

**STATEMENT OF
CHAIRMAN TOM WHEELER**

*Re: Amendment of the Commission's Rules Related to Retransmission Consent, Report and Order
and Further Notice of Proposed Rulemaking, MB Docket No. 10-71*

Congress created the retransmission consent regime over 20 years ago. Since that time, we have witnessed significant changes in the marketplace and been able to observe how the parties have operated in the process. The actions we take respond to what we have learned and facilitate the fair and effective completion of retransmission consent negotiations, to the ultimate benefit of consumers.

Congress intended that retransmission consent agreements be negotiated by parties one-on-one. Increasingly, though, stations in local markets have banded together to negotiate for retransmission consent fees, even though they otherwise would compete against each other for those fees.

Joint negotiations by the largest stations were shown in one study to raise prices to cable systems by around 20 to 40%. This puts upward pressure on the prices paid by consumers of subscription video services.

The action we take to address joint negotiation by broadcasters will return retransmission consent to one-on-one negotiations as Congress intended, rather than many against one. This should benefit the consumer by removing the leverage of collusion to inappropriately drive up retransmission fees and with them consumer prices.

The actions we take regarding joint negotiation are supported by basic economic principles and antitrust law.

In light of the changes in the video marketplace since we adopted our network non-duplication and syndicated exclusivity rules, it is time for the Commission to undertake a comprehensive review of those exclusivity rules. We need to determine whether these rules are still needed as a Commission mechanism for enforcing the private exclusivity agreements entered into between broadcasters and providers of programming.

Thank you to the Media Bureau for their work on this item.