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PEG Facilities Would Lose Millions in Funding

A new report issued by the Alliance for Community Media shows clearly how much support would be lost to Public, Educational and Governmental Access communities (PEG) under bills now being considered by Congress. SB2686 and H5252 use variations on a 1% franchise fee funding scheme for PEG and/or I-Net operations. While the Alliance recognizes this as a good first step, immediate adjustments are critical to prevent devastating losses to existing PEG centers.

As written, the bills do not keep whole the complete monetary and non-monetary support some communities have negotiated with cable providers— including I-Net, cable drops, remote location video feeds, studio facilities and more. Any funding received now that is more than 1% above the 5% franchise fees would be lost. These valued community resources are not captured by these bills and would be lost if current legislation passes.

The loss for many communities is 35-50% of funding. In others, reductions run higher than 75%! Some communities lose more than \$1,000,000. This means that communities with thriving PEG activities would see them grind to a crashing halt. Large cities and small towns are affected similarly. *[See attached report.]*

The Alliance has developed language to plug this gap: The bi-partisan Baldwin/Wilson “Do No Harm” Amendment in the House and similar language in the Senate.

According to Alliance executive director, Anthony Riddle, “*Congress has recognized that PEG Access is an indispensable part of our modern democracy. The Alliance urges Congress to take the next step: Pass our amendments. Keep your local communities strong. Do not load corporate profits onto the backs of taxpayers.*”

Alliance members can support passage of these bills only if these changes are made.

For further information on the local effect of this legislation:

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The Alliance for Community Media is a national membership organization representing more than 3,000 Public, Educational and Governmental community media centers across the nation. Local PEG programmers produce 20,000 hours of new programs per week –more new programs than all of the broadcast networks combined. We serve more than 250,000 organizations annually through the efforts of an estimated 1.2 million volunteers.

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Annual PEG Support Funding From Cable Companies

MINNESOTA Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
St. Paul	\$1,437,000 (\$761,000 for operations, \$676,000 for equipment)	\$361,000	\$1,076,000 (75%)
Arden Hills, Falcon Heights, Lauderdale, Little Canada, Mounds View, New Brighton, North Oaks, Roseville, Shoreview, St. Anthony	\$1,046,023 (\$951,629 operating grant, \$94,394 equipment grant)	\$218,022	\$828,001 (79%)
Birchwood, Dellwood, Grant, Lake Elmo, Mahtomedi, Maplewood, North Saint Paul, Oakdale, Vadnais Heights, White Bear Lake, White Bear Township, Willemie	\$811,000 (\$771,000 for operations, \$40,000 for equipment)	\$222,000	\$589,000 (73%)
Blaine, Centerville, Circle Pines, Ham Lake, Lexington, Lino Lakes, Spring Lake Park	\$591,190 (for operations and equipment)	\$139,188	\$452,002 (76%)
Eagan, Burnsville	\$647,982 (for operations and equipment)	\$225,237	\$422,745 (65%)
Andover, Anoka, Champlin, Ramsey	\$357,000 (\$311,000 for operations, \$46,000 for equipment)	\$125,506	\$231,494 (65%)
MINNESOTA Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686

* In addition to the annual PEG support funding described in this chart, other PEG and in-kind services resources are often provided by cable companies that serve these communities, including connections for program origination from multiple locations, free cable modem service, promotional assistance (e.g., ad avails, program listings on TV Guide channel, annual bill-stuffers), Institutional Networks, etc.

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Brooklyn Center, Brooklyn Park, Crystal, Golden Valley, Maple Grove, New Hope, Osseo, Plymouth, Robbinsdale	\$716,266 (for operations and equipment)	\$500,000	\$216,266 (30%)
Inver Grove Heights, Lilydale, Mendota, Mendota Heights, South St. Paul, Sunfish Lake, West St. Paul	\$293,000 (\$235,000 for operations, \$58,000 for equipment)	\$135,000	\$158,000 (54%)
Cities of Stillwater, Oak Park Heights, Bayport, and the Townships of Baytown and Stillwater	\$109,000 (for operations and equipment)	\$38,300	\$70,700 (65%)

MARYLAND Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Montgomery County	\$3,703,519 (\$2,013,993 for PEG operations plus \$236,100 for PEG capital plus \$1,453,426 for I-Net operations)	\$1,787,200	\$1,916,319 (52%)

WASHINGTON, DC Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Washington, DC	\$2,160,000	\$1,080,000	\$1,080,000 (50%)

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Annual PEG Support Funding From Cable Companies

MASSACHUSETTS Franchise Area	Current PEG Annual Funding (excluding state law-mandated franchise fee of \$1.20/sub/year to State and LFA)* ¹	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	Potential PEG Annual Funding Loss under HR5252 and SB2686
Barnstable, Yarmouth, Chatham, Dennis, Harwich	\$1,714,482 (\$1,663,982 [4.5% of gross revenues] plus allocation of \$505,000 in initial grants)	\$369,774	\$1,344,708 (78%)
Cambridge	\$1,215,148 (\$965,148 in 2005, plus \$150,000/yr. grant, plus allocation of \$1,000,000 capital grant)	\$193,030	\$1,022,118 (84%)
Newton	\$974,502 (\$833,502 [4% of gross revenues], plus \$80,000/year in other grants, plus allocation of \$610,000 in initial grants)	\$208,375	\$766,127 (79%)
Worcester	\$985,000 (\$900,000 [3% of gross revenues] plus allocation of \$850,000 in initial grants)	\$300,000	\$685,000 (70%)
Billerica	\$594,721 (\$539,721 [5% of gross revenues] plus \$55,000/year in capital grants)	\$107,944	\$486,777 (82%)
New Bedford	\$591,098 (3% of gross revenues)	\$197,033	\$394,065 (67%)
Malden	\$457,500 (\$400,000 in 2005 plus allocation of \$575,000 initial capital grant)	\$96,970	\$360,530 (79%)
Plymouth-Kingston	\$443,050 (\$410,000 [3% of gross revenues] plus allocation of \$330,500 in initial grants)	\$136,667	\$306,383 (69%)
Norwood	\$335,000 (\$305,000 [5% of gross revenues] plus allocation of \$300,000 in initial grants)	\$61,000	\$274,000 (82%)
Fall River	\$385,000 (2% of gross revenues)	\$192,500	\$192,500 (50%)

¹ Massachusetts State law currently provides that any funding above the state mandated fees be used for communications operations including PEG, I-Net and others. This chart anticipates state law changing to allow franchise fees to be used for other purposes.

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Holliston	\$131,998 (\$106,998 [5% of gross revenues] plus \$25,000/year in other grants)	\$21,400	\$110,598 (84%)
Carver	\$82,300 (\$74, 000 [3% of gross revenues] plus allocation of \$83,000 in initial grants)	\$24,667	\$57,633 (70%)

OREGON Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Portland	\$3,000,000 (3% of gross revenues)	\$1,000,000	\$2,000,000 (67%)
Multnomah County	\$561,000 (3% of gross revenues)	\$187,000	\$374,000 (67%)
Salem	\$400,000 (1.5% of gross revenues)	\$265,000	\$135,000 (34%)
McMinnville	\$73,297 (\$1.00 per subscriber per month)	\$43,215	\$30,082 (41%)

VIRGINIA Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Fairfax County	\$4,500,000 (3% of gross revenues)	\$1,500,000	\$3,000,000 (67%)
Arlington County	\$1,439,000 (\$855,000/year; plus \$584,000 in 2005 -- 1% of gross revenues)	\$591,500	\$847,500 (59%)

ARIZONA Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Tucson	\$1,500,000 (\$1.35 per subscriber per month)	\$700,000	\$800,000 (53%)

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Annual PEG Support Funding From Cable Companies

MICHIGAN Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Bloomfield Township	\$313,243 (3% of gross revenues plus \$33,500 annual grant)	\$97,910	\$215,333 (69%)

CALIFORNIA Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Santa Maria & Lompoc	\$464,000 (\$395,000 in 2005; plus allocation of \$69,000/year, from \$828,000 initial grant)	\$142,200	\$321,800 (69%)
Glendale	\$613,333 (\$600,000 in 2005; plus allocation of \$13,333/year, from \$200,000 initial grant)	\$300,000	\$313,333 (51%)
Ventura	\$350,292 (\$263,625 in 2005; plus allocation of \$86,667/year from \$1,040,000 in Yrs. 1-3 grants)	\$146,050	\$204,242 (58%)
Gilroy, Hollister, San Juan Bautista	\$259,471 (\$189,471 in 2005; plus allocation of \$70,000/year, from \$700,000 initial grant)	\$63,157	\$196,314 (76%)
Monterey	\$231,622 (\$151,622 in 2005; plus allocation of \$80,000/year, from \$800,000 initial grant)	\$68,571	\$163,051 (70%)
Palo Alto, East Palo Alto, Menlo Park, Atherton	\$304,295 (88 cents per subscriber per month)	\$163,902	\$140,393 (46%)
Humboldt County, Eureka, Arcata, Fortuna, Ferndale, Blue Lake, Rio Dell	\$293,750 (\$200,000/year; plus allocation of \$93,750/year, from \$750,000 in Yrs. 1-2 grants)	\$180,000	\$113,750 (39%)
Oceanside	\$487,333 (\$214,000 in 2005; plus allocation of \$273,333/year from \$4,100,000 in Yrs. 1-3 grants)	\$389,538	\$97,795 (20%)

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Santa Rosa	\$316,667 (\$150,000/year; plus allocation of \$166,667/year, from \$2,500,000 in other grants during franchise term)	\$260,000	\$56,667 (18%)
Monrovia	\$83,000 (\$46,000 plus 1% of gross revenues)	\$37,000	\$46,000 (55%)
Lawndale	\$60,000 (2% of gross revenues)	\$30,000	\$30,000 (50%)

OHIO Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Cincinnati	\$756,000 (\$0.96 per subscriber per month)	\$497,956	\$258,044 (34%)
Forest Park, Greenhills, Springfield Township	\$161,665 (\$1.06 per subscriber per month)	\$118,682	\$42,983 (27%)

WISCONSIN Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
West Allis	\$200,000 (annual grant)	\$104,400	\$95,600 (48%)
River Falls	\$44,500 (\$1.32 per subscriber per month)	\$15,790	\$28,710 (65%)
Madison	\$388,000 (\$0.60 per subscriber per month)	\$360,000	\$28,000 (7%)

ILLINOIS Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Urbana	\$162,536 (2% of gross revenues)	\$81,268	\$81,268 (50%)

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Annual PEG Support Funding From Cable Companies

KANSAS Franchise Area	Current PEG Annual Funding (excluding franchise fees)*	PEG Annual Funding under HR5252 and SB2686 (1% of gross revenues)	PEG Annual Funding Loss under HR5252 and SB2686
Salina	\$135,000 (70 cents per subscriber per month)	\$95,549	\$39,451 (29%)

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