Charter’s hidden “Broadcast TV” fee now adds $197 a year to cable bills



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Charter Communications is raising the “Broadcast TV” fee it imposes on cable plans from $13.50 to $16.45 a month starting in August, Stop the Cap reported.

Charter says the Broadcast TV fee covers the amount it pays broadcast television stations (e.g. affiliates of CBS, NBC, ABC, and Fox) for the right to carry their channels. But for consumers, it is essentially a hidden fee because Charter’s advertised TV prices don’t include it.

Charter has raised the fee repeatedly—it stood at $9.95 in early 2019 before a series of price increases. At $16.45 a month, the fee will cost customers an additional $197.40 per year. Charter sells TV, broadband, and phone service under its Spectrum brand name and is the second largest cable company in the US after Comcast.

Charter imposes a smaller Broadcast TV fee on its streaming TV plans, but is raising that charge from $6 to $8.95 a month, Stop the Cap wrote. Charter is also raising the base price of its TV service. “Spectrum’s most popular TV Select package is expected to increase $1.50/month to $73.99/month,” Stop the Cap wrote. “Customers on a promotional pricing plan will not

see this rate increase until their promotional pricing expires."

Charter confirms increase

A Charter spokesperson confirmed the Broadcast TV and TV Select price increases when contacted by Ars today. The Broadcast TV fee change will apparently apply even to customers who are on promotional deals that lock in a price for a set amount of time. Charter told us that promotional prices apply to the "package price," which "will not change until the end of their promotional period." But Charter said that the "Broadcast TV Service Charge is separate from the TV package price," so it can go up regardless of whether a customer is still on a promotional deal.

Charter's statement to Ars said that "programmers annually raise programming fees to deliver the same content, leading to higher costs across the entire industry. The increase we are passing through to viewers is a direct result of these rising programming costs."

Comcast's Broadcast TV fee is $14.95 a month.

No discounts for lack of live sports yet

Cable customers haven't gotten discounts for sports channels even though major sports leagues suspended play over the past few months during the coronavirus pandemic. As we explained in a previous story, whether consumers get refunds will depend on negotiations involving cable companies, sports leagues, and broadcasters.

Charter reiterated to us today that it "will pass through [to customers] any rebates we receive from the loss of live sports during COVID-19."

Charter does not charge a Regional Sports Network fee, while companies including Comcast, AT&T-owned DirecTV, and Verizon charge both the Broadcast TV and sports fees. Sports costs are simply part of the package with Charter instead of being put into a separate fee, and it isn't clear how big any pandemic-related refunds will be.

Charter faces another lawsuit over hidden fee

Charter has faced lawsuits alleging that the Broadcast TV fee is misleading. A class-action lawsuit filed in May 2020 against Charter in US District Court for the District of Connecticut says:

> *Across all its advertising channels, Charter consistently and prominently advertises a flat, fixed monthly rate for its television service and cable service packages which include television service.*
>
> *For years, Charter has not disclosed that it actually increases those promised fixed monthly rates through multiple schemes. Among other omissions, Charter does not fully or accurately disclose the existence or amount of its Broadcast TV Surcharge prior to sign-up, and does not disclose that it periodically increases that surcharge (and thus customers' monthly rates) at its discretion.*

Charter customer-service reps have falsely told customers who call to complain "that the Surcharge is a tax or government fee," the lawsuit said. The lawsuit points out that "[a]ny costs Charter pays to carry local channels are part of the inherent cost of Charter's business of providing television services." The Broadcast TV charge is thus "a way for Charter to charge more per month for its basic service without having to advertise the actual, higher price," the lawsuit said.

Disclosure: The Advance/Newhouse Partnership, which owns 13 percent of Charter, is part of Advance Publications. Advance Publications owns Condé Nast, which owns Ars Technica.

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