

WAPC



Wisconsin Association of PEG Channels

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

2006-2007
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Amend SB107 to Support Community PEG Stations

The Video Competition Act (AB 207 and SB 107) is a fundamentally flawed bill. WAPC opposes its passage as an unnecessary radical restructuring that undermines communities.

To improve the bill's support for existing community public, education, and government access stations, WAPC asks that the bill be amended to include the following three provisions:

1. A minimum three year sunset for PEG fees, grants, **and in-kind** cable company support (translated into a per subscriber PEG fee) for all municipalities, **regardless of the end of the franchise term**, followed by an **up to 1% PEG fee** for municipalities with PEG channels.

*All access stations should receive a minimum of three years time to adjust to a new funding scheme. Municipalities with cable company-run access centers need time to create community-managed stations or else they will lose their access channels. **Appleton, Ashwaubenon, Lake Mills, Menasha, Neenah, Rice Lake, Sheboygan, Stevens Point, Waukesha, Wausau, Wauwatosa and West Allis** are among those that will have no sunset or a sunset on fees shorter than three years.*

*After the sunset, WAPC asks that municipalities be empowered to assess up to a 1% PEG fee. (Texas, California, Michigan, Virginia, Indiana, and North Carolina all have additional PEG support.) Local programming is part of the cable package and some of its cost should be borne by subscribers. A 1% PEG fee would average 55 cents per month. Grandfathering of amounts over 1% would be helpful to the following communities who now assess over a 1% PEG fee: **Eau Claire**: 1.6%; **Wausau**: 1.1%; **Madison**: 1.1%; **West Allis**: 1.8%; **River Falls**: 2.85%. A total of 30 communities get additional PEG support. Those not mentioned previously include **Beloit, Deerfield, Hartford, Hudson, North Hudson, Janesville, Jefferson, Kenosha, McFarland, Oshkosh, Sturgeon Bay, Sun Prairie, Bayside, Brown Deer, Fox Point, Glendale, Shorewood, and Whitefish Bay**.*

2. Require cable and video providers, not the access station, to take financial responsibility for the equipment needed to carry local programming on their systems.

The current bill would require access stations to pay for AT&T's \$10,000 signal conversion equipment package. This equipment will be needed at 1 – 9 sites per community and is required to compress standard NTSC signals in a manner that meets the technical requirements of AT&T's IP "solution" for PEG. This equipment will require replacement every 3 to 5 years and if a video provider like AT&T chooses to change the technical style of delivery, access stations would have to buy a new piece of equipment. If the bill continues to require access stations to pay for this equipment, WAPC asks that access stations be allowed not to serve AT&T if it is too financially burdensome.

3. Require PEG channels to be carried on the same tier and at the same quality as broadcast channels, as currently required by federal law.

This bill eliminates the rate regulated low-cost basic tier of cable service that specifically carries local broadcast stations and local PEG stations. The basic tier is currently contained in all cable service packages. Since all subscribers want broadcast channels, WAPC asks that PEG channels be on the same tier as local broadcast channels.

AT&T plans to stream PEG channels on its U-Verse system, creating YouTube-like reception quality (poor) for PEG at the same time the Federal Communications Commission HDTV (high definition) technical standards for television signals are going into effect and consumers are migrating to super high quality HDTV sets. AT&T's plan for PEG is to make it unwatchable. With no technical quality standards, cable could do the same.