

June 22, 2015

The Honorable John Thune
Chairman
Committee on Commerce, Science, and Transportation
United States Senate
254 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Thune,

NTCA – The Rural Broadband Association, ITTA – The Voice of Mid-Size Communications Companies, and COMPTTEL – The Competitive Communications Association respectfully request that the Senate Commerce Committee hold a hearing to examine video marketplace failures and the need for reforms of or updates to existing laws and regulations. Congress has tackled many pressing issues in recent months, but access to and the high cost of video content continue to be important aspects of our broader national policy debate over how best to drive broadband deployment and adoption.

While the connection may not be immediately apparent to some, the ability to provide video services has a direct effect on broadband deployment and ongoing operation of broadband-capable networks. Many carriers frequently use the same infrastructure to deliver both video and broadband services. In fact, the Federal Communications Commission found years ago that these services are intrinsically linked.¹ Access to video services drives broadband adoption, which in turn helps to justify the business case for broadband deployment. When smaller carriers are able to offer video and broadband services together, data show that broadband adoption increases by 24 percent,² making it more feasible to invest in broadband networks.

Network operators' ability to deliver video and broadband services, however, is hampered by outdated laws and rules that make the business case increasingly difficult, especially for smaller and new entrant video providers. For example, the retransmission consent regime is more than twenty years old and reflects an era with very different marketplace realities. This regime gives broadcast stations a stranglehold over access to programming and prevents providers from negotiating market-based rates for programming. As a result, consumers face blackouts of channels and ever escalating video costs.

Moreover, the marketing practices of video content providers, including the tying of undesired content with desired or "must have" content and forced tiering, also drive up the cost of video services and make it impossible for video providers to offer programming line-ups that are attractively priced and tailored to the consumer's needs or wants. Also, new ways of obtaining access to content via broadband are becoming increasingly popular. Policymakers

¹ MB Docket No. 05-311, 22 FCC Rcd 5101, 5132-33, ¶62 (2007).

² See NECA comments, GN Docket Nos. 09-47, 09-51, 09-137 (filed Dec. 7, 2009), p. 6.

should ensure that video policies do not impede the ability of consumers to avail themselves of alternative choices for content access.

NTCA, ITTA, and COMPTEL appreciate your past efforts to update video rules and encourage you to bring together video distributors and content providers at a Senate hearing to explain the challenges each faces. Such a hearing would help to inform what reforms are needed to enhance consumers' video experience and to ensure that outdated rules or other failures in the video distribution market do not undermine our nation's broadband goals.

Sincerely,



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