

DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

Introduction

Cable service is available in most communities through one or more providers and may be offered as part of a bundled services package. Bundled services refer to specially priced packages of services that include telephone, video and Internet. The cost of receiving cable service can be broken down into three main categories: (1) programming, promotions and pricing; (2) equipment and installation; and (3) taxes, fees and surcharges.

This guide presents some of the issues that may arise when selecting a cable provider, or cable services and programming. While this guide is meant to be thorough, it is by no means exhaustive. Use this guide as a reference to assist you in selecting a cable provider's services and programming.

I. Programming, Promotions & Pricing

Channels

Cable providers offer different programming packages with different channel combinations. The price of the programming packages increases as the number of channels and premium channels, such as movie networks, sports and international channels, increases. In addition, many cable providers allow access to video on demand programming.

- Request the channel line-ups for the programming package you are considering.
- Pay close attention to the number of video, music and pay-per view channels you will be getting **both during and after** an advertised promotion. Pay-per-view channels may be included in the channels advertised as part of a promotional package.
- Ask about the capabilities and limitations of any video on demand programming that is included with the package you are considering.

Promotions & Pricing

- Ask about other options or specials that might be available to you, such as more streamlined packages, fewer channels or fewer premium features. Those other options/specials might be better suited to your situation or programming tastes than the packages being promoted.
- Ask about bundled services pricing. Most people purchase cable as part of a bundled services package. Changes to the number of services in the bundle, or in the level of features of any of the services in that bundle, will almost certainly affect your monthly cost.
- Ask about coupons and vouchers, or other credits (e.g., installation).
- Ask specifically what price and contract terms will change when the promotion ends. This will help ensure that any channel changes resulting from the promotion ending will not affect the channels that you are interested in.
- Ask about receiving notice prior to the termination of the promotional period.
- If the cable provider makes any "guarantees," such as money-back guarantees if you are not satisfied, be sure to ask for details about how the guarantee would work and how you would be reimbursed if you are not satisfied with the your service.
- Prior to signing the contract, ask for the total monthly cost (including all fees, taxes, and surcharges) that you will be responsible for paying both during and after any promotional period.
- Ask about any additional conditions on which the promotional price depends, and any cost increases if those conditions are not met, such as "new customers only," time limitations for sign-up, and limitations on transferability.

II. Equipment & Installation

Equipment Charges

In order for you to receive their programming, cable providers usually require a converter box and/or a remote control. There is often an additional monthly rental charge for this equipment. There are different types of converter boxes including digital, high-definition (HD), and digital video recorder (DVR) boxes. Each box has a different monthly rental fee. Discuss with your sales rep whether the channels you are getting require the level of features on the suggested converter box.

- If a converter box or remote is necessary, ask about the cost of the equipment and whether you must rent and incur a monthly charge, or can buy the equipment.
- Ask what equipment is required to receive the programming you are interested in. For example, international programming may require additional equipment that is not otherwise required.
- In order to receive high-definition video or HDTV, a subscriber must have a television capable of receiving high definition programming **and** an HD converter box. Ask about the monthly fee and necessity of an HD converter box if you are interested in receiving HD programming.
- Cable companies also provide the option of renting equipment that will allow you to record cable programs. If you are interested in DVR service, ask about the cost of the digital box with DVR service. Also ask about DVR memory capacity. You might also consider purchasing your own DVR, which may have additional service features, with additional costs, that are more suited to your needs.

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Installation

In order to receive cable programming, the cable provider may need to install wiring and equipment at your location. Service technicians perform the installation work, which may take several hours to complete.

- Ask whether installation fees apply and the amount of the fees. In addition, you should ask what is included in the cost of the installation. For example, you should ask if installation requires drilling through exterior or interior walls and, if so, whether there is an additional charge.
- If you see "free installation," make sure that you find out what will be included in "free installation." For example, will other "installation" work be necessary in order to receive the service? You should also ask if "free" means through a credit or a redeemable coupon or voucher program, and exactly how that program will work.
- Ask whether someone else other than the provider will be doing the installation, and who will be responsible for that installation work. For example, if there are problems with the installation (e.g., shoddy workmanship, or damage done to your property), find out who will be responsible, and whether to direct any installation issues to your cable provider or the third party installer.

III. Taxes, Fees & Other Surcharges

Early Termination Fees ("ETFs")

Cable providers often charge early termination fees if you cancel or downgrade a service before a fixed contractual term, usually 12 to 24 months. ETFs can be quite substantial.

- Always ask about the amount of the ETFs. For example, while canceling service before the contract is up usually results in ETFs; find out if downgrading a service from a higher-priced plan to a lower-priced plan also results in ETFs.

- If you downgrade or eliminate a service bought in a bundle, ask whether the cost for the remainder of the services will change.
- If you purchase bundled services that are provided by different companies, make sure that you know what the contract terms are for each different company and if terms, such as early termination fees, will be different among those companies.

Fees, Taxes & Other Surcharges

In addition to programming, equipment and installation charges, cable providers may also assess certain taxes, surcharges and fees as part of consumers' monthly bills. These additional charges can add a significant amount to your monthly bill.

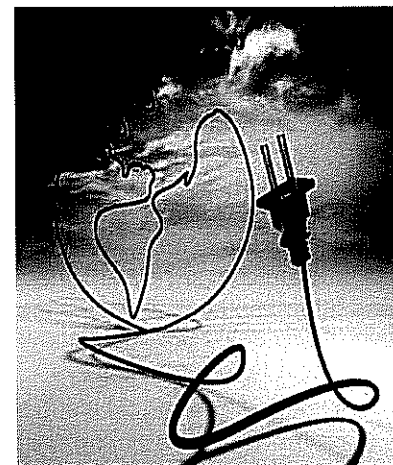
- Be sure to ask whether there are any other fees of any kind before entering into a contract.
- Cable providers may assess other fees such as "activation fees" to commence service or other fees that have not already been discussed.
- Cable providers are required by law to assess certain taxes and they are permitted to pass on other charges (such as franchise-related costs) to their customers. Some of these charges, such as franchise-related costs, differ in amount depending on where you live. Determine the taxes, fees and surcharges specific to your city or town.

For more information please visit
our website at
www.mass.gov/dtc and click on
Competition Division. You can
also reach us at 800-392-6066
or email us at
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Geoffrey Why, Commissioner

CABLE SERVICES BUYING GUIDE



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