



# STATE OF CONNECTICUT

## PUBLIC UTILITIES REGULATORY AUTHORITY

*Last Revised July 20, 2020*

## Cable Sector Frequently Asked Questions

### PURA Cable Sector Regulation Information

#### Who regulates cable rates?

Under state and federal law, PURA is unable to regulate cable rates.

#### Does PURA regulate satellite providers of television service?

PURA does not have jurisdiction over satellite providers of television service. Although the Authority does not have jurisdiction, the Connecticut Department of Consumer Protection may be able to assist you with unresolved complaints involving satellite providers of television service. You may write to Consumer Protection at the following address:

Department of Consumer Protection  
165 Capitol Avenue  
Hartford, CT 06106

### Customer Complaints Related to Cable Service

#### Who should I contact about a cable company related complaint?

You should always contact your cable company first when you have a complaint. In many cases, the customer service representatives at your cable company will be able to assist you and solve your problem. The telephone number for your cable company should be on your cable bill.

Your cable company has jurisdiction over the following issues:

- Programming carried on the system. With the exception of rules that require cable systems to carry certain local broadcast stations, cable systems decide which programming services to carry. Therefore, you should contact your cable system if it has dropped a particular channel.
- Carriage of FM and AM radio stations.
- Charges for pay-per-view or pay-per-channel programming. The rates charged for this type of programming are not regulated.

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Questions or complaints handled by the Authority include:

- Customer service problems, including billing disputes, office hours, telephone availability of personnel, installations, outages and service calls.
- Signal quality, including interference and reception difficulties.
- Use of public, educational, and governmental (PEG) channels. These channels may be required as part of the franchise agreement. Your local franchise authority can provide information on any terms or conditions of use.

You should contact the FCC if you have complaints or questions about the following issues:

- Equal Employment Opportunity (EEO) complaints. Contact the FCC, Media Bureau, Policy Division, EEO Branch, 445 12th Street, S.W., Washington, D.C. 20554.
- Signal leakage from cable systems, which can result in interference to other users of the spectrum, including aeronautical services. Contact 1-888-225-5322 or send your inquiry to FCC, Consumer & Governmental Affairs Bureau, 445 12th Street, S.W., Washington, D.C. 20554.
- Cable home wiring questions. If you believe that your cable company has violated the rules governing your ability to access and to use cable home wiring, please send a letter outlining the facts to the FCC, Media Bureau, Policy Division, 445 12th Street, S.W., Washington, D.C. 20554.
- Commercial limits for childrens' programming. Write to the FCC, Enforcement Bureau, Investigations & Hearings Division, 445 12th Street, S.W., Washington, D.C. 20554.
- Indecency and obscenity. Generally, the rules concerning the content of programming on cable channels are not as strict as the rules concerning programming content on non-cable channels. If you object to programming on a cable system, you may contact the FCC to determine what rules may be applicable and what action may be appropriate. Call 1-888-225-5322 or send your inquiry to FCC, 445 12th Street, S.W., Washington, D.C. 20554.

You can contact the FCC for assistance in understanding cable regulations at the following telephone numbers and addresses:

- Written communications: Federal Communications Commission, General Cable Inquiries, 445 12th Street, S.W., Washington, D.C. 20554;
- Telephone assistance: 1-888-225-5322 to have fact sheets describing various aspects of cable regulations sent to you or to ask questions; or
- You can access recent Commission decisions regarding cable regulations via the Commission's Internet site, [www.fcc.gov](http://www.fcc.gov).

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## Cable Service Rates Information

### My monthly bill shows charges for various fees. What are these?

There are two types of fees that cable operators may be required to pay, although both of these fees are typically referred to as franchise fees. The first type of fee is a regulatory fee, and the second type of fee is a negotiated fee. Cable operators are allowed to be reimbursed for both types of fees by recovering the costs from subscribers.

**Regulatory Fees:** Connecticut does not impose a license fee, but does impose other costs, as listed below.

**FCC Fee:** The Federal Communications Commission requires payment from the cable operator on an annual basis to offset the cost of federal regulation. Depending on your cable operator, this fee may be called an "FCC Fee," "FCC Mandated Fee," or "Regulatory Fee."

**Negotiated Fees/Franchise Fees:** Under federal law, non-capital costs relating to license requirements are considered franchise fees and may be passed onto subscribers. For example, cable operators are required to set aside channels for public, educational, and governmental ("PEG") use. The monies spent to maintain the PEG access studio, equipment, and personnel are considered franchise fees and may be passed on to subscribers. Fees vary based on franchise area. These fees appear on monthly bills as "Franchise Fees," "Franchise Costs" or "Access Fees."

**Gross Earnings Tax:** The history of the gross earnings tax dates back to 1965. At that time, the existing gross earnings tax in Connecticut General Statutes (Conn. Gen. Stat.) §12-258 was revised by the Legislature to add cable television systems at a rate of six percent. In 1971, the rate was changed to eight percent. Public Act 81-255 increased the rate again to nine percent. Finally, Public Act 89-251 reduced the rate to the current five percent.

Cable television systems itemize the gross earnings tax, sometimes identified as the franchise fee, on the monthly cable bills. This is confusing to many subscribers. They believe they are being taxed incorrectly because the sales tax is computed on the total bill, including the gross earnings tax. However, we have been advised by the Department of Revenue Services (DRS) that this treatment is correct.

DRS states that the gross earnings tax is a tax on the company, like the federal income tax or state property tax. As such it is an expense of the company. According to Conn. Gen. Stat. §12-407(8), the "Sales Price" of a company's product or service, upon which sales tax is computed, includes "the cost of materials used, labor or service cost, interest charged, losses or other expenses." Although cable television systems have chosen to treat this one expense differently by identifying it separately on your bill, the gross earnings tax is, by statutory definition, a part of the sales price and, therefore subject to sales tax.

If you have further questions, DRS's Taxpayer Service Division may be reached by phone toll-free at 1-800-382-9463.

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### **Is the cable operator allowed to charge sales tax?**

Yes. Cable operators may charge subscribers a Connecticut sales tax for the lease of remote controls. The tax must be itemized separately on your bill.

### **Cable Billing Information**

#### **Is my cable company allowed to bill me in advance?**

Yes, Connecticut regulations allow cable operators to bill subscribers up to two months in advance. However, most cable operators providing service in Connecticut only require payment for one month in advance.

#### **When is payment for my cable bill due?**

Connecticut regulations require cable operators to include a specific due date on subscribers' bills. The due date must be at least five business days from the date the bill was mailed. Your bill should be paid by the specified due date.

#### **When is my account considered delinquent for non-payment?**

A subscriber's account can be considered delinquent if payment has not been received by the cable operator thirty days after the due date shown on the subscriber's bill.

#### **Is my cable operator allowed to charge me a late fee?**

Yes, but only after the following conditions are met: (1) a subscriber's account must be considered delinquent, meaning payment has not been received within thirty days from the bill due date; (2) the cable operator must provide the subscriber a written late charge notice; and (3) the subscriber must be given eight days from the date the amount becomes delinquent to pay the balance due. If an account meets these conditions, cable operators are allowed to charge up to five percent on the balance due in the form of a one-time late fee. A late fee cannot be imposed on any charge that is in dispute while the complaint mechanism outlined below is being followed.

#### **Is my cable operator allowed to disconnect my service for non-payment?**

Cable operators are allowed to disconnect cable service for non-payment under the following conditions: (1) a subscriber's account must be considered delinquent; (2) the cable operator must give the subscriber written termination notice; and (3) the subscriber must be given at least eight business days from the mailing date of the termination notice to pay the balance due.

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## **What can I do if I disagree with a charge on my cable bill?**

Subscribers who disagree with a charge on their cable bill should contact the cable operator as outlined below:

Subscribers should immediately contact the cable operator to file a billing complaint. Under Connecticut regulations, the cable operator must be contacted within thirty days from the due date shown on the subscribers' bill. The cable operator is required to investigate and respond with a decision within thirty business days of receipt of a billing complaint.

## **Establishing Cable Service**

### **What information should I receive before I subscribe to cable television?**

Connecticut regulations require cable operators, upon request, to give potential subscribers written notice of their services, rates, charges, and billing practices before a subscription agreement is reached. The billing practices notice should include the cable operator's policies regarding frequency and timing of bills, payment requirements necessary to avoid account delinquency, billing dispute resolution procedures, and late payment penalties.

## **Cable Programming Information**

### **Why does programming differ from community to community?**

Under federal law, cable operators are allowed to select the programming they want to carry and to package that programming in a manner they determine is best. Cable operators consider a number of factors when deciding how to package their programming. Legal, technical, financial, and demographic factors can influence the cable operator's decision to carry certain channels. For example, federal regulations require cable operators to include certain over-the-air broadcast channels along with other local channels on the basic service tier.

### **Are cable operators required to carry local broadcast programming?**

Yes, but this is subject to negotiation between the cable operators and broadcasters. Federal law provides broadcasters the option of either requiring a cable operator serving the relevant market to carry its station ("must-carry"), or requesting compensation from the cable operator for the right to carry the broadcaster's station ("retransmission consent"). Many larger broadcasters choose retransmission consent, and the resultant compensation from cable operators is often passed through to subscribers in the form of a "Broadcast TV Fee" or similar charge. Many smaller broadcasters choose to invoke their must-carry rights.

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