

United States Senate

731 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-2204

July 8, 2016

The Honorable Thomas E. Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Wheeler:

I am writing both to commend the Commission's ongoing work to evaluate competition and consumer choice in the set-top box marketplace, and to raise concerns about the potential effects of the proposed rule on small multi-channel video programming distributors (MVPDs) in my state and across the country.

As you know, Section 629 of the Telecommunications Act of 1996 called on the Federal Communications Commission (FCC) to ensure the competitive availability of the navigation devices used to access video programming. Today, more than 20 years after the law's passage and several attempts by the Commission to increase competition in the set-top box market, the majority of pay-tv consumers must rent proprietary set-top boxes to receive full access to the content they pay for. The market is already moving in the direction of increased choice and innovation, and companies are working to meet the demands of consumers who want to access video content at any time, in any place, on the device of their choosing. However, I agree that more can be done, and am hopeful that with continued consultation with consumers and industry stakeholders, the FCC can address the goals of all parties.

However, I am especially concerned that compliance with the proposed rule could have a disproportionate effect on small MVPDs, and that these businesses have not been provided sufficient information on the expected administrative and technological costs. While I understand that these costs are difficult to estimate because the technological standards will be developed over time, it is important that the FCC work with small MVPDs to address this issue. If the compliance cost is significant, it could create a new barrier to market entry or even force existing companies to close. This effect would run counter to the goal of increasing competition, and could actually decrease consumer choice, especially for those in rural areas.

I urge the Commission to further study the costs of small business compliance and address these concerns, and thank you for your continued work to improve competition and increase consumer choice.

Sincerely,

A handwritten signature in blue ink, reading "Debbie Stabenow". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

Debbie Stabenow
United States Senator