

McCaskill Customer Service Guidelines Amendment to S. 2799

Senator McCaskill intends to offer an amendment to S. 2799, the *Satellite Television Access and Viewer Rights Act*, to provide basic consumer protections for pay-TV customers.

The 1992 Cable Act required the Federal Communications Commission (FCC) to establish Customer Service Guidelines for cable operators. The FCC's guidelines were written to be enforced by Local Franchise Authorities (LFAs) while remaining silent on the FCC's ability to enforce the standards.

Senator McCaskill agrees with the intent of Congress in the Cable Act that LFAs are the most appropriate entity to enforce Customer Service Guidelines for cable operators. However, many are abdicating this responsibility – and many are even prohibited from enforcing consumer protections by state laws – leaving consumers frustrated with nowhere to turn. Additionally, satellite operators – which serve an estimated 30 percent of the pay-TV market – are subject to no similar customer service guidelines on matters such as: adequate notification of prices and rate changes; minimum requirements for transparency in billing; and timely dispute resolution, among others.

To address this gap in consumer protection the McCaskill amendment would:

1. Direct the FCC to update its customer service guidelines for cable operators

The provision requires that, at minimum, the revised guidelines address:

- communications between the cable operator and the subscriber (including standards governing bills and refunds);
- notifications to subscribers of prices and rate changes; and
- customer service availability and accessibility

In establishing the guidelines, the FCC is also instructed to:

- take into consideration the differences in capabilities and resources of cable operators based on their size; and
- provide the maximum flexibility possible for cable operators to comply with the guidelines in a manner that accommodates differences in technologies, geographical footprint, and financial resources among cable operators.
- consider clarifying the circumstances in which the commission may take enforcement actions

2. Clarify the FCC's authority to enforce customer service guidelines

The amendment allows the FCC to enforce the guidelines against a cable operator **ONLY** in instances in which:

- the LFA does not enforce the federal customer service guidelines established by the FCC (allowed under current law with 90-day notice from the LFA to the operator of its intent to enforce the standards); or

- the cable operator is not subject to comparable customer service guidelines established by the LFA.

3. Direct the FCC to establish customer service guidelines for satellite operators

The provision instructs the FCC to establish Customer Service Guidelines for satellite operators, mirroring wherever practical the guidelines for cable operators, while also taking into consideration the technological and business model differences between cable operators and satellite operators. It also instructs the commission to consider clarifying the circumstances in which it may take enforcement actions

The provision requires that, at minimum, the guidelines address:

- communications between the satellite operator and the subscriber (including standards governing bills and refunds);
- notifications to subscribers of prices and rate changes; and
- customer service availability and accessibility

The FCC is specifically prohibited from prescribing local office hours standards for satellite operators.

Because satellite operators are not subject to LFA or comparable state or local jurisdiction, the provision provides sole enforcement authority for satellite operator customer service guidelines to the FCC.

4. Grants the FCC general authority to prohibit unfair or deceptive acts or practices by cable and satellite operators.