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**For Immediate Release**

**FCC TAKES ACTION AGAINST VIDEO SERVICE JUNK FEES TO PROTECT CONSUMERS AND PROMOTE COMPETITION**

***Proposal Would Prohibit Early Termination Fees and Require Pro-rated Credits or Rebates After Cancellation of Service***

WASHINGTON, December 13, 2023—The Federal Communications Commission today adopted a Notice of Proposed Rulemaking that proposes to eliminate video service junk fees from cable operators and direct broadcast satellite (DBS) providers and to study the impact of these practices on consumer choices.

TV video service subscribers may terminate service for any number of reasons, including moving, financial hardship, or poor service. Early termination fees require subscribers to pay a fee for terminating a video service contract prior to its expiration date, making it costly for consumers to switch services. Because these fees may have the effect of limiting consumer choice, they may reduce competition for video service. Additionally, billing cycle fees require TV video service subscribers to pay for a complete billing cycle even if the subscriber terminates service prior to the end of that billing cycle. These fees penalize consumers for terminating service by requiring them to pay for services they choose not to receive.

Recently, the Executive Order on Promoting Competition in the American Economy encouraged the Commission to consider “prohibiting unjust or unreasonable early termination fees for end-user communication contracts; enabling consumers to more easily switch providers” in order to promote competition and lower prices. This Notice of Proposed Rulemaking is the latest in a series of consumer-focused proposals including Broadband Consumer Labels and proposed “all-in-pricing” for cable and satellite services.

Today’s action proposes to adopt customer service protections that prohibit cable operators and DBS providers from imposing a fee for the early termination of a cable or DBS video service contract. Additionally, the NPRM recommends the adoption of customer service protections to require cable and DBS providers to grant subscribers a prorated credit or rebate for the remaining whole days in a monthly or periodic billing cycle after the subscriber cancels service.

Action by the Commission December 13, 2023 by Notice of Proposed Rulemaking (FCC 23-106). Chairwoman Rosenworcel, Commissioners Starks and Gomez approving. Commissioners Carr and Simington dissenting. Chairwoman Rosenworcel, Commissioners Carr, Starks, Simington, and Gomez issuing separate statements.

MB Docket No. 23-405

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*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).*

