

# 2017 ACA Member Survey on Retransmission Consent

## Executive Summary

### OVERVIEW

The American Cable Association surveyed its members to better understand the details of what they experience on the front lines of retransmission consent negotiations with corporate broadcasters. ACA members are small and medium-sized cable companies, and they are currently in the process of negotiating with broadcasters, including a handful of corporate media conglomerates, for the right to broadcast signals for local TV station affiliates such as ABC, CBS, FOX and NBC. With this member survey, ACA sought to dive deeper into the negotiation process to assess what its members are up against.

Survey results reveal that during retrans matters, cable companies are subject to broadcasters' "take it or leave it" approach to negotiating. Cable companies report that broadcasters use retrans negotiations to demand huge rate hikes and force unwanted channels into program lineups. To make matters worse, cable companies are concerned that their customers often blame them for the rate hikes and unpopular channels, when in fact the broadcasters dictate how much customers are forced to pay and which channels and networks must be carried.

### KEY FINDINGS

**Seventy-six percent** of respondents stated that broadcasters employ a "take it or leave it" approach to retrans negotiations.

- "That this is essentially not a negotiation – it is an agreement forced on us."
- "Cable companies have little to no negotiating power on rates."
- "Operators have zero leverage."
- ", there are no negotiations."
- "Extreme bullying and take it or leave it attitude."
- "They are inflexible – there is no negotiation."

**Nearly 70 percent** of cable companies stated that their top goal during retransmission consent negotiations is to keep fees as low as possible for customers.

- "We are negotiating to keep their prices down. We are not trying to get rich with rate increases and this is the main driver of why our smaller tiers are continuing to rise while there is no value added."

When asked about the future of retransmission consent negotiations, **63 percent** were concerned that if the process stays the same, it will harm their customers.

- "...This is unsustainable and consumers will lose in the end."
- "The entire process of retransmission consent gives broadcasters all of the power and is anti-competitive. They are hurting consumers and putting jobs at risk as small cable fights to survive."

Cable companies also want their customers to know that rate increases are not their fault – that the increases are due to the demands made by broadcasters in retrans negotiations.

- "Cable providers are being bullied to pay ridiculous fees that are increasing at [sic] unsustainable rates."
- "That the one-sided nature to these negotiations has caused and will continue to cause larger and larger cable rate increases."
- "We are in a no win situation and cannot control rate hikes."
- "That our hands are tied by outdated legislation and greedy broadcast corporations and that's why we are unable to provide them local choice at a reasonable price."

### METHODOLOGY

ACA conducted a survey of its members through Survey Monkey from November 8-15, 2017, and received 131 responses. The survey included multiple choice, open-ended and Likert scale questions.