United States Senate
WASHINGTON, DC 20510

February 3, 2016

The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Wheeler,

We write today on behalf of American cable and broadband consumers who are finding themselves with few choices when it comes to purchasing broadband internet and cable television services. A lack of competition in the market has left many Americans without robust options when purchasing cable and broadband. As of February 2015, 55 percent of consumers only have one high-speed broadband provider. This lack of competition, in our view, has led to some troubling and questionable customer service and payment practices by the few corporations consumers have to choose from. In 2015, more than 30 percent of consumer complaints to the Federal Communications Commission (FCC) about Internet service and 38 percent of complaints about TV service were regarding billing. Furthermore, billing was the category with the highest number of complaints for both Internet and TV.

For example, equipment rental charges are one of the numerous and often obtuse fees consumers face in this increasingly concentrated cable and broadband market. In particular, Comcast charges a monthly modem rental fee of $10—recently increased from $8—and makes an estimated $275 to $300 million a quarter from these fees. Thankfully, consumers are able to purchase their own modems and routers instead of renting through the company.

We are troubled upon hearing complaints of consumers being charged the modem rental fee after they have returned the rented equipment to Comcast or being charged the rental fee having never rented a modem in the first place. Not only are the majority of customers using automatic payment systems and may not personally authorize every erroneous charge, many consumers report having to call and remedy this problem throughout several billing cycles. In fact, customer help boards found online at Comcast's Help and Support Forum contain complaints about this exact problem.

Given the numerous fees consumers face, we find it possible consumers face erroneous and unauthorized charges for equipment rental. In light of these concerns, we would like to ask the following questions of the FCC:

1) Does the FCC regulate erroneous equipment fees charged to consumers, including but not limited to charges for non-existent rentals, that consumers are being told are 'oversights'? If so, how is that regulation occurring?
2) With its regulatory authority, does the FCC have records or a database of such erroneous charges for equipment? If so, how many American consumers have been

charged an equipment fee they did not owe, and how many total equipment fees for cable and broadband services have been charged to American consumers?

3) How many consumers have complained to the FCC about incorrect cable and broadband equipment fees, and over what period of time? And what action has been taken by the FCC if such complaints have been made?

Given the power big corporations have over American consumers, the need to stop unfair billing practices and ensure affordable cable and Internet services for all Americans is all the more important. Thank you in advance for your response to our request.

Sincerely,

Ron Wyden
U.S. Senator

Al Franken
U.S. Senator

Bernard Sanders
U.S. Senator

Edward J. Markey
U.S. Senator

Jeffrey A. Merkley
U.S. Senator

Elizabeth Warren
U.S. Senator

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 3, 2016

The Honorable Jeff Merkley
United States Senate
107 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Merkley:

Thank you for your letter expressing concern about the billing practices of Internet and pay TV services providers and the Commission's role in handling related consumer complaints. Your views are very important and I appreciate you bringing them to my attention.

The Commission's rules provide a number of protections for subscribers of Internet and pay TV services. For example, the Commission's rules require bills for cable television services to provide clear and concise billing statements. These rules also prohibit "negative option" billing for cable television services (i.e., charging for services or equipment that the subscriber has not affirmatively requested). The Commission, as well as local franchise authorities, may take actions to enforce these protections for cable customers.[1]

In addition to these protections for cable subscribers, the Commission has taken a number of steps to protect Internet subscribers. Specifically, since the adoption of the *2010 Open Internet Order*, broadband providers have been required to make accurate disclosures of commercial terms under the transparency rule. In the *2015 Open Internet Order*, the Commission adopted enhancements to the transparency rule to further protect customers, requiring broadband providers to disclose the full monthly service charge for their service and clearly note any promotional rates. Recently, several of the Commission's Bureaus approved consumer broadband labels that provide templates that broadband providers may use to supply consumers with information about their services, including pricing details such as equipment rental fees. Together, these measures will help ensure that consumers are protected from harmful billing practices in the provision of their broadband Internet access service.

To further ensure the protection of pay TV and broadband subscribers, the Commission allows consumers to file complaints about allegedly improper billing practices involving cable and broadband services. Our Consumer and Governmental Affairs Bureau (CGB) follows a process to review, obtain a response from the provider, and, where appropriate, escalate consumers' complaints. In general, when CGB receives an individual consumer complaint against a service provider, it serves a copy of that complaint on the applicable provider. The service provider then has 30 days to respond directly to each consumer and the FCC about his or her complaint. Since January 1, 2015, when the Commission's current Consumer Help Center web portal was launched, we have received slightly more than one thousand complaints related to "incorrect cable and broadband equipment fees." All complaints that contain sufficient

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information have been served on the requisite service provider, which, in turn, responds directly to the consumer complainant. This process has proven effective at remedying specific consumer billing problems in many circumstances.

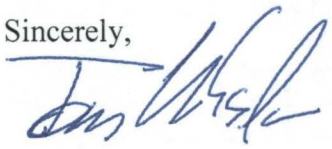
In certain instances where CGB detects a particularly egregious or potentially systemic problem, it will refer the issue to the Enforcement Bureau or other bureaus or offices within the Commission for potential investigation and/or enforcement action. Because our Enforcement Bureau's cases are law enforcement-sensitive, I am unable to comment on the existence or merits of any such pending matters.

Beyond the receipt of consumer complaints, the Commission does not have a mechanism for ascertaining the total number of Americans who have been charged an unauthorized fee for equipment they did not own, nor the total unauthorized fees associated with cable and broadband services. As you likely already know, other regulatory bodies, including the Federal Trade Commission and local franchising authorities for pay TV services, receive both types of complaints and may be able to explain what authorities exist and what actions they may be able to employ.

Finally, I would like to note the Commission's recent Notice of Proposed Rule Making (NPRM) proposing new rules to implement Section 629 of the Communications Act. Specifically, the Commission proposes rules intended to give consumers the choice to purchase equipment that can access the multichannel video programming to which they subscribe. Notably, the Commission also proposes robust billing transparency requirements that would apply to all navigation devices, including cable modems.[2] This proposed rule would require MVPDs to separately state on consumers' bills the rates that they charge consumers to lease equipment. The rule will not solve all of the problems that you raise in your letter, but billing transparency will give consumers a tool to help them discover the erroneous and unauthorized charges that you mention.

Again, I appreciate your interest in this matter. The Commission is fully committed to protecting consumers from unauthorized and erroneous charges on their Internet, phone, and cable or satellite bills, which for many consumers is often the same bill. Please let me know if I can be of any further assistance.

Sincerely,



Tom Wheeler

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[2] *Expanding Consumers' Video Navigation Choices; Commercial Availability of Navigation Devices*, MB Docket No. 16-42, CS Docket No. 97-80, Notice of Proposed Rulemaking and Memorandum Opinion and Order, FCC 16-18, paras. 82-86 (rel. Feb. 18, 2016).

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 3, 2016

The Honorable Edward J. Markey
United States Senate
218 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Markey:

Thank you for your letter expressing concern about the billing practices of Internet and pay TV services providers and the Commission's role in handling related consumer complaints. Your views are very important and I appreciate you bringing them to my attention.

The Commission's rules provide a number of protections for subscribers of Internet and pay TV services. For example, the Commission's rules require bills for cable television services to provide clear and concise billing statements. These rules also prohibit "negative option" billing for cable television services (i.e., charging for services or equipment that the subscriber has not affirmatively requested). The Commission, as well as local franchise authorities, may take actions to enforce these protections for cable customers.[1]

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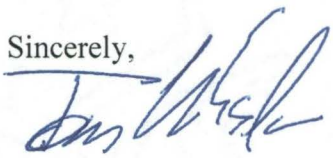

Tom Wheeler

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 3, 2016

The Honorable Al Franken
United States Senate
309 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Franken:

Thank you for your letter expressing concern about the billing practices of Internet and pay TV services providers and the Commission's role in handling related consumer complaints. Your views are very important and I appreciate you bringing them to my attention.

The Commission's rules provide a number of protections for subscribers of Internet and pay TV services. For example, the Commission's rules require bills for cable television services to provide clear and concise billing statements. These rules also prohibit "negative option" billing for cable television services (i.e., charging for services or equipment that the subscriber has not affirmatively requested). The Commission, as well as local franchise authorities, may take actions to enforce these protections for cable customers.[1]

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Sincerely,

Tom Wheeler

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 3, 2016

The Honorable Bernard Sanders
United States Senate
332 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Sanders:

Thank you for your letter expressing concern about the billing practices of Internet and pay TV services providers and the Commission's role in handling related consumer complaints. Your views are very important and I appreciate you bringing them to my attention.

The Commission's rules provide a number of protections for subscribers of Internet and pay TV services. For example, the Commission's rules require bills for cable television services to provide clear and concise billing statements. These rules also prohibit "negative option" billing for cable television services (i.e., charging for services or equipment that the subscriber has not affirmatively requested). The Commission, as well as local franchise authorities, may take actions to enforce these protections for cable customers.[1]

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Again, I appreciate your interest in this matter. The Commission is fully committed to protecting consumers from unauthorized and erroneous charges on their Internet, phone, and cable or satellite bills, which for many consumers is often the same bill. Please let me know if I can be of any further assistance.

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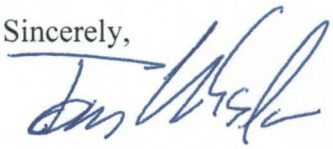

Tom Wheeler

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 3, 2016

The Honorable Elizabeth Warren
United States Senate
C2 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Warren:

Thank you for your letter expressing concern about the billing practices of Internet and pay TV services providers and the Commission's role in handling related consumer complaints. Your views are very important and I appreciate you bringing them to my attention.

The Commission's rules provide a number of protections for subscribers of Internet and pay TV services. For example, the Commission's rules require bills for cable television services to provide clear and concise billing statements. These rules also prohibit "negative option" billing for cable television services (i.e., charging for services or equipment that the subscriber has not affirmatively requested). The Commission, as well as local franchise authorities, may take actions to enforce these protections for cable customers.[1]

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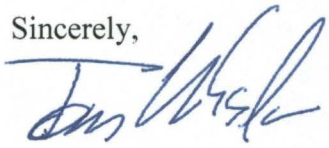

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

May 3, 2016

The Honorable Ron Wyden
United States Senate
223 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Wyden:

Thank you for your letter expressing concern about the billing practices of Internet and pay TV services providers and the Commission's role in handling related consumer complaints. Your views are very important and I appreciate you bringing them to my attention.

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