

Ellen Klem, Director of Consumer Outreach & Education Oregon Department of Justice 1162 Court St. NE Salem, OR 97301

Emailed as an attachment to: Ellen.Klem@doj.state.or.us on March 15, 2017

Dear Ms. Klem,

As local government agencies that assist individual cable TV subscribers with resolving complaints against cable companies, we are writing to request a meeting to discuss a disturbing trend that we believe might have consumer protection implications under Oregon law. Based on a March 8 Oregonian article about Century Link complaints, we believe you are also aware of the issue. We would like to have some initial discussions about possible options for moving forward.

The issues of concern revolve around "fees" cable companies charge to subscribers that are not included in the stated monthly rates for cable TV programming packages but that subscribers are required to pay monthly as part of the programming package (ie. A subscriber cannot "opt out" of the fee and still receive the programming package). The subscriber complaints we've received generally take three different, but related forms: Subscribers with long-term service contracts for set rates are charged new add-on fees and increases to those fees resulting in monthly rates higher than the contract amount; subscribers are told a monthly programming package rate but their bill for the programming package – with all the required "fees" added - is much higher; or the rates advertised by a company do not include the fees and therefore, the programming package is not actually available at the advertised rate.

For example, a complaint received in January from Ms. Sisson, a Comcast cable customer, mirrors those of Comcast and other cable company customers across the state. She signed a term contract for a specific cable package at a specific advertised rate, only to learn later the extent of the additional fees and that these fees are often increased again during the agreed upon contract period with no apparent limit to the increases. She has a service contract and the monthly amount she actually pays for her programming package is more than her contracted amount; and Comcast states that it can increase and/or add on fees even though the programming package received by the subscriber is the same.

We began receiving complaints about add-on fees in December 2013. This practice was first implemented by Comcast and other cable companies have followed their lead and adopted similar fees. Currently the add-on fees can result in monthly programming package rates of at least \$10 more than the contracted or advertised rates. The fees in question are not government imposed fees/taxes, fees for leasing equipment, or one-time fees for a service.

Under Federal law and FCC rules, local cable commissions and governments are largely prohibited from regulating cable rates and prices. We are seeking the assistance and investigative powers of the Attorney General's Office to help assist with complaints of Ms. Sisson and others like her. We would like to discuss whether you or your staff might see any paths forward under the Oregon Unlawful Trade Practices Act or other regulations.

Please contact Scott Ellertson, MHCRC Program Coordinator, to schedule a time to meet. His contact information is <u>scott.ellertson@portlandoregon.gov</u> or 503-823-0039. We look forward to hearing from soon.

Sincerely,

Julie Omelchuck, Program Manager Mt. Hood Cable Regulatory Commission (Portland, Gresham, Troutdale, Fairview, Wood Village and Multnomah County)

Fred Christ, Metropolitan Area Cable Commission (Washington County and 14 cities)

Reba Crocker, Right-of-Way Contract Coordinator City of Milwaukie

Pam Berrian, Telecommunication & Cable Program Manager City of Eugene