STATEMENT OF
COMMISSIONER MIGNON L. CLYBURN

Re: *Amendment of the Rules Related to Retransmission Consent*, MB Docket No. 10-71, Report and Order and Further Notice of Proposed Rulemaking (March 31, 2014)

I am pleased to support the Chairman on this Order, addressing the issue of joint retransmission negotiations.

In 2011, the average bill for paid television was $86 per month. By 2015, the same average is expected to reach $123, reflecting an annual retail rate increase of about 6%. While consumer income and spending have remained relatively flat, and the inflation rate has risen only by 1.5%, cable companies claim programming costs are increasing by 10% per year – mostly due to retransmission consent negotiations.[1]

Although the amendments to the Act in 1992 gave broadcasters the ability to charge fees for content that is free over the airwaves, Section 325 states that broadcasters are prohibited from "failing to negotiate [retransmission consent] in good faith."

Many of the larger broadcast companies already own stations in a number of markets that do not compete with each other, and have more leverage to negotiate large retransmission fees. But when it comes to Top Four stations, separately owned, within the same market – essentially competitors – joint negotiation may violate the "good faith" clause.

When top broadcasters in the same market negotiate higher prices – or threaten to pull the plug – MVPDs, both large and small, basically have no choice. And where do those extra fees come from--the consumer's pocket?

As for the FNPRM on the non-duplication rule, I look forward to a full record on this issue, but believe in upholding the rule because it promotes competition and localism.

I appreciate the good work of the Media Bureau, the Office of General Counsel, the Chairman's office, and my staff on this item.

[1] http://www.forbes.com/sites/amadoudiallo/2013/10/14/cable-tv-price-hikes-unsustainable/