



June 4, 2019

The Honorable Michael Doyle  
Chairman, Subcommittee on  
Communications and Technology  
House Energy and Commerce Committee  
2125 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Robert Latta  
Ranking Member, Subcommittee on  
Communications and Technology  
House Energy and Commerce Committee  
2322 Rayburn House Office Building  
Washington, D.C. 20515

**Re: June 4, 2019 Subcommittee on Communications and Technology (House Energy and Commerce Committee) Hearing, “STELAR Review: Protecting Consumers in an Evolving Media Marketplace.”**

Dear Chairman Doyle and Ranking Member Latta:

Consumer Reports<sup>1</sup> appreciates the Subcommittee’s consideration of the many consumer interests implicated in the reauthorization of the STELAR Act (STELA Reauthorization Act of 2014). Important provisions of that law are set to expire at the end of this year, and Congress would be wise to not only extend, but improve the statute to better benefit consumers.

Dating back to the very first satellite television bill which permitted direct broadcast satellite (DBS) operators to offer “local-into-local” market channels to consumers, the Satellite Home Viewer Improvement Act of 1999,<sup>2</sup> and in every five-year reauthorization statute bearing a new acronym after that, Congress has attempted to deal with the problems

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<sup>1</sup> Our advocacy work officially moved under the Consumer Reports (CR) banner starting last November. We were founded as the Consumers Union of America in 1936 and became known by millions of Americans for our award-winning magazine *Consumer Reports*. In recent years, our overall organization transitioned to the name Consumer Reports. Consumer Reports is an organization with more than six million members that advocates for a fair, safe, and transparent marketplace, fueled by our trusted research, journalism, and insights. We believe this integration of our advocacy work under the CR name will communicate the depth and breadth of our mission and values, and will help us make an even greater impact to advance the issues that matter to consumers and the world. We invite you to come see what we are doing at [consumerreports.org/advocacy](http://consumerreports.org/advocacy).

<sup>2</sup> Satellite Home Viewer Improvement Act of 1999, Pub L. No. 106-113, App. I.

consumers face in the video marketplace. Outside of those efforts, the several issues that plague consumers have not been addressed in a comprehensive manner since the 1992 Cable Act. That law introduced the retransmission consent regime and the basic tier buy-through requirement—where cable operators and consumers are more or less required to offer and purchase local broadcast channels, thus preventing any *à la carte* offering of those channels—both of which have been the source of so many consumer headaches.

Rather than engaging in another quinquennial patchwork effort to deal with these broken provisions, Congress should embark upon a serious, bipartisan effort to rewrite the laws that govern ALL video offerings, including traditional cable and DBS offerings along with services provided by online video distributors (OVDs). Consumer Reports is aware of the recent work undertaken by Representatives Anna Eshoo and Steve Scalise to introduce legislation to overhaul the rules underpinning the video marketplace, and we look forward to engaging with them and other Members of the Subcommittee to advance workable solutions that will benefit consumers far better than the current dysfunctional status quo. In the meantime, Consumer Reports supports the full reauthorization of the STELAR Act at a bare minimum—and there is plenty of room for improvement, even short of the more comprehensive reform that we recommend.

Consumer Reports is on record stating that the retransmission consent regime is broken. Though cable and DBS operators endure rising retransmission consent fees, it is consumers who ultimately pay for these increases in the form of the now ubiquitous “broadcast TV fee”—a fee that accounts for billions of dollars of extra revenue for cable companies. And the price tag for this and other company-imposed fees is rising dramatically. For example, Charter Communications increased its “broadcast TV fee” not once, but twice, since last November, from \$8, to \$9, and now \$12 per month.<sup>3</sup> Consumers are rightly furious to find that the advertised rate for cable service does not clearly include these fees and others that can dramatically raise the price of service. Antiquated rules passed into law more than a

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<sup>3</sup> Jon Brodtkin, *Charter Raises Sneaky ‘Broadcast TV’ Fee for Second Time In Four Months*, ArsTechnica (Feb. 6, 2019),

quarter century ago have set the stage for this consumer nightmare, and they must be revisited and changed where necessary.

This is one of the many challenges facing consumers in today's video marketplace. We stand ready to work with you to craft viable and creative solutions—either as part of the STELAR Act reauthorization, the TRUE Fees Act (H.R. 1220), or new legislation—that level the playing field for consumers in an increasingly expensive market.

Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'JS' followed by a stylized flourish.

Jonathan Schwantes  
Senior Policy Counsel

cc. Members of the U.S. House Subcommittee on Communications and Technology,  
Committee on Energy and Commerce