



December 11, 2018

New York City Council
City Hall Park
New York, NY 10007

Re: Int. No. 1102 (Koo)—SUPPORT

Dear Council Members Koo, Richards, Constantinides, Grodenchik, Espinal, Salamanca and Kallos:

New York City can and should play a role to address the problem of skyrocketing company-imposed fees in cable bills. As such, Consumers Reports¹ is pleased to support your continued work and consideration of bill Int. No. 1102 introduced by Council Member Koo earlier this year. This legislation is simple, straightforward, and effective. It would begin to address the out-of-control fees problem in the telecommunications marketplace by requiring cable operators to better inform consumers of *all* fees comprising the monthly service charge for services rendered.

Specifically, Int. No. 1102 would mandate cable companies to furnish an annual notice to consumers that lists “every available non-covered service plan and associated prices, including all applicable rates, fees, charges, and other costs that a subscriber must pay to receive the service, and terms and conditions that apply to the service.”² This bill would also, importantly, require cable companies to provide consumers a confirmation of any new services purchased or changes to existing services that includes “a statement accurately describing all rates, fees, and charges, including all taxes and any other miscellaneous charges, that the subscriber or potential subscriber will be required to pay for the cable operator services, including a statement of the sum total of all such rates, fees, and charges,”³ within five business days, and would further allow consumers 72 hours to terminate service without penalty after receiving this confirmation.⁴

¹ Consumer Reports is an expert, independent, non-profit organization whose mission is to work for a fair, just, and safe marketplace for all consumers and to empower consumers to protect themselves. Consumer Reports is the world’s largest independent product-testing organization, using its dozens of labs, auto test center, and survey research department to rate thousands of products and services annually. Founded in 1936, Consumer Reports has over 6 million members and publishes its magazine, website, and other publications.

² *see* § 23-1303(a)(1) of Int. No. 1102.

³ *see* § 23-1304(a)(2) of Int. No. 1102.

⁴ *see* § 23-1304(a)(5) of Int. No. 1102.

When combined, these measures represent a step in the right direction to offer consumers more transparency and awareness of the growing number of company-imposed fees that are making cable bills more expensive. However, there is room to do more and we encourage you to hold hearings on this important legislation to explore how it might be improved.

For example, we endorsed a federal effort, H.R. 6987 “The TRUE Fees Act of 2018” introduced by Representative Anna Eshoo earlier this year. This bill addresses fee transparency in the telecommunications industry and mirrors the approach of the final rule the Department of Transportation (DOT) issued in 2011 to protect consumers from runaway airline fees. The “*Full Fare Advertising Rule*” for airlines requires that airline pricing include all mandatory taxes and fees, making it easier for passengers to determine the full price of their air transportation.⁵ Applying that remedy to the cable marketplace with limited exceptions would represent a huge victory for consumers who are weary of all the fees being charged by their service providers.

Consumer Reports looks forward to working with you and your staff to help refine and pass Int. No. 1102 into law. Please do not to hesitate to contact us should you have any questions or would benefit from our assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'JS' followed by a stylized flourish.

Jonathan Schwantes
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⁵ 49 U.S.C. § 41712; *see also* 14 C.F.R. § 399.