

Vermont Access Network

10 January 2022

TO: Chair Mary Hooper and Members of the Vermont Appropriations Committee

FROM: Lauren-Glenn Davitian on behalf of Vermont Access Network, davitian@cctv.org

RE: Budget Adjustment Act FY22 Request

Thank you, Madame Chair and Members of the Committee. My name is Lauren-Glenn Davitian and I am Executive Director of CCTV's Center for Media & Democracy (www.cctv.org) based in Burlington VT. I represent the [Vermont Access Network](#) (VAN) – 23 fellow community media centers that provide public, educational and government (PEG) access services to [all corners of Vermont](#) via 80+ cable tv channels and multiple online outlets.

I am appearing before you today to request your support to include VAN's \$300,000 request in the FY22 Budget Adjustment Act for continuity of statewide community media (PEG) services.

Cable TV subscriber revenue is the primary source of support for community media in Vermont, that is, the ongoing coverage and archiving of live (now hybrid) public meetings and events, upcoming election coverage, media education and community media services. That support now totals \$7 million a year¹ and is supplemented by independent revenue raised by community media centers such as fees for service, municipal subscriptions and philanthropy.

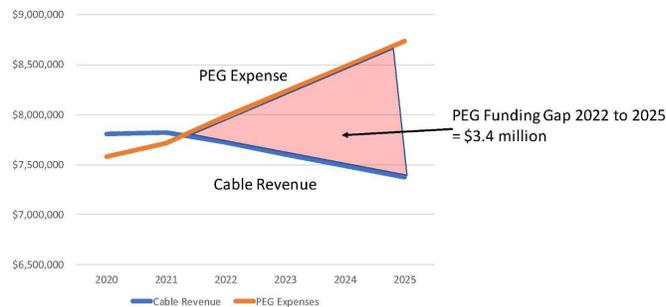
We've anticipating the decline of cable revenue for many years, but the drop is accelerating as people across the nation and Vermont "cut the cable cord" in favor of internet based news and entertainment.² Coincidentally, this trend has accelerated during the COVID period and the revenue will decline even more rapidly as broadband is deployed across Vermont. A conservative estimate is that

¹ VAN's 23 community media centers more than 18,000 hours of PEG programming each year on 75+ cable TV channels, and multiple online outlets with 75+ staff and countless community volunteers.

² [Cable TV Is the New Landline - The New York Times \(nytimes.com\)](#): "People have been predicting the death of cable TV for a long time, but this really might be it."

cable revenue will drop by 2%, on average, in most regions of the state over the next 3-5 years.

Vermont PEG Financial Projections FY 2021 to 2025



Notes:

- Access Management Centers (AMOs) reporting = 24
- Cable Revenue declines as forecasted by AMO or -2% per year
- PEG costs increase as forecasted or 3% per year
- PEG funding gap = Cable revenue minus PEG expenses

At the same time, demand for PEG services is increasing, again, hastened by COVID as demand for remote and now hybrid meeting and event coverage becomes an essential way for Vermont’s officials to connect with their public and for Vermonters to connect with each other. And, as it does every year, expenses are increasing steadily (primarily labor costs). VAN members anticipate that this will be 3% annual increase, although the inflationary effects are not yet entirely clear and the wage pressures affecting every occupation is making its effect felt in our industry.

VAN’s request pre-dates COVID. In 2019, the Legislature acknowledged VAN’s analysis of the threats to PEG funding with the designation of PEG Study Committee³ to explore the options. In 2020, the Legislature identified PEG as an “essential service” and awarded \$466,5000 in CRF Funds, and also authorized the funding of PEG Study which was released in January 2021. ⁴

The PEG Study recommended that, despite constraints of federal communications policy, the Legislature has some authority to redesign its

³ [Documents & Handouts | PEG Access Study Committee \(vermont.gov\)](#)

⁴ **The PEG Study, was released in January 2021.** It’s findings: the Vermont Legislature has some authority to reform how telecom related public benefits are funded (e.g. PEG, Universal Service and 911 services), and that policy change or annual financial support will be necessary to maintain continuity of local community media operations as cable revenue declines at a steady pace. The PEG Study also confirmed that Vermont’s community media centers are operating at maximum efficiency to serve unique local communications needs and did not recommend consolidation of centers or services. See: [Financial Viability of Public, Educational and Government Access Television in Vermont](#)

telecommunications tax policy and the funding of public benefits such as PEG, Universal Service and E911.

VAN understands that this policy change is not likely to occur this legislative session, and has been advised to pursue bridge funding requests for the next 3-5 years.

VAN has submitted the bridge funding request to the Administration via the Governor's public portal and been in touch with Commissioner June Tierney at the Vermont Department of Public Service who considers VAN's approach to be prudent (although is constrained by the Governor's budget priorities from expressing her full support).

Today, VAN is focused on this BAAFY22 request for \$300,000 to be distributed to Vermont's community media centers in order to to preserve continuity of community media (PEG) operations including coverage and archiving of public meetings and events, election coverage, public education and enabling Vermonters to connect with each other.

At last week's public hearing (1/6/22), this Committee heard from a members of the public about the wisdom of VAN's request and you know from personal experience the benefits and value of this "essential service". Thank you for your service during these challenging times and for your thoughtful consideration of VAN's BAAFY22 request.