



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 11, 2016

The Honorable James B. Renacci  
U.S. House of Representatives  
328 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Renacci:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

Section 629 of the Communications Act, adopted by Congress in 1996, requires the Commission to promote competition in the market for devices that consumers use to access their pay-television content. Yet, unfortunately, the statutory mandate in section 629 is not yet fulfilled. The lack of competition in this market has meant few choices and high prices for consumers. In a recent Rasmussen Report Study, 84 percent of consumers felt their cable bill was too high. One of the main contributing factors to these high prices is the no-option, add-on fee for set-top box rental that is included on every bill, forcing consumers to spend, on average, \$231 in rental fees annually. Even worse, a recent congressional investigation found that the price of most equipment fees is determined by what the market will bear, and not the actual cost of the equipment.<sup>1</sup> With the lack of competition in this market, it should come as little surprise that fees for set-top boxes continue to rise.<sup>2</sup> Clearly, consumers deserve better.

This February the Commission put out for public comment a proposal that would fulfill the statutory requirement of competitive choice for consumers. This action opened a fact-finding dialog to build a record upon which to base any final decisions. Our record already contains more than 280,000 filings, the overwhelming majority of which come from individual consumers. FCC staff is actively engaged in constructive conversations with all stakeholders—content creators, minority and independent programmers, public interest and consumer groups, device manufacturers and app developers, software security developers, and pay-TV providers of all sizes—on how to ensure that consumers have the competition and choice they deserve. I am hopeful that these discussions will yield straight-forward, feasible and effective rules for all.

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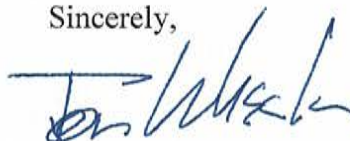
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<sup>2</sup> One recent analysis found that the cost of cable set-top boxes has risen 185 percent since 1994 while the cost of computers, television and mobile phones has dropped by 90 percent during that same time period.

I share your goal of ensuring that pay-TV subscribers in all parts of our country can enjoy the benefits of consumer choice without unduly burdening small providers of pay-TV. Recognizing the important role that small pay-TV providers play in many rural communities, the Notice of Proposed Rulemaking (NPRM) adopted in February seeks comment how this proceeding could affect these providers. Notably, the NPRM proposes to exempt all analog cable systems from new requirements while also seeking comment on the American Cable Association's proposal to exempt all pay-TV providers serving one million or fewer subscribers from any rules. The NPRM further asks how the Commission can ensure that any rules adopted are not overly burdensome to pay-TV providers. We are continuing to engage with all stakeholders on this issue, including small pay-TV providers. Customers of providers of all sizes deserve choice and innovation, and I am confident that we will be able to find a balance that accurately reflects the technology and resources available to truly small providers.

The record we are developing will help us avoid overburdening small pay-TV providers while delivering all American consumers meaningful choice. Thank you for your engagement in this proceeding, and I look forward to continuing to work with you on this important consumer issue.

Sincerely,

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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable David Rouzer  
U.S. House of Representatives  
424 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Rouzer:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

Section 629 of the Communications Act, adopted by Congress in 1996, requires the Commission to promote competition in the market for devices that consumers use to access their pay-television content. Yet, unfortunately, the statutory mandate in section 629 is not yet fulfilled. The lack of competition in this market has meant few choices and high prices for consumers. In a recent Rasmussen Report Study, 84 percent of consumers felt their cable bill was too high. One of the main contributing factors to these high prices is the no-option, add-on fee for set-top box rental that is included on every bill, forcing consumers to spend, on average, \$231 in rental fees annually. Even worse, a recent congressional investigation found that the price of most equipment fees is determined by what the market will bear, and not the actual cost of the equipment.<sup>1</sup> With the lack of competition in this market, it should come as little surprise that fees for set-top boxes continue to rise.<sup>2</sup> Clearly, consumers deserve better.

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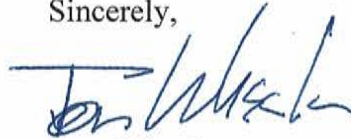
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Sincerely,

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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable Steve Russell  
U.S. House of Representatives  
128 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Russell:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

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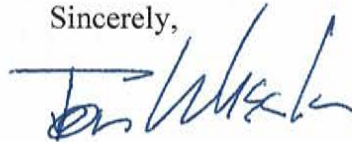
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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable Kurt Schrader  
U.S. House of Representatives  
2431 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Schrader:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

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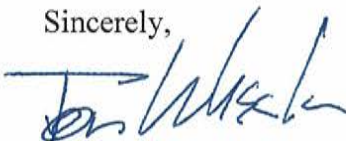
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Tom Wheeler





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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 11, 2016

The Honorable John Shimkus  
U.S. House of Representatives  
2217 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Shimkus:

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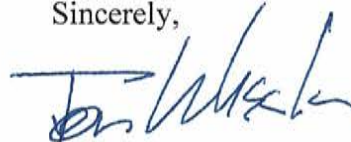
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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable Kyrsten Sinema  
U.S. House of Representatives  
1530 Longworth House Office Building  
Washington, D.C. 20515

Dear Congresswoman Sinema:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

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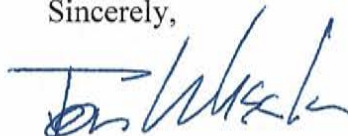
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Tom Wheeler





OFFICE OF  
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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 11, 2016

The Honorable Jason Smith  
U.S. House of Representatives  
1118 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Smith:

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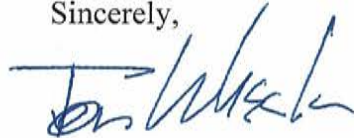
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July 11, 2016

The Honorable Lamar Smith  
U.S. House of Representatives  
2409 Rayburn House Office Building  
Washington, D.C. 20515

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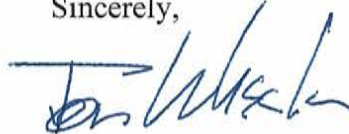
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Sincerely,

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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable Steve Stivers  
U.S. House of Representatives  
1022 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Stivers:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

Section 629 of the Communications Act, adopted by Congress in 1996, requires the Commission to promote competition in the market for devices that consumers use to access their pay-television content. Yet, unfortunately, the statutory mandate in section 629 is not yet fulfilled. The lack of competition in this market has meant few choices and high prices for consumers. In a recent Rasmussen Report Study, 84 percent of consumers felt their cable bill was too high. One of the main contributing factors to these high prices is the no-option, add-on fee for set-top box rental that is included on every bill, forcing consumers to spend, on average, \$231 in rental fees annually. Even worse, a recent congressional investigation found that the price of most equipment fees is determined by what the market will bear, and not the actual cost of the equipment.<sup>1</sup> With the lack of competition in this market, it should come as little surprise that fees for set-top boxes continue to rise.<sup>2</sup> Clearly, consumers deserve better.

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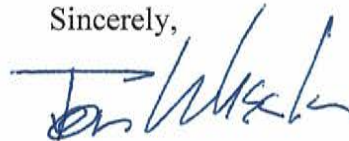
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Sincerely,

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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable Scott Tipton  
U.S. House of Representatives  
218 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Tipton:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

Section 629 of the Communications Act, adopted by Congress in 1996, requires the Commission to promote competition in the market for devices that consumers use to access their pay-television content. Yet, unfortunately, the statutory mandate in section 629 is not yet fulfilled. The lack of competition in this market has meant few choices and high prices for consumers. In a recent Rasmussen Report Study, 84 percent of consumers felt their cable bill was too high. One of the main contributing factors to these high prices is the no-option, add-on fee for set-top box rental that is included on every bill, forcing consumers to spend, on average, \$231 in rental fees annually. Even worse, a recent congressional investigation found that the price of most equipment fees is determined by what the market will bear, and not the actual cost of the equipment.<sup>1</sup> With the lack of competition in this market, it should come as little surprise that fees for set-top boxes continue to rise.<sup>2</sup> Clearly, consumers deserve better.

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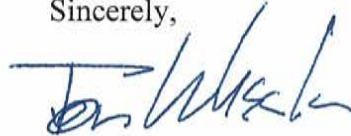
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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable Jackie Walorski  
U.S. House of Representatives  
419 Cannon House Office Building  
Washington, D.C. 20515

Dear Congresswoman Walorski:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

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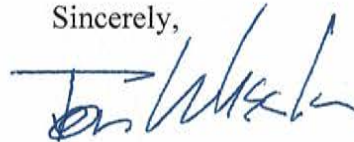
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Tom Wheeler





OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 11, 2016

The Honorable Tim Walz  
U.S. House of Representatives  
1034 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Walz:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

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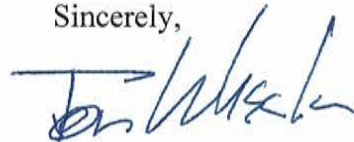
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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable Steve Womack  
U.S. House of Representatives  
1119 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Womack:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

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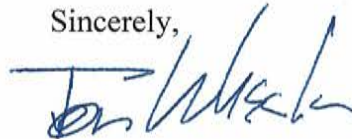
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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 11, 2016

The Honorable David Young  
U.S. House of Representatives  
515 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Young:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

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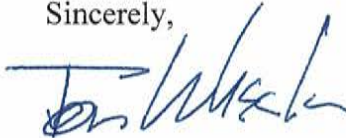
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Tom Wheeler





OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 11, 2016

The Honorable Ryan Zinke  
U.S. House of Representatives  
113 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Zinke:

Thank you very much for your letter sharing your views about how the Commission's proceeding for better fostering competition in the set-top box and navigation app marketplace might impact small pay-TV providers. I take your input on this issue seriously and assure you that it will receive careful consideration.

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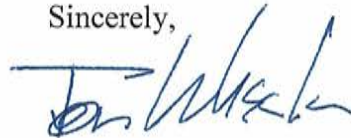
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Tom Wheeler