

Retransmission Consent

Retransmission Consent Benefits Viewers by Allowing Local Broadcasters to Serve Their Communities

- Retransmission consent is critical to local broadcasters' ability to provide local news, life-saving weather and community programming, as well as high-value, top quality entertainment programming.
- At a time when broadcasters face even stiffer competition from cable networks, the Internet, DVDs and other viewing options, the programming offered by broadcasters is still by far the most in demand. This is evidenced by the fact that their program ratings are significantly higher than programming offered by pay TV providers.
- In fact, during the 2008-09 television season, broadcast programming dominated the primetime program rankings. Among households, broadcast accounted for 197 of the top 200 programs for the season.

Retransmission Consent Negotiations are Fair and Market-Based

- The current retransmission consent process provides incentives for both parties to come to mutually beneficial arrangements.
- Despite rhetoric by pay TV providers, nearly every deal negotiated since 1992 has been completed without a disruption in service.
- Retransmission consent rights represent an opportunity for broadcasters to negotiate for the value of their signals, and do not guarantee compensation or carriage.

Retransmission Consent is Not Responsible for Higher Pay TV Prices for Consumers

- Pay TV companies can absorb retransmission consent fees without passing costs on to consumers. In fact, fees to retransmit broadcast programming account for only two-tenths of 1 percent of cable revenues today, and industry analysts predict they will never rise above 1 percent.
- Just last November, Multichannel News reported that "Cablevision Systems' Chief Operating Officer told analysts that any retransmission consent costs would not likely be shifted to consumers."

Proposed Changes to the Retransmission Consent Process Are Really a Bailout for Big Cable

- Big cable's calls for government intervention – such as the right to continue carrying broadcasters' signals without a negotiated agreement, or mandatory arbitration upon a pay TV provider's request – do not "reform" or improve the current system.
- These changes would eliminate the incentive to negotiate. Just ask Time Warner Cable CEO Glenn Britt. According to Multichannel News, in December 2007, he rejected a request to submit to arbitration with the NFL Network, writing that Time Warner Cable had successfully reached "agreements with hundreds of programming networks without the use of arbitration." We agree with Time Warner Cable that the best way to achieve results is to privately seek a resolution and not attempt to negotiate through the press or elected officials.
- Upending the current system would be the end of private negotiations and would politicize the interaction between broadcasters and pay TV companies.

The Best Way to Reduce Service Interruptions is to Allow All Parties to Negotiate

- Under the current system, broadcasters and pay TV providers know they must work together to reach mutually beneficial agreements.
- The possibility of government intervention on behalf of pay TV providers would remove the incentive to fairly negotiate – and would reward pay TV providers who take negotiations out of the board room and into the media and legislature.
- Although not every negotiation may be quick or amicable, in the long-run, the system of balanced, arms-length negotiations achieves benefits for broadcasters, pay TV companies and, most importantly, consumers.