



February 26, 2010

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte*: Dkt. Nos. 97-80, 09-51, 09-47, 09-137.

Dear Ms. Dortch:

On February 25, 2010, Jason E. Friedrich, Senior Director, Broadband Policy, Motorola Global Government Affairs, and Jeffrey A. Campbell, Senior Director, Technology and Trade Policy, Cisco Systems, Inc., met with Rick Kaplan, Chief of Staff to Commissioner Clyburn.

In the meeting, we reiterated our support for a Notice of Inquiry (NOI) to explore why the current CableCARD regime has not been successful and possible paths forward in this area. We suggested that an NOI must be much broader and more comprehensive than the very limited questions asked as part of the National Broadband Plan, and that an NPRM would be premature given the complex and as-yet-unexamined technical, business, and regulatory issues associated with video devices.

We also discussed innovation in the marketplace for set-top boxes and video devices generally. We noted the large and growing number of set-top box competitors, including, among others, Motorola, Cisco, Pace, Thomson, Samsung, Panasonic, Evolution Broadband, Huawei, EchoStar, ADB, and TiVo, as well as the growing number of TVs and TV-connected devices that can access Internet content and applications. We noted that there is ample marketplace evidence of the rapid convergence of the TV and the Internet. Just in the last week, Wal-Mart announced that it is buying Vudu, whose online movie service is supported in a growing number of TV sets; Cablevision announced that it will be trialing a PC-to-TV service; and it was reported that Qwest has invested in startup ZillionTV, which aims to deliver movies, TV shows, and other content to the TV set via a broadband connection. According to a recent CNET article:

- “A survey of 800 U.S. consumers who bought TVs in January found that 27.5 percent of them have connected their new sets to the Internet . . .”
- “Almost 42 percent of the sets that were purchased in January and are now connected to the Internet are Internet-Enabled TVs,” up from 27.7 percent in December.
- Market researchers project that “global sales of Internet-Enabled TVs will hit 87.6 million units in 2013, up from 14.7 million last year.” Lance Whitney, *More TVs Hopping onto the Internet*, CNET (Feb. 24, 2010), at http://news.cnet.com/8301-17938_105-10458846-1.html?tag=newsEditorsPicksArea.0.



In addition, we discussed the potential risks associated with technology mandates in this rapidly-innovating marketplace, and underscored the substantial consumer costs associated with the current CableCARD mandate. Our comments were consistent with filings Motorola and Cisco have made in the above-captioned proceedings.

Please direct any questions or correspondence to our attention.

Sincerely,

/s/

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/s/

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cc: Rick Kaplan