



13 March 2024

MEMO TO: Rep. Emilie Kornheiser and Members of House Ways + Means Committee

FROM: Lauren-Glenn Davitian, Public Policy Director, CCTV Center for Media + Democracy, davitian@cctv.org

RE: Testimony Regarding Community Media Public Benefit Fund

Introduction: Thank you for the opportunity to provide additional testimony on the *Community Media Public Benefit Fund*. Vermont Access Network (“VAN”) has long been aware that its primary revenue source, cable franchise fees, will decline as the internet becomes the primary delivery system for information and entertainment. VAN has planned for this decline and worked with its members to diversify funding streams and while also working with the Legislature since 2019 to identify a sustainable base funding solution for community media in Vermont.

Vermonters’ need and expectation of community media services has increased as local news outlets have folded and data driven (click counters) internet outlets have expanded their reach. Vermont’s Access Media Organizations (“AMOs” or community media centers) represent a depth of technical expertise and media training that is available to Vermonters (whether they are cable subscribers or not) on a first-come, first-served basis.

VAN is part of the state’s social and civic infrastructure. From interactive public meeting and event coverage, educational programs and training for people of all ages, open forums for the exploration of diverse ideas and the preservation of local history, VAN’s 24 community media centers deliver a breathtaking range of TV and radio programs (more than 18,000 hours a year) and non-commercial

local media services for free or below market rates to Vermonters in all corners of the state.

This point was brought home during the COVID-19 health emergency, when the Legislature recognized Vermont's AMOs as an "essential service" that helped to keep the wheels of democracy turning through interactive and hybrid meetings.

This technical and meeting design expertise has been acknowledged in S.55, recently passed out of the Senate Government Operations Committee. The bill includes VAN membership in the Working Group on Participation and Accessibility of Municipal Public Meetings and Elections.

As forward thinking and business minded organizations, Vermont's 24 community media centers have worked steadily with the Legislature to develop funding alternatives to the cable franchise fees (the PEG Study Committee and PEG Study) and assessed the policy alternatives closely. In the meantime, we have been recognized for our collective efforts through \$2.4 million in CRF and one-time general fund supports since 2020.

As a result of careful study and consideration, VAN proposed the PAT (pole attachment tax) as a legal and practical solution to the long term funding question that we face. While a gross receipts tax on streaming services offers potential funding for legislative priorities, it is our strong position that the PAT is the right long-term solution for community media in Vermont. We believe the PAT is a legally sound and sustainable public policy solution. In the end, VAN seeks base funding of \$3 million/ year to address the accelerating decline of cable revenue into the future.

Regulatory Framework

Vermont's 24 Access Management Organizations are 501(c)(3) organizations accountable to the Vermont Public Utility Commission (PUC) which regulates cable TV contracts under the 1984 Cable Act and Rule 8.000.

Public, Educational and Government Access ("PEG") channels and funding were established by Congress as a requirement for cable television contracts in the 1984 Cable Communications Act (an update to the Communications Act of 1934).

The Cable Act was passed at a time of intense competition between cable companies keen to serve new markets in US cities. During this "gold rush" cable

operators made inflated promises in order to obtain exclusive cable contracts from local governments.

As a result, both the cable industry and the National League of Cities and Towns asked Congress for a set of rational guidelines to establish new cable contracts, including the *public benefits* of the franchise fee and PEG channels.

PEG channels were described in the 1984 Act's Legislative History as an important use of the cable airwaves to ensure diverse and local voices. The cable franchise fee, set at 5%, was included as “give back” to municipalities and states for “cable related” purposes. The Cable Act's legal justification rested on cable operator's use of public property for the purpose of commercial enterprise. Cities, towns and states are designated as franchising authorities, authorized to collect and distribute franchise fees.

The collection of cable franchise fees is optional, and in other states, is often deposited in a municipality's general fund. Thanks to the work of national PEG activists, many franchise authorities set aside franchise fees for the operation of PEG channels and services, including public meeting coverage, school based programming, open public studios and free equipment to be used on a first come “first served basis”, along with the media education and training.

The Vermont Public Service Board, now the Public Utility Commission, operates as the state's cable franchising authority. Rule 8.000 outlines the responsibilities of cable operators and the 24 access management organizations (“AMOs”).

Rule 8.000 specifies that PEG channels are required, franchise fees of 5% are designated for PEG operations, and an additional capital fund of .5 - 1% is set aside for capital expenses.

Vermont AMOs are 501(c)(3) organizations, accountable to the PUC through their compliance with Rule 8.000, including detailed annual reporting and forward looking plans.

From their inception, PEG channels and community media centers are understood to be rare non-commercial, locally based community media outlets supporting democratic processes, the exchange of diverse ideas and the prosocial use of technology.

Today, while multiple commercial internet outlets like YouTube and TikTok

abound, no personal data or money is exchanged for the use of PEG access and community media centers.

The programming and services of Vermont’s AMOs cannot be replaced by commercial internet services or Zoom or Teams. Vermont’s AMOs (and their colleagues across the US) remain the only non-commercial, local media outlets that offer the technical know-how, access to high quality equipment, public space, media education and free cable and internet distribution “channels” that are intrinsically connected to their local communities. AMOs also preserve local history through a massive collective archive of local video, which can be important for many reasons.

Cable Service Territories & Their Relation to AMO Service Areas

When the 1984 Cable Act was passed, 50 cable companies served two thirds of Vermont’s cities, towns and villages. This density of local cable companies was common in hilly rural states (e.g., Pennsylvania, Ohio) that could not receive TV signals from distant big city stations.

“Mom and pop” operations served **specific local geographic areas known as “service territories,” served by technical “headends” that distributed cable channels to the connected homes within these local areas.** PEG channels were included as part of 30 channel “line ups,” which eventually exploded into the multi-channel universe cable offers today.

Due to the consolidation of the cable industry (seeking economies of scale, made possible by emerging technologies), there are 11 cable companies serving 65% of Vermont households today.¹ As the industry modernized, the many local “headends” were concentrated into a regional few hubs, located in different parts of the state, connected by fiber optic cables that ultimately connect to customer homes.

While there is no longer a technical reason for “cable territories”, the framework remains an important part of defining the cities and towns each cable company

¹ <https://publicservice.vermont.gov/regulated-utilities/cable-tv>

In the 1990’s many of Vermont’s local cable companies were bought by Adelphia Cable as part of its nation-wide acquisition spree. After that company’s bankruptcy, Comcast, the state’s largest operator, purchased these Vermont cable “properties”.

serves as part of their 11 year Certificate of Public Good (CPGs) granted by the PUC.

At minimum, PEG AMOs are required to serve the towns specified in these CPGs.

From the start, PEG equipment, training and program services were available beyond cable service territories to the people who live, work and attend school in the wider regional community.

PEG AMOs as a Statewide Technical Resource

As the cable TV industry upgraded the means of production and distribution from analog to digital in the 1990's and early 2000's, so have Vermont AMOs.

This period resulted in major shift in how Vermont's 24 community media centers produced TV (using digital files instead of video tape), aired content (by way of computer servers instead of tape based playback decks) and shared programs across the state (through a file sharing network known as Vermont Media Exchange or "VMX" instead of literally mailing tapes via US Mail).

The analog to digital overhaul was expensive, involving a steep learning curve, re-design of PEG systems, upskilling of staff and volunteers, and reinvestment in all aspects of media production and distribution.

Today, Vermont AMO staff share a high level of technical and training expertise making professional grade video equipment available and training on the usage of media equipment at no charge to municipalities, community organizations and volunteers.

Vermont's AMOs have been distributing content via the internet since the mid 2000's. Program content that is of interest to regional or statewide audiences may be found through 75+ cable channels and multiple online channels of every Vermont AMO, as well as through Vermont Community Television, a statewide HD PEG channel.

Internet based distribution sources reach an international audience and include AMO websites and YouTube and third party applications such as Roku, FireTV, AppleTV, and GooglePlay. VAN also operates Vermont Community Television—a statewide TV channel viewed on Comcast and at <https://www.vtcommunity.tv/>.

COVID Essential Services

Recognized by the Vermont Legislature as an “essential service” during the COVID-19 health emergency for continuing coverage of public meetings and community events, VAN members hold specialized technical knowledge and expertise that help public bodies respond to the community need for both remote and in-person participation.

VAN members combined COVID lessons with new tools and strong municipal/community ties to design, build and implement a new generation of hybrid meetings for organizations across Vermont.

This technical and meeting design expertise was recently acknowledged in S.55, recently passed out of the Senate Government Operations Committee. The bill includes VAN membership in the Working Group on Participation and Accessibility of Municipal Public Meetings and Elections.

As part of the effort to modernize Vermont’s open meetings, VAN has made itself available to the Vermont League of Cities and Towns and a wide variety of state-wide and local entities seeking technical and meeting design know-how to expand public participation.

Scope of PEG Services (More than just meeting coverage)

While known for coverage of public meetings and community events, Vermont’s AMOs provide a variety of media based services that actively knit our local, regional and statewide communities together.

Community media centers are part of the vital social infrastructure that connects people to each other, adding to community vitality and individual well being, and providing essential media literacy education and access to vital local news and information.

“Our Epidemic of Loneliness and Isolation” published by the US Surgeon General in 2023² points to the vital role community connectedness plays in improved

²

<https://www.hhs.gov/sites/default/files/surgeon-general-social-connection-advisory.pdf>

population health outcomes, resilience, lower levels of violence, and economic prosperity.³

Wide Range of TV Coverage: Vermont AMOs provide regional coverage of public and community events outside of their “cable service area”, extending to adjacent communities and overlapping districts, especially regional sports, school board meetings, church services, election coverage, adult education and community events of wide interest.

This amounts to more than 18,000 hours of staff and volunteer programming each year—more than any other media outlet in Vermont. Some examples:

- ***School District Meetings*** - *Lake Champlain Access TV covers meetings and activities of several supervisory unions (namely Franklin West SU and Grand Isle SU), providing towns both inside and outside of our service with a connection to district and school activities.*
- ***High School Sports Coverage*** - *Northwest Access TV extensive sports coverage service allows families and friends supporting their local teams to watch from afar and not make the two-plus hour trek to St. Albans, Swanton and Highgate. With our no-cost to viewers online streaming service, community members in our coverage area have the ability to watch their loved ones compete at the high school level. Without proper funding, this mechanism would fall on the school districts to support, trickling down to the community as whole. We have seen our viewership increase by 100% from 2021 to 2022 and average 150,000 views per year since.*
- ***Election Coverage*** - *Town Meeting TV election programs (forums, preview and result shows) were viewed 15,000 times on YouTube. You can [watch all of our Town Meeting Day 2024 programming here on YouTube](#). We noticed a really high volume of engagement overall with the public watching our content and with followers interacting on social media. We hosted more than*

³ Investing in local communities and in social infrastructure will fall short if access to the benefits is limited to only some groups. Equitable access to social infrastructure for all groups, including those most at-risk for social disconnection, is foundational to building a connected national and global community, and is essential to this pillar’s success. Moreover, community programs, such as those that connect us to our neighbors, those that help students establish social skills in schools, and those that generate opportunities for high-risk populations to create community, also have a powerful role in building relationships. (p. 48)

50 forums, and we were able to invite all candidates to them and host forums for all contested seats.

- **Local News** - GNAT-TV provides Bennington County with essential news and information, featuring local newsmakers and focusing on issues impacting Southern Vermont. Content includes local Government reporting, state legislative updates, business and economic news, arts, entertainment and hyper-local issue-based reports. Local news provides the depth of coverage and local focus that is not offered by traditional commercial outlets.
- **Continuing Education** - Kingdom Access TV has worked with the St. Johnsbury Athenaeum and Fairbanks Museum and Planetarium to bring science and special programs to life for students and the community at large. Like many Vermont AMOs, KATV promotes, produces, shares live and preserves programs that explore arts and culture, new ideas and creative ways of thinking. AMOs across Vermont in this respect are media partners with nonprofit institutions like; Vermont Humanities, Osher Life Long Learning, Ethan Allen Homestead Museum, and the many local Historical Societies and Libraries.
- **Faith Services** - Live and recorded Sunday Worship Services help to bridge isolation especially for many of Vermont's elder communities. Nearly every AMO in Vermont carries faith based programming. Many congregations depend on local AMOs for technical support, video production training and or other resources. Vermont's AMOs also help promote in-person services and fundraiser events for their local Churches with 'community bulletin board' announcements on their channels and websites.

Media, STEAM and Civic Education: Vermont AMO's actively engage the next generation of media makers with a variety of short and long term skill building activities—while also addressing the social and emotion needs of middle school and teens with vacation and summer camps, in-school programs, internships, volunteer opportunities and media festivals/ competitions.

There are no residency requirements for these services and AMOs frequently serve community members who live and work outside of the cable service territory. Access to experienced media educators and professional equipment and help young people to build civic engagement, critical media skills, job skills, interaction with adults, confidence building and prepare for higher education and employment opportunities.

In addition to ongoing coverage of school district meetings (local and regional) Vermont AMO's also supplement public education budgets through special programs, on-site training and equipment availability. Some examples:

- *Brattleboro Community TV works with students at **Brattleboro Union Highschool** to produce a regular news program*
<https://www.brattleborotv.org/buhs-tv-news/3724>
- *GMATV produced the **Lamoille Union Music Department Winter Concert** with the school district as part of an ongoing partnership (2/21/24);*
- *Town Meeting TV offers **Neighborhood Media Internships** to area high school and UVM/ Champlain College college students with an interest in civic and media education;*
- *Media Factory partnerships with **Burlington Technical Center** to provide media skill-building and marketing support;*
<https://www.youtube.com/watch?v=qye4UbG4Eno>
- *Lake Champlain Access TV works with **Music-COM** that pairs student composers with professionals to guide students through the creation of original musical work.*
- *[Crowdsourced Cinema VT](#) is a statewide creative challenge produced by several community media centers and 35 youth media teams.*

Communications Services for Vermont's Nonprofit Sector: Vermont's community media centers are key partners for Vermont's nonprofit sector, adding communications know-how and media resources that expands both their reach and impact.

From statewide organizations (such as Vermont Humanities, United Ways of Vermont, Vermont Folklife Center) to local nonprofits, free and low cost access to production experience, equipment and reliable distribution outlets leverages limited budgets and reaches Vermonters who seek services and those who are willing to help out.

- **Regional Events Calendar** - GNAT compiles a local events calendar to connect community members with the many organizations that serve them in southwestern Vermont - <https://gnat-tv.org/events/>
- **Penguin Plunge** - The Media Factory helps support Special Olympics Vermont and the Penguin Plunge with discounted live streaming production service. More than 2400 viewers accessed the event online and the event raised more than \$600,000 for Vermont athletes with intellectual disabilities. <https://www.mediafactory.org/blog/partner-highlight-special-olympics-vermont>
- **Service Clubs** - OVTV/ Okemo Valley TV recently produce the Ludlow Rotary presentation by harm reduction advocate Alastair Huntley, from the National Registry of Emergency Medical Technicians demonstration of Narcan administration;
- In addition to its on-going youth “camps”, Junction Arts & Media’s/ White River works with **Bugbee Senior Center** to deliver a 12-week workshop for seniors (age 60+) to build digital media skills;
- **Vermont Language Justice Project** - A state and federally funded project produces public health messages in 18 languages distributed across the state and beyond;
- **Vermont Community Television** - An important venue for the range of programming, described here, the statewide PEG channel, Vermont Community Television, is streamed live with programs of statewide interest at <https://www.vtcommunity.tv/>

Preservation of Local Archives: Community Media Centers preserve and share decades of content produced in every corner of Vermont. For example,

- **CCTV Archives** is in the process of preserving more than 40,000 programs produced in the Burlington areas since 1984;
- **With Middlebury College, and UVM**, which were awarded a five year grant from the **National Science Foundation**, VAN is helping to establish the new Vermont Videographic Access Archive. At-risk Vermont community media historic footage will be digitized and preserved in this effort.

PEG Revenue and Expense Trends

The decline of cable revenue is real. National trends are clear. On March 8, 2024, “The Wrap” reported that major pay TV operators shed five million subscribers in 2023:

The major pay TV operators shed 5.035 million subscribers in 2023, according to an [analysis by Leichtman Research Group](#), bringing the total net losses in the past five years to over 20 million. The firm estimates that the companies ended the year with roughly 71.3 million video customers, compared to 91.5 million at the end of 2018.

The cable giants, which include Charter Communications, Comcast, Altice, Breezeline, Cable One and other major private companies, have a total of roughly 34.1 million video subscribers. Together, the companies lost over 3.82 million subscribers during the year, compared to a loss of 3.54 million in 2022.

Meanwhile, internet-delivered pay-TV services, which include YouTube TV, Hulu + Live TV, Sling TV and Fubo, reported a total of 16.2 million subscribers. The virtual Multichannel Video Programming Distributors, or vMVPDs, collectively added 1.895 million subscribers in 2023, compared to a gain of 1.67 million in 2022.⁴

State-level PEG revenue and expense numbers bear this out.

Cable Revenue: The chart that JFO provided last week provides an incomplete picture of PEG cable revenue trends in Vermont.

Table 1: Vermont AMO Revenue History + FY23 Change shows that PEG revenue (operating + capital) is declining at different rates for AMOs. Between 2017 - 2023, cable revenue dropped for 21 of Vermont’s 24 access management organizations (with the exception of HCTV/ Hardwick, SAPA-TV/ Springfield and BCTV/ Brattleboro).⁵ The aggregate PEG cable revenue change between 2017 - 2023 is -4%. Year over year revenue decline is found on the bottom line of Table 1. The change between FY22 and FY23 is -2%.

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<https://www.thewrap.com/major-pay-tv-operators-shed-5-million-subscribers-in-2023/>

⁵ Due to rural broadband buildouts and subsequent marketing of cable/ internet bundles.

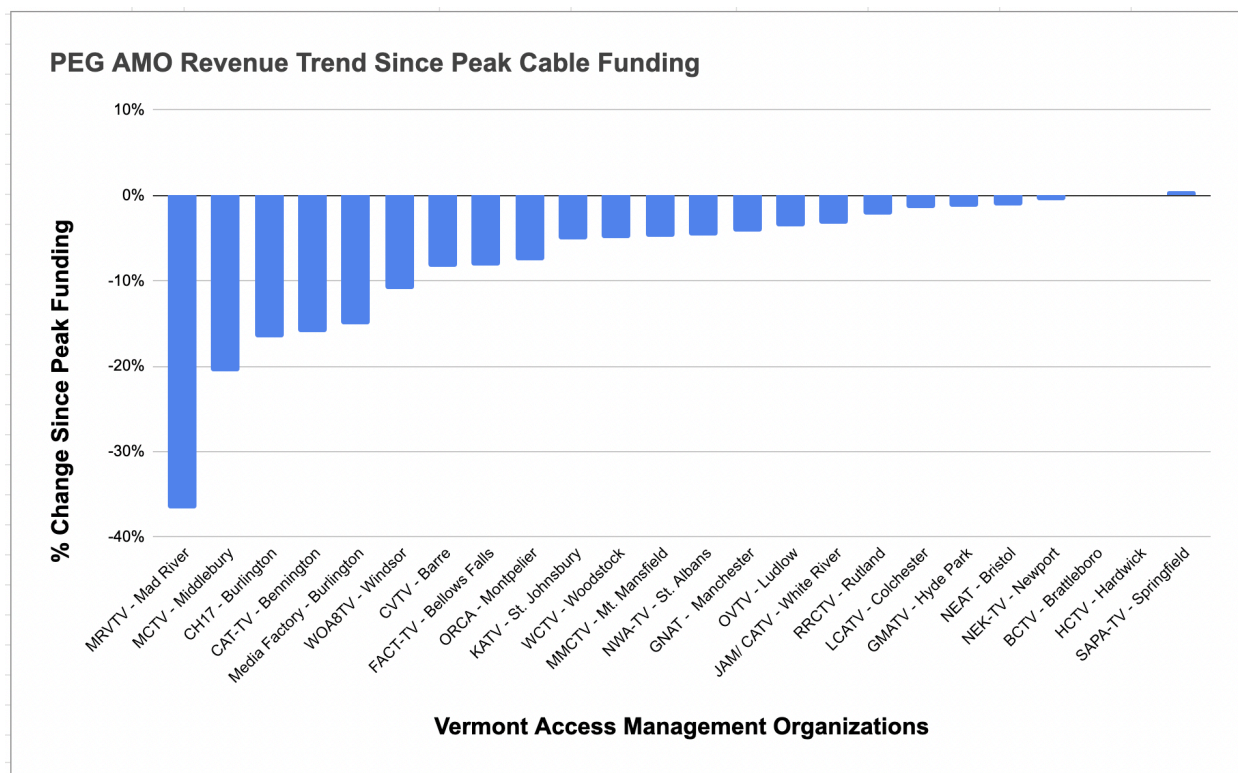
Table 1 - Vermont AMO Revenue History + FY23 Change

	2017	2018	2019	2020	2021	2022	2023	Change from Last Year
BCTV - Brattleboro	\$299,953.00	\$276,363.64	\$276,363.00	\$276,327.00	\$301,896.00	\$303,137.00	\$340,937.00	11%
JAM/ CATV - White River	\$285,119.00	\$263,939.39	\$266,998.00	\$255,447.00	\$277,928.00	\$270,971.00	\$276,074.00	2%
CAT-TV - Bennington	\$414,101.00	\$388,787.88	\$380,973.00	\$382,145.00	\$389,183.00	\$397,222.00	\$357,129.00	-11%
CH17 - Burlington	\$620,548.00	\$588,787.88	\$569,600.00	\$522,000.00	\$542,909.00	\$562,172.00	\$532,136.00	-6%
CVTV - Barre	\$292,030.00	\$292,121.21	\$300,672.00	\$300,000.00	\$292,836.00	\$293,429.00	\$277,476.00	-6%
FACT-TV - Bellows Falls	\$138,387.00	\$114,848.48	\$131,579.00	\$113,473.00	\$137,619.00	\$137,619.00	\$127,864.00	-8%
GMATV - Hyde Park	\$110,336.00	\$107,575.76	\$109,719.00	\$112,655.00	\$119,673.00	\$123,223.00	\$121,633.00	-1%
GNAT - Manchester	\$478,331.00	\$454,545.45	\$443,447.00	\$448,193.00	\$457,814.00	\$476,159.00	\$458,982.00	-4%
HCTV - Hardwick	\$32,088.00	\$31,212.12	\$30,715.00	\$28,407.00	\$32,899.00	\$32,899.00	\$34,223.00	4%
KATV - St. Johnsbury	\$260,469.00	\$268,181.82	\$268,474.00	\$272,207.00	\$264,058.00	\$269,845.00	\$258,836.00	-4%
LCATV - Colchester	\$657,129.00	\$628,787.88	\$626,410.00	\$631,944.00	\$649,337.00	\$660,903.00	\$651,108.00	-2%
OVTV - Ludlow	\$186,252.00	\$187,878.79	\$189,176.00	\$171,071.00	\$205,570.00	\$162,367.00	\$198,261.00	18%
MCTV - Middlebury	\$133,030.30	\$127,272.73	\$159,217.00	\$129,216.57	\$133,690.00	\$119,328.00	\$132,084.00	10%
Media Factory - Burlington	\$1,532,482.00	\$1,470,000.00	\$1,421,917.00	\$1,415,384.90	\$1,405,027.00	\$1,392,427.00	\$1,330,829.00	-5%
MMCTV - Mt. Mansfield	\$159,549.00	\$150,606.06	\$148,238.00	\$148,512.00	\$152,598.00	\$156,008.00	\$152,151.00	-3%
MRVTV - Mad River	\$122,650.00	\$126,363.64	\$121,433.00	\$114,583.32	\$106,380.00	\$100,066.00	\$92,463.00	-8%
NEAT - Bristol	\$78,985.00	\$72,121.21	\$73,813.00	\$76,895.00	\$80,160.00	\$80,653.00	\$79,710.00	-1%
NEK-TV - Newport	\$207,081.00	\$199,090.91	\$202,593.00	\$210,801.00	\$223,195.00	\$235,766.00	\$234,331.00	-1%
NWA-TV - St. Albans	\$335,963.00	\$385,151.52	\$405,193.00	\$416,968.00	\$434,803.00	\$446,012.00	\$426,035.00	-5%
ORCA - Montpelier	\$444,784.00	\$425,151.52	\$413,414.00	\$414,324.48	\$429,468.00	\$420,321.00	\$399,189.00	-5%
RRCTV - Rutland	\$904,586.00	\$880,303.03	\$881,748.00	\$833,220.00	\$892,644.00	\$894,879.00	\$875,305.00	-2%
SAPA-TV - Springfield	\$204,429.00	\$202,424.24	\$205,658.00	\$152,496.00	\$222,322.00	\$209,795.00	\$223,300.00	6%
WCTV - Woodstock	\$107,457.00	\$100,000.00	\$99,682.00	\$89,327.00	\$89,327.00	\$106,834.00	\$102,344.00	-4%
WOA8TV - Windsor	\$74,770.00	\$69,696.97	\$69,508.00	\$69,816.48	\$70,271.00	\$72,465.00	\$67,382.00	-8%
REVENUE	\$8,080,509.30	\$7,811,212.12	\$7,796,540.00	\$7,585,413.75	\$7,911,607.00	\$7,924,500.00	\$7,749,782.00	-2%
Annual Revenue Change	4.4%	-3.4%	-0.2%	-2.8%	4.1%	0.2%	-2.3%	

Table 2: Vermont AMO Revenue Changes Since Peak Funding Year shows the net revenue decline for each of the AMOs since their peak funding year.

Vermont AMOs	Peak Year	Change Peak/2023	Vermont AMOs	Peak Year	Change Peak/2023
BCTV - Brattleboro	2023	0%	MCTV - Middlebury	2019	-21%
JAM/ CATV - White River	2017	-3%	Media Factory - Burlington	2017	-15%
CAT-TV - Bennington	2017	-16%	MMCTV - Mt. Mansfield	2017	-5%
CH17 - Burlington	2017	-17%	MRVTV - Mad River	2018	-37%
CVTV - Barre	2019	-8%	NEAT - Bristol	2022	-1%
FACT-TV - Bellows Falls	2017	-8%	NEK-TV - Newport	2022	-1%
GMATV - Hyde Park	2022	-1%	NWA-TV - St. Albans	2022	-5%
GNAT - Manchester	2017	-4%	ORCA - Montpelier	2021	-8%
HCTV - Hardwick	2023	0%	RRCTV - Rutland	2022	-2%
KATV - St. Johnsbury	2020	-5%	SAPA-TV - Springfield	2021	0%
LCATV - Colchester	2022	-2%	WCTV - Woodstock	2017	-5%
OVTV - Ludlow	2021	-4%	WOA8TV - Windsor	2017	-11%

To summarize: **Chart 1: PEG AMO Revenue Trend Since Peak Cable Funding**



Expenses: To understand the impact of PEG AMO revenue decline, it is necessary to include expenses. AMO revenue expenses are steadily increasing, impacted by

- the rate of inflation;⁶
- the tight labor market;
- increases in core costs for essential operational costs; and,
- increased demand for service (including expanded coverage and implementation of hybrid meeting set ups for municipalities and community based organizations).

In 2022, fourteen Vermont AMOs reported a gap between cable revenue and PEG related expenses. These community media centers make up the difference in cable revenue with fees for service, municipal contributions, underwriting, philanthropy, local/ state/ national/ federal grants and, since 2020, legislative funding.

⁶ Inflation rates: 2017 (2.1%), 2018 (2.4%), 2019 (1.8%), 2020 (1.4%), 2021 (7%), 2022 (6.5%), 2023 (3.4%). The inflation rate for 2024 is projected to be 3%.

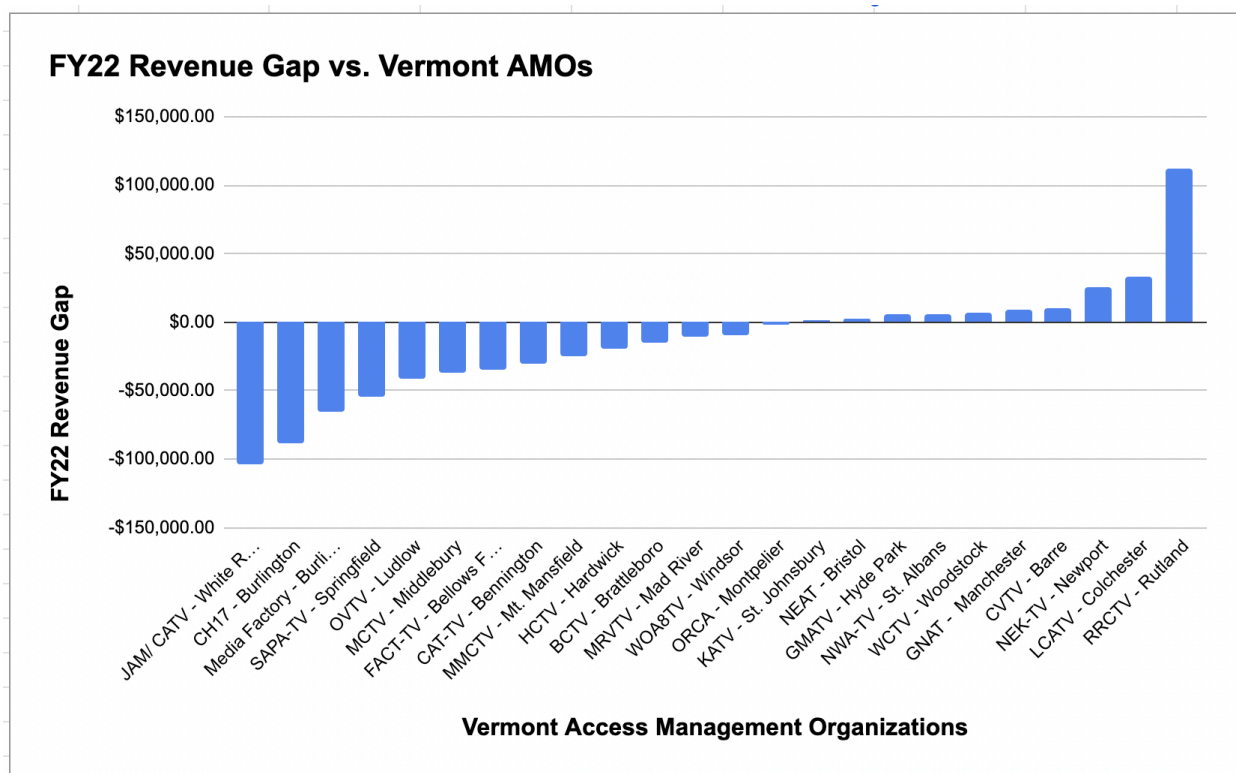
<https://www.usinflationcalculator.com/inflation/current-inflation-rates/>

Since 2020, the Legislature has provided CRF and General Fund support to VAN in the forms of grants distributed by the Department of Public Service and, last year, by the Secretary of State. These grants, amounting to \$2.4 million, were distributed to Vermont AMO's based on equitable formulas determined by the VAN Board and approved by the members. The FY24 funds were distributed as a grant from the Secretary of State as follows: AMOs with budgets of \$150K or less received \$35,000; those AMOs with \$150K or more received \$45,000 each. See **Table 3 + Chart 2**.

Table 3: PEG Cable Revenue + Expense Gap FY22

	2022	Revenue		Expense		
AMOs		Cable Co T	Operating	Capital	Total	Cable Revenue Gap
BCTV - Brattleboro		\$303,137.00	\$300,380.00	\$17,931.00	\$318,311.00	-\$15,174.00
CATV/ JAM TV - White River		\$270,971.00	\$441,391.00		\$441,391.00	-\$103,776.00
CAT-TV - Bennington		\$397,222.00	\$381,735.00	\$45,588.00	\$427,323.00	-\$30,101.00
CH17 - Burlington		\$562,172.00	\$577,780.00	\$73,187.00	\$650,967.00	-\$88,795.00
CVTV - Barre		\$293,429.00	\$209,705.00	\$73,028.00	\$282,733.00	\$10,696.00
FACT-TV - Bellows Falls		\$137,619.00	\$172,356.00		\$172,356.00	-\$34,737.00
GMATV - Hyde Park		\$123,223.00	\$109,817.00	\$7,730.00	\$117,547.00	\$5,676.00
GNAT - Manchester		\$476,159.00	\$467,126.00		\$467,126.00	\$9,033.00
HCTV - Hardwick		\$32,899.00	\$42,473.00	\$9,385.00	\$51,858.00	-\$18,959.00
KATV - St. Johnsbury		\$269,845.00	\$266,452.00	\$2,148.00	\$268,600.00	\$1,245.00
LCATV - Colchester		\$660,903.00	\$533,692.00	\$93,427.00	\$627,119.00	\$33,784.00
OVTV - Ludlow		\$162,367.00	\$192,029.00	\$11,070.00	\$203,099.00	-\$40,732.00
MCTV - Middlebury		\$119,328.00	\$134,158.00	\$21,913.00	\$156,071.00	-\$36,743.00
Media Factory - Burlington		\$1,392,427.00	\$1,180,526.00	\$277,648.00	\$1,458,174.00	-\$65,747.00
MMCTV - Mt. Mansfield		\$156,008.00	\$168,263.00	\$12,176.00	\$180,439.00	-\$24,431.00
MRVTV - Mad River		\$100,066.00	\$107,336.00	\$2,790.00	\$110,126.00	-\$10,060.00
NEAT - Bristol		\$80,653.00	\$65,328.00	\$12,246.00	\$77,574.00	\$3,079.00
NEK-TV - Newport		\$235,766.00	\$209,708.00		\$209,708.00	\$26,058.00
NWA-TV - St. Albans		\$446,012.00	\$440,086.00		\$440,086.00	\$5,926.00
ORCA - Montpelier		\$420,321.00	\$353,418.00	\$69,259.00	\$422,677.00	-\$2,356.00
PEGTV RRCTV - Rutland		\$894,879.00	\$782,659.00		\$782,659.00	\$112,220.00
SAPA-TV - Springfield		\$209,795.00	\$189,711.00	\$74,383.00	\$264,094.00	-\$54,299.00
WCTV - Woodstock		\$106,834.00	\$100,127.00		\$100,127.00	\$6,707.00
WOA8TV - Windsor		\$72,465.00	\$79,419.00	\$2,706.00	\$82,125.00	-\$9,660.00
		\$7,924,500.00	\$7,505,675.00	\$806,615.00	\$8,312,290.00	-\$387,790.00

Chart 2: PEG Cable Revenue + Expense Gap FY22



AMOs Are Fiscally Responsible

As noted above, Vermont’s 24 AMOs are 501(c)(3) organizations accountable to the PUC through their compliance with Rule 8.000, including detailed annual reporting and planning documents. Collectively, AMOs manage more than \$8 million in annual revenue from a variety of sources noted above. AMO tax returns are publicly available and board meetings are open to the public.

Vermont AMOs handle payroll for 100 employees, operating expenses for local facilities across the state, and up-to-date capital investments required to provide easy access to the equipment and facilities located at community media centers and their community partners.

VAN periodically calculates the value of services provided to civic and community based organizations. For example, the market rate for covering, post-producing and distributing a two hour public meeting or event is \$900 (6 hours @ \$150/hour). AMOs are reliable media partners that deliver substantial coverage and service at no or greatly reduced cost.

Because the cable and digital technology industry is in constant flux, short and

long term planning is a key feature of AMO responsibilities. Vermont's boards and staff are forward thinking and innovative – demonstrated by the many accomplishments detailed here.

Further evidence: Vermont AMOs have not simply laid the problem of declining cable revenue and the need for a long term funding in the lap of the Legislature.

VAN has worked with the Vermont Legislature since 2019 to find a future path for community media. With your support, we've participated in a PEG Study Committee, followed the recommendations of the "PEG Study" and, as promised, developed a long term financing solution for your consideration.

The Community Media Public Benefit Fund, financed by the PAT–pole attachment tax–is a simple, legal and modern solution to PEG's long term funding requirements.

Ideally, once the money is collected from Vermont communications companies, it will reside in a Special Fund to be distributed to Vermont AMOs by the Vermont Secretary of State.

The PAT and its corresponding special fund would assure Vermont communities across the state with continued and expanded local coverage of public meetings and community events, on-going community based education, live sports coverage at all competitive levels, preservation of hyperlocal history through extensive archives and, most importantly, community connection for all Vermonters.

We strongly believe that the PAT is the best policy solution to assure long term funding for PEG and community media in Vermont. In the end, we hope you will consider base funding of \$3 million/ year to address the accelerating decline of cable revenue into the future.

Thank you for your consideration.