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Barbara S. Esbin
Admitted in the District of Columbia

October 5, 2010

Via ECFS

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: American Cable Association (“ACA”) Notice of Ex Parte; *In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices; Compatibility Between Cable Systems and Consumer Electronics Equipment*, Fourth Further Notice of Proposed Rulemaking, CS Docket No. 97-80, PP Docket No. 00-67.

Dear Ms. Dortch:

On October 4, 2010, Ross Lieberman, ACA, and the undersigned, met separately with Marilyn Sonn, legal adviser to Chairman Genachowski; Joshua Cinelli, legal advisor to Commissioner Cops, and Rosemary Harold, legal adviser to Commissioner McDowell to discuss issues raised in the above-referenced CableCARD rulemaking.¹ During the meetings, we reiterated ACA’s support for the Commission’s proposed modification of its rules to allow cable operators to place into service new one-way navigation devices (one-way high definition Digital Terminal Adapters or “HD DTAs”) that process HD signals and perform both conditional access and other functions in a single integrated device, as discussed in ACA Comments.²

We stressed that the availability of low-cost, integrated, HD-capable set-top boxes will make it more financially feasible for small and medium-sized cable operators to transition channels from analog to digital and permit them to reclaim valuable capacity to provide their customers with affordable new and improved advanced digital services, including more HD channels and Internet access at faster speeds. Moreover, the availability of HD DTAs would ensure that consumers who want an HD set top box for an HD television set in a bedroom or kitchen, but don’t need the advanced two-way functionality, such video-on-demand, have available an affordable option for only those functionalities truly desired.

¹ *In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices; Compatibility Between Cable Systems and Consumer Electronics Equipment*, Fourth Further Notice of Proposed Rulemaking, CS Docket No. 97-80, PP Docket No. 00-67, 25 FCC Rcd 4303 (2010) (“FNPRM”).

² American Cable Association, Comments, *In the Matter of Implementation of Section 304 of the Telecommunications Act of 1996, Commercial Availability of Navigation Devices; Compatibility Between Cable Systems and Consumer Electronics Equipment*, Fourth Further Notice of Proposed Rulemaking, CS Docket No. 97-80, PP Docket No. 00-67, filed June 14, 2010.

We stated once again that the proposed Commission action will not have any substantial impact on the Commission's mandate to promote a competitive retail market for navigation devices. Specifically, we stated that the proposed modification of the Commission's rules will ***not*** substantially affect the retail market for retail CableCARD navigation devices, and will ***not*** substantially affect cable operators' reliance on the CableCARD standard.

In addition, we urged the Commission to exempt the low functionality, HD-only set-top boxes from the requirement to include the IEEE 1394 or similar interface that provides home networking functionality. We pointed out that not waiving the requirement for IEEE 1394 or similar Internet Protocol-enabled interfaces to the box would undercut the fundamental purpose of permitting HD DTAs to be deployed in the first place, which is to allow cable operators to provide their consumers with a low-cost, low functionality set top box that processes HD signals in addition to SD ones. The Commission itself reached this same conclusion the one and only time it granted a waiver to a cable company to deploy HD DTAs to its customers, finding that the "cost to consumers of imposing the IEEE 1394 output requirement would outweigh the potential benefits."³

Sincerely,



Barbara S. Esbin

cc (via email): Marilyn Sonn
Joshua Cinelli
Rosemary Harold

³ *In the Matter of Cable One, Inc.'s Request for Waiver of Section 76.1204(a)(1) of the Commission's Rules*, Memorandum Opinion and Order, 24 FCC Rcd 7882, 7888, ¶ 16, n. 42 (2009) ("[r]egardless of the precise cost of the 1394 requirement, we believe that the additional cost would be inconsistent with the purpose of this grant, *i.e.*, to provide a low-cost HD box for consumers. We therefore find good cause to waive the IEEE 1394 requirement.").