# Don't be fooled; FCC's set-top box rules good for consumers, industry

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You may soon be able to use your Apple TV, Roku box or even your smart television to tune in pay TV programs.

Depending on where you sit, that's either a modestly good thing or the end of the world as we know it.

Back in February, the Federal Communications Commission, following a long-standing directive from Congress, proposed new rules that would require pay television operators like Comcast and AT&T to allow third-party devices to tune in the cable channels and on-demand programming they deliver.

The FCC is hoping the rules foster competition, spark innovation and help lower consumers' cable bills. On average, cable customers spend $231 a year to rent set-top boxes, according to the agency. That amount has grown by 185 percent over the last 20 years, far outpacing inflation, according to a study cited by the FCC.

The FCC rules, which are still under discussion, may sound benign. But the folks who benefit from the current system would like to convince you otherwise. In recent weeks, the pay television operators and their business and political allies have been decrying the proposed rules in the press and in formal comments filed with the FCC.

To hear the opponents tell it, the new rules are unwise and unwarranted and will undermine the so-called Golden Age of television that we're all presently enjoying by disrupting the business model upon which it's been built.

The traditional television players fear that device makers and app developers will devalue their advertising business by replacing their commercials or running competing ads. Opponents argue the rules will overwhelmingly benefit one company - Google. By offering its own set-top box, creating an app that can tune in pay TV programming or by potentially building such a feature into Android, the company would get the opportunity to build a business around television programming without having to negotiate deals with pay TV networks or broadcast channels, the kinds of deals that support the high-quality programming.

Moreover, the traditional television folks argue, the set-top box rules are a solution in search of a problem. A previous FCC effort to promote set-top competition failed. Meanwhile, cable companies such as Comcast are already starting to offer access to their programming through apps for smartphones, tablets, smart TVs and digital players like Roku. So, there's no need for mandates from the FCC, opponents argue.

Methinks the opponents doth protest too much.

Allowing consumers to choose which device they use to tune in their pay television content isn't going to undermine the pay television industry. Even if consumers get to choose which box they use, they're still going to have to pay a monthly subscription fee to one of a small handful of pay TV operators to get access to the programming. Thanks in part to a lack of competition, those rates have also been growing faster than inflation and far outweigh what consumers pay for their set-top boxes.

There's also little reason to believe that the new boxes would undermine the TV industry's advertising business. The industry has adapted to and even in some cases embraced TiVo, an early example of a competitive set-top box, which does run some ads.

The idea that the rules will only benefit Google are silly on their face. Companies including Amazon, TiVo and Hauppage are all eager to see a more open market for set-top boxes.

I've got to believe that consumers also are eager for more competition. Who wants to pay more than $200 a year to rent boxes, which are typically clunky and difficult to use, when you can own a Chromecast for $30 or a Roku box for $50? The move by many pay TV operators in recent years to deliver their programming digitally makes it much easier to use those and other devices in place of traditional set-top boxes, as Comcast's recent announcement illustrates.

Indeed, instead of showing why the FCC rules are unneeded, Comcast's move to deliver its content via an app shows just why the FCC needs to step in. Comcast's app won't be out until later this year and will only work initially on the latest Samsung smart TVs and Roku devices. For now, if you have an LG TV or if you have a different pay TV provider, you may be out of luck.

By contrast, the FCC rules would allow device makers to connect to pay TV programming without having to first sign a deal with operators or wait for them to build their own apps. It would also allow device makers to rethink the interface, making it easier for consumers to find programs they like without having to channel surf or scroll through an unwieldy program guide.

Between your cable box and Netflix, which do you think is easier to use? The promise of the FCC rule is that we'll be seeing a lot more things like the latter.

The irony is that by rethinking the interface and making it easier for consumers to find programs they want to watch, new-age set-top boxes could actually benefit the traditional television industry. Happy consumers are more likely to be loyal ones.

So the FCC should stick to its guns and put the new rules in place. Despite all the furor, they'll be good for consumers, electronics makers and even the very folks who are making such a fuss about them.



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