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August 26, 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 Liberty Communications, a small multichannel video programming distributor (MVPD) providing digital service in Iowa, about the Federal Communications Commission's (Commission) Navigation Device proceeding (MB Docket No. 16-42/CS Docket No. 97-80). Liberty Communications has provided video services to our subscribers since 2005. We have approximately 600 subscribers covering two DMAs. 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 cease offering video services. Accordingly, we urge you not to apply new rules to smaller MVPDs.

Like other smaller MVPDs, Liberty Communications 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.

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. The middleware used to interface the programming interfaces with only certain brands and models of STBs. The middleware providers would have to write the interface code to be compatible with all STBs on the market under the proposed rules and those additional costs would be passed onto MVPDs which in turn would have to pass those costs onto the consumer. Also advancement in technology require constant upgrades to the STBs which mean that the consumer would have to purchase new STBs every few years in order to be compatible with the middleware. 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 would be forced to 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 cease offering video service 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,

A handwritten signature in cursive script that reads "Craig A. Bieber".

Craig A. Bieber  
Controller  
Liberty Communications

Cc: Senator Charles Grassley  
Senator Joni Ernst  
Representative Dave Loebsack