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Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

Federal Communications Commission
Office of the Secretary

Re: CS Docket No. 97-80; GN Docket Nos. 09-47, 09-51, 09-137

Dear Ms. Dortch,

I am writing to follow up on Charter's recent meetings at the Commission regarding issues related to set-top boxes used with cable services. According to press reports, the Commission is considering a rule change to allow high definition digital terminal adapters ("DTAs"), but may be considering limiting that change to apply only to cable systems with channel capacity below 552 MHz. I wanted to explain in more detail my suggestion that limiting the use of one-way HD DTAs to small-capacity cable systems would be inconsistent with the Commission's broadband goals, and why permitting all cable systems to utilize such limited DTAs will benefit consumers without undermining the goal of a retail market in navigation devices.

Digital terminal adaptors are one-way devices that can be indispensable to consumers as cable systems go "all digital." From the consumer's point of view, a simple low-cost device can be connected to the older televisions they own, and translate the signals as necessary to allow them to be viewed on older equipment. This preserves the usefulness of the consumer's home equipment, while allowing the cable system to repurpose bandwidth for popular new services like "wideband" Internet access (with speeds in the 50-100 Mbps range), more HD channels, more long-tail or niche programming, and other new services.

In 2005, the Commission labeled high-definition reception capabilities as too "advanced" for inclusion in a low-cost set-top box, and the Commission has since largely limited its integration waiver orders to standard definition DTAs. But the market has changed markedly in the last five years. All of the top-rated cable networks are simulcast in HD and SD formats. In 2008 alone, Charter added an additional 38 HD channels to its

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lineup in 14 cable systems. The vast majority of households now own HDTVs. Many of them own multiple HD sets, so even “older” equipment can display HD.

As a result, the SD DTA no longer provides an optimal consumer experience. On TV's equipped with SD DTAs, customers have to use splitters and switch to off-air feeds to get broadcasters in HD. Alternatively, the consumer can lease a fully-featured interactive set-top box (loaded with the expense of a CableCARD) for each of their second and third TVs, or can pay even more for a retail CableCARD-enabled HD device. (As an example, TiVo Premiere costs \$299-\$499, plus \$12.95/month.)

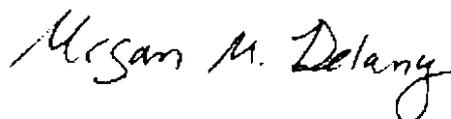
I do not believe that allowing HD DTAs in small-capacity systems alone can provide adequate consumer choice. Charter's small-capacity cable systems pass only 7% of all of the homes we pass, and serve an even smaller percentage of all of our cable subscribers. Far more HD broadcasters and HD cable networks are carried in larger capacity systems, meaning that far more consumers are far more frustrated by the limitation of SD DTAs in larger cable systems. The SD limitation is denying consumers the ability to enjoy the HD channels now available and the HD features of their TVs throughout the household. Allowing HD DTAs to be used by all systems could eliminate this roadblock.

In terms of Commission broadband policy, going all digital is not just a small system issue. If the Commission wishes to achieve the goal of providing 100 Mbps Internet access to 100 million homes, then it should not be constraining the recovery of the cable spectrum needed to bring “wideband” Internet to these households. HD DTAs can be critical to going all digital and gaining the spectrum needed for wideband. Moreover, because a “niche” product serving a very small percentage of households does not typically enjoy an economy of scale, we doubt that small systems alone will generate sufficient volume to make HD DTAs sufficiently affordable to be helpful in creating digital capacity. By contrast, at volume, HD DTAs would likely cost under \$50 per device, allowing most operators to provide HD DTAs to their HD customers at little or no additional charge.

I should note that allowing HD DTAs to be made available to systems of any size will not undermine Commission efforts to create a retail market. Common reliance goals have already been achieved with the deployment of almost 20 million CableCARD-equipped set-top boxes by cable operators. Nor is there any retail marketplace for DTAs. TiVo and Moxi do make one-way devices, but they cost far more and rely on features far beyond HD capability for product and service differentiation. These features include Internet connectivity, interactive TV applications, and access to Internet content from Netflix, Amazon, Blockbuster, and other content sources, among other things. By contrast, all DTAs do is operate as one-way adaptors of digital signals. They do not offer interactive services or Internet access. They are positioned to extend the life of second (or third and fourth) televisions in the home, rather than to serve the primary televisions that rely upon fully featured set-top boxes and retail competitors.

In a one-way box, it is no longer appropriate to label HD as too “advanced” for consumers in 2010. The Commission is on the right track in considering a rule change to allow HD DTAs, but it should apply that change to all cable systems and allow all consumers the option of using them.

Sincerely,

A handwritten signature in black ink that reads "Megan M. Delany". The signature is written in a cursive style with a large, looped 'M' and 'D'.

Megan Delany
Vice President and Senior Counsel

cc David Goldman
Sherrese Smith
Rosemary C. Harold
Joshua Cinelli
Rick Kaplan
Brad Gillen