

Did You Know about these ALEC Bills?



Telecom Deregulation in Wisconsin

Bruce Kushnick, [writing for Nieman Watchdog in 2008](#) (part of the Nieman Foundation for Journalism at Harvard University), identified several Wisconsin "telecom" bills inspired by ALEC model legislation:

- The Broadband Deployment Act of 2003, which frees the telecom industry from oversight, resembled the ALEC [Broadband and Telecommunications Deployment Act](#). The bill was introduced by Sen. Ted Kanavas (R) & soon-to-be-discredited Rep. Scott Jensen (R).
- A Municipal Broadband bill from 2004 blocked municipalities from competing with corporate providers of broadband services, and resembles the ALEC [Municipal Telecommunications Private Industry Safeguards Act](#). Co-sponsored by Sen. Kanavas (R) & Rep. Phil Montgomery (R), who was given an ALEC "legislator of the year" award in 2005.
- The Video Competition Act, eliminating municipal cable franchises and freeing companies from their previously-negotiated contracts, looks like the ALEC [Cable and Video Competition Act](#). It was co-sponsored in 2007 by Rep. Montgomery (R) & Sen. Jeff Plale (R) and passed the legislature, but the most anti-consumer provisions were vetoed by former Governor Jim Doyle (D).
- A 2007 Telephone Deregulation Bill, ending public oversight and regulations in Wisconsin for telephone services, looks like the ALEC [Advanced Voice Services Availability Act of 2007](#). It was co-sponsored by Rep. Montgomery & Rep. Plale.

For more on ALEC's agenda in Wisconsin, see CMD's in-depth report, "[ALEC Exposed in Wisconsin: The Hijacking of a State.](#)"

Authorizing "Car Title Pledges" for Predatory Lenders



One [model bill](#) approved by ALEC corporations would authorize a form of short-term lending that many states have recognized as unfair and predatory to low-income consumers. Specifically, it advances the interest of lending companies in giving short-term, 30-day renewable loans backed by a borrower's car title, loans that usually have high interest rates, which are very difficult for people in tough financial circumstances to keep up with.

Consumer groups have opposed this type of lending not only because the high interest rates and short-term repayment period can trap consumers in a cycle of debt, but also because they risk losing their cars, which they often need to get to work. The bill also provides few consumer protections, for example failing to include a private right of action with strong remedies, and requiring that all claims be brought within one year. This provides little deterrence for predatory lenders, and because the budgets of regulatory agencies are limited, the state cannot adequately protect against abuses. The Consumer Federation of America, USPIRG, and the Center for Responsible Lending sent a [letter](#) to ALEC opposing "car title pledges" in November 2005, enumerating many examples of predatory title lending, and also pointing out the distorting influence of campaign contributors from this sector of sound public policy. Bills like this have become law in Mississippi, Tennessee, and elsewhere. The ban on this type of predatory lending was also [rolled back](#) in Wisconsin after ALEC alumni Scott Walker became governor in 2011.

Have any of these bills been introduced in your state?