



## Mediacom Communications Challenges FCC Chairman to Address Growing Crisis in Broadcast Television Marketplace

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MEDIACOM PARK, N.Y.--([BUSINESS WIRE](#))--Mediacom Communications today released a letter sent by the Company's Chairman and CEO, Rocco B. Commisso, to Federal Communications Commission Chairman, Thomas E. Wheeler.

In his letter, Commisso alerted Chairman Wheeler to a growing crisis in the broadcast television marketplace that is resulting in "a lose-lose-lose outcome for the American public." Chairman Wheeler previously expressed concern over the fact that the retransmission consent fees charged by local broadcasters grew 8,600 percent between 2005 and 2012. However, as Commisso stated, retrans costs have increased by another \$3 billion per year since Chairman Wheeler took office, "a larger increase than in any similar period since retransmission consent was created in 1992."

Commisso explained that PayTV costs are significantly higher in the U.S. than anywhere else in the world largely because the average monthly wholesale programming costs paid by most PayTV distributors have grown to over \$45 per subscriber. To put these wholesale programming costs in their proper perspective, Commisso noted that "\$45 is roughly the monthly retail price ISPs charge for their flagship broadband product."

Commisso acknowledged that the retransmission consent fees charged by broadcast station owners "are the fastest growing component of programming costs." He went on to describe how broadcasters plan to continue to use station blackouts as the primary tool for forcing retransmission consent fees from today's \$6 billion per year level to upwards of \$29 billion annually. He expressed his disappointment with the Chairman's policy of not meeting with parties to an ongoing retransmission consent dispute, "the very time when consumers most need your help."

Chairman Wheeler has "defended intervention in the broadband market by saying that a 'referee with a yardstick' is needed to ensure 'just and reasonable' practices," wrote Commisso. "But even though far more 'unjust and unreasonable' behavior regularly occurs in retrans negotiations and the financial harm to American consumers is much more meaningful, the FCC has chosen to sit on the sidelines rather than act as umpire," he continued. "The FCC," stated Commisso, "has ignored Congress' unambiguously expressed intent to ensure that retransmission consent does not lead to blackouts or significantly increased costs to consumers."

Commisso pointed out that despite the fact that there are four open rule-makings addressing problematic aspects of the broadcast television marketplace that are languishing before the Commission, Mediacom filed a new petition asking the FCC to adopt rules preventing a local broadcast station from imposing a blackout unless its signal is available for free over-the-air or via Internet streaming to 90% of the homes in the relevant market.

"Broadcasters have been gifted with hundreds of billions of dollars' worth of publicly owned spectrum and given governmentally protected monopolies," and "in return, they are supposed to provide local citizens with free over-the-air television service," explained Commisso. "The reality is that millions of Americans cannot receive a quality off-air signal," he continued, and "our new petition does nothing more than ask the FCC to ensure that broadcasters keep their part of the bargain and further the congressional goal of promoting universal availability of free broadcast television."

In closing, Commisso offered some immediate steps the FCC could take "to ease the ever-worsening financial pain being suffered by 100 million households across the country."

The full text of Commisso's letter to Chairman Wheeler and Mediacom's petition for rule-making as well as additional information about Mediacom's efforts to improve the video marketplace for consumers can be found at [www.mediacomonyourside.com](http://www.mediacomonyourside.com).

### About Mediacom Communications

Mediacom Communications Corporation is the eighth largest cable operator in the U.S. serving about 1.3 million customers in smaller markets primarily in the Midwest and Southeast. Mediacom offers a wide array of information, communications and entertainment services to households and businesses, including video, high-speed data, phone, and home security and automation. Through Mediacom Business, the company provides innovative broadband solutions to commercial and public sector customers of all sizes, and sells advertising and production services under the OnMedia brand. More information about Mediacom is available at [www.mediacomcc.com](http://www.mediacomcc.com).

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