

June 10, 2014

The Honorable John D. Rockefeller IV  
Chairman  
Committee on Commerce, Science &  
Transportation  
U.S. Senate  
Washington, DC 20510-6125

The Honorable John Thune  
Ranking Member  
Committee on Commerce, Science &  
Transportation  
U.S. Senate  
Washington, DC 20510-6125

The Honorable Mark L. Pryor  
Chairman  
Subcommittee on Communications,  
Technology, and the Internet  
U.S. Senate  
Washington, DC 20510-6125

The Honorable Roger Wicker  
Ranking Member  
Subcommittee on Communications,  
Technology, and the Internet  
U.S. Senate  
Washington DC 20510-6125

Dear Chairmen Rockefeller and Pryor and Ranking Members Thune and Wicker:

On behalf of pay-TV consumers across the country, we respectfully request that the U.S. Senate Committee on Commerce, Science and Transportation expand its current examination of the U.S. video marketplace to include an investigation of existing billing and business practices by the cable and satellite TV industry. As the Committee begins its process to review the Telecommunications Act of 1996, we believe that the negative economic impact of pay-TV fees and billing practices on the American family budget highlights the need for further Congressional inquiry.

Pay-TV industry-wide practices, such as erroneous overbilling, equipment rental fees and inflated or unnecessary 'extra' charges, are the result of an uncompetitive market structure and all contribute to rising monthly cable and satellite TV bills for America's consumers nationwide.

Given the Committee's current focus on video marketplace successes and failures over the past decade, and the ongoing debate on how best to promote competition, consumer choice and technology-driven advances in the broadband ecosystem, we strongly recommend that the Committee consider fundamental industry-wide reform to facilitate lower monthly pay-TV bills for the American consumer.

The arrival of the monthly pay-TV bill typically means that the average American consumer experiences one or several of the following harmful practices or fees:

- Cumbersome and hard-to-understand truth-in-billing updates;
- Overbilling (ongoing charges that consumers should not be paying for);
- Excessive equipment rental fees;
- Hidden "below-the-line" fees;
- Lockdown early termination fees; and
- Unnecessary "change-of-service" fees.

The lack of competition and consumer choice in the U.S. video marketplace, coupled with lax federal oversight of cable and satellite TV operators' pricing and billing practices raises significant public interest concerns.

The marketplace has failed to adequately address significant annual increases in consumers' monthly pay-TV bills. As a result, consumer choice for video service across the country remains limited and family budgets must bear the heavy financial burden of ever-escalating monthly pay-TV bills.

According to [new FCC data](#), basic cable pricing rose four times the rate of inflation as measured by the Consumer Price Index for the 12-month period ending on January 1, 2014. Furthermore, consumers' monthly pay-TV bills have increased at least double the rate of inflation each of the past 16 years through 2013. If current trends continue, consumers' monthly bills are expected to be approximately \$200 per month by 2020.

We seek congressional action aimed to promote openness and transparency regarding the existing processes various pay-TV operators use to identify and self-correct billing errors, subpar service quality and corporate policies that negatively impact their customers.

Only congressional leadership and expertise can help loosen the cable and satellite TV operators' bottleneck-grip on the marketplace and provide monetary relief to pay-TV customers across the country.

We believe that the industry should be held accountable for its behavior, and it should be required to demonstrate if, and how, it will police its own business practices and what steps it will take to correct billing errors.

We also urge you to examine ways that pay-TV operators can help make monthly bills easier to understand, which would include additional information necessary to explain what services and features customers are paying for and why.

Finally, we embrace any effort by the Committee to more clearly define the federal government's role in video marketplace truth-in-billing practices. It may be prudent to ask local franchising authorities and/or local government associations to work closely with federal regulators as part of a public awareness campaign to educate consumers.

Such action would create an opportunity to task the Federal Communications Commission and the Federal Trade Commission with the joint responsibility of developing a nationwide initiative to heighten consumer awareness and understanding regarding pay-TV services and fees 'commonly appearing' on monthly bills. Such a public education and awareness campaign would better equip consumers with the resources they would need to successfully engage their cable or satellite TV service providers should they have questions about their monthly bills.

We look forward to working with the Committee to assist in any effort to provide the American consumer with greater relief from onerous Pay-TV fees and billing practices.

Sincerely,

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cc: U.S. Senate Committee on Commerce, Science  
and Transportation members