision of such devices by cable operators will not endanger the development of the competitive marketplace envisioned in Section 629....In the interim, we will entertain requests for waiver of the prohibition on integrated devices for limited capability integrated digital cable boxes.⁷

The DCT-700 is just such a box. It is low-cost and has limited capabilities. It is also the driver of Sunflower Broadband's rapid transition toward an all-digital network. Further, a waiver for the box will not endanger the development of a competitive set-top device market.

The DCT-700 is low cost. At approximately \$80 per unit, the DCT-700 is the least expensive digital set-top box for use in Sunflower Broadband's systems. The DCT-700 costs even less than a unidirectional CableCARD.⁸

The DCT-700 is a very limited-functionality device. The DCT-700 is simply a stripped down digital-to-analog converter, providing access to encrypted digital signals, an interactive guide and parental controls. The DCT-700 does not contain any PVR, HD, Internet access, multiple tuner or other advanced capabilities. The box is so basic

⁷ *Second Report and Order* at ¶ 37 (emphasis added).

⁸ The unidirectional CableCARD costs Sunflower Broadband approximately \$89.

that it does not even include an on/off switch, a clock or display.⁹ In short, the DCT-700 is designed to provide digital services as economically as possible.

The DCT-700 is accelerating Sunflower Broadband's transition to an all-digital network. As described above, consumer demand for the DCT-700 is high due to the low price of the DCT-700. With the DCT-700, Sunflower Broadband can offer its subscribers a digital simulcast of its analog basic tier - along with advanced parental controls and several additional channels, including local VOD - for just \$3.95 per month more than analog basic. Sunflower Broadband believes that its ability to discontinue its analog services and reclaim the bandwidth for digital services will hinge on the availability of the low-cost of the DCT-700. With the requested waiver for the DCT-700, Sunflower Broadband believes its transition to an all-digital network will occur before the end of 2008.

Granting a waiver for the DCT-700 will not endanger the development of a competitive market for navigation devices. For the subscribers who use the DCT-700, the choice is not between the DCT-700 and a higher-priced, non-integrated box. The choice is between the DCT-700 or no digital services at all. The DCT-700 is so basic and limited in its functionality that it attracts only the most price-sensitive consumers – those with lower or fixed incomes, or those who simply do not place a high enough value on digital services to justify a more expensive box. Higher-end consumers will still purchase or lease the more expensive non-integrated boxes regardless of the availability of the DCT-700. Accordingly, a waiver for the DCT-700 will not endanger the development of a competitive market for higher-priced, non-integrated

⁹ See Exhibit 1.

boxes. Further, as described in Charter's and Comcast's set-top box waiver requests, a limited waiver for the low-end DCT-700 will have no detrimental effect on the robust market for digital consumer products.¹⁰ And with only 30,000 subscribers, Sunflower Broadband has no ability to influence the set-top box market.

In short, the DCT-700 satisfies all the criteria set forth in 47 U.S.C. § 549(c), 47 C.F.R. §§ 76.7 and 76.1207, and the *Second Report and Order* for a waiver of the integration ban in 47 C.F.R. § 76.1204(a)(1).

If the Commission is for some reason reluctant to grant a broad waiver for the DCT-700, it could in the alternative grant a more limited waiver for the box under 47 C.F.R. § 1.3.¹¹ The limited waiver would be applicable to small and medium-sized operators only. These operators serve the price-sensitive low-density and rural areas that will be hit hardest by the application of the integration ban because the cost of converting to a digital network is much higher in these small, price-sensitive communities. As this request shows, there is certainly good cause for such a waiver.

V. Request for Clarification

By its terms, the Commission's integration ban applies to deployment of "new" navigation devices only.¹² The Commission has also made clear that the integration ban is "[not] intended to render equipment obsolete that has already been manufactured

¹⁰ See *In the Matter of Application of Charter Communications Inc.'s Request for Waiver of 47 C.F.R. § 76.1204(a)(1)*, CS Docket No. 97-80, CSR 7049-Z (July 14, 2006) at 11; *In the Matter of Application of Comcast Corporation's Request for Waiver of 47 C.F.R. § 76.1204(a)(1)*, CS Docket No. 97-80, CSR 7012-Z (April 19, 2006) at 14-17.

¹¹ Under 47 C.F.R. § 1.3, the Commission may waive any of its rules on petition if good cause is shown.

¹² 47 C.F.R. § 76.1204(a)(1).

and deployed and still has a useful life.”¹³ Sunflower Broadband asks the Commission to clarify that cable operators may still deploy after July 1, 2007 refurbished integrated boxes purchased on the used equipment market. These refurbished boxes have “already been manufactured and deployed” and still have a “useful life.” Such a clarification will avoid economic waste, will help cable operators to continue to provide their subscribers with affordable digital services, and will facilitate the transition to all-digital networks.

VI. Conclusion

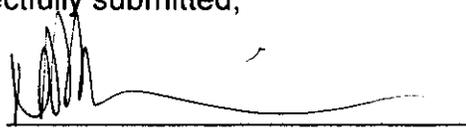
Thanks to the DCT-700, Sunflower Broadband is transitioning customers to digital services at a swift pace. But Sunflower Broadband’s rapid digital transition will slow to a crawl or halt altogether if the Commission does not grant a limited waiver of the integration ban for the DCT-700. Granting the requested waiver will benefit consumers and speed the digital transition in the smaller markets served by Sunflower Broadband and other operators, while having no negative impact on the market for competitive navigation devices.

¹³ *In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996, Order on Reconsideration*, 14 FCC Rcd. 7596 (1999) at ¶ 35.

The undersigned has read this Petition and to the best of her knowledge, information and belief formed after reasonable inquiry, it is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification or reversal of existing law; and is not interposed for any improper purpose.

Respectfully submitted,

By:

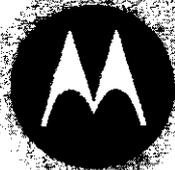
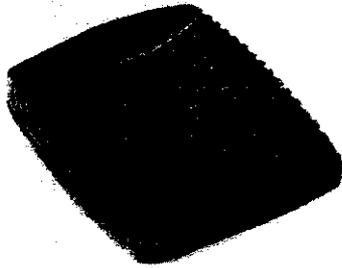


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November 20, 2006

EXHIBIT 1

SPECIFICATIONS FOR THE MOTOROLA DCT-700



DCT700 All-Digital Set-top

An interactive digital set-top with small size and big performance.

Motorola's DCT700 provides versatile interactivity in the all-digital network for expanded information and entertainment services.

The Motorola DCT700 is an all-digital set-top that provides you with the advantages of an all-digital network. Digital channels take up less room on your cable TV network. This results in increased "bandwidth" for more channels and services like high-definition TV (HDTV), electronic program guides (EPGs), pay-per-view (PPV), Video on Demand (VOD), and other on-demand information and entertainment services. The DCT700's capabilities are limited only by what your cable service provider offers. If your cable service provider eliminated analog channels in your area and replaced them with "all digital" channels, there would be even more room on the cable network system for additional services such as high-speed data, VOD, and high-definition content.

To decode the data used to transmit the digital channels, a separate set-top is required for each television in the home. The DCT700 provides digital channels to all your TVs through coaxial cable or analog (RCA-type) audio/video jacks.

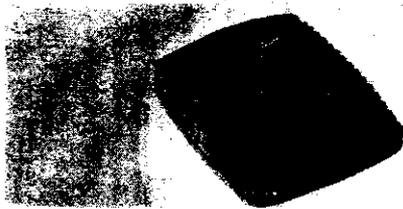
Check with your local cable service provider for availability of the DCT700 in your area.

HIGHLIGHTS

- Supports services such as EPGs, PPV, and VOD
- Reclaims bandwidth allocated to analog channels
- Compatible with Motorola's award-winning secure MediaCipher® conditional access technology
- Two-way capability to enable interactivity
- Motion picture industry standard for coding and decoding video (MPEG-2)
- AC-3 standard for 5.1 Dolby® Digital Surround Sound

CONNECTEDMOTO





DCT700 All-Digital Set-top



Technical Specifications

STANDARD FEATURES

MPEG-2 Digital Video Processor
ATSC standard Dolby® Digital (AC-3) audio processor
ITU standard 64/256 QAM/FEC/enhanced adaptive equalizer
On-board real-time RF return (256 Kbps)
Bitmapped graphics display (4-/8-bit)
90-860 MHz tuner
DES-Based encryption/DCII access control
Digital diagnostics
Frequency agile 2.048 Mbps out-of-band data receiver
Macrovision® copy protection
IR support for remote control

STANDARD INTERFACES

RF remodulator output (ch. 3, 4)
Baseband video and audio outputs

OPTIONAL FEATURES

Motorola Universal Remote Control (DRC450)

To view our full line of Connected Home Solutions, visit our Web site at broadband.motorola.com/consumers

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EXHIBIT 2

SUNFLOWER BROADBAND'S PRICE LIST

cable television services

Limited Basic <i>(over 32 channels)</i>	\$21⁹⁵
Expanded Basic <i>(over 65 channels)</i>	\$41⁹⁵
Digital Expanded Basic (Bronze) (includes Basic Digital Converter Box) <i>(over 130 channels)</i>	\$45⁹⁰

PREMIUM CHANNELS

HBO The Works <i>(HBO On Demand, HBO, HBO Plus, HBO Signature, HBO Family)</i>	\$14⁹⁵
Cinemax Multimax <i>(Cinemax On Demand, Cinemax, MoreMax, ActionMax)</i>	\$9⁹⁵
HBO The Works + Cinemax Multimax	\$20⁹⁵
Showtime Unlimited w/ The Movie Channel <i>(Showtime On Demand, Showtime, Showtime Beyond, Showtime Too, ShowCase, Showtime Extreme, Showtime Next, Showtime Family, Showtime Women, TMC On Demand The Movie Channel, The Movie Channel 2)</i>	\$13⁹⁵
Starz Encore Movie Super Pak <i>(Encore, Encore Love, Encore Mystery, Encore Drama, Encore Westerns, Encore Actions, Encore WAM!, Starz! On Demand, Starz!, Starz! Comedy, Starz! Edge, Starz! Kids & Family, Starz! InBlack, Starz! Cinema)</i>	\$12⁹⁵
Showtime Unlimited + Starz Encore Movie Super Pak	\$22⁹⁵

Playboy	\$19⁹⁵
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DIGITAL PACKS

Digital Variety Pack <i>(over 24 channels)</i>	\$7⁹⁵
Digital Sports Pack <i>(over 14 channels)</i>	\$7⁹⁵
Digital Movie Pack <i>(over 7 channels)</i>	\$7⁹⁵
Get all 3 of the above	\$15⁹⁰

Discovery Pack FREE
with purchase of any above digital pack

HD Pack <i>(includes 11 HD channels and growing)</i>	\$10⁹⁵
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SUBSCRIPTION ON DEMAND

WWE 24-7	\$7⁹⁵
Anime Network	\$6⁹⁵

DIGITAL CONVERTER BOX OPTIONS

Standard Digital Boxes Basic Digital Converter Box <i>(included with Gold, Silver & Bronze television options)</i>	\$3⁹⁵
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Advanced Digital Converter Box <i>(includes S-Video & Dolby 5.1 Surround Sound)</i>	\$6⁹⁵
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HD Converter Boxes Motorola HD Converter Box	\$10⁹⁵
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Digital Video Recorders (DVRs)

Motorola HD/DVR Combo Converter Box	\$12⁹⁵ <i>(additional \$5 DVR service fee waived with premium [Gold] Internet service)</i>
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Moxi HD/DVR Combo Converter Box	\$24⁹⁵ <i>(additional \$5 DVR service fee waived with premium [Gold] Internet service)</i>
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Moxi Mate	\$5⁰⁰
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Prices listed above are monthly prices and do not include taxes and fees. Prices are subject to change.

internet services

Express High-Speed Internet (Bronze) <i>Service for one computer</i> Up to 512 Kbps download 2 e-mail accounts 512 MB/month transfer limit	\$19⁹⁵
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Basic High-Speed Internet (Silver) <i>Service for one computer</i> Up to 3 Mbps download 3 e-mail accounts 6 GB/month transfer limit	\$29⁹⁵
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Premium High-Speed Internet (Gold) <i>Service for up to four computers</i> Up to 10 Mbps download 5 e-mail accounts 18 GB/month transfer limit	\$44⁹⁵
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Note: Above prices include \$10 multiple services discount. Residential Internet service requires an active Sunflower Broadband cable line to your residence; any basic cable package or Cable Transport service. Residential service also requires a DOCSIS cable modem which may be leased or purchased from Sunflower Broadband (or provided by customer).

10 GB Additional Bandwidth <i>monthly recurring charge</i>	\$10⁰⁰
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Cable Modem <i>monthly lease</i>	\$5⁰⁰
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Cable Modem Purchase	Call for current price
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Geeks on Wheels

\$65 - \$90/hr
Call about our professional "house call" assistance with computer setup, software configuration, virus/spyware/malware removal and protection, home & professional networking and more. (Networking may require additional fees beyond standard hourly rate).

Prices listed above are monthly prices unless otherwise noted. Prices do not include taxes and fees. Prices are subject to change.

telephone services

Basic Residential Service (Bronze) <i>see front for service details</i>	\$17⁹⁵
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Silver Telephone Service <i>see front for service details</i>	\$25⁹⁵
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Gold Telephone Service <i>see front for service details</i>	\$39⁹⁵
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Additional Line(s)	\$9⁹⁵
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Above prices include \$10 multiple services discount.

TELEPHONE FEATURES

Feature Packages The Essentials Caller ID/Name, Call Waiting, Call Return, Call Forward	\$9⁹⁵
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TELEPHONE FEATURES CONT.

The Essentials Plus Caller ID/Name, Call Waiting, Call Return, Call Forward, Auto Redial, Selective Call Forward, Distinctive Ring, 3-way Calling, Remote Access to Call Forward, Call Blocker	\$14⁹⁵
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Voicemail Voice Connect One Mailbox, 20-Message Capacity, 15-day Message Storage, Call Forward/Busy/No Answer	\$6⁹⁵
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Voice Connect Plus Up to 4 Mailboxes with private passwords, 30-day Message Storage, Call Forward/Busy/No Answer	\$12⁹⁵
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Additional Voicemail Features

Message Delivery to One Device	\$2.00
Additional Mailbox	\$1.00
Wake-Up Service	\$2.00

Additional Telephone Features

Caller ID/Name	\$7.95	Call Blocking	\$3.50
Call Waiting	\$3.50	Non-listed Number	\$3.50
Call Return	\$3.50	Non-published Number	\$3.50
Call Forward	\$3.50	Distinctive Ring	\$3.50
Call Waiting/Caller ID	\$3.50	Speed Calling	\$3.50
Anonymous Call Rejection	\$3.50	Three-way Calling	\$3.50
Additional Listing	\$1.50		

Sunflower Broadband Internet and Telephone services may not be available in all areas. All prices listed here are monthly prices unless otherwise noted. Prices do not include taxes and fees, and may be subject to change.

service and installation charges

Professional Residential Installation	
Cable TV/Digital Cable	\$39.00
High-Speed Internet	\$39.00
Telephone	\$39.00

Save on your installation fees by installing multiple services at the same time:	
Two Services (in above categories)	\$69.00
Three Services (in above categories)	\$89.00
New Service (No-Truck Activation)	\$15.00
Install/Remove trap	\$15.00
Service Reconnection Charge <i>(to restore services after being disconnected for non-payment of fees)</i>	\$39.00

Other Fees/Charges

Cable Transport Service (active service w/o video services)	\$10.00/mo
Unreturned or Damaged Equipment	
NID (for phone service)	\$150 - \$700
Digital Converter Box	\$200 - \$900
Cable Modem	\$150
Returned Check Charge	\$30.00
Late Payment Fee (residential)	\$5.00
In-Field Collection Fee	\$10.00
Additional Bandwidth Fee	\$2.00/GB

Customer Premise Service/Repair Service, Repair or replace Sunflower Broadband Wiring/Lines to Residence	No Charge
Service, Repair or Replace Customer's In-Home (Interior) Wiring* (1/2 hour minimum)	\$60.00/hr
Service Call to Replace/Repair Standard Outlet	\$30.00/outlet

***HOME WIRING INFORMATION**
Broadband technology requires that high-quality cabling and materials be used to insure the best signal quality. The interior wiring within your residence including wall plates, outlets, splitters, connectors and amplifiers belongs to the homeowner or landlord. Sunflower Broadband will repair, remove, add or replace interior wiring at the customer's request for the applicable hourly charge. Customers also have the option of selecting a qualified third-party contractor or performing the services themselves. Materials that meet our quality specifications can be recommended by or obtained from Sunflower Broadband. For additional home wiring information, call Sunflower Broadband Customer Service at: