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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

December 23, 2016

Brian Roberts
President and Chief Executive Officer
Comcast Corporation
1701 JFK Boulevard
Philadelphia, PA 19103

Dear Mr. Roberts:

As you know, the U.S. Senate Permanent Subcommittee on Investigations held a hearing on June 23, 2016, as part of its investigation into the customer service and billing practices of cable and satellite television providers.¹ The Subcommittee's Minority Staff Report detailed deficiencies in these practices for each of the cable and satellite providers it investigated, including Comcast.² Two of the issues identified in the report and addressed at the hearing were the confusing placement of broadcast retransmission and regional sports network fees on customer bills and the inadequate disclosure of package pricing in advertisements.

At the hearing, we expressed our concern that Comcast and its competitors obscured the cost of programming by categorizing some programming costs as fees, such as the "Broadcast TV Surcharge" or "Regional Sports Network Fee." We found that cable and satellite providers group those fees on the bill alongside taxes and regulatory charges.³ Such placement is misleading in that it suggests to the subscriber that the government requires the cable or satellite provider to impose these charges. As you are aware, no federal, state, or local government levies the "Broadcast TV Surcharge" or "Regional Sports Network Fee," which are charged entirely at the discretion of Comcast and other cable and satellite companies. When we asked at the hearing about why these fees are displayed in a section devoted to taxes, Comcast replied, "We agree with you around the importance of the disclosure. We did notice our customers, and *we do not include it in the area with taxes or any government-mandated fees or surcharges.*"⁴ We would like to know whether Comcast's statement is accurate for *all* of its billing displays, *i.e.*, not only for monthly paper statements, but also for order confirmations and online bills.

Also at the hearing, Senator McCaskill discussed how the price of service Comcast advertises reflects only the promotional price of service, even though the expiration of promotional pricing could lead to a significant increase in a customer's bill.⁵ She asked each

¹ Permanent Subcommittee on Investigations, *Hearing on Customer Service and Billing Practices in the Cable and Satellite Television Industry*, 114th Cong. (June 23, 2016) (S. Hrg. 114-409).

² Permanent Subcommittee on Investigations, *Inside the Box – Customer Service and Billing Practices in the Cable and Satellite Industry*, Minority Staff Report, 114th Cong. (June 23, 2016).

³ Permanent Subcommittee on Investigations, *Hearing on Customer Service and Billing Practices in the Cable and Satellite Television Industry*, 114th Cong. (June 23, 2016) (S. Hrg. 114-409).

⁴ *Id.*

⁵ *Id.*

cable and satellite provider present whether it disclosed the non-promotional price of service in its advertisements as conspicuously as it did the limited promotional price. She also asked whether the companies disclosed the non-promotional price *at all* to potential customers. The Subcommittee did not get an adequate response to these questions.⁶

In light of these outstanding concerns, we ask that you provide the Subcommittee with recent reproductions of order confirmations, online bills, and paper bills in which its customers were charged Broadcast TV surcharges and Regional Sports Network Fees. We also ask that you provide a briefing for Subcommittee staff on any changes in its advertising or billing practices since the hearing that increase transparency for consumers.

We appreciate your cooperation with the investigation and thank you for your assistance in this matter. Please contact Rachael Tucker with the majority staff or Jackson Eaton with the minority staff at (202) 224-3721 with any questions. Please send any official correspondence relating to this request to Kelsey_Stroud@hsgac.senate.gov.

Sincerely,



Rob Portman
Chairman
Permanent Subcommittee on Investigations



Claire McCaskill
Ranking Member
Permanent Subcommittee on Investigations

⁶ *Id.*