

September 19, 2016

Chairman Thomas Wheeler
Federal Communications Commission
445 12th St., NW
Washington, DC 20554

Re: MB Docket No. 16-42, Expanding Consumers' Video Navigation Choices
Re: CS Docket No. 97-80, Commercial Availability of Navigation Devices

Dear Chairman Wheeler:

The undersigned rural advocacy organizations write to express our strong support for the proposal you have circulated to provide consumers with meaningful choice of set-top box devices, or to eliminate reliance on set top boxes altogether.

For rural consumers, a cable or satellite subscription is often a necessity. Rural consumers generally have few over-the-air broadcasters available to them. Even these may be hundreds of miles distant. For the most part, broadband access is either non-existent, or slow and expensive. Cable and satellite pay-tv services are therefore the only reliable way to receive real time warnings of emergencies and natural disasters, to follow national news, and to generally remain connected to the world. For even the poorest rural residents, a pay-TV subscription is therefore often a necessity, not a luxury one can do without.

Unfortunately, the lack of competition in the pay-TV market makes it easy for providers to jack up prices not only for the subscription services, but for set-top box rentals. Smaller, local providers trying to offer lower prices face a different but related problem. Because the largest cable and satellite companies support only a few set-top box manufacturers, these few suppliers leverage their market power against the small providers in rural communities – who must pass these fees on to their rural customers.

As a result of this anti-competitive market structure, rural subscribers to satellite services and cable services have no choice but to lease set-top boxes. The lack of choice for either video services or set-top boxes allows pay-TV services to continually raise the rental fees on these devices. Rural subscribers therefore end up paying higher and higher prices for equipment that has long since been paid for, without seeing any improvement in equipment or service.

We therefore fully support your proposal to bring competition to the set-top box market, or eliminate dependence on set-top boxes altogether. This will provide tremendous economic relief to the poorest rural customers – many of whom do not have access to affordable broadband fast enough or reliable enough to allow them to “cut the cord” and receive over the top services. We also appreciate that anyone who wants to keep their existing TV or keep leasing a set-top box will still have the freedom to do so, and that special interests pushing scare tactics that your

proposal will mean big expenses for new equipment for rural subscribers (or that subscribers without broadband access will lose their cable or satellite service) are simply trying to protect their existing monopoly market.

To the contrary, we believe that even rural consumers that are still dependent on analog televisions and still chose to lease their set-top boxes will benefit from your proposal. Competition forces cable and satellite providers to stop their annual increase in set-top box leasing fees, which cost rural consumers hundreds of dollars annually. The proposed exemption for small providers will allow rural cable systems to avoid an expensive transition early on, while allowing these small rural providers to take advantage of lower cost devices or applications once the market for these competing devices or applications develops.

We understand that the Big Cable and Hollywood have lobbied you, your fellow Commissioners, and members of Congress, very hard. For Big Cable and Big Content, your proposal to make competition in set-top boxes possible means losing an estimated \$20 billion a year these companies take out of the pockets of consumers. We urge you and your fellow Commissioners to stay strong and to side instead with consumers – especially rural consumers – who pay Big Cable and Big Content hundreds of dollars extra every year because of this monopoly they want to protect. We hope that FCC will approve your proposal at the open meeting on September 29, and bring us the competition in set-top boxes we desperately need.

Sincerely,

Sean McLaughlin
Executive Director
Access Humboldt

Mimi Pickering
Appalshop, Inc.

Dee Davis
President
Center for Rural Strategies

Angela Seifer
Director
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Jay April
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Regina Costa
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TURN