



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE:
March 31, 2014

NEWS MEDIA CONTACT:
Janice Wise (202) 418-8165
Email: janice.wise@fcc.gov

FCC TAKES ACTION TO IMPROVE RETRANSMISSION CONSENT PROCESS

New rule will help curtail a practice that has put upward pressure on cable costs

Washington, D.C. – The Federal Communications Commission today adopted a Report and Order that strengthens its rules governing retransmission consent negotiations. This Order will help curtail a practice that has put upward pressure on cable and Direct Broadcast Satellite programming costs as well as prices to consumers.

The Communications Act requires cable systems and other pay television services to obtain a broadcast television station's retransmission consent before carrying the station's signal. The Act also requires broadcasters and pay television service providers to negotiate retransmission consent agreements in good faith.

Today's Order prohibits a television broadcast station ranked among the top four stations (as measured by audience share) from negotiating retransmission consent jointly with another top four station if the stations are not commonly owned and serve the same geographic market. Joint negotiation by these stations leads to higher retransmission consent fees because the practice reduces competition between the stations. Additionally, the threat of losing the programming of two or more top four stations at the same time gives the stations undue bargaining leverage in negotiations with Multichannel Video Program Distributors. To target collusive behavior effectively, the Order also defines joint negotiations.

Congress passed retransmission consent legislation over 20 years ago. Since that time, there have been significant changes in the video marketplace. The FCC initiated this proceeding to respond to these changes and facilitate the fair and effective completion of retransmission consent negotiations to the ultimate benefit of consumers.

Action by the Commission March 31, 2014, by Order and Further Notice of Proposed Rulemaking (FCC 14-29). Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O'Rielly with Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O'Rielly issuing statements.

Today's action also includes adoption of a Further Notice of Proposed Rulemaking that asks whether to eliminate or modify the Commission's network non-duplication and syndicated exclusivity rules. These rules help broadcast television stations to be the exclusive distributor of network or syndicated programming within a certain geographic area.

For further information, contact Raelynn Remy, Diana Sokolow or Kathy Berthot (202-418-2120; raelynn.remy@fcc.gov; diana.sokolow@fcc.gov; kathy.berthot@fcc.gov). Press contact: Janice Wise (202-418-8165; janice.wise@fcc.gov).

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