



May 22, 2015

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street SW
Washington DC 20554

Re: Notice of Ex Parte Communication, MB Docket No. 15-53

Dear Ms. Dortch:

On Wednesday, May 20, 2015, Gordon Smith, Erin Dozier and the undersigned of the National Association of Broadcasters, met with Commissioner Mignon Clyburn and her Chief of Staff, Chanelle Hardy, to discuss the Commission's implementation of Section 111 of the STELA Reauthorization Act of 2014 (STELAR).¹

In the meeting, NAB representatives noted how striking it is that, while the potential consumer harms of the proposed rule are numerous, it does not yield a *single* consumer benefit. The only independent supporters of an FCC decree that says cable operators face effective competition in every corner of the country are, well, cable companies. And these cable operators have yet to point to any consumer value that will result from the proposed change. The best argument the cable representatives can muster is that, in their objective opinion, consumers are unlikely to be harmed. That is hardly inspiring, let alone reassuring.

It is unclear why the FCC would risk the potential harms that could – and are even likely to – arise if it makes this dramatic change in how it evaluates effective competition. Some of the harms that may come to consumers include, but are not limited to:

- Increased cable bills, especially for the lowest priced basic tier
- Increased fees, including questionable “broadcast fees” and “processing fees”
- Increased equipment rental charges
- Possible disintegration of the basic tier, including the loss of Public, Educational and Governmental (PEG) channels; cable operators may also threaten to move local TV stations off the basic tier
- Predatory pricing for individuals unable to select pay TV alternatives, like satellite TV, if they live in apartments or other similar housing, like an assisted living community, where one cable provider is the only option

¹ *Amendment to the Commission's Rules Concerning Effective Competition; Implementation of Section 111 of the STELA Reauthorization Act*, Notice of Proposed Rulemaking, MB Docket No. 15-53, FCC No. 15-30 (Mar. 16, 2015).

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- Decreased customer service; the Commission itself directs consumers to address complaints about cable service, including complaints about billing and signal quality, to LFAs instead of to the Commission. The current proposal to deregulate will neuter LFAs ability to discipline cable operators in local communities.

These views are not merely NAB's, nor of the 15 Senators who have filed letters of concern about the Commission's current course, nor of countless public interest groups, but also of the Commission's own Intergovernmental Advisory Committee. If nothing else, the FCC should heed the advice of the very committee it created to advise the Commission on such matters.

NAB also reiterated that the Commission should instead adopt procedural reforms to the effective competition filing process consistent with those that have been proposed in this and other proceedings.² Additionally, we shared the attached slide presentation summarizing our positions and identifying potential consumer harms that could result from the Commission's proposal.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rick Kaplan', with a long horizontal line extending to the right.

Rick Kaplan
Executive Vice President and General Counsel
Legal and Regulatory Affairs

Enclosure

cc: Commissioner Mignon Clyburn
Chanelle Hardy

² NAB Comments in MB Docket No. 15-53 (Apr. 9, 2015); Joint Ex Parte Letter of NAB, Alliance for Community Media, American Community Television, Common Cause, and Public Knowledge in MB Docket Nos. 15-53 and 02-144 (Apr. 17, 2015).