

FCC Requires 'All-In' Pricing for Video Service Bills and Marketing

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The Federal Communications Commission (FCC) has adopted new rules requiring "all-in" pricing for cable and satellite television services. Under the rules, all consumer bills and all promotional materials for video services that mention pricing must prominently display a single price that includes any charges related to the cost of video services. The rules do not limit the actual total charges for cable and satellite video services, but they do limit the ability of cable and satellite video providers to separately list charges for services that are sold in a single package.

The rules were adopted in response to concerns that video provider bills and marketing materials have increasingly separated the costs they incur for retransmitting broadcast TV stations and for regional sports networks from the costs for other programming, such as traditional cable channels. The new rules do not apply to streaming services or non-video products offered by cable and satellite operators, such as broadband internet or home security services. They also do not affect the FCC's <u>broadband label rules for internet access services</u>.

Under the rules, any time a cable or satellite video operator provides a price for its video services, that price must include any charges related to the programming that the customer or prospective customer will receive. Only service-related charges are covered by the rule, so video providers can show prices for equipment separately, and they still can bill separately for government taxes and fees, such as franchise fees. If promotional materials do not otherwise mention the price, they are not required to include all-in pricing.

The rules do not prohibit video providers from including an itemization of the elements of the price in either bills or marketing materials. However, the all-in price must be displayed prominently, in way that is easy to understand and accurate, and any itemization must be complementary to the disclosure of the all-in pricing. The all-in price for video service must be provided even when the customer is purchasing or being offered a multiproduct bundle, such as cable service plus broadband internet access.

The order also requires video providers to disclose additional information about promotional discounts. This information includes when a discount will end and what price will be charged at the end of the promotional period. Marketing materials being used regionally or nationally may disclose a range of all-in prices based on differing costs across the territory covered by the materials.

What's next

While the all-in pricing rule will not change the actual prices that cable and satellite TV providers can charge, most providers will have to adjust how they describe their pricing to account for the new requirements. This decision is part of a broader initiative by the FCC to increase transparency in consumer disclosures, along with the broadband "nutrition label" requirements that go into effect in mid-April 2024, and the FCC may take further action to require service providers to offer more information to consumers about services and prices.

The rules will go into effect for most cable operators and satellite TV providers on December 19, 2024, or when they are approved by the federal Office of Management and Budget, whichever is later.

For more information on the all-in pricing rules and how they affect participants in the video service marketplace, reach out to one of the Cooley lawyers listed below.

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