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CUTTING THE CORD ON PAY TV'S RETRANSMISSION CONSENT CLAIMS

Pay-TV providers frequently distort the facts on television carriage. Their claims mask the simple reality that for years they have over-valued rarely watched cable programming and have under-valued the most-watched broadcast programs. Now that the marketplace is adjusting to achieve a fairer balance, they claim the law is broken and that they are at a disadvantage. That's simply not true.

WHAT THEY SAY	IN THE REAL WORLD
Retransmission consent negotiations amount to the government picking winners and losers.	Retransmission consent negotiations are private, market discussions that occur between companies. Pay-TV continues to lobby the FCC for government arbitration and forced signal carriage in an attempt to avoid fairly compensating broadcasters, who produce the highest-rated content on television. Pay-TV's efforts are undermined by their own call on Capitol Hill for "deregulation."
Pay-TV should be allowed to bring in an "out of market" signal.	Pay-TV is asking for extra leverage during negotiations that would undermine a TV station's ability to serve its local community by providing vital local community services and information.
Broadcasters enjoy basic tier placement and service package benefits.	Broadcast programming is by far the most watched by viewers (but is not fairly compensated) and cable uses this programming to attract and retain new subscribers.
Must-carry rules force cable to carry stations in "low demand."	There is public value in local communities having access to local stations and diverse programming. Moreover, viewers are regularly forced to accept and pay for many cable-owned channels they do not want.
No rule prevents broadcasters from threatening to pull a signal before a major television event.	Retransmission consent contracts generally span three to five year periods and are calendar based, not tied to content or programming. The end date is agreed to by both parties. The truth is 99% of carriage related negotiations are resolved without service disruption to consumers.
Broadcasters increasingly threaten service disruptions, denying viewers access to popular programs.	Many months before a contract expiration, broadcasters typically reach out to pay-TV carriers to begin negotiations. In the unlikely event that agreement cannot be reached before the contract expires, viewers can still access their local channels for free over-the-air.

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WHAT THEY SAY	IN THE REAL WORLD
Carriers have little choice but to capitulate to broadcasters' demands.	Pay-TV providers are repeatedly using their own customers as bargaining chips in an effort to increase their record profits. Pay-TV companies should negotiate in good faith well in advance of deadlines so as to avoid any potential for a disruption in service.
The government should step in to prevent signals from being dropped through measures like forced interim carriage.	Government involvement in the private marketplace and potentially overriding business-to-business agreements is ill advised, particularly when the current process works well more than 99% of the time.
Service agreements among local broadcasters give them enormous leverage in carriage negotiations.	Cable systems will often negotiate collectively with a local TV station, but at the same time claim it is unfair for a local station to do it.
Service agreements don't benefit viewers.	Service agreements have enhanced local news coverage in many small and medium sized markets across the country.
Broadcasters are slashing newsrooms yet want to extract exorbitant rates from pay-TV subscribers.	In 2011, the average television station set a new record for the amount of local news aired and the amount of local television newsroom jobs was at a near-record high.
Pay-TV can't insert advertising on broadcast signals.	It is common for retransmission consent negotiations and contracts to include advertising placement for both parties.
The retransmission consent rules do not reflect the competition in today's video marketplace.	Despite new competition, broadcast programming is still by far the most in demand, and program ratings are significantly higher than programming offered by cable. However, cable pays less to broadcasters than providers of lower rated programming.
Retransmission consent costs lead to higher costs for consumers.	Fees to retransmit programming account for only two cents of every dollar of cable revenue. With cable profits rising five times as much as their programming expenses, it's not hard to figure out who is behind the rising costs.

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