

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

In the Matter of	)	File No. EB-08-SE-582
	)	
Alco Electronics Ltd.	)	Acct. No. 200932100065
	)	
	)	FRN No. 0018724468

**ORDER**

**Adopted: June 25, 2009**

**Released: June 29, 2009**

By the Chief, Spectrum Enforcement Division, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (“Bureau”) and Alco Electronics Ltd. (“Alco”). The Consent Decree terminates an investigation by the Bureau against Alco for possible violations of Section 302(b) of the Communications Act of 1934, as amended, (the “Act”) 47 U.S.C. § 302a(b), and Sections 2.803(a), 2.948(d), and 15.19(b) of the Commission’s Rules (“Rules”), 47 C.F.R. §§ 2.803(a), 2.948(d), and 15.19(b), regarding the marketing and labeling of digital television converter boxes.

2. The Bureau and Alco have negotiated the terms of the Consent Decree that resolve this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Alco possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to section 4(i) of the Communications Act of 1934, as amended,<sup>1</sup> and sections 0.111 and 0.311 of the Commission’s Rules,<sup>2</sup> the Consent Decree attached to this Order **IS ADOPTED**.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

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<sup>1</sup> 47 U.S.C. § 154(i).

<sup>2</sup> 47 C.F.R. §§ 0.111, 0.311.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Mario Boltri, Vice President OEM/EMS Operations, Alco Electronics Ltd., P.O. Box 40, Buffalo, NY 14226, and counsel for Alco, Martin L. Stern, Esq., K&L Gates LLP, 1601 K Street, NW, Washington, DC 20006.

FEDERAL COMMUNICATIONS COMMISSION

Kathryn S. Berthot  
Chief, Spectrum Enforcement Division  
Enforcement Bureau

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**CONSENT DECREE**

The Enforcement Bureau (“Bureau”) and Alco Electronics Ltd. (“Alco”), by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau’s investigation into whether Alco violated Section 302(b) of the Communications Act of 1934, as amended (“Act”),<sup>1</sup> and Sections 2.803(a), 2.948(d), and 15.19(b) of the Commission’s rules (“Rules”)<sup>2</sup> regarding the marketing and labeling of digital television converter boxes.

**I. DEFINITIONS**

1. For the purposes of this Consent Decree, the following definitions shall apply:
  - (a) “Act” means the Communications Act of 1934, as amended 47 U.S.C. §§ 151 *et seq.*
  - (b) “Adopting Order” means an Order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
  - (c) “Alco” means Alco Electronics Ltd. and its subsidiaries and their predecessors-in-interest and successors-in-interest.
  - (d) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
  - (e) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
  - (f) “Compliance Plan” means the program described in this Consent Decree at paragraph 8.
  - (g) “DTV” means digital television.
  - (h) “Effective Date” means the date on which the Bureau releases the Adopting Order.

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<sup>1</sup> 47 U.S.C. § 302a(b).

<sup>2</sup> 47 C.F.R. §§ 2.803(a), 2.948(d), and 15.19.

- (i) “Investigation” means the investigation commenced by the Bureau’s January 7, 2009 Letter of Inquiry<sup>3</sup> to Alco regarding possible violations of Section 302(b) of the Act<sup>4</sup> and Sections 2.803(a), 2.948(d) and 15.19 of the Rules<sup>5</sup> regarding the marketing and labeling of certain digital television (“DTV”) converter boxes manufactured by Alco (the “Equipment”).
- (j) “Parties” means Alco and the Bureau.
- (k) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

## II. BACKGROUND

2. Pursuant to Section 302(b) of the Act<sup>6</sup> and Section 2.803(a) of the Rules,<sup>7</sup> radio frequency devices may not be marketed in the United States unless such devices comply with the applicable technical and administrative provisions of the Rules. DTV converter boxes, which are classified as television interface devices under the Rules,<sup>8</sup> can be authorized under a Declaration of Conformity pursuant to Section 15.101(a) of the Rules. In accordance with Section 2.948(d), only accredited laboratories may test equipment subject to a Declaration of Conformity. Further, under Section 2.948(e), the accreditation of a laboratory located outside the United States will be acceptable to the Commission only under the conditions specified therein. Further, under Section 15.19(b) of the Rules,<sup>9</sup> a device subject to authorization under a Declaration of Conformity must be labeled in accordance with the provisions specified therein.

3. Alco is a manufacturer of DTV converter boxes sold in the United States and marketed under various trade names and model numbers. On January 7, 2009, the Bureau issued an LOI to Alco.<sup>10</sup> The LOI directed Alco to, among other things, submit a sworn written response to a series of questions regarding the marketing of two models of its DTV converter boxes. Specifically, the Bureau’s inquiry concerned whether, among other things, the test lab used by Alco was accredited. There are no technical compliance issues regarding Alco’s DTV converter boxes. Alco responded to the LOI on February 16, 2009.<sup>11</sup>

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<sup>3</sup> See Letter from Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission to Mario Boltri, Vice President, OEM/EMS Operations, Alco Electronics, Ltd. (January 7, 2009) (“LOI”).

<sup>4</sup> 47 U.S.C. § 302a(b).

<sup>5</sup> 47 C.F.R. §§ 2.803(a), 2.948(d), and 15.19.

<sup>6</sup> 47 U.S.C. § 302a(b).

<sup>7</sup> 47 C.F.R. § 2.803(a)(2).

<sup>8</sup> 47 C.F.R. § 15.3(y).

<sup>9</sup> 47 C.F.R. § 15.19(b).

<sup>10</sup> See LOI.

<sup>11</sup> See Letter from Mario Boltri, Vice President, OEM/EMS Operations, Alco Electronics, Ltd. to Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission (February 16, 2009) (“LOI Response”).

### III. TERMS OF AGREEMENT

4. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

5. **Jurisdiction.** Alco agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

6. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the date on which the Bureau releases the Adopting Order. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other Order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Bureau Order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Commission Order.

7. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate its Investigation. In consideration for the termination of said Investigation, Alco agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that in the absence of new material evidence, the Bureau will not use the facts developed in this Investigation through the Effective Date of the Consent Decree, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion concerning the Equipment and associated matters that were the subject of the Investigation. The Bureau also agrees that it will not use the facts developed in this Investigation through the Effective Date of this Consent Decree, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against Alco with respect to Alco's basic qualifications, including its character qualifications, to be a Commission licensee or to hold Commission authorizations.

8. **Compliance Plan.** For purposes of settling the matters set forth herein, Alco agrees to maintain a Compliance Plan related to future compliance with the Act, the Commission's Rules, and the Commission's Orders. The Compliance Plan will include, at a minimum, the following components:

- (a) **Compliance Officer.** Alco has appointed an FCC Compliance Officer who will be responsible for overseeing all FCC-related aspects of the company's operations and compliance with all FCC Rules.<sup>12</sup> The Compliance Officer will serve as the point of contact for Alco management and employees with regard to Alco's FCC regulatory compliance. The Compliance Officer will report directly to Alco's Product Development Manager, who, in turn, will report directly to Alco's North American Sales Director. The U.S. point of contact for FCC staff and the public will be Alco's Vice President, OEM/EMS Operations.<sup>13</sup>
- (b) **Training.** Alco has revised its manufacturing and quality control personnel training programs to ensure proper FCC compliance, including labeling procedures and lab selection procedures. Alco's FCC Compliance Officer will establish an FCC

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<sup>12</sup> Alco has appointed Mr. Liu Jiuning as its current Compliance Officer. Mr. Liu was employed by Alco on February 9, 2009, and has an extensive background in FCC equipment authorization and electromagnetic compatibility matters. He worked as the Technical Supervisor at Intertek Testing Services from 2003 to 2008.

<sup>13</sup> Alco's current Vice President, OEM/EMS Operations is Mr. Mario Boltri.

Compliance Training Program for all current employees who engage in activities subject to FCC regulation. Refresher training will be given to relevant employees annually, and new employees who engage in activities subject to FCC regulations will be trained within 90 days of their employment. Alco's FCC Compliance Officer will periodically review and update the training materials to reflect any regulatory changes.

- (c) **Procedural Guide.** Alco has adopted a Procedural Guide establishing step-by-step procedures that Alco employees must follow in connection with the testing, declaration of conformity, and labeling for new or modified DTV converter boxes.
- (d) **Compliance Reports.** Alco will file compliance reports with the Commission ninety (90) days after the Effective Date, twelve (12) months after the Effective Date, and twenty four (24) months after the Effective Date. Each report shall include a compliance certificate from the Compliance Officer stating that the officer has personal knowledge that Alco has established operating procedures intended to ensure compliance with this Compliance Plan, together with an accompanying statement explaining the basis for the officer's compliance certification. The Compliance Report shall be submitted to Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12<sup>th</sup> St S.W. Washington, D.C. 20554. All compliance reports shall also be submitted electronically to Linda Nagel at [Linda.Nagel@fcc.gov](mailto:Linda.Nagel@fcc.gov) and Kathryn Berthot at [Kathy.Berthot@fcc.gov](mailto:Kathy.Berthot@fcc.gov).
- (e) **Termination.** Unless stated otherwise, the requirements of this Consent Decree will expire twenty four (24) months after the Effective Date.

9. **Voluntary Contribution.** Alco agrees that it will make a voluntary contribution to the United States Treasury in the amount of nine thousand dollars (\$9,000). The payment will be made within 30 days after the Effective Date of the Adopting Order. The payment must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the Account Number and FRN Number referenced in the caption to the Adopting Order. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Alco will also send electronic notification on the date said payment is made to [Linda.Nagel@fcc.gov](mailto:Linda.Nagel@fcc.gov) and [Kathy.Berthot@fcc.gov](mailto:Kathy.Berthot@fcc.gov).

10. **Waivers.** Alco waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Bureau issues an Adopting Order adopting the Consent Decree without change, addition, modification, or deletion. Alco shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Alco nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Alco shall waive any statutory right to a trial *de novo*. Alco hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

11. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

12. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or Order adopted by the Commission (except an Order specifically intended to revise the terms of this Consent Decree to which Alco does not expressly consent) that provision will be superseded by such Commission rule or Order.

13. **Successors and Assigns.** Alco agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

14. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission's Rules and Orders.

15. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

16. **Paragraph Headings.** The headings of the Paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

17. **Authorized Representative.** Each Party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

18. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

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Kathryn S. Berthot  
Chief, Spectrum Enforcement Division  
Enforcement Bureau

\_\_\_\_\_  
Date

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Mario Boltri  
Vice President, OEM/EMS Operations  
Alco Electronics Ltd.

\_\_\_\_\_  
Date