

### Background

Your local franchising authority (LFA) regulates the rate your cable company can charge for basic services programming and your cable company determines the rate you pay for other cable programming and services, such as premium movie channels and pay-per-view sports events.

### How Cable TV Rates Are Regulated

Your **local franchising authority** (LFA) -- the city, county, or other governmental organization authorized by your state to regulate cable television service -- may regulate the rates your cable company charges for the **basic services tier**. The basic services tier must include most local broadcast stations, as well as the public, educational, and governmental channels required by the franchise agreement between the LFA and your cable company. If the FCC finds that a local cable company is subject to "effective competition" (as defined by Federal law), the LFA may not regulate the rates it charges for the basic services tier. The rates charged by certain small cable companies are not subject to regulation. They are determined by the companies.

Your LFA also enforces FCC regulations that determine whether a cable operator's basic services tier rates are reasonable. The LFA reviews rate justification forms filed by cable operators. Contact your LFA if you have any questions about basic service tier rates.

### Non-Regulated Rates

The rates for **any tier of service** (other than the basic services tier) and for any pay-per-channel programming (i.e., a premium movie channel) and pay-per-program services (i.e., a pay-per-view sports event) **are not regulated**. Your cable company is free to charge any rate for these services. However, your cable company **may not require** you to purchase any **additional** service tier other than the basic services tier in order to have access to pay-per-view events or premium channels offered on an "a la carte" or individual basis. On the other hand, there is no law that requires cable companies to offer channels or programs on an "a la carte" basis.

Your LFA also is authorized to enforce FCC rules and guidelines in the following areas:

- **customer service**, for instance complaints about bills, or a cable operator's response to inquiries about signal quality or service requests; and
- **franchise fees**, which the cable company pays the LFA for the right to access public rights of way to offer cable service.

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## LFA Certification

Before it can regulate basic services tier rates, your LFA must be certified to do so by the FCC. The LFA must prove that it:

- has the legal authority and the personnel necessary to regulate rates;
- will adopt rules consistent with FCC rules governing the basic services tier; and
- will adopt procedural rules providing for notice and comment in rate regulation proceedings.

The LFA's certification becomes effective 30 days after it is filed with the FCC, unless it is denied. The LFA must then adopt the necessary rate regulation rules within 120 days of certification.

## What to Expect from Your LFA and Cable Company

- When the LFA regulates basic services tier rates, it should review any basic services tier rate increases to determine whether they are justified by increases in the cable company's programming or other costs. Questions concerning this review process should be directed to the LFA.
- You are entitled to write or call your cable company whenever you have complaints about cable services provided or program cost increases. You should expect a speedy response.

## Complaints or Questions?

Contact your LFA with complaints or questions about customer service, basic services tier rates, or franchise fees. The name of your LFA is found on your cable bill or in your local telephone book.

## Complaints or Questions? (cont'd.)

Contact your cable company with complaints about rates for tiers of service other than the basic services tier and for any pay-per-channel programming and pay-per-program services, because these rates are not subject to regulation.

If you are not satisfied with your cable rates, look for alternative multichannel video programming services that may be available in your area, such as competitive cable services, satellite television services, and open video system services.

You can also contact your local and state consumer protection organizations for assistance in understanding your rights and responsibilities as a cable subscriber.

### For More Information

For more information about cable regulation, visit the FCC's Media Bureau Web site at [www.fcc.gov/mb/facts/csgen.html](http://www.fcc.gov/mb/facts/csgen.html). For information about other communications issues, visit the FCC's Consumer & Governmental Affairs Bureau Web site at [www.fcc.gov/cgb](http://www.fcc.gov/cgb), or contact the FCC's Consumer Center by e-mailing [fccinfo@fcc.gov](mailto:fccinfo@fcc.gov); calling 1-888-CALL-FCC (1-888-225-5322) voice or (1-888-835-5322) TTY; faxing 1-866-418-0232; or writing to:

Federal Communications Commission  
Consumer & Governmental Affairs Bureau  
Consumer Inquiries and Complaints Division  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554.

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