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## McCain's US Television Consumer Freedom Act Receives Mix of Praise and Criticism

May 15, 2013 | Satellite Today | Steve Schuster



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[Satellite TODAY 05-15-13] For decades, satellite and cable television service providers have been bundling channel packages, forcing consumers to pay for channels they don't necessarily watch. This could soon change if a recently introduced U.S. Senate bill continues to gain traction.

On May 9, U.S. Sen. John McCain (R-Arizona) introduced the Television Consumer Freedom Act of 2013 [Senate Bill 912], which would eliminate regulatory barriers ranging from blacking out sports games to how cable plans are priced. The bill would allow satellite providers an opportunity to offer "a la carte" programming, including pay-per-channel packages, instead of bundling several channels together.

McCain took issue with current satellite and cable pricing plans labeling them as "unfair."

"This [current pricing structure] is unfair and wrong, especially when you consider how the regulatory deck is stacked in favor of [the] industry and against the American consumer," McCain said May 9 while introducing the measure on the floor of the Senate.

McCain said the bill has widespread support while speaking before the Commerce Committee's Subcommittee on Communications, Technology, and the Internet on May 14.

"It is time, in my view, to restore the proper operation of the market by empowering American consumers. My bill does this, and has already garnered the support of Consumers Union and Free Press," McCain said.

DIRECTV's Executive Vice President of Government and Regulatory Affairs Susan Eid said her company supports added customer flexibility.

"The McCain legislation demonstrates the growing frustration over the rising cost of programming, which is driving consumer bills to unsustainable levels," Eid said in a written statement to *Satellite TODAY.com*, noting that "consumers are not just asking for choice, they are demanding it."

"The time has come to explore ways to give the customer more flexibility so they can match their budget to the programming they want to watch," Eid added.

Cable giant **Charter Communications** agreed and went one step further.

"We at Charter applaud Senator McCain for introducing the Television Consumer Freedom Act of 2013," said Tom Rutledge, CEO and president of Charter Communications, in a written statement.

"A complete lack of transparency surrounding [bundled] pricing, creates a no-win situation for consumers," Rutledge said, adding that "Senator McCain's proposed legislation is a logical step in [the right] direction."

But not everyone supports the measure, including the **National Broadcasters Association**. During an exclusive interview May 15 with *Satellite TODAY.com*, Dennis Wharton, NAB's executive vice president of communications said his members are split on the issue of "a la carte" programming and that he has "serious concerns" with other provisions of the measure. He specifically referenced a provision of the bill that would remove a sports black-out rule, which Wharton believes would penalize local TV stations. But, could this be advantageous for satellite and cable providers?

"Instead of watching the Redskins game on Channel 5, the local Fox affiliate, people

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would have to pay to see the game," Wharton said.

Joseph Widoff executive director of the **Satellite Broadcasting & Communications Association** declined to comment on the measure noting that his organization does not take positions on federal legislative issues.

But armed with data, McCain defended his position to critics and even cited a recent FCC pricing survey which revealed that the cost for the most popular tier of programming – expanded basic service – has seen a 100 percent total price hike over the past 16 years. He also cited Nielsen rating statistics, showing that Americans have been overpaying for services for far too long, he said.

"In 1995 the average cable household was sold 41 channels, but only tuned-in to 11," McCain said. "Today, we're putting up a stop sign," he added regarding cable regulations that force higher monthly subscription costs.

But his tone changed as he waxed poetic on the bill, "Notably, my bill offers no mandates, regulations and is entirely voluntary," he added.

In closing testimony before the May 14 committee, he continued to stress how the bill would benefit consumers.

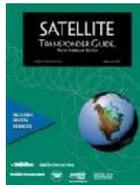
"This 'a la carte' option is a non-regulatory and consumer-friendly way to provide consumers with the freedom to lower their bills and pay only for what they watch," McCain said.

As of May 15, the bill has already been read twice and referred to the Committee on Commerce, Science, and Transportation. It is expected to move on to rules and then will be voted on.

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