

September 16, 2014

The Honorable John D. "Jay" Rockefeller IV
United States Senate
Committee on Commerce, Science and Transportation
254 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Rockefeller:

The undersigned public interest organizations write to express their concern that certain provisions in S. 2799, the Satellite Television Access and Viewer Rights Act (STAVRA), could drive up cable bill prices, reduce consumer choice, and slow down video innovation.

Viewers currently pay too much for cable. Some of the most pernicious drivers of costs to consumers are below-the-line fees—unadvertised charges that cable operators slip onto viewers' bills to hide the true cost of a cable subscription. The most common below-the-line fee is the monthly charge to rent a set-top box, adding as much as \$10 or \$20 to a viewers' monthly bill. Congress wisely decided in 1996 that cable customers should have a choice in the matter, and should be able to buy their own set-top boxes rather than pay these exorbitant rental fees.

For months you and Senator Thune have worked in a bipartisan fashion to build support for important video reform ideas such as the "Local Choice" proposal introduced weeks ago. The Local Choice proposal aimed to curb the increasing costs to consumers for traditional Multichannel Video Programming Distributor (MVPD) services by offering greater options for consumers in channel selection and pricing. Without the Local Choice proposal, STAVRA is left with only one potentially pro-competition, cost cutting section, labeled "Competitive Device Availability", but it falls short of ensuring competition.

The Competitive Device Availability section includes provisions that create a gap in protections for consumers around choices in video devices, potentially driving up costs for consumers. The section sets out a vision for the next generation of technical standards for device competition, but fails to ensure actual availability when the current CableCARD system is expired. A new technical standard, devised by the Federal Communications Commission (FCC) working group and established by FCC rules, must be a prerequisite to repealing the existing CableCARD standards. In its absence, there is little incentive for the cable industry to work constructively towards a new standard. Congress must be clear that when one tool for competition is eliminated, it expects that the next generation tool will be ready to take its place.

A simple amendment requiring adoption of the new technical standard before eliminating the old standard would provide consumers with the protection they deserve. S. 2799 already requires the FCC to form a working group to determine standards for future video devices, but the bill does not require the FCC to implement the standards. No viewer should have to see their cable bill rise by \$20 a month simply because technical experts have not completed their work.

Because the provisions in S. 2799 outline above could harm consumers, eliminate competition, and hold back video innovation, we urge Senators to support an amendment to the bill to ensure video device competition goes uninterrupted. Without such amendment we urge Senators to oppose the bill.

Sincerely,

Consumers Union
Free Press Action Fund
Public Knowledge

cc: The Honorable John Thune, Ranking Member