



LEAGUE OF WOMEN VOTERS OF CONNECTICUT, INC.®

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**CGA Energy and Technology Committee
Public Hearing – March 1, 2016**

SUPPORT FOR

SB 286 AAC the Public, Education and Governmental Programming and Educational Technology Investment Account (PEGPETIA) Grant Program and Municipally Operated Education and Government Access Channels

COMMENTS REGARDING

HB 5243 AAC the Listing of Taxes and Fees on Cable Bills

Submitted by Pua Ford, Media Issues Specialist

1. PEGPETIA

The League of Women Voters of Connecticut appreciates the opportunity today to offer support and comment on Sections 1 and 3 of Raised Senate Bills 286, based on the position adopted by our membership in 2008:

The League of Women Voters of Connecticut believes that community access television channels must be adequately protected, promoted, and funded, regardless of the provider of TV/video services to Connecticut residents. Government should provide opportunities for citizen participation in decisions regarding community access, or PEG, TV.

We support this bill’s intent to help local Community Access Providers and smaller town-specific governmental and educational channels that need the available funds to update the equipment they need. Our reasons for support are the same as they were in 2014 for SB 135 and HB 5172. Our arguments are the same as in 2015 with our support for HB 5555 and opposition to sections 34 and 35 of SB 946.

Our local Leagues depend on community access television to bring their local debates and forums to the public. We partner with both regional and town-specific community access organizations. LWV South-eastern Connecticut, LWV Weston, LWV Bridgeport Area, LWV Greater Hartford, and LWV East Shore in particular have enjoyed such collaboration. The Community Access Providers and town-specific channels depend on the PEGPETIA grants to replace and upgrade equipment.

We appreciate this committee’s continued defense of this account over the past few years. We notice that although it was swept many times since 2009, it is only since 2013 that budget bills attempt to clean it out completely, resulting in shutdowns of the grant program. We regret that the effort to retain or return funding to its intended use takes so much time and energy for all of us.

The 2014 allocation of bonding for PEGPETIA helped, and navigating the labyrinth of the state Bond Commission procedures was a valuable civics lesson for community access organizations and their allies. You may remember that after the grant program reopened in February 2015, it had to shut down in only four weeks because the application requests exceeded the \$3.5 million bonded for the fund. Most applicants accepted 80% of their request so PURA could provide something for all of them. Other eligible parties went without anything because the program shut down so quickly. Clearly there is a widespread need for this account.

We attach some information from past years to this testimony, an explanation of community access here and in other states and a list of towns that have benefited from the PEGPETIA program.

2. Taxes and Fees

The League does not have any position about cable bills, but we are interested in how it relates to discussion at a Government Administration and Elections Committee hearing on February 22. For SB 104 – AA Establishing the State Civic Network, a bill which the League supports, the representative for the New England Cable and Television Association testified that a proposed new per subscriber fee was a tax.

We hope that it is clear to legislators that the current per subscriber fee for community access is not a tax; community access support is paid directly by the cable companies to our Community Access Providers, but an assessed percentage of the companies’ gross receipts (like the 0.25% intended for PEGPETIA) is a tax that goes into the General Fund.

We also hope that this committee has noticed that in an FCC Notice of Proposed Rulemaking ([MB 14-261](#), Section I.8.), “...that an entity uses IP to deliver cable service does not alter the classification of its facility as a cable system and does not alter the classification of the entity as a cable operator.” So a requirement for listing taxes and fees should apply equally to our “certified video service providers.”

While language in this legislation should not have to change, it may be helpful for consumers if PURA required some consistency in naming and listing the taxes and fees across all cable companies, and some consistency in the terms “tax” and “fee.” We looked at two samples of recent residential cable bills. Can you tell which items on the left correspond to items on the right?

| Comcast Seymour | | Cox Meriden | |
|--|--------|----------------------------------|---------|
| <u>Other Charges & Credits</u> | | <u>Monthly Services</u> | |
| Universal Connectivity Charge | \$1.30 | P.E.G. Access | \$ 0.57 |
| Regulatory Recovery Fees | \$0.22 | <u>Other Fees and Surcharges</u> | |
| Broadcast TV Fee | \$5.00 | Broadcast Surcharge | \$ 3.00 |
| Regional Sports Fee | \$3.00 | <u>TV Taxes and Fees</u> | |
| Franchise Related Cost | \$0.47 | FCC Fee | \$ 0.08 |
| CT Gross Receipts Fee | \$7.24 | Franchise Fee | \$ 6.56 |
| <u>Taxes, Surcharges & Fees (TV)</u> | | CT PEG Gross Earnings Fee | \$ 0.31 |
| State Sales Tax | \$8.35 | State Sales Tax | \$ 8.35 |
| FCC Regulatory Fee | \$0.08 | | |

As always, we thank this committee for hearing us and appreciate the opportunity to offer the League’s comments to legislature as part of an open government’s responsiveness to the public. We are happy to provide any further information you may need.

ADDENDUM *(from 2/19/2015 testimony on HB 5555 of that year)***How many Community Access Providers are there?**

The most recent list on the PURA website (dated 6/9/2011) shows 34 organizations are officially designated CAPs, operating 35 studios. Of these, we know that 14 are owned by cable companies and 20 are now run by independent nonprofit organizations. In addition, there are about 80 town-specific governmental and educational access channels provided by the cable companies; most of these operate without financial support from their CAP.

How do we know that community access is valued in Connecticut?

Early in the history of cable television, Connecticut chose to mandate in our General Statutes the existence of PEG access operations. In other states, community officials chose to skip this as part of their return for cable companies' use of their Public Rights of Way, and their residents who desire the availability of local community television are struggling to put it in place.

When PA 07-253 wove Internet Protocol Television (U-Verse or FiOS) into the statutes as "certified competitive video providers," new entrants to this market were required to carry the community access channels and pay the per subscriber, PEG support fee. Because franchise renewal was no longer available for CAPs to request capital improvements, PA 07-253 established the PEGPETIA fund. Many CAPs could not replace analog equipment with digital without the fund.

In other states (California and Ohio, among others), the legislative introduction of IPTV replaced local franchising with state authority, eliminated reliable funding for the PEG stations or restricted it to capital expenses only. PEG in the Land of Steady Habits owes something to CGA for keeping the situation mostly stable so far.

What about other states?

In other places, PEG operational funds come from the franchise fee (5% of video provider's gross revenue), sometimes a portion, sometimes the entire 5%. In CT, the entire franchise fee goes to the General Fund (*CGS Sec. 12-258, Sec. 12-268a*).

In VT, PEGs receive \$3.00 per subscriber per month. (*Seven Days article*) "While broadband subscription rates have increased, Vermont cable companies have experienced a corresponding decline in cable subscriptions.... Declining subscriptions have resulted in lower funding amounts for public access stations." (*2014 Vermont Telecommunications Plan*)

In other states, the local franchising authority is the municipality. In each borough of New York City, the LFA is the nonprofit community media center, with annual budgets over \$1 million. There and in Massachusetts, a portion or all of the franchise fee goes to the community access center.

What towns have benefited from the PEGPETIA program?

| PEG grants to centers, towns | |
|-------------------------------------|--------------------|
| Wethersfield TV | Wethersfield |
| Town of Stafford | Stafford |
| WPAA - Wallingford | Wallingford G* |
| Citizens TV - New Haven | <i>New Haven</i> |
| and 1 producer | <i>West Haven</i> |
| | <i>Hamden</i> |
| Enfield E-TV | Enfield |
| West Hartford Cmty TV | West Hartford |
| Greenwich Cmty TV | Greenwich |
| East Haven TV (+2 producers) | East Haven |
| Branford TV | Branford |
| North Haven TV | North Haven |
| Tri-Town Govt. Access | <i>Granby</i> |
| & <i>Granby Cmty TV</i> | <i>East Granby</i> |
| & 2 producers | <i>Hartland</i> |
| Simsbury Cmty TV | <i>Simsbury</i> |
| Skye Cable XIII | <i>Waterbury</i> |
| & Town of Wolcott | <i>Wolcott</i> |
| & 2 producers | <i>Plymouth</i> |
| | <i>Middlebury</i> |
| | <i>Prospect</i> |
| Rocky Hill TV | Rocky Hill |
| Metrocast | Waterford |
| | <i>New London</i> |
| | <i>East Lyme</i> |
| | <i>Montville</i> |
| | <i>Putnam</i> |
| | <i>Killingly</i> |
| | <i>Plainville</i> |
| | <i>Sterling</i> |
| | <i>Griswold</i> |
| Windsor Cmty TV | Windsor |
| City of Norwalk | Norwalk |
| New Canaan Public TV | New Canaan |
| Nutmeg TV | Farmington |
| 1 producer | <i>New Britain</i> |
| 1 producer | <i>Berlin</i> |
| | <i>Plainville</i> |
| | <i>Bristol</i> |
| | <i>Burlington</i> |
| | <i>Avon</i> |
| Town of Newington & NCTV | Newington |
| Guilford Cmty TV | Guilford |
| Town of Wilton | Wilton |
| Town of Glastonbury | Glastonbury |
| Town of Tolland | Tolland |
| University of Connecticut | Storrs |
| City of Middletown | Middletown |

| | |
|------------------------------|-----------------------|
| Southeastern CT TV | Groton |
| & <i>Town of Groton</i> | <i>Stonington</i> |
| | <i>No. Stonington</i> |
| | <i>Voluntown</i> |
| Town of Ledyard | <i>Ledyard</i> |
| Tri-State Public Comm | Canaan |
| | <i>Salisbury</i> |
| | <i>No. Canaan</i> |
| | <i>Norfolk</i> |
| | <i>Sharon</i> |
| Bethel Public Schools | <i>Bethel</i> |
| Valley Shore Cmty TV | Westbrook |
| | <i>Clinton</i> |
| | <i>Killingworth</i> |
| | <i>Durham</i> |
| | <i>Haddam</i> |
| | <i>Chester</i> |
| | <i>Deep River</i> |
| | <i>Essex</i> |
| | <i>Old Saybrook</i> |
| Hartford Public Access | Hartford |
| Bloomfield Public Access | Bloomfield |

| Other locations of Producers who received PEG Grants | |
|---|---|
| Bridgeport | 6 |
| Fairfield | 1 |
| Naugatuck | 1 |
| Shelton | 1 |
| Ansonia | 1 |
| New Milford | 1 |
| Hartford | 2 |
| Bloomfield | 1 |

| Educational Technology Grants | |
|--------------------------------------|--------------------|
| Connecticut State Library | everywhere |
| University of Connecticut | Storrs (Mansfield) |
| Cheshire BOE | Cheshire |
| Education Connection | Litchfield |
| Darien Public Schools | Darien |
| Somers BOE | Somers |
| Manchester BOE | Manchester |
| Southington BOE | Southington |
| Meriden BOE | Meriden |
| Town of Coventry | Coventry |
| RHAM High School | <i>Hebron</i> |
| | <i>Andover</i> |
| | <i>Marlborough</i> |
| Cheshire BOE | Cheshire |

| | |
|-------------------------------|----------------------|
| Norwich Public Schools | Norwich |
| Gilbert School | Winsted |
| Hebron BOE | Hebron |
| Portland High School | Portland |
| Town of Trumbull | Trumbull |
| Danbury Schools | Danbury |
| Eastford Schools | Eastford |
| Meriden Public Schools | Meriden |
| Suffield Schools | Suffield |
| Town of New Fairfield | New Fairfield |
| Region 12 School District | <i>Bridgewater</i> |
| | <i>Roxbury</i> |
| | <i>Washington</i> |
| Town of South Windsor | South Windsor |
| Litchfield BOE | Litchfield |
| Hall Memorial High School | Willington |
| St. Mary Magdalen School | Oakville (Watertown) |
| Weston Public School District | Weston |
| Brookfield Public Schools | Brookfield |
| Avon Trust | Avon |
| New Fairfield Public Schools | New Fairfield |
| Bethany Community School | Bethany |

| | |
|---------------------------|-------------------------|
| EASTCONN RESC | <i>Brooklyn</i> |
| | <i>Canterbury</i> |
| | <i>Chaplin</i> |
| | <i>Columbia</i> |
| | <i>Eastford</i> |
| | <i>Hampton</i> |
| | <i>Lebanon</i> |
| | <i>Pomfret</i> |
| | <i>Scotland</i> |
| | <i>Thompson</i> |
| | <i>Union</i> |
| | <i>Windham</i> |
| | <i>Woodstock</i> |
| Odyssey Community School | New Haven |
| Amity Regional Schools | Woodbridge, (Bethany) |
| | Orange |
| Tolland Public Schools | |
| Milford Public Schools | |
| LEARN | New London, Waterford |
| Somers Public Schools | Somers |
| ParaDYM | New Britain, Meriden |
| Ridgefield Public Schools | Ridgefield |
| The Sherman School | Sherman |
| Regional School Dist. #19 | Ashford |
| | Mansfield, (Willington) |
| Quinnipiac STEM School | New Haven magnet |
| Torrington Schools | Torrington |
| Skills Camp, Inc. | New Haven, Meriden |