

Record Request #1 - Attachment

If the customer asks:	Talking Points
What is the Broadcast TV Fee?	<ul style="list-style-type: none"> • Overall broadcasting fees increased by almost 40%. • Broadcast TV Fee breaks out the customer impact of these escalating prices. • Although our broadcast fees increased by almost 40% in 2013, we are only asking our customers to pay a portion of what we pay to broadcasters in this new \$2.25 Broadcast TV fee.
Why has this become an issue in recent years?	<ul style="list-style-type: none"> • Broadcast stations can be seen by our viewers for free over the air using public airwaves granted to them by the FCC. • In the past, their signals were available to Time Warner Cable at no or low cost, and they made the majority of their money through advertising. • In recent years, broadcasters realized they could make much more money by charging cable companies, including TWC, significant amounts to carry their TV signals.
Why can broadcast TV stations charge for carriage of their signals?	<ul style="list-style-type: none"> • Currently, Broadcast TV stations are allowed to charge cable companies for their signal even though the signals are available free over the air with public airwaves granted to them by the federal government. • A lot has changed in the industry since the 1992 Cable Act and we believe the current laws are outdated. • We are encouraged that both Democrats and Republicans in Washington recognize the escalating harm to consumers and have proposed legislation that would update the laws.
You've been paying broadcasters for many years, what's different now that would warrant this change?	<ul style="list-style-type: none"> • In the past, this increase has been part of our overall package price increases, but we believe it's important to break out this cost to demonstrate the substantial increases broadcasters charge Time Warner Cable and other cable and satellite companies. • Retransmission fees paid by TV providers like Time Warner Cable have become a huge source of revenue for networks and local broadcasters. That's in addition to the money they already make selling advertising on their programs. Those "retransmission" fees skyrocketed from \$215 million in 2006 to more than \$3 billion in 2013, and are projected to eclipse \$6 billion in 2018, according to independent media researcher SNL Kagan.
Why break out this fee	<ul style="list-style-type: none"> • We think it's important to demonstrate how these higher

<p>as a separate line item?</p>	<p>pricing demands from broadcasters impact our customers. In the past, these fees have been included in the overall package price, but they have become a much more significant portion of our overall costs over the past several years. In fact, our broadcast fees increased almost 40% in 2013 alone.</p>
<p>How much are the broadcasters charging?</p>	<ul style="list-style-type: none"> • We are contractually prohibited from disclosing specific broadcaster charges. Time Warner Cable negotiates with each broadcaster separately and works diligently to hold the line on their increased pricing demands. Still, last year our overall broadcast fees increased by almost 40%, and this fee represents only a portion of our actual cost.
<p>What's the alternative to these rising costs? Will local broadcast stations be dropped?</p>	<ul style="list-style-type: none"> • Time Warner Cable has taken a stand against huge fee increases by local broadcast TV stations and we work hard to come up with reasonable agreements. In the past, you have seen stations blacked out when an agreement cannot be reached and we realize that puts you in the middle of our dispute. Ultimately, if we don't agree to pay, broadcasters can withhold their channels, which hurt customers. • To underscore how these rising costs continue to impact viewers, in 2013 broadcasters blacked out their channels in 19 different markets across the country. There were 127 separate broadcaster blackouts in 2013, up from 91 in 2012, 51 in 2011 and a dozen in 2010, according to the American Television Alliance.