



Press Statement

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Set-Top Rental Fee Debate Is Designed to Distract; Multicultural Groups Must Come Together to Raise the Right Issues

Washington, DC (June 10, 2016): Sen. Edward Markey and Rep. Anna Eshoo’s press conference in support of the Federal Communications Commission’s (FCC) controversial set-top box proposal attacked the Congressional Black Caucus, including Congressman Yvette Clarke, for criticizing the proposal. MMTC has pointed out that this proposal promised to free consumers of set-top boxes when in fact it replaces one box with another. We affirm that the Commission should pause this proceeding to analyze the economic impact of this rulemaking.

MMTC President and CEO Kim Keenan stated:

“Pitting people of color against each other merely deflects from the true issue at hand. The real issue is that the Commission is gifting content to device manufacturers and edge providers without compensating content creators and programmers; gifting these third parties valuable consumer data without subjecting them to the consumer privacy protections that are in place; reshaping the media landscape so that creators and programmers will be forced to pay third parties to prioritize their content or be lost in the Internet ocean; and *increasing* costs for the consumer through *new or additional* hardware fees.

“Everyone would be supportive of a rule that reduced or eliminated unnecessary costs, especially for the consumers who are least able to afford them – but there is *no independent evidence* that the proposal will actually decrease costs. Instead of the promised freedom from set-top boxes, the Commission is in fact attempting to adopt a government-mandated rule that enables third-party box manufacturers to unbundle and profit from diverse content without negotiation or payment. Ultimately, this will diminish the value and viability of diverse content available for consumers.

“The bottom line is, we do have far too little multicultural content on all platforms. However, the FCC’s proposed rule would result in massive disruption with dire consequences for diverse programmers. We have yet to hear a viable explanation for why the use of apps, which is supported by multicultural cable programmers and already exists in the marketplace, does not work. The Commission has not supported calls for a GAO-conducted independent economic study to verify its claims that the proposed rules would be in the best interest of consumers. If the FCC truly wanted to solve this, it would conduct an independent study on the impact of its proposal and not rush to enact a rule that forces businesses that operate on one media platform to turn over their hard work and intellectual property to another platform, without compensation.”

MMTC is on record urging the Federal Communications Commission to conduct evidentiary studies assessing the proposal’s impact on: 1) diversity in content, 2) consumer cost, and 3) consumer privacy, all of which directly impact multicultural consumers, content creators, and programming networks.

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About MMTC:

The Multicultural Media, Telecom and Internet Council (MMTC) is a non-partisan, national nonprofit organization dedicated to promoting and preserving equal opportunity and civil rights in the mass media, telecommunications, and broadband industries, and closing the digital divide. MMTC is generally recognized as the nation’s leading advocate for minority advancement in communications.