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Statement of New England Cable & Telecommunications Association, Inc. to PEG Access Study Committee

As the PEG Access Study Committee considers its responsibilities as outlined in Act 79 of 2019, the New England Cable & Telecommunications Association would like to ground this discussion in the facts as they stand today. First and far above anything else, any discussion of public access television funding must be considered a consumer issue. Currently, the millions of dollars that the PEG organizations enjoy are primarily funded by fees on consumers in their monthly cable bill/ These fees support the lion's share of Vermont AMOs' budgets. The PEG channels do not face an imminent PEG funding crisis; in fact, many are able to carry significant financial reserves. As outlined in detail below, Vermont's PEG AMOs receive millions of dollars annually from Vermont consumers through existing fees. Despite this reality, the Study Committee has been presented with several options to dramatically increase AMO funding. Each of these proposals is a new consumer tax levied on Vermonters living and doing business in the state.

It is clear from the Study Committee's working group efforts to date, which have been cordial and deliberative, that there is no financial crisis on the horizon for Vermont AMOs. That is good news for Vermont AMOs and better news for Vermont consumers. As the Study Committee discussions continue, we urge that the deliberations to be consumer focused and examine these issues in a granular way.

Cable companies and the Vermont residents that are our subscribers bear nearly all the cost of PEG funding. Vermont's cable companies' commitments to PEG are long-standing and will not be abated. NECTA's member companies in Vermont provide funding for 24 designated PEG AMOs. Last year, these AMOs received a total of \$6.9 million in PEG funding from the cable companies in Vermont. From the time the cable companies and their subscribers in Vermont entered Vermont in 2006 until 2014, Vermont's cable companies and cable subscribers have driven a significant increase in overall PEG funding, including PEG operating funding. During that time, overall PEG funding nearly doubled, going from \$3.5 million to \$6.25 million. PEG operating funding alone increased by more than 70%. Since 2014, funding for PEG access has remained stable and we anticipate that to continue into the future.

All 24 AMOs receive the maximum operating funding allowed by federal law and the average AMO receives an additional 0.5% for PEG capital funding. Many AMOs also solicit funding from the communities they serve. Some of these funding sources include program underwriters, memberships, donations, and municipal allocations. Some AMOs earn additional revenue by charging fees for video production services and classes. These additional revenue sources

combined with funding from the cable companies and their subscribers in Vermont provide the AMOs with a broader base of support.

We strongly suggest that many, if not all, of the issues identified in the working group have been addressed. Even with increased video competition in Vermont, funding for PEG access remains in a good place. While concerns and even alarm have been expressed about the impact of video competition on PEG funding, PEG funding from cable revenues continues to remain stable. This bodes well for the future. The funding provided by the cable companies and their subscribers in Vermont will continue to support PEG access services and programming in the years to come. Any further changes would more than likely harm Vermont consumers.

NECTA is a five-state regional trade association representing substantially all private telecommunications companies in Vermont, Connecticut, Massachusetts, New Hampshire and Rhode Island. In Vermont our companies include Comcast, Charter, and Waitsfield Cable.