

## VERMONT ACCESS NETWORK | 4 June 2020

**MEMO TO:** Reps. Tim Briglin, Chair and Laura Sibilgia, Co-Chair, HE&T Committee  
**FROM:** Lauren-Glenn Davitian, CCTV Center for Media & Democracy  
**RE:** COVID-19 Funding Proposal for Public, Educational, and Government (PEG) Access

**We all knew PEG access was important before, but its value has been confirmed as an essential service during COVID-19.** As Vermont went “remote”, community media centers immediately filled the need to capture, archive and support virtual emergency messages, meetings and public events, remote education, the continued expression of diverse ideas. It is worthwhile to note that remote graduations are airing across Vermont this week, produced with PEG support and ingenuity. As our communications structures, systems and practices change rapidly, local media searches for ways to stay afloat while Vermonters seek hyper-local information and ways to connect without being in large groups. Vermont’s community media centers are meeting this need.

**The decline of PEG funding is of concern to the State.** The State of Vermont recognizes the value of public, educational, and government (PEG) access channels and services through thirty-five years of cable utility case law. More recently the Legislature authorized a Study Committee to look at the future of funding for community media and recommended further analysis of funding and policy alternatives to declining cable franchise fee dollars. [\(S.318\)](#)<sup>1</sup>

**With pandemic-related cable cord cutting on the rise, we estimate a decline in Vermont PEG service in 2020.** Trade sources and cable operators report that cable cord cutting is rampant across the nation<sup>2</sup>, as subscribers turn to the internet for communications, news, a la carte entertainment and sports. More subscribers dropped cable in favor of the internet in Q2 and, it is reasonable to expect, through 2020.<sup>3</sup> Accordingly, we could see a PEG revenue drop of 10% or \$700,000 annually (of the \$7 million annual PEG fees paid by Vermont subscribers). It goes without

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<sup>1</sup> S.318 seeks expert analysis of how Vermont can extract public benefit from commercial uses of its rights to support, for example, PEG.

<sup>2</sup><https://www.cmcsa.com/news-releases/news-release-details/comcast-reports-1st-quarter-2020-results> “As a result, we expect the impacts of COVID-19 to increase in significance in the second quarter 2020 and to have a material adverse impact on our consolidated results of operations over the near-to-medium term.”

<sup>3</sup><https://www.fox43.com/article/money/business/comcast-profit-slides-as-pandemic-hits-movies-theme-parks/521-6a30e9a7-7821-4ba9-91e8-652d53455357>

saying that this will have a particular impact on the smaller rural centers. With cuts in personnel, it will be harder for community media centers to perform necessary civic and communications functions in the months ahead. The demand for community communications will not abate. In fact, candidates are already looking for effective ways to reach voters in upcoming elections when door knocking is not the most viable option.

**Summary:** Vermont's 25 community media centers are providing essential services during the COVID-19 period. These centers will continue to address the needs for local communications, open public meetings, educational support, and forums for free speech. The projected 10% decline in cable revenue due to cord cutting will limit PEG services that continue to be critical to Vermont during this health crisis. We appreciate your consideration of funding to support this essential community service.