

HEARING EXHIBITS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

JUNE 23, 2016

“CUSTOMER SERVICE AND BILLING PRACTICES IN THE CABLE AND
SATELLITE TELEVISION INDUSTRY”

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EXHIBIT 1: SUBSCRIBER BASE AND MARKET CAPITALIZATION OF TV PROVIDERS






TV PROVIDERS	VIDEO SUBSCRIBERS	COMPANY VALUE	ESTIMATED % OF ALL HOUSEHOLDS	ESTIMATED % OF SUBSCRIBER HOUSEHOLDS
CABLE COMPANIES				
	22,400,000	\$145.67B	16.72%	22.4%
	11,056,000	\$59.66B	8.25%	11.06%
	4,445,000	\$25.77B	3.32%	4.45%
SATELLITE COMPANIES				
	20,112,000	\$47.18B	15.01%	20.11%
	13,874,000	\$23.758B	10.35%	13.87%

EXHIBIT 2: PRICE INCREASES FOR CHARTER'S BUNDLED SERVICE PACKAGES, AS OF 2014



RATES			
SERVICES	YEAR 1	YEAR 2	STANDARD
	 Triple Play		
TV Select + Internet + Phone	\$89.97	\$109.97	\$129.97
TV Silver + Internet + Phone	\$109.97	\$129.97	\$149.97
TV Gold + Internet + Phone	\$129.97	\$149.97	\$169.97
	 Single Play		
TV Select	\$39.99	\$59.99	\$59.99
TV Silver	\$59.99	\$79.99	\$79.99
TV Gold	\$79.99	\$99.99	\$99.99

EXHIBIT 3: EXAMPLE OF PROMOTIONAL PRICING ADVERTISEMENT WITH FINE PRINT

my Account Support My XFINITY TV Email Sign In Comcast Business

Deals Programming Customers

XFINITY TV

Step up to X1 to change the way you experience TV

Digital Starter

\$49.99 per month for 12 mo. No term agreement

Add to cart

Pricing & Other Info.

TV

140 Channels

• Top 100 shows preloaded on XFINITY

Starter Double Play

\$79.99 per month for 12 mo. No term agreement

Add to cart

Pricing & Other Info.

INTERNET TV

Up to 25 Mbps 140 Channels

What is X1?

• Top 100 shows preloaded on X1

Browse XFINITY® TV

New Customers offers in Washington, DC 20001 | Not Your Location? Change Location

Pricing & Other Info.

Offer ends 6/21/16. Restrictions apply. Not available in all areas. New residential customers only. Limited to Digital Starter TV service. Equipment, installation, taxes and fees, including Broadcast TV Fee (up to \$5/mo.), Regional Sports Fee (up to \$3/mo.) and other applicable charges extra, and subject to change during and after the promo. After promo, or if any service is cancelled or downgraded, regular rates apply. Comcast's service charge for Digital Preferred TV, ranges based on area, from \$67.95/mo. to \$69.95/mo., and HBO® from \$15.00/mo. to \$21.95/mo. (subject to change). Service limited to a single outlet. May not be combined with other offers. Limited Basic Service subscription required to receive other levels of service. On Demand™ selections subject to charge indicated at the time of purchase. Not all programming available in all areas. 30-Day Money-Back Guarantee applies to one month's recurring service charge and standard installation up to \$500. Call for restrictions and complete details. ©2016 Comcast. All rights reserved. All trademarks are the property of their respective owners.

Same Package Price for 2 Years. GUARANTEED.

dish
2-YEAR TV PRICE
GUARANTEE
\$ **49** ⁹⁹ /mo
Plus taxes

190+ Channels

[See Channels](#)

FREE - Over 50 premium channels for 3 months*

FREE - HD, local channels, regional sports, ESPN

FREE - Standard professional installation

See for yourself! [DISH vs. the Competition](#)

Add a
Hopper
Smart DVR
for only
\$10 /mo
more

Requires credit qualification, 24-month commitment with early termination fee and eAutopay.
*After 3 mos., you will be billed \$60/mo. for HBO, Cinemax, Showtime, Starz and Dish Movie Pack unless you call to cancel.

Fine Print: "Requires credit qualification. 24 month commitment with early termination fee and eAutopay

*After 3 mos, you will be billed \$60/mo for HBO, Cinemax, Showtime, Starz and Dish Movie Pack unless you call to cancel."

EXHIBIT 5: HD, DVR, AND ARS FEES IN 2015






TV PROVIDERS	DVR	HD	ARS
CABLE COMPANIES			
 COMCAST	\$19.95	\$9.95 – \$10.00	■
	\$12.99	■	■
	\$11.99	■	■
SATELLITE COMPANIES			
	\$10.00	\$10.00	\$15.00 – \$25.00
	\$10.00	\$10.00	■
<i>Note: These fees do not include rental fees for equipment</i>			

Exhibit 6

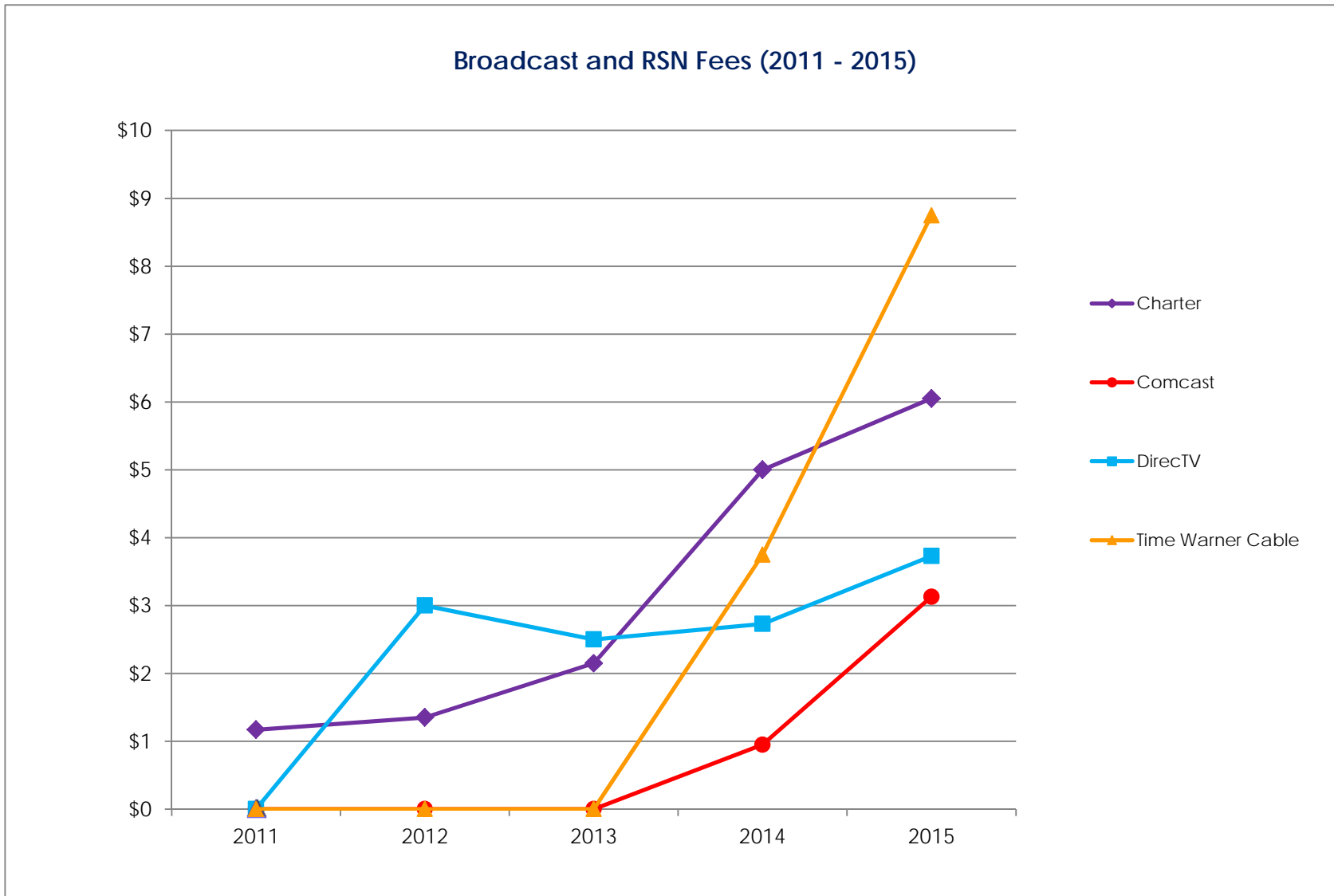


EXHIBIT 7: INTRODUCTION OF RSN AND BROADCAST FEES






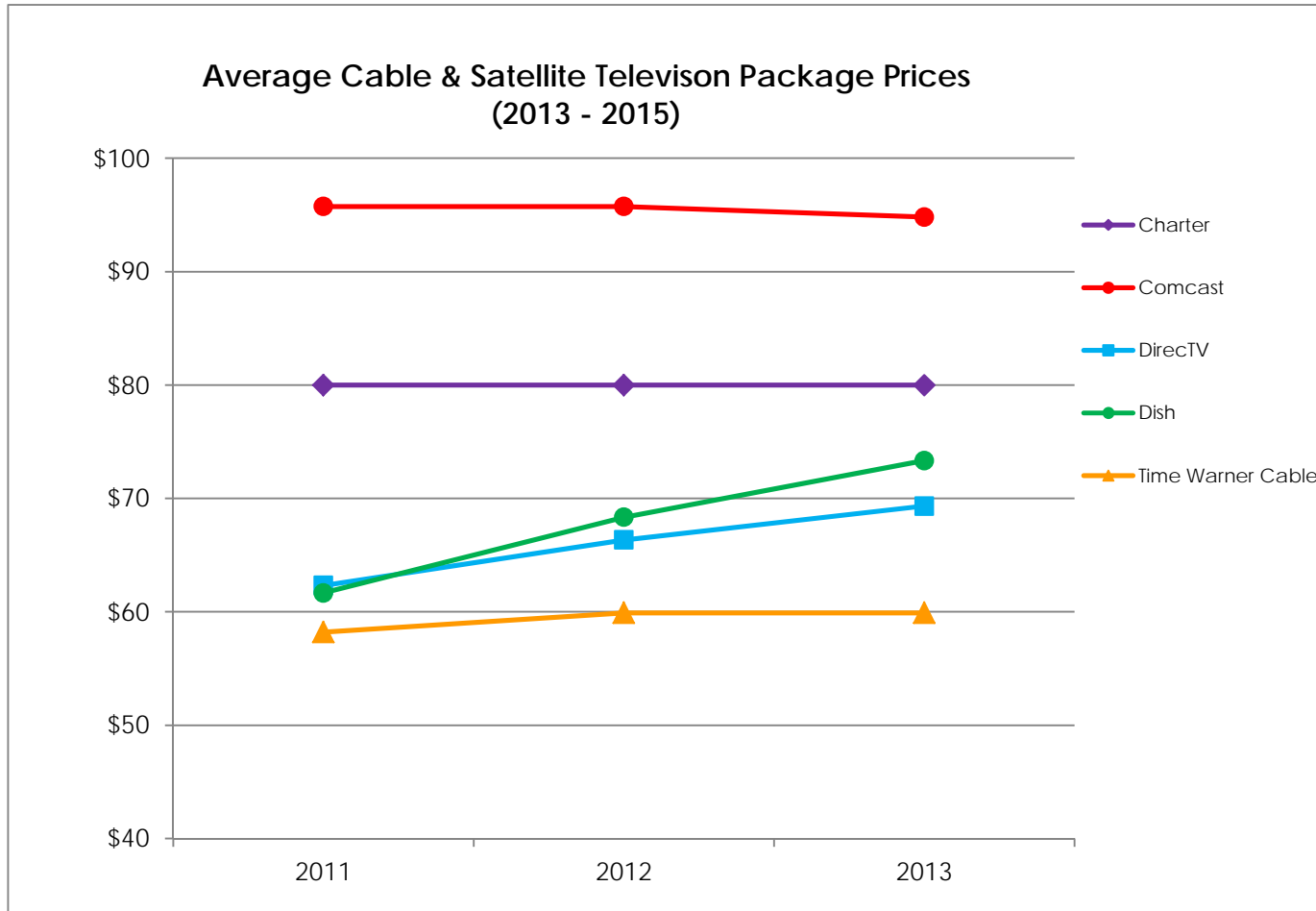






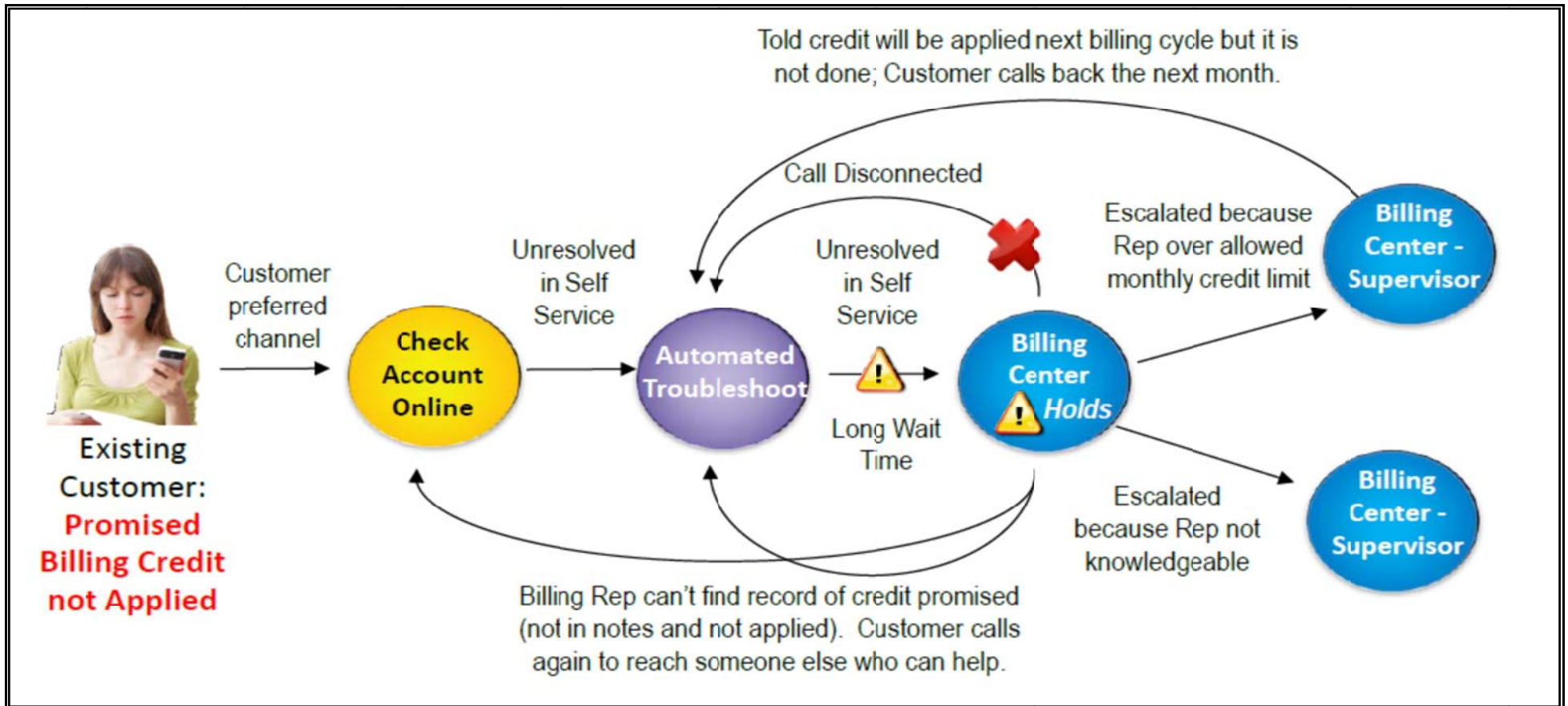
TV PROVIDERS	2011	2012	2013	2014	2015	2016
CABLE COMPANIES						
 COMCAST				✓	✓ ✓	✓ ✓
 Time Warner Cable				✓	✓ ✓	✓ ✓
 Charter COMMUNICATIONS	✓	✓	✓	✓	✓	✓
SATELLITE COMPANIES						
 DIRECTV		✓	✓	✓	✓	✓
 DISH NETWORK						
				✓ = RSN FEE	✓ = RETRANSMISSION/BROADCAST FEE	

Exhibit 8



Price Increase Awareness Test							
Level of Marketing:	BAU	Low Aware	Medium Aware	High Aware	High Aware	Pre-Increase	
Tactic:	Letter, Buck slip, or E-bill message	2 nd Page Bill	BAU + Letter	BAU + Multiple Emails	BAU + Benefits Mailer	Benefits Mailer - Holiday	
							



Provide an Example

Customer statement: “You advertisements are completely false! I am paying WAY more than I was told I would be paying when I signed up. If DIRECTV keeps trying to rip me off I’m going to have to go back to cable.”

- Bad example

Dangerous Clarifying Question: “Earlier, you mentioned that you were paying more than you expected. How much were you told you would have to pay?” In this example, the CSR is reminding the customer of the reason he or she was upset.

- Good example

Information Seeking Clarifying Question: “Earlier, you mentioned that you were paying more than you expected. Help me understand which programming and services are most important to you?” This response steers clear of cost and allows the customer to focus on WINs.

The Conundrum

One of the most challenging things about being a retention agent is that to be successful, you have to do the opposite of what the customer is calling in for.

- ▶ If the customer is calling into cancel, your goal is to *not* cancel the services!
- ▶ And if the customer wants to lower the bill, you're going to try to avoid that, and perhaps even *raise* the bill!

EXHIBIT 13: SELF-SERVICE OPTIONS

Online self-service options	Charter	Comcast ¹	Time Warner Cable	DirecTV	Dish
Sign up for service	Y	Y	Y	Y	Y
Upgrade service	Y	Y	Y	Y	Y
Downgrade service	N	N	N	Y ²	Y
Cancel service	N	N	N	N	N

¹ Comcast said that it is working to expand self-serve options to allow for a broad range of downgrades, including removing services or changing to a less expensive package. Letter from Reginald J. Brown, Counsel for Comcast, to Chairman Portman and Ranking Member McCaskill (June 15, 2016).

² DirecTV said that customers could downgrade packages online through self-service, so long as the packages did not include premium channels. In addition, officials noted that customers who wanted to remove premiums or cancel a line of business had to call so that DirecTV could “understand their issues and craft tailored solutions to meet their individual needs.” Email from William Clarkson, Counsel for DirecTV, to Subcommittee (June 20, 2016) (“DTV-PSI Minority Report Response Submission”).

"I've already been through this with two other agents, they asked me a ton of questions and then said they couldn't lower my bill, so just disconnect me."

"That sounds so frustrating, and I'm so sorry that happened. I am so happy, though, that you're on my line now, because I know I can find something that you'll love. I'll just be asking a few questions so that I can build a package

Which situation do you feel is the most difficult to overcome?



Rejection

Cannot Afford



Upset/Angry



Premiums: DTV vs. Dish

Area	Comparison		Win/Lose vs. DIRECTV		Recommendations	Implications
	DISH	DirecTV	W	L		
ARPU focus by Customer Service & Self service Tools	<ul style="list-style-type: none"> Dish allows customers to downgrade across tools, including tools where we have no ability to present an up-sell or retention offer 	<ul style="list-style-type: none"> DTV only allows a customer a downgrade path through avenues/tools where a retention or up-sell offer can be made Very specialized agents 		✓	<ul style="list-style-type: none"> Only allow customers to downgrade through systems with the ability to present offers Improve downgrade call routing/training Add targeted saves/offers to web and STB (June) 	<ul style="list-style-type: none"> Improved ARPU and customer tenure Improved agent performance and AHT

Area	Comparison		Win/Lose vs. DIRECTV		Recommendations	Implications
	DISH	DirecTV	W	L		
Upsell & Retention Tactics	<ul style="list-style-type: none"> Dish is primarily focused on resolving customer issues Agents try to “feel out” the customer to determine which offer or product to pitch 	<ul style="list-style-type: none"> DTV pushes upsell aggressively DTV agents use a recommendation engine which prompts them to sell targeted products 		✓	<ul style="list-style-type: none"> Integrate recommendation functionality in agent tools 	<ul style="list-style-type: none"> Increased ARPU and retention Maintain competitive parity Improved CSR performance

What is your strategy?

