

March 5, 2012

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

Re: **CSR-8537-Z/CS Docket No. 97-80, ACE Request for Waiver**

Dear Ms. Dortch:

The following letter summarizes my meeting on March 1, 2012, with Brendan Murray of the Media Bureau on behalf of Adams Cable Equipment, Inc. (“ACE”) regarding its waiver request in this proceeding.

Grant of ACE’s requested waiver would not materially undermine or “cast aside” the Commission’s policy of common reliance. Cable operators have already deployed more than 32 million CableCARDS, and ACE has suggested that the Commission could impose as a condition of the waiver that any cable operator purchasing refurbished integrated set-top boxes from ACE have at least 20% separated security devices deployed at the time of purchase. In fact, grant of ACE’s waiver would improve cable operator support for CableCARDS, not detract from it. As a condition of waiver, cable operators could be required to make a public filing in which they would commit to a specific level of common reliance and to notify their customers of retail choices and the operator’s support for self-installation.

ACE noted that the principal reason that it has not sold many retail set-top boxes to date is not lack of intent but lack of opportunity. Baja Broadband only has approximately 12,000 digital customers. The number of retail devices that ACE has sold in this limited market would translate to thousands of boxes annually if ACE could sell in the markets of numerous small operators, or tens of thousands if it could sell nationally. Contrary to CEA’s implication, ACE has not suggested that such sales would “satisfy” Section 629 such that the Commission can abandon its CableCARD requirements altogether. But there can be no doubt that the retail availability of low-cost set-top boxes would advance the goals of Section 629. Because no party has demonstrated how grant of the waiver as proposed would actually materially harm those objectives, the waiver is in the public interest and should be granted.

Respectfully submitted,



Paul B. Hudson
Counsel for Adams Cable Equipment, Inc.