

WAPC



Wisconsin Association of PEG Channels

Serving the needs of public, education, and government cable access television stations since 1998.

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From: Mary Cardona, Executive Director, WAPC

Re: Cable Consumer Repair Bill

Representative Gary Hebl (D-Sun Prairie) has authored a repair bill for Act 42 (the video competition bill passed in December 2007) and is looking for co-sponsors. This bill ensures that cable television subscribers will be able to continue to choose and enjoy local public, education, and government (PEG) access programming over cable. The intent of Act 42 was never to abolish PEG access channels in the state, yet many provisions in current law will have that effect. Rep. Hebl's bill ensures that PEG access channels will continue to occupy the local programming niche on cable, provides stronger protections for consumers and encourages broadband development.

Act 42 fundamentals still in place

Act 42 made substantial changes to cable television franchising, moving it from a local negotiated process to a standardized state procedure. In the past, municipalities were able to require video providers to serve whole communities. Now video providers may decide which portions of a community to serve. The driving force behind these changes was the belief that it would speed up the development of competition and that competition would lower rates.

Representative Hebl's bill leaves this new structure in place and instead focuses on improving conditions for community public, education, and government access channels, consumer protection, and broadband deployment.

Improvements for PEG access television

Rep. Hebl's repair bill reverses the dire financial picture for PEG stations. Responsibility for transmitting PEG channels is placed squarely on the shoulders of video providers and cities are given the option of receiving a subscriber-based source of revenue (a PEG fee) to support the creation of local programming. The bill also requires video providers to place local PEG channels within reach of every subscriber, saving many the cost of renting a converter box and putting PEG channels in a more advantageous position to earn revenue.

Transmission. Each video provider would be required to pay for the transmission equipment needed to carry PEG. This change (a return to pre-Act 42 common practice) would do two things: it would stop small town PEG stations from closing down because they cannot afford this equipment and it would increase the number of PEG stations seen on AT&T's system, since to date, only a few have been able to afford the equipment.

Subscriber-based revenue. PEG fees will end on January 1, 2011, leaving thirty PEG access stations with a hole in their budget ranging from 7% to 80%. Rep. Hebl's bill would continue PEG fees after that date under a new system that would give municipalities the option of assessing up to a 1% fee on provider video gross revenues to support PEG channels.

www.saveaccess.tv/wisconsin.org

www.wapconline.com

For many cable subscribers in the state, this provision may mean the difference between having a local channel or not. WAPC believes cable subscribers want to see local programming and would like the option to pay for it rather than be reliant on municipal funds for its continuance. The League of Wisconsin Municipalities and the Wisconsin Alliance of Cities support this provision because it is an *optional and flexible* PEG fee that can be set to suit the needs and values of each community.

Keeping PEG channels within reach of subscribers. On AT&T's U-Verse video system, only PEG stations are buried under a series of menus. Only highly motivated local television viewers are wading through more than a minute of menus to find out what is playing on their PEG channel. Charter Communications digitized PEG channels last year, putting them out of reach for any basic or expanded basic customers that did not have a new digital television set or could not afford to pay extra monthly fees for digital television service -- as many as 55% of its subscribers. Only a strong campaign by WAPC motivated the company to leave the PEG channels in the analog format for these customers. Then Charter moved them to locations high on the line-up that had not been used in the past because of interference problems with FM radio signals.

Rep. Hebl's bill places PEG stations back where every subscriber can find them – on the lowest cost tier of service near other channels on that tier. The bill also requires PEG channels to occupy “channels” not websites.

Improved consumer protection

Rep. Hebl continues to keep consumers in mind by requiring all video providers to abide by federal customer service regulations and increasing fees on video service providers so the state can afford to enforce them. The bill also moves oversight from the Department of Financial Institutions, which has not been a good fit, to the Public Service Commission, which is accustomed to dealing with lines in the right-of-way and has the technical expertise to handle interference problems. The bill empowers municipalities to enforce state-level consumer protections and restores the ability of the prevailing party in a dispute to collect costs and reasonable attorney's fees.

Encouraging broadband development

Rep. Hebl's bill also takes a strong stand on broadband development, encouraging our largest telecommunications providers to serve all our communities. Specifically, should a large telecommunications provider not offer 90% of the households in its footprint the option of taking video service within 18 months of passage of the bill, the provider must pay \$20 million into a state fund set aside for broadband development.