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Cable Television Rates Increasing Faster than the Rate of Inflation

The Federal Communications Commission (FCC) earlier this month released a report indicating that cable television rates have climbed 43% in the last six years. A congressional inquiry has been ordered to investigate why cable rates have climbed 7.5% in one year - far outpacing the rate of inflation. Further rate increases are expected later this year.

Is there anything your city, village or township can do about this? YES THERE IS !!

Under FCC regulations, communities may regulate the rates for basic tier cable television service, equipment rental and installation, after becoming certified to do so by the FCC. Rate regulation generally consists of reviewing certain forms filed annually by cable operators with the FCC and with local governments in order to justify their basic tier cable service rates and equipment rental, service and installation charges. Communities which regulate rates may order cable operators whose rates are unreasonable under FCC regulations to reduce their rates and to issue subscriber refunds for overcharges.

We have assisted over fifty communities with rate regulation and find that they have benefitted in at least three ways. First, rate regulation discourages the cable operator from putting through unreasonable rate increases that would not pass the community's scrutiny under FCC regulations. Second, rate regulation allows local officials to better respond to residents' complaints about cable rates - and to show that they are doing something about the problem. Third, cable operators do make mistakes in determining permitted rates and rate regulation ensures that these mistakes are corrected, and that appropriate rate reductions and refunds are put into effect.

If your community is not certified to regulate rates, you may want to consider becoming certified. If your community is already certified, be sure to demand the appropriate forms, and that they are timely reviewed. We can assist you in becoming certified or reviewing your rate regulation forms. For more information on cable rate regulation services provided by our firm, or for a copy of the FCC's *Report On Cable Industry Prices*, please contact any of the undersigned members of Walter & Haverfield's Cable and Telecommunications Practice Group.

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