

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Implementation of Section 304 of the)	CS Docket No. 97-80
Telecommunications Act of 1996)	
Commercial Availability of Navigation)	
Devices)	

COMMENTS OF SWEETWATER CABLE TV

Sweetwater Cable TV Co., Inc. submits these comments to urge the Commission to grant the request for waiver filed by Adams Cable Equipment, Inc. (“ACE”) that would enable cable operators and their customers to purchase refurbished integrated set-top boxes.

Sweetwater Cable is an independent, rural provider of cable, broadband and competitive telephone services that has been serving two communities in Sweetwater County in southwestern Wyoming since 1956. Sweetwater Cable has approximately 7,000 video customers in the towns of Rock Springs (population 20,000) and Green River (population 12,000). Despite our small size and rural location, we aspire to provide the highest quality and most advanced services to our customers. A decade ago, we made a substantial investment to upgrade to a 750 MHz hybrid fiber-coax system to serve both of these communities. We have used this additional capacity to offer broadband speeds in excess of 10Mbps, competitive telephone service, and high definition programming. But we continue to need additional capacity to expand services, so in the summer of 2011 we successfully eliminated analog broadcasting and transitioned to an all-digital system.

However, unlike other operators that accomplished a transition to all-digital with a waiver from the integration ban or by supplying DTAs to every customer, our initial transition was accomplished in large part due to the fact that only 20% of our total video subscribers purchase our “Enhanced” Digital Service (programming requiring an encryptable digital converter). The remaining 80% of our video customers purchase only basic unencrypted services and do not have set-top boxes. We would like to increase our digital penetration, and to do so we need to be able to offer our customers lower cost set-top box options.

The integration ban nearly tripled the price we pay for new entry-level SD set-top boxes and also significantly increased our cost for HD and DVR devices. Because of the high cost of CableCARD set-top boxes, our current equipment rental rate for the first basic two-way set-top in a home is \$8 to \$10 per month, which we would like to reduce if we could secure access to lower cost set-top boxes.

We did use one-way SD DTAs in our transition to all-digital. However, our customers increasingly prefer high-definition DTAs (HD-DTAs), which are very difficult for small operators to obtain at this time. We understand that manufacturers are presently unable to keep up with the demands of the large cable operators that are ordering millions of these devices. Such delays have happened before. When CableCARD devices were new, small operators had to wait longer to receive Cable-CARD enabled converters. When a major storm in Asia disrupted the supply of hard drives, small operators were the ones that had to wait the longest to be able to purchase new DVRs. At times like these in the past, we have turned to refurbishing companies to provide immediate supply. We also used refurbishing companies to provide us with cost-effective alternatives to new devices. But this option largely disappeared when the

Commission prohibited cable operators from purchasing refurbished integrated devices after July 2007.

We believe that Adams' proposed conditions for the waiver are reasonable. We would be willing to support our customers' use of retail devices that they acquire from refurbishers, which are able to confirm to us the chain of custody of a set-top box. Grant of this waiver would in no way undermine our support for CableCARDS. Nearly half of our non-DTA set-top box inventory has CableCARDS, including 90% of our HD and DVR devices. By contrast, fewer than 75 of our customers use CableCARDS in retail devices. We believe that this assures far more than sufficient common reliance on CableCARDS for years to come. We will support CableCARDS in retail devices the same, with or without a waiver that allows us to use refurbished devices.

If the requested waiver is granted, our customers could purchase a set-top box from Adams for less than they pay to us in rental fees in five months, for a box with no greater functionality. We would be happy to "lose" that set-top box revenue in order to have happier customers who would then have more money available to spend on our video and other services.

Respectfully,

/s/ Albert M. Carollo, Jr.
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