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## The issue:

**Congress should allow broadcasters and pay-TV operators to continue to conduct private, market-driven negotiations for retransmission consent and avoid tilting the scales in favor of either entity.**

- Government intervention through legislative changes will only disrupt a marketplace that has resulted in abundant, locally focused programming choices and services that benefit consumers and communities across America.

## Here's why:

- Congress has long recognized that local TV stations should be allowed to negotiate compensation with cable and satellite operators for the retransmission of their signals.
- Cable and satellite operators are then able to resell broadcast signals to subscribers, amounting to billions of dollars in profits. Despite having the highest-rated programming on television, broadcasters have routinely been the least compensated on a per-viewer basis.
- The big pay-TV companies falsely claim broadcast retransmission fees are responsible for higher cable bills. The truth is, **cable bills have risen faster than – sometimes triple – the rate of inflation** since the mid-1990s, long before broadcasters received cash compensation for their signals.

In spite of this, the big pay-TV companies would like Congress to upend the retransmission consent process and weigh in on private, market-based negotiations in order to reduce their programming costs while padding their profit margins.

- Their goal is to avoid fairly compensating broadcasters, who produce the highest-rated content on television. The current free-market process provides incentives for both parties to come to mutually beneficial arrangements, which is why negotiations are completed with no service disruptions or fanfare the great majority of the time.
- The reality is that it is only two companies – DIRECTV<sup>1</sup> and DISH – manufacturing a crisis for policymakers. **They alone were responsible for 89% of retransmission consent impasses from 2017 to 2023.<sup>2</sup>**



# Allow Broadcasters to Continue Negotiating in the Free Market

- Unfortunately, these pay-TV companies are using viewers as pawns to pursue legislative changes to gain unfair leverage during carriage negotiations, including weakening or eliminating rules ensuring consumer access to broadcast programming on the basic tier and rules that guarantee local broadcasters can deliver and sustain programming in their local market.

## The bottom line:

The retransmission consent negotiation process is fair and market-driven. Eliminating stations' ability to negotiate for the value of their signals would mean less choice for viewers and fewer resources for stations to dedicate to local news, public affairs programming, emergency weather events and community activities. **Congress should not upend this free-market process.**

<sup>1</sup> DIRECTV includes MVPD services provided by both AT&T U-verse and DIRECTV

<sup>2</sup> Source: NAB Analysis of SNL Kagan Retransmission Databases. Dec. 2023