

# Bill would allow consumers more TV channel choices

By Drew Guarini, Huffington Post

America's disgruntled cable subscribers have found a fighter for them in Washington: former presidential candidate John McCain.

McCain, R-Ariz., introduced the Television Consumer Freedom Act last week, a bill that would allow cable subscribers to pick the channels they want and pay for them on an a-la-carte basis. The bill would also repeal blackout restrictions for local sports teams using publicly funded stadiums.

In a statement during a Commerce Committee hearing on Tuesday, McCain made his qualms with the current model – in which subscribers pay for tens or even hundreds of channels they don't watch – well known.

"It is time, in my view, to restore the proper operation of the market by empowering American consumers," McCain said in his statement. He went on to say that the a-la-carte model is "the right thing to do and popular with consumers in large part because of rising cable prices, which are dramatically outpacing cost of living."

McCain has the numbers to back up the claim. He cited a recent FCC pricing survey, which found that since 1995 the average monthly cable bill for expanded basic service – the most popular tier – has skyrocketed from about \$25 a month to \$54 a month – a 116 percent increase. That \$25 in 1995 only has the purchasing power of about \$38 today, according to the Bureau of Labor Statistics.

While McCain may have the support of consumers seeking cheaper cable, his bill will likely face very stiff opposition from

broadcasters and cable companies, while also suffering from a lack of co-sponsors. One anonymous television industry official told The Hill that McCain's bill has "no chance" of becoming law. The Arizona senator proposed similar legislation in 2006 that didn't make it past committee.

Michael Powell, head of cable trade group National Cable & Telecommunications Association, also spoke at the hearing. "It's a very serious question mark whether consumers would have lower bills or cheaper service as a result of a la carte," Powell said. In 2004, when Powell was head of the Federal Communications Commission, he had the groups economists work up a study on this new pricing model that found a-la-carte pricing would do the opposite of its intentions by driving up costs and causing many channels to go out of business. Though the study has faced some scrutiny, Powell has continually defended it.

Still, cable may be forced to fix their pricing woes as the discourse develops. An April survey by Belkin and Harris Interactive found that 30 percent of Internet users would consider becoming cable cutters as online streaming services like Netflix, Hulu Plus, Aereo and Amazon Prime continue expanding their video selection.