



October 22, 2019

The Hon. Roger Wicker
Chairman
Committee on Commerce, Science, and
Transportation
UNITED STATES SENATE
Washington, D.C. 20510

The Hon. Maria Cantwell
Ranking Member
Committee on Commerce, Science, and
Transportation
UNITED STATES SENATE
Washington, D.C. 20510

Re: Hearing on the Reauthorization of STELAR

Dear Chairman Wicker and Ranking Member Cantwell:

I write on behalf of the American Television Alliance¹ to provide our perspective in advance of your hearing entitled The Reauthorization of STELAR.

When I wrote to you before your last hearing “The State of the Television and Video Marketplace,”² I described the growing dysfunction in the retransmission consent regime and the need for Congress to address these issues in STELAR reauthorization.

In the four months since then, broadcasters have initiated 216 blackouts affecting tens of millions of consumers. This brings the total number of blackouts to 276 for 2019 and breaks the previous annual record of 213. Indeed, broadcasters initiated more blackouts in the last four months than they had caused *in any prior entire year*. And broadcasters continue to raise prices by double digits each and every year—more than five *thousand* percent since 2006.³

¹ ATVA seeks to be a voice for the American television viewer. Our members include cable and broadband operators, satellite carriers, phone companies, trade associations, independent programmers, consumer groups and others concerned about the state of the video marketplace. You can find out more information about us at www.americantelevisionalliance.org.

² Letter from Mike Chappell to the Hon. Roger Wicker and the Hon. Maria Cantwell (June 4, 2018), available at <https://www.americantelevisionalliance.org/wp-content/uploads/2019/10/ATVA-Letter-Senate-June-4-FINAL111.pdf>.

³ News Release: *ATVA Applauds Senate Hearing on STELAR; Urges Committee to Address Retrans Reform* (Oct. 16, 2019) (citing numbers compiled by ATVA based on publicly available information).

How bad have things gotten? A nonprofit, locally owned electric utility (called BELD) in Braintree, Massachusetts recently announced that it will “cut the cord”—that is, exit the video business entirely—this December.⁴ It stated that its decision “was a direct result of ever-increasing, out-of-control fees that BELD must pay programmers for the privilege of carrying their channels” and added that, “[a]t this point, the fees have left us no choice but to leave the cable [TV] business.”⁵ It is not the first video provider to make this decision,⁶ and it surely will not be the last.

In such circumstances, it should be unthinkable for Congress to eliminate the “good faith” rules by failing to reauthorize STELAR. These rules provide at least *some* expectation of legitimate negotiations and *some* recourse for those operating in manifest bad faith. Without the good faith rules, the harm to consumers we are seeing in the marketplace will only accelerate.

To the contrary, the facts on the ground show that Congress should *strengthen* consumer protections. As I stated in my correspondence on June 4, we believe that Congress should address issues such as broadcaster consolidation, blackouts, phantom subscribers, and the forced bundling of broadcast channels in any STELAR reauthorization. Without Congressional action, consumers can expect more blackouts, more price increases, less localism, and more video providers exiting the business in the coming years (and thus, less competition).

We look forward to working with Congress in the coming weeks on this very important issue.

Sincerely,

/s/

Mike Chappell
Chairman

American Television Alliance

⁴ <https://www.lightreading.com/video/video-services/another-cable-operator-gives-pay-tv-the-heave-ho-/d/d-id/754319>.

⁵ *Id.*

⁶ *See id.* (noting that 3 Rivers Communications in Fairfield, Montana made a similar decision earlier this year).