

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Expanding Consumers' Video Navigation Choices)	MB Docket No. 16-42
)	
Commercial Availability of Navigation Devices)	CS Docket No. 97-80

**COMMENTS OF
MIDCONTINENT COMMUNICATIONS**

Midcontinent Communications (Midco), like many small, rural cable telecommunications companies, is extremely concerned over the newly proposed set-top mandate from the FCC.

Midco is a leading provider of cable television services, as well as telephone services, high-speed Internet access, and cable advertising services in North Dakota, South Dakota, and Minnesota. Midco's service area includes over 335 communities and approximately 330,000 residential and business customers. The communities served by Midco vary in size from densities of 5 to 116 homes per mile of cable plant, and populations range from less than 125 in Dodge, North Dakota to more than 173,000 in Sioux Falls, South Dakota. Innovation and foresight have shaped Midco's course for 85 years. Our vision to innovate for, empower and inspire the people of the Northern Plains is backed by our mission to ensure that our customers in rural communities are at the leading edge of technology, and that we not only beat but exceed the communications and entertainment needs of our customers.

GOVERNMENT MANDATED STANDARDS WILL IMPEDE INNOVATION

We fear the mandate proposed by the FCC will throw a wet blanket on innovation while the powers that be struggle to develop a “government specific standard”. Given the history of the development of similar government imposed standards, our confidence in finding a workable solution within a two year window is very low. Failing consensus, if the default position is the adoption of the Google model we feel we and our customers are in serious trouble.

TV today is in the midst of an app-driven revolution. Customers have access to more options for more services, including our content, on more devices than ever before. But the FCC mandate will prohibit us from offering boxless solutions unless it is provided to all platforms with the exact same features. We expect meeting this requirement would require a substantial network re-design increasing our costs and those of our customers regardless of any customer demand. In addition to unknown network costs, the uncertainty during this period of “government specified standard” development is enough to put the brakes on any innovations until the deployment specifics are clearly understood.

COPYRIGHT AND LICENSING

Midco has always honored the full extent of the licensing agreements with a variety of program creators. Those agreements determine what can be carried, when it can be carried, and in some cases where it can be located on our channel lineups. We understand that the Notice of Proposed Rulemaking suggests that those types of agreements could be nullified by the Commission if it restricts a viewer’s ability to watch in any location on any device at any time. It also opens the door for the development of set-top boxes that could repackage video content and insert a variety of content adjacent to and embedded within copyrighted content of video providers with no compensation to video originators. While Midco is not a major producer of

video content, we do produce and present a regional sports network. Midco Sports Network carries over 200 regional games per year and 30 original sports shows for Midco's customers and those of a number of network affiliates who pay for the privilege of carrying the programming and inserting their own advertising messages. If a device maker is permitted to interfere with embedded advertising or layer in their own advertising then the value of our commercial messages and those of our affiliates will be greatly diminished.

THE FCC MANDATE WILL NOT PROTECT CUSTOMERS' PRIVACY

Perhaps the most onerous proposal in the FCC mandate deals with the disregard for consumer protection. Currently, our customers are protected by strong privacy statutes that prevent us from selling our customers' viewing data to advertisers or other third parties. If we violated the law, our customers could sue in federal court and our reputation would be severely damaged. Tech companies are not subject to the same rules. A weak self-certification provision in the NPRM does not offer much confidence that the tech companies will be able to resist the opportunity to extract as much of our customers' data since they are primarily in the information gathering business. It appears it's our responsibility to protect our customer's privacy by denying programming to non-compliant device makers. But how is that accomplished if open standards prevent us from having specific control over who can receive what.

THE BOTTOM LINE

Midco has been, is, and always will be a customer-centric organization dedicated to satisfying customers with products and services they want and need. There is a solid trust bond that we take very seriously and we become concerned when something like this unnecessary mandate as proposed by the FCC comes between us. We find virtually no benefits for our customers in this proposal, only potential cost increases and confusion. We are aware of no

requests from our customers for additional set-top box options. Rather, we hear requests from our customers for a no set-top box solution. Therefore we respectfully suggest the FCC take the time to carefully consider the consequences of the mandate proposed in this rulemaking. Are the potential costs for customers and providers in small markets like ours worth the unknown and questionable benefits? Can business relationships and copyright protections be retained in this new environment? Will customers' privacy be protected by having strong safeguards in place so that no party can use customer's data for their own interests? Finally, will the FCC consider a moratorium while a consensus can be reached on technical standards and an economic analysis can be completed to weigh the benefits against the potential costs for providers and customers?

Respectfully submitted,

MIDCONTINENT COMMUNICATIONS

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