



# AMERICANS FOR LIMITED GOVERNMENT

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July 7, 2014

The Honorable John Thune  
511 Senate Dirksen Office Building  
Washington, DC 20510

Dear Ranking Member Thune,

Please oppose imprudent calls for more government intervention in an effort to “reform” the retransmission consent process.

As your Committee considers legislation that would extend the Satellite Television Extension and Localism Act (STELA), we urge you to eschew rent-seeking provisions masked as government deregulation. We recognize the opportunity to update our nation’s video marketplace policies, but STELA should not be used as a vehicle for regulatory riders or special-interest “reforms.”

A true first step to deregulate the marketplace would be to simply allow STELA to expire: this would eliminate the current compulsory license for the importation of distant broadcast signals and terminate several video marketplace regulations that only apply to broadcasters. However, if it must be extended, there is no question that any reauthorization should exclude changes to the retransmission consent system.

The Senate Judiciary Committee passed a clean version of STELA, and today we respectfully ask the Commerce Committee to do the same.

Congress has recognized broadcasters’ right to compensation for the product of their labor from cable and satellite providers for retransmission of their stations’ valuable signals to subscribers. Under the current system, broadcasters and pay television providers negotiate in the free market to reach mutually beneficial agreements — with agreements successfully reached an overwhelming majority of the time. It would be a mistake for the federal government to hobble broadcasters’ right to negotiate fair market value for their product.

It is also clear to us that for the federal government to cherry-pick deregulating the retransmission consent process, without consideration of the video marketplace as a whole, is the kind of thumb on the scale that Congress should avoid. As the name Americans for Limited Government makes obvious, we and more than 100,000 members strongly discourage any attempts to inject government into private negotiations.

We urge you to oppose proposals such as the Next Generation Television Marketplace Act and any attempts to attach it, in whole or in part, to STELA. It would be more judicious to let STELA expire now and pursue broader regulatory reform as part of a comprehensive review of the Communications and Copyright Acts in the next Congress than to proceed with an amended STELA that damages the current delicate balance between broadcasters and content carriers.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Paul Mehrens". The signature is fluid and cursive.

Nathan Mehrens  
President  
Americans for Limited Government