
UPDATE
June 18, 2024

FCC Adopts All-In Pricing Requirements for Video Service Providers

Earlier this year, the FCC released an [Order](#) adopting new rules that will require MVPDs to provide the “all-in” price of video programming as a prominent single line item on subscribers’ bills and in promotional materials that state a price.

Under the rules, MVPDs will be required to state an “aggregate monthly (or other regularly occurring) price for video programming” as a “clear, easy-to-understand, and accurate single line-item.” This single line-item must include charges for broadcast retransmission consent, regional sports programming, and other programming-related fees on subscribers’ bills and in promotional materials. While the rules do not limit the actual total charges for cable and satellite video services, they will limit the ability of MVPDs to separately list charges for services that are sold in a single package.

Given that most MVPDs group separate broadcast and sports programming surcharges on consumer bills with other taxes and government-imposed fees, MVPDs should begin reviewing their billing practices now to ensure compliance with the forthcoming rules.

Background. In 2019, Congress passed the Television Viewer Protection Act (“TVPA”) which, *inter alia*, revised the Communications Act to add a new section relating to greater transparency in subscribers’ bills. Subsequently, in 2023, the FCC released a Notice of Proposed Rulemaking, observing that consumers who choose a video service based on an advertised monthly price may be surprised by unexpected fees that cable operators and DBS providers charge and list in the fine print separately from the top-line listed service price. The FCC found that such fees can be potentially misleading and make it difficult for consumers to compare the prices of competing video service providers. The all-in disclosure requirements do not prohibit additional disclosures or separate line items, including those required in the TVPA.

All-in Requirements. The FCC’s Order will require MVPDs to aggregate the cost of video programming as a prominent single line-item in promotional materials and on subscribers’ bills, including on bills for legacy or grandfathered video programming service plans. Importantly, the “aggregate cost” must include any and all amounts that the cable operator or DBS provider charges for video programming, including for broadcast retransmission consent, regional sports programming, and other programming-related fees as a prominent single line item in promotional materials (if a price is included in those promotional materials) and on subscribers’ bills.

If a price is introductory or limited in time, MVPDs must also state on subscribers’ bills the date the price ends, by disclosing either the length of time that a discounted price will be charged or the date on which a time period will end that will result in a price change for video programming, and the post-promotion rate 60 and 30 days before the end of any introductory period. MVPDs may complement the aggregate line item with an itemized explanation of the elements that compose that single line item.

Importantly, amounts beyond those charged to the consumer for the video programming itself, such as taxes, administrative fees, equipment fees, and franchise fees, or other such charges, are excluded from the “all-in” rule.

Bundled Services. MVPDs must separate the all-in price of the aggregate customer fees and charges specific to video programming. If a discount is applied, it also must be disclosed in clear, easy-to-understand, and accurate terms, including any expiration date. MVPDs are free to describe in their promotional materials the value of bundling, including the discounts associated with bundling various services.

Promotional Materials. Finally, MVPDs must state the all-in price of video service in advertising and marketing “in a clear, easy-to-understand, and accurate manner.” If part of the aggregate price for video programming fluctuates based upon service location, then the MVPD must state where and how consumers may obtain their subscriber-specific “all-in” price (for example, electronically or by contacting a customer service or sales representative). If a discount is applied, it also must be presented in clear, easy-to-understand, and accurate terms, which includes any expiration date, if applicable.

MVPDs may complement the aggregate price with an itemized explanation of the elements that compose that aggregate price. This requirement does not apply to the marketing of legacy or grandfathered video programming service plans that are no longer generally available to new customers.

Effective Date. Larger MVPDs are required to comply with the “all-in” rule by December 19, 2024, or when the Office of Management and Budget (“OMB”) completes its review, whichever is later. Small cable operators (those with less than \$47 million in annual receipts) are required to comply by the later of March 19, 2025, or the completion of OMB review.

If you have questions about the all-in pricing requirements or truth in billing and advertising in general, please contact Scott Friedman at (314) 462-9000 or sfriedman@cinnamonmueller.com.

FCC Proposes FY 2024 Regulatory Fees

On June 13, 2024, the FCC released a [2nd Notice of Proposed Rulemaking](#) seeking comment on its proposed regulatory fees for fiscal year 2024. Congress requires the FCC to annually collect regulatory fees to cover its operational costs, and the FCC sets the fees by calculating the proportion of the total number of FCC employees needed to regulate a particular service.

Proposed Regulatory Fees. The FCC has proposed the following regulatory fees:

- **2024 Cable/IPTV/DBS regulatory fee:** The FCC has proposed that all MVPDs that had subscribers as of December 31, 2023, pay \$1.27 per subscriber, a \$0.03 increase from 2022.
- **CARS licenses and permits:** The FCC has proposed that CARS facilities operating on October 1, 2023, pay \$1,820.00, even if the facility’s license expired after October 1, 2023.

- **Interconnected VoIP regulatory fee:** The FCC proposes an ITSP fee of \$0.00554 for each dollar of interstate and international telecommunications revenue that a provider reports on its Form 499-A.

Filing Procedures and Window. Following adoption of its FY 2023 Fee Order (likely in August), the FCC will collect these fees during a subsequent filing window (likely in September). All licensees must use their FCC username and password to access the [CORES Registration System](#), and review, create, update, or change the fees owed. Then, each licensee must make payments electronically – online payment with a credit card, online payment from a bank account, or by sending a wire transfer. CORES will print a Form 159-E for users to transmit for wire transfers.

If you have any questions about regulatory fee payments, please contact Scott Friedman at (314) 462-9000 or sfriedman@cinnamonmueller.com.

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