



Satellite & Cable Programming

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North Dakota residents, like viewers throughout the country, are caught in the middle of money-related spats between local TV stations and cable or satellite providers. Many providers successfully negotiated new deals or extended existing agreements. Unfortunately, some did not—and while they fight it out, viewers are left with a blank screen instead of their favorite shows.

Local Network Broadcasts

Local broadcast signals (“over the air programming” - e.g. local CBS, NBC, ABC, Fox stations) are available to viewers free of charge (although a converter box may be required to convert the digital signals). Viewers who subscribe to cable and satellite services, however, may not wish to turn off their service in order to view local broadcast stations, preferring instead to view these local stations as part of their programming package.

Satellite and Cable Programming

A satellite or cable company is not required to offer local broadcast TV signals to subscribers who reside in the local TV station’s market, but it may choose to provide local broadcasting as a convenience to its subscribers. If it does, it may charge the subscriber an additional fee.

If a local TV network has more than one local TV station affiliated with it operating in a particular state, the satellite or cable company is only required to carry *one* of the affiliate stations. When a satellite or cable company elects to provide its subscribers with local broadcasting, it is required to provide all of the local broadcast signal assigned to that market area *unless* a local station opts to negotiate a fee.

Loss of Network Programming

To understand why this is happening, it is helpful to understand the differences between types of channels and how they make revenue: Cable and satellite providers have always paid channels such as ESPN, HBO, Nickelodeon, etc., to carry their programming. These channels make their revenue through commercials and, in some cases, “subscriber fees” that are collected directly from the cable or satellite company, which passes the cost on to its subscriber.

However, because broadcast TV is available to viewers free over the airwaves without the need for a cable or satellite service, local broadcasters have the option to charge a fee for allowing satellite providers to carry the programming (known as retransmission programming). Federal law permits the TV station to renegotiate this fee every three years.

Many local broadcast stations across the country, seeking to make up for reduced advertising dollars, have increased their fees to satellite and cable providers. If a local station airs many hit television shows, it may decide to increase the fee to reflect the popularity of its programming.

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Loss of Network Programming (continued)

Unless the provider company and the television station reach a new fee agreement before the old agreement expires, the viewer is left with a blank screen instead of their favorite television shows.

The provider company is not required to provide notice to its subscribers, although in most cases the viewers are given advance warning that the station may no longer be available on the program lineup after a certain date.

Network Programming from Other States

The country is split into different satellite/cable viewing regions (known as a “designated market area” or DMA), based on population within the counties in each area. Which local TV stations may be offered to a subscriber is determined by the DMA in which the subscriber is located. The satellite companies and FCC do not determine these DMAs.

Under federal law network affiliate feeds from outside the local area (known as “distant network programming”) can only be offered when a customer is not able to receive local channels (over the air broadcasting) using a rooftop antenna OR the local network TV affiliate grants a waiver. A local network affiliate is not required to grant a waiver.

If the reason the local network programming is not available is that the local affiliate station and the provider company have not reached a fee agreement, it is unlikely the TV affiliate will grant a waiver that would allow the provider company to instead carry the network’s programming from another part of the country.

Subscriber Services

Generally, a cable subscriber may cancel the cable service at any time. Satellite services, however, may require a long term commitment. The subscriber’s contract for services with the satellite provider generally includes language which gives the satellite company the right to change programming without permitting customers to avoid a penalty if they cancel.

To avoid unpleasant surprises consumers need to review and understand all the terms and conditions in the service contract before agreeing to any contract, and particularly a long-term contract. In addition to in-person solicitations, many of these solicitations occur by telephone or the Internet.

Consumers should not agree to any service contracts by telephone, the Internet, or in-person without first reviewing the written disclosures and terms of the service contract.

Complaints

The North Dakota Office of Attorney General does not have authority to take enforcement action when satellite or cable companies change their programming.

Television programming is regulated by the Federal Communications Commission (FCC). The FCC generally is not authorized to participate in discussions between television stations and satellite providers regarding retransmission programming.

To file a complaint, contact the FCC: <http://esupport.fcc.gov/complaints.htm>.

For more information about cable and satellite services, and local broadcast options, see:

<http://www.fcc.gov/cgb/consumerfacts/shvera.pdf>.