

Vermont Access Network

9 February 2022

TO: Senator Jane Kitchell and Rep. Mary Hooper and Members of the Vermont Senate and House Appropriations Committee

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

RE: VAN FY23 Budget 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) – 24 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 \$600,000 request in the FY23 Budget for continuity of statewide community media (PEG) services.

What difference do we make? Vermont's community media centers help to keep the wheels of local democracy turning through live/ hybrid gavel-to-gavel coverage of local meetings and events. Currently, Vermont's community media centers are building hybrid meeting capacity in all corners of our state. During this month, we are hosting countless election forums and planning for Town Meeting election results on March 1st (and on November 1, 2022).

These long standing essential services enable Vermonters to influence the present and future of their communities, provide a hedge against the decline of Vermont's local newspapers, and provide a trustworthy source of community information in an era of "disinformation".

Vermont's community media centers also supplement public education through media and civic education (camps, internships, job training) and programming used directly by our local schools. Vermont's 80+ cable channels (and dozens of online "channels") also connect community members on Vermont's only truly

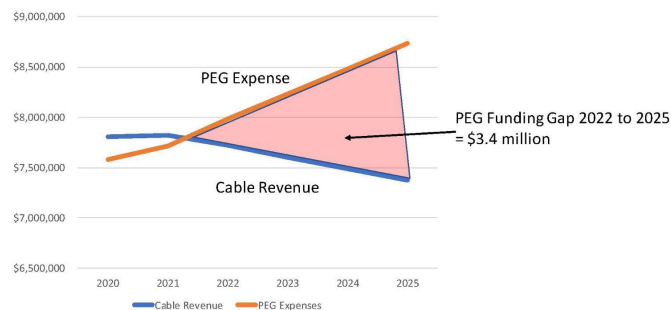
non-commercial, open free speech forum, available because Vermont policy makers have endorsed this work for more than 40 years.

Vermont community media centers produce more than 18,000 hours of local programming, employ more than 75 community members and running more than \$7 million a year through our economy.

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 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

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 \(nytimes.com\)](https://www.nytimes.com/2019/01/02/us/politics/cable-tv-decline.html): “People have been predicting the death of cable TV for a long time, but this really might be it.”

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

As of this date, VAN's BAAFY23 request for \$300,000 has been endorsed by both the House and Senate.

The PEG Study recommended that, despite constraints of federal communications policy, the Legislature has some authority to redesign its telecommunications tax policy and the funding of public benefits such as PEG, Universal Service and E911.

VAN understands that this tax 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.

Today, VAN is focused on this FY23 request for \$600,000 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.

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](#)

Thank you for your consideration on work on our behalf.