



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

October 29, 2010

OFFICE OF
THE CHAIRMAN

The Honorable John F. Kerry
Chairman
Subcommittee on Communications, Technology,
and the Internet
Committee on Commerce, Science, and Transportation
United States Senate
218 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Kerry:

Thank you for your letter of October 19, 2010, expressing concern that the current framework for negotiation of the terms of retransmission consent by broadcasters, cable companies, and satellite operators is broken and in need of reform.

I agree with you that recent events raise issues of real concern. Negotiations between broadcasters and pay television providers have become increasingly fractious and we are now in the midst of an impasse resulting in a sustained blackout. I share your concern that the current system relegates television viewers to pawns between companies battling over retransmission fees.

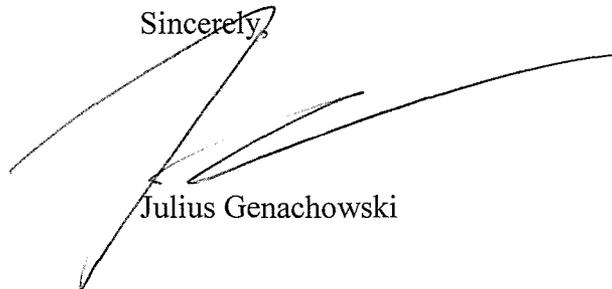
Under the present system, the FCC has very few tools with which to protect consumers' interests in the retransmission consent process. Congress granted the FCC limited ability to encourage agreement by ensuring that the parties negotiate in good faith. But current law does not give the agency the tools necessary to prevent service disruptions. Accordingly, I agree that it is time for Congress to revisit the current retransmission law and assess whether changes in the marketplace call for new tools to strike the appropriate balance of private negotiations and consumer protection. Such tools might include, for example, mandatory mediation and binding arbitration, which could prevent the kind of unfortunate stalemate that now exists between Cablevision and Fox.

The companies in the current dispute share responsibility for viewer disruption. The Commission will continue to push the companies to reach an agreement and serve the viewing public. For weeks the Commission has been admonishing the parties to reach an agreement, as so many other companies do each year. To protect viewers, the Commission issued consumer advisories informing Cablevision customers of their options in the event of the blackout that has now come to pass. We have urged the parties to agree to private third-party mediation. The Commission also launched an investigation into whether each party is complying with its legal duty to negotiate in good faith.

Page 2—The Honorable John F. Kerry

I look forward to working closely with you and your colleagues in Congress as you consider reforms to the retransmission consent law.

Sincerely,

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form the name Julius Genachowski.

Julius Genachowski