



**STATE OF CONNECTICUT**  
DEPARTMENT OF PUBLIC UTILITY CONTROL

**THE ENERGY & TECHNOLOGY COMMITTEE**

**Raised Bill 6460: AAC PUBLIC ACCESS CHANNELS**

**March 3, 2011**

**TESTIMONY OF COMMISSIONER ANTHONY PALERMINO**

The Department of Public Utility Control (Department) welcomes the opportunity to offer comment for the Committee's consideration on certain sections of House Bill No. 6460. The purpose of House Bill 6460 is to increase certain public access grant amounts and set forth a disbursement schedule, to allow public, educational and governmental fees to be used for labor and staff, to prevent video service providers from collecting public access fees unless they have reached an interconnection agreement with the relevant community antenna television company, and to require certain third-party nonprofit community access providers to provide training and certification for use of their public access studios.

The Department notes that Section 3 of this bill would relieve certified competitive video service providers from the obligation of collecting community access funds from its subscribers when an interconnection agreement between that provider and the incumbent community antenna television company (CATV) does not exist. The Department informs the Committee that currently, there is only one interconnection agreement between a holder of a certificate of video franchise authority (CVFA) and one of the State's six incumbent CATV companies. That CVFA holder has however, interconnected with a large number of third-party nonprofit community access providers state-wide. If this bill is approved in its present form, the CVFA holder would no longer be required to collect community access funds from its subscribers except in the one service area where the interconnection agreement exists. For those third-party nonprofit community access providers located outside of that service area, since the CVFA holder would no longer be collecting community access fees, their primary funding could completely cease and this could be disruptive to the provision of their programming.

In Docket No. 07-05-23 DPUC Review of AT&T Connecticut's Community Access Funding Obligations, the Department directed The Southern New England Telephone Company d/b/a AT&T Connecticut (AT&T Connecticut) to escrow the public access fee revenues that it is required to collect pursuant to Section 16-331a(k) of the General Statutes of Connecticut (Conn. Gen. Stat.) until an interconnection agreement is reached with the incumbent CATV operators. The Department is currently reviewing that requirement in Docket No. 11-01-03 DPUC Annual Community Access Support Review and expects to resolve this issue in that proceeding. The Department is required to issue its Decision in this matter no later than June 1, 2011.

Additionally, Section 4 would allow the monies deposited in the Public Educational and Governmental Programming and Education Technology Investment Account (PEGPETIA) to be used to fund labor and staff costs. The monies in this account (generated from a tax paid by CATV, satellite and competitive video service provider service customers) are limited and are intended to fund capital grants awarded to producers of community access programming. Approval of Section 4 would alter the nature of this account by also providing a recurring revenue stream to various entities such as local community antenna television and video advisory councils; state-wide community antenna television and video advisory councils; public, educational and governmental programmers and public, educational and governmental studio operators.

This funding would provide them with more revenues besides those that they currently receive from CATV companies and competitive video service providers and revenues generated from the fees collected from subscribers pursuant to Conn. Gen. Stat. §16-331a(k). Approval of Section 4 would have the adverse consequence of reducing the availability of the PEGPETIA funds and consequently, a reduction in the amount of programming that the account was originally intended to fund.

Finally, the PEGPETIA account has been used in the past to offset the State's budget deficit. In particular, since January 2009, approximately \$10.2M from the account has been used to reduce that deficit. If these funds were to be used again to offset a budget deficit, such a revenue reduction would not only reduce the amount of community access programming produced but could also disrupt the labor and staff operations that the account would now be funding if this bill is passed in its current form.

The Department thanks the Committee for the opportunity to testify on this bill.