



August 25, 2016

Chairman Tom Wheeler  
Commissioner Mignon Clyburn  
Commissioner Michael O’Rielly  
Commissioner Ajit Pai  
Commissioner Jessica Rosenworcel  
Federal Communications Commission  
445 12th Street SW  
Washington DC, 20554

Dear Chairman Wheeler and Commissioners Clyburn, O’Rielly, Pai, and Rosenworcel:

I am writing on behalf of GEUS, a small multichannel video programming distributor (MVPD) providing digital service in Texas, about the Federal Communications Commission’s (Commission) Navigation Device proceeding (MB Docket No. 16-42/CS Docket No. 97-80). GEUS is a municipality in Greenville, TX, and has been in business for around 16 years. GEUS has around 3800 video subscribers. GEUS has 19 employees that work in the Cable Dept. We are troubled by the Commission’s proposed rules and other potential substitute rules because, if adopted, the substantial implementation costs would force my company to go out of business or cease offering video service. Accordingly, we urge you not to apply new rules to smaller MVPDs.

Like other smaller MVPDs, GEUS faces major challenges in our pay-TV business. Programmers are demanding significant and growing fees and increasing carriage of “unwanted” networks. Our customers have more video choices both from much larger, traditional pay-TV providers and from over-the-top video sources, which often provide comparable services at lower costs. As a result, our margins are slim and continue to erode. Yet despite our troubles, our customers appreciate receiving video service from us because our offerings and customer service meets their needs. GEUS is a local entity that provides great customer service, combined billing with electric service, trash, and water that are not available from other competitors.

Given this daunting business environment, our company cannot afford the additional regulatory costs of the proposed Navigation Device rules, estimated to be at least \$1 million per system, or any other proposals that require such substantial costs.<sup>1</sup> Simply put, we could not offset or otherwise tolerate these costs even if we diverted our limited capital spending and spent our cash reserves. And, raising customer prices significantly is out of the question. Should the Commission mandate that small providers spend this much money to comply with such rules, we

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would be forced to go out of business or cease offering video service. This outcome is certain even if the deadline for compliance is delayed because any solutions that the industry will, if ever, develop for smaller MVPDs are still going to be unaffordable for a company of our size.

On behalf of our customers and our employees, we urge the Commission not to apply any new Navigation Device requirements to smaller MVPDs. Forcing our company out of business or to cease offering video service, and does not advance the asserted purpose of the proposed rules – to promote innovation and lower consumer prices. Instead, it eliminates a local service option for consumers, and it means the loss of jobs and tax and fee revenues for our community, among other harms.

Thank you for your consideration.

Sincerely,

Jason Minter  
Cable & Internet Manager  
GEUS

Cc: Sen. John Cornyn  
Sen. Ted Cruz  
Rep. John Ratcliffe