STATEMENT OF
CHAIRWOMAN JESSICA ROSENWORCEL


Across the economy, consumers are frustrated with junk fees. They are tired of seeing one advertised price and then paying something different when the bill comes due. They are fed up with special surcharges, line items, and tacked-on costs. That is why nearly four out of five people in this country support federal legislation to crack down on junk fees. This is no surprise because these fees make it hard to contrast like services and can quickly turn what seemed like a good deal into a not-so-good one.

So today at the Federal Communications Commission we are doing something simple to address this problem. We are requiring cable and satellite television providers to state clearly the “all-in” price consumers pay for video services. No one likes surprises on their bill. The advertised price for a service should be the price you pay when your bill arrives. It shouldn’t include a bunch of unexpected junk fees that are separate from the top-line price you were told when you signed up. But right now this isn’t the case. In fact, our record in this proceeding demonstrates that 24 to 33 percent of consumer bills are special fees like “broadcast subscription” and “regional sports assessments.” It is not just annoying; it makes it hard for consumers to compare services in a market that is evolving and has so many new ways to watch.

This effort to cut down junk fees on consumer bills is part of a larger initiative at this agency. In fact, next month, broadband providers will be rolling out new Broadband Nutrition Labels, with easy-to-understand facts about service plans to help improve transparency and increase competition. We have also proposed rules to limit unfair early termination fees, which can restrict consumer choice. On top of that, we have put forward rules to grant prorated credits or rebates for the remaining days in a billing cycle after the cancellation of service.

The bottom line is we do not have to have junk fees. We can have bills that are transparent and fair. This is a step in that direction and that is good news for consumers.

Thank you to the team responsible for this effort, including Holly Saurer, Lori Maarbjerg, Maria Mullarkey, Brendan Murray, and Joseph Price of the Media Bureau; Andrew Wise and Kim Makuch of the Office of Economic Analysis; Susan Aaron and David Konczal of the Office of General Counsel; Joycelyn James of the Office of Communications Business Opportunities; and Cathy Williams of the Office of Managing Director.