TheFutureOfTV

More Ads, Less Privacy, Higher Costs

The FCC's Set-Top Mandate is a Bad Deal for Everyone Who Watches TV

- **Higher Costs.** Chairman Wheeler claims his intention is to lower TV bills, but his proposal would instead drive up costs as customers are forced to foot the bill for infrastructure overhauls and new in-home hardware. Experts who examined this issue during DSTAC confirmed that approach Chairman Wheeler has embraced will require TV companies to re-architect their networks and design, build, and install new in-home equipment – more boxes, not fewer. And that's before even considering the cost of retail devices; TiVo's current competitive box costs several hundred dollars up front plus $15 per month for service – significantly more expensive than the cost of leased boxes or consumer-owned app-based devices like Roku.

- **An Invasion of Privacy.** Existing TV providers are required by law to protect the privacy of their video subscribers' individual viewing history and other personally identifiable information. But under the FCC's proposed mandate, tech companies like Google would be allowed to track and market your individual viewing habits without the protection of these strong Title VI privacy laws. While Chairman Wheeler has acknowledged these privacy concerns, the FCC continues to insist that device makers will NOT be subject to Title VI under the proposed rule.

- **More Ads.** App and device makers will be free to flood our screens with Internet style pop-up, banner, and wraparound ads to cash in on the programming given them, for free, by the FCC. And while existing TV companies are required to limit the number of commercials they air in programming directed to children, these tech companies offering new boxes and apps may not be subject to these restrictions.

- **Delayed Innovation.** TV viewers are enjoying an unprecedented wave of innovation that has given them more choices than ever for what to watch and how to watch it, from skinny bundles and streaming libraries to smart TVs and Roku players. But Chairman Wheeler's plan will undermine this market-driven apps revolution, instead kicking off a years-long standards setting process to settle on an FCC-mandated solution to a problem that is already being solved by the marketplace.

- **Less Program Diversity**. Small, independent, and diverse programmers have warned that this proposed mandate is a major threat to their networks – making their services harder to find, shrinking their production budgets, and possibly driving some out of business altogether. Viewers will have fewer choices and less diverse options under this rule.

- **Customer Support.** If a customer plugs in a new third party retail device and gets static, who will they call? Tech companies like Google don't have local service offices, while cable and satellite company customer service agents may not know how to fix or advise their customers about using these devices. When these devices fail, will the manufacturer reimburse customers for the costs of programming they cannot see?

- **Losing Access to Local Channels.** Tech companies would be free to move local, educational, and public access channels, relocating this programming to the far corners of the channel guide or the bottom rungs of search results.