

The Daily Dish

September 4th Edition

DOUGLAS HOLTZ-EAKIN | SEPTEMBER 4, 2014

The EPA is having difficulty accounting for states that import electricity from other states under the new greenhouse gas regulations. Under the current rules, a state that imports energy will not get credit for starting an energy efficiency program. The EPA is floating out a number of solutions, but only after the EPA proposed their new rule. States that import will continue to feel uneasy until this key aspect is taken into consideration.

The new CEO of Healthcare.gov had some less than inspiring words during an interview on the future of the website. In an interview, Kevin Counihan said, "In some respects, it's going to be more complicated...Part of me thinks that this year is going to make last year look like the good old days." With the problems faced since its unveiling, it is difficult to imagine a scenario where visitors will be looking back at "the good old days," but that day may come soon.

FCC Chairman Tom Wheeler will be speaking to DC technology incubator 1776 on the future of broadband. It would be surprising if the FCC head ignored the largest topic in the room and did not acknowledge the agency's proposal on net neutrality that garnered over 1 million comments. Municipal broadband and mergers could also be topics that come up during the tech conversation.

Eakinomics: Football and Broadcast Freedom

This week the NFL regular season kicks off for the Pittsburgh Steelers and the 31 also-rans. However, for years fans' ability to enjoy NFL games has been restricted by the so-called "blackout rule." Since 1973, a home game cannot be televised locally if it is not sold out 72 hours prior to its start time. This NFL rule has been enforced by the Federal Communications Commission, but the FCC seems likely to reverse its support. The NFL generates enough demand to permit fans to both attend games and watch from home.

The average NFL team is worth over \$1.5 billion — much of it from advertising and merchandise. Prices continue to rise; last year's tickets averaged \$81.54, up over 11 percent from 2009. All totaled, professional football is the most valued of all American sports. And, to the point, just two of last year's 256 games played were blacked out.

As a matter of principle, there is no need for excessive regulations and decisions to televise games should be negotiated by the interested parties in light of current market conditions. As a practical matter, it is not the case that it is either go to the game or watch on TV. Instead, low ticket sales are usually accompanied by low broadcast ratings. If a struggling franchise plays in a smaller market and has a relatively large stadium, there will be little viewership and a lack of sellouts.

It is time to recognize the reality and move to a more sensible regulatory policy.

From the Forum

Blackout Rule Has Run Its Course by Will Rinehart, AAF Director of Technology and Innovation Policy
The Economic Risks of Proposed Anti-Inversion Policy by Gordon Gray, AAF Director of Fiscal Policy