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

RE: **Implementation of Section 304 of the Telecommunications Act of 1996; Commercial Availability of Navigation Devices; Compatibility Between Cable Systems and Consumer Electronics Equipment, CS Docket No. 97-80, PP Docket No. 00-67**

Dear Ms. Dortch:

On July 21, 2010, David Young, Will Johnson and I met with Kris Monteith, Mary Beth Murphy, Steve Broeckaert, Brendan Murray, Alison Neplokh, and Jeff Neumann of the Media Bureau, along with interns Joy Hewitt and Michelle Hileka, to urge the FCC to avoid adopting any additional regulations related to CableCARDs.

We observed that there is widespread agreement that mandating CableCARD technology was a failed policy. Though the CableCARD mandate was intended to increase the commercial availability of navigation devices pursuant to Section 629, consumer demand for retail devices remains extremely low, with only1% of all subscribers choosing to use CableCARDs. Further, network providers have spent millions of dollars complying with the mandate, and these costs were passed down to consumers who never fully embraced the technology. In addition, many device manufacturers have stopped making devices with CableCARD technology. Rather than require video providers to continue to divert time, money and resources toward supporting this dying technology, even on an interim basis, the FCC should encourage on-going marketplace developments that will achieve the goals of Section 629 faster and in ways that technology mandates could not.

With respect to some of the FCC's specific proposals, we opposed requiring video providers to include a line item for a leased CableCARD on subscriber bills. Doing so would likely cause confusion for the vast majority of consumers who lease their boxes from the video provider. In addition, the FCC does not have the authority to impose this requirement, or other proposed requirements tantamount to rate regulation, to providers like Verizon that are subject to effective competition and thus exempted from rate regulation. We also cautioned against new mandates requiring that CableCARD devices be able to access switched digital video (SDV). While we do not use SDV, as a general matter, applying failed standards like CableCARDs to new services or technologies will lead to needless expense and detract from other innovative efforts. Regarding CableCARD installation, we explained that Verizon performs installations of

CableCARDs free of charge to customers who request cards. We also urged the FCC to, at a minimum, ensure that its regulations do not distort the development of IP technology and encouraged it to grant a permanent waiver of the 1394 interface requirement. Finally, we discussed the progress being made by the industry toward the development of devices, other than set-top boxes, that consumers may use to access our video content.

The FCC should avoid the failures of the CableCARD regime by turning away from the approach of imposing technology mandates, and should instead encourage market-based solutions that are more efficient and effective at responding to consumer demand.

Sincerely,

cc: Bill Lake