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Details:

(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2007-08**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Commerce, Utilities, and Rail (SC-CUR)**

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**



March 27, 2007

The Honorable Phil Montgomery  
Chair, Assembly Committee on Energy & Utilities  
State Capitol  
Madison, WI 53707

The Honorable Jeff Plale  
Chair, Senate Committee on Commerce, Utilities, & Rail  
State Capitol  
Madison, WI 53707

RE: Video Franchise Legislation AB 207 and SB 107

Dear Representative Montgomery and Senator Plale:

The Citizens Utility Board would like to provide you with comments concerning Video Franchise Legislation AB 207 and SB 107.

The Citizens Utility Board of Wisconsin is a member-supported nonprofit organization that advocates for reliable and affordable utility service and that represents the interests of residential, farm, and small business customers of electric, natural gas, and telecommunication utilities before regulatory agencies and the courts.

CUB is opposed to the legislation as drafted, which fails to provide adequate consumer protections for video service customers. Although we have concerns with other aspects of the draft bill, our main concerns are:

- having the Department of Financial Institutions become the state-wide franchise authority;
- the prohibition of rule making by the franchise authority;
- the repeal of the "Cable Television Subscriber Rights Law;" and
- unnecessary restrictions on the applicability of federal consumer protections.

#### **Department of Financial Institutions is the Wrong Agency**

The draft legislation would have the Department of Financial Institutions issue franchises for video service providers. However, DFI is not the right agency to provide oversight for the video services industry. DFI regulates and licenses financial service providers, such as banks, credit unions, securities advisors, mortgage bankers and brokers, loan originators, and payday lenders. DFI has no experience with cable, video, or telecommunication services.

March 27, 2007

Page 2

The Public Service Commission of Wisconsin should be given the authority to issue and enforce state-wide franchises for video service. The Department of Trade, Agriculture, and Consumer Protection could also be given this authority, but because the PSC has experience regulating telecommunication services, the PSC seems the more logical choice.

In addition, the draft legislation would prohibit the franchise authority from issuing any rules regarding franchise issues; this prohibition is found in Section 7, 66.0420(13) p. 30, ll. 6-8. Ironically, the paragraph's title is "Rule-Making; Enforcement," even though the paragraph prohibits the franchise authority from issuing any rules regarding enforcement of issues related to video service. This paragraph should be deleted.

### **Wrongful Repeal of Customer Service Standards**

Another major problem with this draft legislation is that it repeals the "Cable Television Subscriber Rights Law," Wis. Stats 100.209. The repeal occurs in Section 27, p. 33, l. 22.

The subscriber rights law provides the following rights to cable customers:

- Cable companies have to repair cable service in 72 hours (except for natural disasters);
- Customers are to receive credit for interrupted service;
- Customers must be given written notice 30 days before a cable company deletes a program service;
- Customers must be given written notice 30 days before a cable company increases rates;
- Customers are protected from unreasonable disconnection of service; customers can't be disconnected until an unpaid bill is at least 45 days past due, and the customer must be given written notice 10 days before service is disconnected;
- Cable companies can be penalized monetarily for violating these consumer rights;
- DATCP and state district attorneys can enforce these provisions through civil proceedings.

Subscriber rights are needed, as shown by the recent outage to services provided by Charter Communications on the evening of Sunday, February 11, as reported in the Capital Times and the Wisconsin State Journal. At some time around 6:00 PM, a fiber cable was cut at a location on Madison's southeast side, and Charter's cable, internet, and phone services were out until early Monday morning, February 12. Because of the subscriber rights law, Charter's cable customers are entitled to receive a day's credit for this cable service disruption.

However, Charter customers that receive internet phone or broadband services aren't covered by the subscriber rights law, and therefore are not eligible for a refund (unless Charter voluntarily decides to provide refunds to these customers).

March 27, 2007

Page 3

The subscriber rights law should not be repealed. Indeed, the scope of these rights should be expanded to cover customers of broadband internet service, or of any other service similar to cable, video service, internet telephone, or broadband internet services.

### **Wrongful Prohibition of Customer Service Standards**

In Section 7, 66.0420(9)(a), pp. 29-30, ll. 23-24 & 1-3, the draft legislation prohibits the state-wide franchise authority and municipalities from imposing customer service standards beyond those specified by the Federal Communications Commission in 47 CFR 76.309, paragraph (c). This paragraph only provides limited standards concerning:

- cable system office hours and telephone availability;
- installations, outages, and service calls; and
- communications between cable operators and subscribers.

Ironically, the customer service standards found in 47 CFR 76.309 are supposed to be implemented and enforced by local franchise authorities. This authority is found in 47 CFR 76.309 paragraph (a). Paragraph (b) of the same rule allows franchise authorities and cable operators to agree to "customer service requirements that exceed the standards set forth in paragraph (c)..."

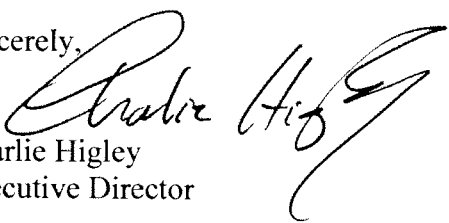
As mentioned, the Public Service Commission should be the franchise authority. Further, the PSC should be allowed to develop and enforce rules that carry out the intent of all paragraphs of 47 CFR 76.309.

Finally, Section 7, paragraph 66.0420(9)(b) (p. 30, ll. 4-8) would remove the federal customer service standards of 47 CFR 76.309 if there are two or more video service providers serving a municipality. Basic customer service standards should apply to all video service providers, regardless of whether there is one or 100 providers, and therefore, this portion of paragraph (b) should be deleted.

Although paragraph (b) also states that the Department of Trade, Agriculture, and Consumer Protection can issue customer service standards, this portion of the paragraph should be pulled out and placed at the top of the subsection dealing with customer service standards. If the PSC becomes the franchise authority, as recommended by CUB, then the PSC should also be given authority to issue rules to protect consumers.

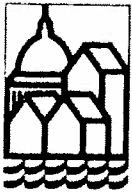
These are just some of our main concerns regarding AB 207 and SB 107. CUB looks forward to working with you and members of your respective committees to make improvements to this bill, so the video service customers are treated fairly by video service providers.

Sincerely,

  
Charlie Higley  
Executive Director



City of  
Madison



Brad Clark  
Station Manager  
Madison City Channel

SB 107?

March 27, 2007

I'd like to thank Representative Montgomery and the other members of the Committee for holding this hearing and for allowing me the opportunity to appear before you today.

My name is Brad Clark and I am the Station Manager of Madison City Channel, the City of Madison's local government television station. We're the "G" in PEG in Madison.

I think it's fair to call Madison City Channel Madison's version of CSpan, in that we exist to help connect residents of Madison with their local government. And we do that in large part through our gavel to gavel coverage, live, on tape, and on the web, at [www.mcc12.tv](http://www.mcc12.tv), of the most important meetings of local Madison government such as the Madison Common Council.

For those who are unable to attend proceedings of their local government due to work schedules, age, or disability, Madison City Channel may be the only connection these citizens have with their government.

And because we cover these meetings and events gavel to gavel, our audience does not have to rely upon a thirty second clip on the evening news or a 500 word story in the morning paper to find out what's going on - Madison residents can watch for themselves, see for themselves, and decide for themselves.

We also partner with City agencies and many other community organizations to cover special hearings and other events and to get important information to the Madison public. I have provided the members of the committee with a list of the organizations we have worked with over the years, and as you can see it's a pretty inclusive list.

Also, should an emergency such as a Hurricane Katrina strike Madison, City Channel is available to provide crucial emergency information to Madison residents.

Do people watch us? In a community like Madison, with a highly educated and politically aware populace, you bet. A survey we conducted in 2005 found that 52% of residents in Madison watch us very often (1-5 times a week or more) or somewhat often (6-10 times a month), 75% of respondents were satisfied or very satisfied with the overall job we are doing, and 74% of respondents think the services we provide are a good or excellent use of public monies.

Madison City Channel is able to provide all of these services because we have a staff of professional television producers and directors. This is not public access; we are a professional organization, and for over thirty years we have been a fundamental part of local democracy.

And yet all the ways that Madison City Channel is part of the public discourse in Madison are in jeopardy under AB 207 as written.

Cities that chose to provide government access television for the benefit of their communities established mechanisms with cable providers to assist in the funding of these channels. These mechanisms were established locally, by local elected officials. And so in Madison you are able to have a station like ours, with a funding formula that eases pressures on property taxes. When cable subscribers in Madison pay their bill, about 40 cents a month – less than \$5 a year - goes toward helping Madison City Channel connect Madison residents with their local government. Again, this funding is provided only by subscribers, not property tax payers as a whole.

AB 207 as written, because it prohibits any funding mechanisms over the 5% franchise fee, would force cities to choose between closing the doors of stations like Madison City Channel or increasing property taxes to replace the support that would be lost.

When bills instituting statewide video franchising passed states such as Texas, they all contained language preserving some sort of support for PEG over and above any 5% franchise fee. In Texas, for example, cities have the choice of either maintaining the existing PEG funding mechanisms for all video providers or assessing a fee for PEG equal to 1% of the provider's gross revenues. And that's all we're talking about here - maintaining the existing funding mechanisms. We firmly believe that Wisconsin, with its tradition of open government, should have as strong a commitment to channels that promote open government as states such as Texas.

So I urge the committee, if it is ultimately your decision to pass a statewide franchising bill, that before you do, amend it first – leave channels like Madison City Channel whole. Our citizens deserve no less.

I thank the committee for its attention and I am of course available to answer any questions you may have.







## CITIZEN ACTION OF WISCONSIN

Organizing people to make Wisconsin  
a better place to live and work

### TESTIMONY BEFORE THE COMMITTEE ON ENERGY AND UTILITIES ON WISCONSIN VIDEO COMPETITION ACT

March 27, 2007

SB107?

Good morning. My name is Dr. Robert Kraig; I am the Communications and Program Director of Citizen Action of Wisconsin.

Thank you to Chairman Montgomery and the members of the committee for the opportunity to testify today on an issue of great importance to Wisconsin consumers.

The debate over cable competition is critical to Wisconsin consumers -- and making sure that they get what they want: better service, lower prices, and more choices.

As the state's largest public interest group, with over 85,000 members and 100 diverse groups as our base, Citizen Action of Wisconsin's core mission is public advocacy. What our members have consistently told us is that their cable bills are too high, they have no choice of providers, and customer service falls far short of other industries. That is why we believe that opening the doors to competition is a good way to lower subscriber fees, raise service standards, and encourage the spread of new technologies and services to every corner of Wisconsin.

We all must admit that the current regulatory system of local cable monopolies is broken. Cable rates in Wisconsin have risen nearly 90 percent over the last decade, with some communities seeing rate hikes of as much as 300 percent. The current system is not working, and it's time to look for a sound alternative.

Statewide video franchising, already adopted in 11 other states, is that sound alternative. The framework for competition laid out in the Wisconsin Video Competition Act will lead to lower prices; just as competition has benefited consumers in long distance telephone service, cellular phone service, internet service and e-mail.

While competition is a strong force for protecting consumers, it's important to note that this act does not give video service providers carte blanche. The bill:

- secures the ability of local governments to maintain existing health, safety, and public welfare authority over rights-of-way;
- Prohibits discrimination on basis of race or income;
- Provides build-out requirements for new entrants;

While our mission is primarily public advocacy, Citizen Action cannot ignore the promise of economic growth surrounding cable competition. Estimates are that video competition will spur hundreds of millions in economic investment in Wisconsin, create 1,500 or more jobs directly and spur much more indirect economic growth and job creation. That's an issue we cannot ignore, and yet another reason that video competition has our strong support.

As lawmakers continue to fine-tune this legislation in the coming weeks, I'm sure there will be some discussion related to the availability of PEG channels. Citizen Action is a strong supporter of PEG channel programming, and would like to see public access to PEG channels preserved as we move toward a state video franchise system.

As I said before, the current patchwork of local cable monopolies is out of date. Wisconsin consumers have been forced to endure monopoly cable rates and lackluster service for far too long. Now is the time to act on this important consumer issue.

And as we've seen in other industries, when all companies big and small are allowed to compete on a level playing field to offer the best service at the best price, consumers are the real winners.

Consumers respectfully ask that you act swiftly. A recent study shows that cable customers stand to save as much as \$149 a year on their cable bills if competition is allowed. With 1.4 million cable consumers in Wisconsin - every month that goes by without cable reform costs Wisconsin consumers tens of millions of dollars in lost savings on their monthly bills.

In closing, I would like to thank the sponsors of the Wisconsin Video Competition Act for championing this important legislation and I want to thank the members of this committee for their hard work and extending the opportunity to Citizen Action to present our testimony. I'm happy to answer any questions I can, and Citizen Action of Wisconsin is eager to work with you in the coming weeks we fine tune this measure.

Thank you.



TO: Energy and Utilities Committee

March 27, 2007

SB 107?

From: Laurel A. Canan on behalf of JATV 12 in Janesville, WI

Good morning. I appreciate the opportunity to appear here today and tell you about the Arts in Janesville.

I'm Laurel Canan, the Executive Director of the Janesville Performing Arts Center. I also serve as the Vice-President of the United Arts Alliance, a consortium of performing and visual artists, and various historical organizations. Today I represent all the local arts groups and local performers that use JATV as their platform.

JATV plays an important role in the arts community. At JPAC, we have over 70 performing arts events on our calendar for this season. We rely on JATV to get our concert promotional materials, special event broadcast and replay of taped concert programs on the air. Various audience members who would not hear about a concert event have commented they get a "preview" of upcoming events and this often influences their decision to attend. Here are some examples:

- promotional DVD's of upcoming artists provided to JATV, giving a sampling of the concert and background information on the artist;
- Broadcast of "Janesville in Stages", the opening production of the Janesville Performing Arts Center in September, 2004. Only one performance of this program was staged, telling the story of the Janesville community written by a local author. Many who were not able to get tickets for this sold-out program were able to watch the re-broadcast or purchase DVDs of the program;
- Taped concerts by the Beloit Janesville Symphony and the Rock Prairie Orchestra;
- Programs featuring local visual artists demonstrating a painting technique;
- Several programs have been produced featuring stories about the history of our community- The Lincoln Tallman House and the Tallman families, The Sterling North home in Edgerton, the Beckman-Mill and a tour of historic neighborhoods in Janesville.

JATV provides access to the arts for all. Many people in our community who are not physically able to come to a concert or community art event are able to watch the program on JATV. We frequently get feedback from that audience, how they feel that they are able to participate in the community arts programs.

JATV also broadcasts area fundraising performances. Recently, the Alzheimer's Support Center staged a "Dancing with the Stars" event with seven area amateur couples in a dance competition similar to the hit TV show. This event raised over \$16,000 and will be broadcast on JATV-making those who were not at the event, raising awareness of the Alzheimer's organization and providing an entertaining program as well.

Public access provides a real value and benefit for our community. The loss of this community asset would be deeply felt by the arts community and the viewership that rely on the station for presentation of all the various productions.

Please save PEG access. Preserve dedicated PEG funding, free transmission, and local control over content. Thank you.



Testimony of Barry Orton  
Professor of Telecommunications, UW-Madison

Assembly Committee on Energy and Utilities  
Senate Committee on Commerce, Utilities and Rail

March 27, 2007

SB107?

■ State and local consumer protection has worked to the advantage of consumers. Section 100.209 of Wisconsin statutes protects subscriber's rights to prompt repairs, refunds for service outages, notice of rate increases or service deletions, and written notice of disconnection. **AB/SB 207 would eliminate these basic subscriber rights; Wisconsin video service providers could refuse refunds to customers if the service went out, raise rates or cut programming services without any notice, and disconnect customers without notice or reasonable cause. Instead of eliminating Section 100.209, its protections should be explicitly extended to any video or high-speed broadband service.**

■ Local franchise provisions for local noncommercial channels and the organizations that program them are the traditional method to create and fund local educational, cultural, sports, and governmental programming, which has great value in creating local community. Local access channels have been critical sources for local information for many years. **The decreased financial support and increased transmission costs in AB/SB 207 will make local access programming less prolific and more difficult for smaller communities to sustain.**

These traditional public protections are not a barrier to genuine competition. There is no need to allow unfair advantage to the telephone industry in its efforts to enter the video business, nor no good reason to eliminate the historical structures by which the public's interests are protected in this important area.

That AB/SB 207 prohibits the Department of Financial Institutions (DFI) from enforcing any of the bill's requirements is a particularly egregious example of legislative chutzpah on the part of its sponsors. **If a state agency charged with oversight of an industry cannot promulgate rules interpreting the bill's provisions, cannot establish procedures for enforcing its requirements, cannot review a franchise applicant's qualifications, and cannot review or approve a transfer of its franchises, it truly can be said to be powerless.** Under AB/SB 207, the DFI could issue a franchise; file it in a cabinet in perpetuity, and little else. The video consumers of Wisconsin deserve far better.

**AB/SB 207:  
Why Create An Unregulated "Video Service" in Wisconsin?**

**Testimony of Barry Orton  
Professor of Telecommunications, UW-Madison**

**Assembly Committee on Energy and Utilities  
Senate Committee on Commerce, Utilities and Rail**

**March 27, 2007**

**Nothing is broken that needs legislative fixing:**

■ Local franchises for wired video services are the traditional method by which the public's property is protected, the public's consumer rights are protected, and the public's interest with regard to local information is advanced. **Local franchises have worked well for many years. AB/SB 207 eliminates them. There is no evidence of the unreasonable denial of a single franchise in Wisconsin.** In fact, Milwaukee has been able to reach an interim agreement with AT&T so that they may build while the City's lawsuit proceeds.

■ Franchise fees are the traditional method by which private users of the public rights-of-way pay fair compensation (rent) for the use of that valuable public property. These fees pay for services that benefit all citizens, who jointly own local rights-of-way. Franchise fees have worked well for many years. **The bill would achieve a 15-25% reduction in the franchise fee gross base by the limitation of gross receipts to revenues paid by subscribers (Section 2 (j) 1) and the exclusion of revenues now included, such as late fees. Further, the U-verse plan to serve "low-value" customers with a satellite product would take many current customers off the franchise fee base entirely. AB/SB 207 will cause local property taxes to rise.**

■ Franchise Agreements and Ordinances are the traditional method to assure that all citizens have access to cable services and that neighborhoods are not left unserved. Such build-out requirements have worked well for many years. AT&T has stated that its "Project Lightspeed" will serve 90% of its "high-value" customers (those who spend \$160 - \$200/month on telecom & entertainment services), and less than 5% of its "low-value" customers (those who spend less than \$110/month). **AB/SB 207 creates an underclass of underserved citizens in Wisconsin.**







## Competitive Wisconsin, Inc.

22 N. Carroll St., Ste. 200 Madison, WI 53703  
608-258-8411 [competitivewi.com](http://competitivewi.com)

March 27, 2007

Members of the Assembly Committee on Energy and Utilities and Senate Committee on  
Commerce, Utilities and Rail  
State Capitol  
Madison, Wisconsin

Dear Committee Members:

Competitive Wisconsin, Inc. (CWI) is a membership organization comprised of private businesses, agriculture, academia and organized labor whose core mission it is to cumulatively advocate for public policy that both improves the competitiveness of and removes barriers for growth of Wisconsin's economy.

On behalf of the Board of CWI, I urge you to support **AB 207** regarding the regulation of cable television and video service providers. While this bill is ultimately aimed at providing more choice and potential price relief for consumers, the bill also will provide Wisconsin's economy overall with some very beneficial outcomes.

Leveling the playing field in the video delivery market will allow more entrants into this market than currently exist. In other states where similar legislation has been passed, one of the results has been new entrants into the video market investing in infrastructure improvements and creating new jobs to support the new service. A secondary affect of similar legislation in other states has been dramatic improvements to broadband access as many companies involved with video delivery are also broadband providers and when they improve and expand their infrastructure for video service, broadband comes in tow. This type of job growth, economic development and infrastructure improvement are all key to growing Wisconsin's economy and should be fostered. AB 207 does this.

Finally, we have long talked about the need to streamline permitting processes in our state in all areas of government. Streamlining a permitting process such as that for video franchising sends a good signal to out of state companies about the general business climate in Wisconsin. It shows a progressive attitude toward the role of government in business, something companies look at when making relocation decisions.

Thank you for your consideration of this important legislation and we hope you support the legislation and allow it to move forward. Should you have any further questions regarding CWI's position on this bill, please do not hesitate to call.

Sincerely,

Tom O'Neill  
Senior Vice President  
M&I Corp. and  
President, CWI

Jim Peterson  
President  
James Peterson Sons Inc. and  
Chair, Infrastructure Committee, CWI

Companion  
to SB 107



Donald Allison  
731 N. Garfield Ave.  
Janesville, WI 53545  
608 754-5090  
March, 27, 2007

RE: AB 207 → Companion to SB 107

Thank you Chairman Montgomery, Vice-chairman Peterson, members of the committee. Thank you for this opportunity to address this committee. My name is Donald Allison, and I am a volunteer producer of television programs for Public Access television in Janesville, Wisconsin, and I wish to speak as a citizen in opposition to LRB-1914.

Since my retirement nine years ago, after 34 years with General Motors, in Janesville, I have been involved with Janesville's Public Access station. As a hobbyist, I have produced over forty programs for the community, and have served on my city's Cable Advisory Committee.

My programs have covered a wide variety of programs including fishing, hunting, and the environment; Wisconsin Wildlife Hearings, programs with retired game warden and naturalist George Bachay, Wisconsin Watershed Management Specialist Doug Risch, and Certified Wildlife Biologist Tom Howard.

My other programs have dealt with Medicare, AMTRAK, clubs, churches and organizations, interviews with authors, cooking and musical programs, Janesville's Rotary Gardens, programs featuring senior citizen center and high school groups, and programs featuring individuals and their hobbies.

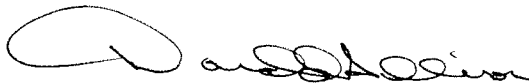
Currently I am working with members of the Rock Trail Coalition, Friends of Riverside Park, and the Ice Age Trail Park and Foundation on a program describing their work with the city of Janesville in a major project that is now underway. Also I am discussing, with Janesville's City Clerk, a proposed project about the election process.

It is programs like these, programs for the community that I fear we may lose. These are beneficial programs produced by volunteers, none of whom are paid for their time or talent. They are people, like me, independent producers and hobbyists, who have invested time and money in efforts to inform and support our community in ways a larger, professional producer never would.

The value of this effort is difficult to determine, and I fear its loss. With at least forty channels across Wisconsin, multiplied by the number of people affected, I very much doubt any gain if support for local access stations is diminished. I have invested several thousands of dollars in cameras and editing equipment. And today, literally today, for just yesterday (March 26, 2007) I assisted in installing new equipment in my church for its television ministry. All of this may be in jeopardy. I fear that not just the investment in dollars may be threatened, but our ability to communicate and to provide important programming to our communities may be threatened.

Therefore, it is my purpose to express to you the importance of preserving public access television for the citizens and for Wisconsin. Please preserve dedicated PEG funding, free transmission, and local control over content.

I thank you for this opportunity.

A handwritten signature in black ink, appearing to read "Donald Allison". The signature is fluid and cursive, with a large initial "D" and "A".

Donald Allison



March 27, 2007

Norman R. Aulabaugh  
2541 S. Tollefson Rd.  
Orfordville, WI 53576

Representative Phil Montgomery  
Chairman – Committee on Energy and Utilities  
PO Box 8593  
Madison, WI 53708

Companion to  
SB 107

Dear Representative Montgomery and the committee on Energy and Utilities:

I am opposed to Assembly Bill 207. I believe it will hurt Public Access Television in Wisconsin. This bill will reduce monetary support for public access stations. It creates restrictions that will negatively impact public access. It requires public access stations pay for a video feed over 200 feet in length and contains provisions where public access stations can be blocked from access for 90 days if bill provisions are not followed to the letter. The bill allows video service providers to reprogram channel capacity if such capacity is not "substantially utilized." The definition for substantial utilization is 12 hours of programming a day that is 80% locally produced and not repeated. Few public access stations can meet this requirement. As a volunteer public access producer, I just completed a one hour United Way program. Taping and editing this program required fourteen hours of my time. Extrapolate the numbers. Twelve hours a day, times 14 hours per production hour equals 168 hours a day or 61,320 hours a year. Each access station would need 30 **full time** volunteer producers to create such programming.

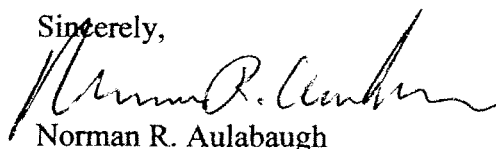
I started a program for the Rock County Humane Society nine years ago. Thousands of animals have found homes and hundreds of lost pets have been reunited with their owners because of this weekly half hour program. No humane society could afford to produce such a show on commercial television. This program is **repeated** six times a week with excellent results.

JATV covers Janesville city council meetings. Myself and other volunteers tape neighborhood listening sessions conducted by city management. JATV covered the candidate forums for the April 3 city council and school board elections. **And yes, these forums have been repeated many times on JATV so voters can have a chance to see the candidates express their views on the issues.** Viewing candidate forums on JATV enables voters to become informed voters.

I have produced programs for the Community Foundation of Southern Wisconsin to promote their charitable programs. I covered the activities of Summertime Kids, an excellent summer youth program in Janesville. I helped Janesville Toastmasters and Kiwanis clubs in Janesville promote their programs and recruit new members. None of this would be possible unless there was public access, properly funded and available to volunteer producers like myself. Assembly Bill 207 will severely curtail public access; access which gives organizations without huge financial resources, a way to communicate. Such communication strengthens our democracy. As such, we need to support public access television.

Please save PEG access. Preserve dedicated PEG funding, free transmission, and local control over content. If you have any questions, please contact me.

Sincerely,



Norman R. Aulabaugh  
608 879-2841  
nra@ticon.net







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**Steven Titch**

**Senior Fellow for IT and Telecom Policy  
The Heartland Institute**

**Telecom Policy Analyst  
Reason Foundation**

**Testimony to the Wisconsin Assembly Committee  
on Energy and Utilities  
March 27, 2007**

**Relating to the Regulation of Cable Television and  
Video Service Providers**

Mr. Chairman and distinguished committee members:

I serve as Senior Fellow for Information Technology and Telecom at The Heartland Institute in Chicago and Telecom Policy Analyst for the Reason Foundation in Los Angeles. Both are non-profit, non-partisan organizations that support ideas and public policies that promote free market-based approaches to commerce, with an emphasis on minimal government intrusion, low taxation and respect for market mechanisms.

Bills like AB 207 recognize how cable TV service in Wisconsin has evolved from its obsolete past of regulated monopoly into an era of competition and consumer choice, and they take positive steps to bring consumer choice in cable to more Wisconsin consumers more quickly.

Let's state this as simply as possible: Video franchise reform means more competition for cable TV service. Competition means lower prices and improved service for consumers.

Texas became the first state to pass video franchising reform last August. Because they were able to go directly to the state capital for permission to deploy video services anywhere in the state, Verizon and AT&T were able to accelerate their rollout of new video services. Consumers saw quick results.

With a statewide video franchise in hand, Verizon in January rolled out its FiOS fiber-optic video service in Keller, Plano and Lewisville, three communities near Dallas. The local cable provider, Charter Communications, immediately dropped its prices. Verizon priced its

- continued -

companion to SB 107

**Steven Titch**

**March 27, 2007**

**Testimony to the Wisconsin Assembly Committee on Energy and Utilities**

**Page 2**

FiOS TV service at \$43.95 a month for 180 video and music channels. The company also offered a 35-channel plan for \$12.95 a month. Shortly thereafter, Charter began offering a bundle of 240 channels and fast Internet service for \$50 a month, compared to \$68.99 it had been charging for the TV package alone.<sup>1</sup>

Consumers noticed. Market researchers noticed.

According to a Bank of America research report, *Battle for the Bundle: Consumer Wireline Services Pricing*, "The rollout of Verizon's FiOS service in select markets has elicited thinly advertised, yet highly competitive pricing responses for incumbent cable providers."

For the purposes of their market research, the authors took the role of Texas consumers inquiring about area cable TV service. They discovered that when they mentioned the competing FiOS service to cable competitors, those cable companies were willing to quote lower prices on the phone.

The consumer experience in Texas followed the trend in other markets where cable competition has been introduced. Because franchise reform can cut months off process by which competitors attain permission to enter markets, it is a terrific idea. Where ever there is video competition, consumers see a break. In Florida, for the first time in a decade, Comcast is not raising rates in Manatee and Sarasota counties, according to a report last week in the Miami Herald. The reason: Verizon already has introduced cable services in Manatee and is close to a franchise agreement in Sarasota.

In a recent study, Thomas W. Hazlett, professor of Law and Economics at George Mason University, explains "Were head-to-head wireline video rivalry, now offered to just under five percent of U.S. households, to extend nationwide, annual benefits to consumers are estimated to approximate \$9 billion, with overall economic welfare increasing about \$3 billion per year."<sup>2</sup>

Unfortunately, in most states today, including Wisconsin, video service providers are faced with the prospect of negotiating individual franchises in scores, if not hundreds, of individual cities, towns, and villages. Despite the documented consumer benefits of cable competition, local officials appear bent on preserving the older, much slower processes.

In arguing for local control of franchising, local governments stoke fears that the city or town will lose a valuable revenue stream, that they will lose control of right-of-way, that they will lose local programming, or that new entrants will discriminate against less affluent communities.

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<sup>1</sup> Vince Vasquez and Sonia Arrison, "Cutting the Cord," Pacific Research Institute, April 2006, p. 11.

<sup>2</sup> Thomas W. Hazlett, "Cable TV Franchises as a Barrier to Competition," George Mason University School of Law, March 5, 2006, p. i.

**Steven Titch**

**March 27, 2007**

**Testimony to the Wisconsin Assembly Committee on Energy and Utilities**

**Page 3**

But let's look at these objections a little more closely.

AB 207 does not take franchise funds away from local franchise authorities. Local franchising authorities still receive payments directly. Local authorities also retain their right to audit franchisee accounting data. Local authorities may lose some of the "perks" that have come from their leverage as exclusive franchise authority—free cable service for City Hall, a parking lot, and other so-called "nonprice concessions" that could once be passed on to consumers without fear of consequences because of the franchise monopoly regime. At the same time, however, competitive entry does mean new revenues from another "franchisee." It's hard to see local revenues being choked off under this bill.

AB 207 does not pre-empt any local authority or jurisdiction over use of right-of-way.

AB 207 calls for statewide franchisees to provide public, educational and government (PEG) channels and franchisees must provide a means of connection from PEG studio facilities to the head-end.

The most controversial aspect of franchise reform bills, including AB 207, is the absence of build-out requirements for new entrants. But this is no flaw or oversight. It is a necessary and valuable part of the new regulatory environment in which cable services should now operate.

For cable companies, build-out requirements were a condition of exclusivity. Although we use the term rather freely now, that's what "franchises" were once all about. The term franchise itself implies exclusivity over a certain territory. The entry of competition ends that exclusivity.

Market mechanisms will now take over – delivering services to all segments of the population, just as competitive businesses do in other sectors. Local governments do not impose build out requirements on supermarkets, video stores, chain restaurants or other retailing establishments.

The same holds true with competitive cable services. Despite worries about "cherry-picking" and "red-lining," there is little evidence of it. Phone companies have been just as aggressive rolling out service in poor communities as rich ones. In Indiana, which passed statewide franchising rules last year, Verizon began its Ft. Wayne build-out in the blighted Hanna-Creighton section, not in the upper-class neighborhoods. Texas franchise reform let Consolidated Communications, a small phone company, launch IPTV in rural Lufkin, offering residents some 200 local and premium TV channels as well as video-on-demand.

Where video franchises are still negotiated locally, the phone companies are not simply applying in only the richest communities. Verizon, for example, in October began offering FiOS service across Nassau and Suffolk counties, the two counties that make up suburban Long Island outside

**Steven Titch**

**March 27, 2007**

**Testimony to the Wisconsin Assembly Committee on Energy and Utilities**

**Page 4**

New York City. To be sure, Verizon is offering FiOS in Laurel Hollow, where per capita income is \$83,366. But the company is also offering service in Massapequa, Mineola, Valley Stream and Roosevelt, where per capita incomes are \$32,532, \$28,840, \$25,636 and \$16,950 respectively.<sup>3</sup>

To analysts who follow the market, this is not surprising. Studies show that low-income households purchase cable services at the same rates as higher-income households. Opponents of franchise reform seem to believe that the low-income demographic is an undesirable market segment, when in truth, it's very much in play.

There is demand for cable TV services in all income brackets. New companies are investing billions in new infrastructure to meet it, not ignore it. Every opportunity for a sale is important because they are beginning with zero market share.

In creating a statewide video franchising structure, Wisconsin will join legislatures in nine other states that have passed statewide franchise reform since the summer of 2005—with bi-partisan support increasing with each vote. It's because legislators—and their constituents—don't have to look far to see the benefits. The choice is straightforward: Lower rates for consumers accompanied by greater choice of services, or retention of an obsolete system that reinforces a regulated market with accompanying high rates and unnecessary barriers to entry.

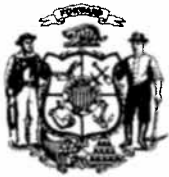
I urge the Wisconsin legislature to support competition and consumer choice. AB 207 is the right way to go.

Thank you.

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<sup>3</sup> The information in this paragraph is culled from two sources. Per capital income is from U.S. Census data for 2000, as published by *Newsday* at <http://www.newsday.com/business/realestate/ny-census-percapitaincome.0.2080483.htmlstory>. Information on Verizon's Long Island deployment is from Verizon Communications press release "Verizon Launches FiOS TV Service in Mineola, N.Y.," Oct. 19, 2006.





**Statement by Rep. Gordon Hintz**  
**Re: ~~AB 207~~ Video Competition Act**  
**March 27, 2007**

companion to  
SB 107

I want to begin by expressing my support for competition in the cable market. I believe there are benefits in cost and quality that consumers can realize in an open cable market. I also want to acknowledge citizens frustrations with rising cable rates. In fact, after property taxes, increased cable rates are one of the biggest complaints of citizens.

However, increased competition and potential lower prices should not come at the expense of Community Access Television. Any bill that reduces existing cable franchise agreements' support for funding, infrastructure investment, and quality is not a benefit to consumers in my district. Municipal franchise agreements were made with local community access needs in mind.

Oshkosh is covered by the Green Bay media market for network television and competes with other communities in the Fox Valley for news coverage. As such, there is not the time or resources available to adequately cover city council, school board, and county board meetings and issues in a way that keeps government open and accessible to everyone. Oshkosh Community Access Television (OCAT) provides coverage of public meetings that allows people an opportunity to follow local government.

In addition, we have established a number of community programs that compliment our government meetings by providing commentary and interviews with local and state leaders that only increases access and understanding of local issues and decisions.

The Video Competition Act as proposed would not maintain the resources and quality that have enabled OCAT to provide these services to our community.

Specific amendments to the bill that should be considered include:

#### **Enforcement of Franchise Terms with Incumbent Cable Operators**

The City of Oshkosh has made future budgetary decisions based on the existing cable franchise agreement. It is important that incumbent cable operators honor the terms of their franchise until the terms expire and require new applicants to meet comparable standards or establish alternatives that make a statewide agreement revenue neutral to municipalities.

Existing contracts were negotiated in good faith by local governments throughout the state and should not be eliminated especially when competition from the new service may take months to establish. (it has been 20 months and they are still waiting for video service in Texas).

The recent agreement reached in the state of Texas addressed this.

#### **Expanding the Definition of Gross Revenue in 5% Franchise Fee**

Gross revenue should be defined to include advertising and other revenues.

Not including these revenues in the 5% fee would reduce existing payments by an estimated 20-25%, especially if costs drop due to competition. The draft bill only applies the fee to subscriber revenue. Local governments will have to turn to property taxes to make up the difference at a time when local government is under state fiscal constraints.

Agreements reached in Texas, California, many existing WI cable franchises, and the recent Milwaukee-AT&T Agreement expand the definition.

#### **Maintain Payment of Local Special Taxes and Fees**

Any statewide agreement should require franchisees to pay all applicable local permit fees, right-of-way access fees and other applicable taxes, fees, etc...

Exempting franchises from these charges would not only result in a significant reduction in revenue but would allow cable providers to receive special treatment as all other entities eligible to access rights-of-way are required to pay these amounts.

Agreements reached in Texas, California, and the recent Milwaukee-AT&T maintains these payments.

#### **Maintain Transmission Quality of PEG Channels**

It is important with new technology that PEG channels are able to maintain their quality. This bill should include language that requires the franchisee to carry PEG programming to headend and to interconnect.

Not maintaining this programming connection will be another expensive cost for PEG channels, particularly with the new technology presented by AT&T.

Agreements reached in California, existing WI cable franchises, and Milwaukee-AT&T agreement maintain transmission quality.

#### **Maintain Connections to Government Buildings**

It is important that any new agreement require franchisees to provide free video service connection and basic service to all government buildings.

This has been longstanding practice for franchisees and has been maintained in recent agreements New Jersey, Virginia, existing WI cable franchises, Milwaukee-AT&T Agreement

Changes that impact these existing measures will force local government to make decisions between core public services like police and fire, and accessible, open, and informative government. I cannot overstate the importance that OCAT has played in our community in making government accessible and informative for citizens that otherwise would have no opportunity to follow and ultimately participate in the process.

Statewide cable franchise agreements reached in other states and in the recent agreement between the City of Milwaukee and AT&T addressed these concerns, demonstrating that it is possible to have establish a competitive cable market and preserve quality local cable access.

Thank you for your consideration.

Gordon Hintz  
State Representative-54<sup>th</sup> Assembly District





Wisconsin State Assembly and Senate Energy and Utilities Committees  
March 27, 2007

I am Molly Butz, 3935 Summerview Drive, Oshkosh WI and Program Coordinator at the Oshkosh Seniors Center. I'm here speaking on behalf of the Oshkosh Seniors Center to voice opposition to language in AB 207 that reduces existing funding for community PEG channels.

companion to SB107

It is rare that a day goes by that a senior in the Oshkosh community does not make a point to stop me and tell me about a program they watched on Channel 2 or Channel 10 (our local PEG channels) that enrich seniors in our community. The shows they are referring to are "Senior Savvy" and "Fit and Over 50". Our senior programming on OCAT has made a tremendous impact on the amount of seniors we are able to reach, educate and serve in our community.

Not all seniors are physically or financially able to participate in activities or programs that we have on-site at our Senior Center facilities. However, seniors have found our OCAT PEG programming to be a valuable way for them to receive education on a variety of senior issues in addition to physical exercise classes, right from the comfort of their own home or place of residency. Many area nursing homes and assisted living facilities have used our OCAT PEG programming as a time of day for everyone to come together in a common meeting place to either learn from a topic of discussion on "Senior Savvy" or to exercise with "Fit and Over 50". This programming helps many seniors remain educated and active and allows them to maintain a strong quality of life in the Oshkosh community.

Please save PEG access -- Preserve dedicated PEG funding, free transmission, and local control over content. Thank you.



Testimony on 2007 Wisconsin **AB 207**  
March 27, 2007 in 412E

COMPANION  
TO SB 107

I am Carson 'Chic' Young, a Professional Communications Engineer for more than 50 years and a resident of Madison, Wisconsin since 1948. Two years after arriving here I began what became many months of working out the needed pole attachment rules and terms with Wisconsin Bell and their parent AT&T, for my planned Cable TV System in Madison - back when we were to be only allowed one TV station - that is, until the UHF channels were then created by the FCC.

When Madison Mayor Bill Dyke created an ad hoc Committee to manage the writing of Madison's Broadband Ordinance in the beginning of the 1970s, he appointed me and requested that I bring the other members 'up to speed' on Cable. Shortly thereafter I represented our Citizens on the FCC's Cable Technical Advisory Committee (C-TAC) while starting 15 years of additional volunteer service on the Broadband Telecommunications Regulatory Board, that I had fostered.

With AB 207 placing video services under the Department of Financial Institutions, it becomes obvious that it is about Money, rather than quality service for our many Wisconsin families. Substituting corporate control, for Citizen Regulation through their elected local representatives - while permitting new providers to 'Cherry Pick' those they will serve in our State for numerous years would provide a massive advantage in cost savings - even if no cross-subsidization were allowed. Please refresh your memory on the reasons for the breaking-up of AT&T a quarter-century ago.

This would be a giant leap backwards for Wisconsin Citizens, and one that even a sizeable number of modifications to AB 207 are not likely to completely eliminate.

Why not also introduce a bill to help additional Electric Companies, or Gas Companies, to install their own infrastructures throughout our cities and towns to provide the competition that would 'supposedly' reduce consumer costs in our State?

Actually - Wisconsin should again lead the way in our Country, by requiring a PSC regulated Public Utility to install Fiber Optic Cable Service to every home and premise in our state -- and then lease fibers on a fair and equal basis to all those who wish to compete in broadband communications.

Thank you for your attention...and consideration.



Wisconsin State Assembly and Senate Energy and Utilities Committees  
March 27, 2007

My name is Trina Voss, 147 Kirkwood Drive, Oshkosh WI. I am a cancer survivor and a volunteer for the Oshkosh chapter of the American Cancer Society. I am not here today for the American Cancer Society. I'm here today because I am a ACS volunteer who knows that *all citizens of the Oshkosh community* have been very fortunate recipients of urgent cancer information due in major part to the publicity that **Oshkosh Community Access Television (OCAT)** has so generously provided us for many, many years. I'm also here to voice opposition to language in **AB 207** that reduces existing funding for community PEG channels.

companion to SB 107

The ACS, like other Oshkosh non-profit organizations, is truly fortunate to have OCAT in our community. Through OCAT, Oshkosh non-profits can share their message, their events and their needs to local residents. I know that when I do a taping on **OCAT**, it will be shown several times daily, and for many weeks! Almost every day, I continue to have people say to me, *"I saw you on TV talking about the American Cancer Society!"*

The ACS and other non-profits also receive great community response though OCAT's bulletin board pages that promotes our events, activities and needs. We use these channels because we know they reach audiences—time and time again we receive comments from members and the public that they saw our pages and are ready to help.

One more thing...I recently had a former acquaintance call me because he had seen me on **OCAT** talking about the local programs **ACS** offers to cancer patients and their families. He had just been diagnosed with cancer. OCAT connected us. Please do not underestimate the value of PEG channels to non-profits in our communities.

Please save PEG access -- Preserve dedicated PEG funding, free transmission, and local control over content. Thank you.



Wisconsin State Assembly and Senate Energy and Utilities Committees  
March 27, 2007

Companion to SB107

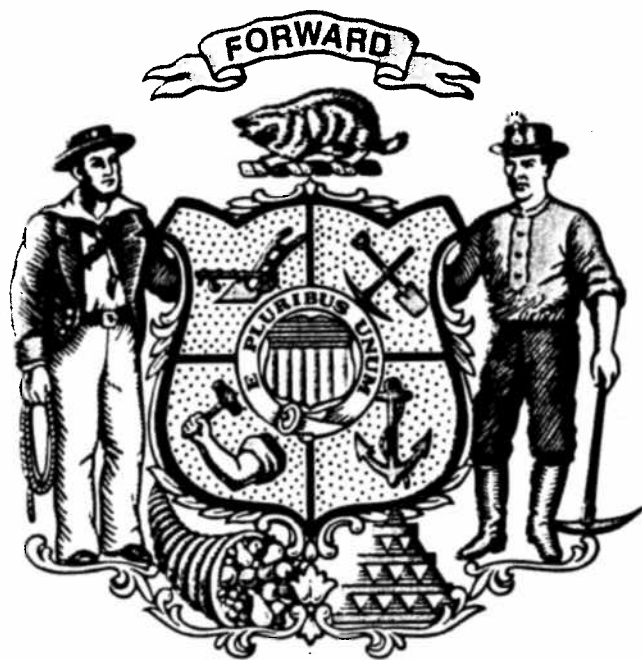
I am Kathleen Propp, 1936 Hazel St, Oshkosh Wisconsin, president of the Oshkosh Area League of Women Voters and a former Oshkosh mayor and city council member. I am no fan of cable television providers and I am no fan of telephone companies – and frankly I resent the statewide advertising campaign about this legislation, because as usual ad campaigns do not tell the whole story. But I am a strong fan of PEG channels like our Oshkosh Community Access Television (OCAT). I am concerned about language in AB 207 that may seriously cripple existing funding mechanisms for PEG channels. *Signal Quality*

*Could be significantly poorer - consumers care about signal quality*  
OCAT is vital to informing Oshkosh citizens about candidates and public policy issues. The Oshkosh Area League of Women Voters is a nonpartisan organization of men and women committed to making democracy work by encouraging informed and active participation in government. We have a superior working relationship with OCAT to co-sponsor primary and general election candidate forums at all levels, and to replay tapes of community forums on major public policy issues.

Literally every week people approach me to thank LWV for these candidate and issue forums. People tell me they look forward to watching our forums to help decide how to cast their votes. These are not political junkies, but average citizens who want to make their vote count. OCAT also broadcasts regular meetings of the Oshkosh city council, city committees (including the plan commission on which I serve), school board and Winnebago County Board. I am amazed at the number of viewers. I have noted that the level of political dialogue and community knowledge about local issues has increased measurably over the last several years and I believe it is directly related to the success of OCAT programming.

I am opposed to any state legislation that would negatively impact OCAT funding or programming in any way. *Our superior Oshkosh public access programming is a direct result of local control over cable franchise agreements and the foresight of Oshkosh city government to negotiate public access services, channels and revenue to support them.*

Please save PEG access -- Preserve dedicated PEG funding, free transmission, and local control over content. Thank you.





Wisconsin State Assembly and Senate Energy and Utilities Committees  
March 27, 2007

My name is Ron Harrell, 4636 Island View Drive, Oshkosh Wisconsin, a retired high school journalism and English teacher of 32 years in Oshkosh. I'm here today to show my support for PEG channels like our Oshkosh Community Access Television (OCAT) and voice my opposition to language in AB 207 that reduces or eliminates existing funding mechanisms for community PEG channels.

→ companion to SB 107

One of the primary reasons I'm a member of the Friends of OCAT is to help promote education in any way possible. While I was teaching our high school students produced several shows for OCAT, including a monthly Focus On Oshkosh North, which utilized the OCAT studios. Several of our students intern and volunteer at OCAT, and many have used their OCAT training to move onto careers in the television and film industry.

OCAT has been invaluable for education in Oshkosh. For several years now, OCAT CATV 2 has aired our bi-weekly Spotlight on Schools, a show featuring programs, classes or presentations taking place in the district. Viewers have been able to get inside the schools and see education and enrichment taking place and have gotten an up close and personal look at our community's most valuable resource. This past year OCAT collaborated with several middle schools and a high school in Oshkosh to earn a Kiwanis Club grant to produce a student-directed district news show called Explore OASD. This monthly show allows viewers to see school activities from the student's point of view, again increasing awareness. The best watched show relating to education is the airing of the Oshkosh Area School Board meetings. This production is invaluable to the community as it is unedited and covers each meeting in its entirety.

Please save PEG access -- Preserve dedicated PEG funding, free transmission, and local control over content. Thank you.



Joel Desprez  
President, Wisconsin Association of Public Education and Government Access Channels  
Executive Director, Chippewa Valley Community Television  
Testimony before the Assembly Energy and Utilities Committee  
March 27, 2007

Rep. Montgomery and Members of the committee,

I'm Joel Desprez, president of the Wisconsin Association of Public Education and Government Access Channels and I'm also Executive Director of Chippewa Valley Community Television. CTV serves nearly 40,000 households in the Eau Claire/Chippewa Falls area. We've started in 1978 so, by your grace, we'll celebrate our 30<sup>th</sup> anniversary.

We operate two channels, the public and educational access channel 11 and the government channel 12. Last night was an exciting night for us. It was the first time we telecasts live remote events on both channels simultaneously. Our regularly scheduled Eau Claire City Council Meeting was on channel 12 while on Channel 11 we telecast a circuit judge and mayoral candidate forum from Chippewa Falls. We were grateful to have the help of Charter Communication in helping us get our signal out of the Heyde Center for the Arts in Chippewa.

The forum was very well attended. Nearly 100 people were there. We offered the program to nearly 10,000 households in Chippewa County and we will reair the program several times before the election next Tuesday. We do this dozens of times for every election on the local, state and national level. At last night's forum there was a reporter from the Chippewa Herald which organized the event and a radio reporter gathering sound bites for today's 2-minute newscast. That's it.

I know that this legislature recognizes the inadequacy of commercial media coverage of legislative events. That's why you've authorized the work of Wisconsin Eye. I know that you appreciate the validity of funding such a service with funds from video service providers and ultimately their subscribers. And I know that you understand that television, not the internet, is still the primary way this information will be distributed.

Public, Education and Government access stations serve local communities in the same way. One could argue that this service is more vital on the local level because we've been developing it for 30 years and you're just getting to it.

As other are pointing out, AB 207 will severely undermine our efforts. What concerns me is that doing so serves no other purpose. Requiring all video providers to serve the local community in the same way that current providers do will not make their product less competitive.

I'm concerned, no, I'm frightened that you will make concessions to AT&T, and then apply those concessions to incumbent providers, thereby allowing all of them to harvest, in the case of Eau Claire, 10s of millions of dollars per year without adequately meeting local needs.

I'm frightened that because of other concessions in build-out requirements and technical oversight, the new entrants into video service will be allowed to cut costs, roll out an inferior product and market it only in areas where price is not the primary concern. I'm concerned that the new entrants will not bring the desired relief to consumers, I believe that there is a real possibility that they will ultimately fail to please their stockholders in a timely manner. And I'm afraid that you will have thrown the baby out with the bathwater.

I recommend the changes in the legislation that are supported by the WAPC, the Alliance of Cities and the League of Municipalities. I strongly encourage you to preserve dedicated Peg funding, free transmission and local control over content.

Thank you.

1304 Bradley Ave.  
Eau Claire, WI 54701  
March 26, 2007

TO MEMBERS OF THE ASSEMBLY COMMITTEE ON ENERGY AND UTILITIES and the SENATE  
COMMITTEE ON COMMERCE, UTILITIES AND RAIL:

I write in strong support and defense of CTV, our public access television provider in Eau Claire. As a teacher of broadcast news reporting, writing and editing at the University of Wisconsin-Eau Claire, I made heavy use of public access. In the early to mid 1970s, my students prepared twice-weekly newscasts that were broadcast on public access. The newscasts were taped. The tapes were dropped off at a filling station where someone from the cable company came by, picked them up and carried them to the head end of the system where they were played. That was far from an ideal situation.

I was a proponent of getting a well-equipped public access center and actively sought city funding for it. A revenue flow from the franchise fee came in to make hope for true public access a reality. A live connection from our television studio on campus to public access (then in the city library) fulfilled my wishes. I believed, and still do, that doing newscasts live was the best teaching approach. It forced total concentration on the part of the students; there's no going back and re-doing error. The pressure was on. We also provided live election coverage to public access for all elections. Getting on-air experience seems to have worked. Graduates have succeeded at many commercial stations. I'm happy to say my successors in the Communication and Journalism department have availed themselves of the public access outlet.

CTV in Eau Claire is a community treasure. In addition to carrying election coverage, it is a major purveyor of broadcast information about candidates for congressional, state, county, city, and school board offices. CTV goes live or records every candidate forum, does candidate interviews and runs playbacks over and over before elections. CTV has handled broadcast arrangements for gubernatorial and state supreme court debates that played on CNN and numerous commercial and public access outlets. Some area lawmakers have had their own programs on CTV. CTV frequently works with the Western Wisconsin Press Club and provides a video version of Mary Jo Wagner's Wisconsin Public Radio public affairs program "The West Side." I know that some sponsors of candidate forums are not disappointed by small crowds; they see CTV there and know that the audience will be multiplied many times over by CTV viewers. City Council (live), Plan Commission (live), County Board and School Board broadcasts add to public knowledge of what governing bodies are doing. Happily, government-related programming has a dedicated channel, which is also carried on low-power FM station WRFP, 101.9.

In retirement, I've continued to work on election coverage and do a series of broadcasts that bear the title "In Focus." I have a guest or panel discuss major issues such as the war in Iraq, city budget problems, etc. I also assist the Press Club with its program "From the Newsroom."

Please do not adopt language that would damage public access as I've known it for many years. It was a valued partner during my 30 years of teaching at UW-Eau Claire. I have no knowledge of other public access stations' personnel, but, in my estimation, the highly helpful individuals at CTV have no peers. The budgets are tight, but CTV personnel squeeze out good programming and teach others who'd like to have a hand or voice in program production.

Sincerely,



Henry Lippold  
Professor Emeritus  
University of Wisconsin-Eau Claire

March 23, 2007

Jennifer Brockpahler  
1134 East Lexington Blvd  
Eau Claire, WI 54701

Dear Legislators:

I am writing this letter to show my support for Chippewa Valley Community Television (CTV) and other public access channels across the state of Wisconsin. The Activities and Programs Office at the University of Wisconsin-Eau Claire has been a member of CTV for a number of years, and there are numerous advantages afforded to both parties through this partnership.

First, as members of CTV, individuals (students and staff, alike) are allowed access to the video equipment at the station. This includes not only video cameras and things of that nature, but also high-end editing equipment that would not otherwise be available to us. This has allowed for great technical improvements in our annual Student Independent Film Festival and other programs.

This is a benefit that is played out even more fully through our university's Service-Learning partnership. Numerous students from various disciplines and departments have spent time interning and volunteering with CTV. Students have gained skills on both sides of the camera, from producing shows and editing videos to hosting programs and acting as the "face" of CTV at community events. The employees at CTV are great teachers and mentors, and they are giving our students (and faculty/staff) technical skills that will serve them later in their lives and careers.

The partnership has allowed for the development of television programs that benefit the entire community. For example, each month the Activities and Programs office produces a half-hour segment highlighting the many arts and entertainment events that occur on campus. These events are often free or very inexpensive, and are always open to the general public. This has served as a marketing tool not only for the events themselves, but also for the university as a whole, as we are able to address concerns about parking, navigating buildings, and other issues that make it difficult for a community member to utilize campus.

An additional benefit of this monthly program has been the relationship that CTV has built with some of our visiting performing artists and speakers. Many live programs have been taped for re-broadcast, allowing for a wider viewing audience. These programs reach individuals who may not have access to the performing arts or lecture series in any other way, due to financial or physical restraints.

Community Television is a community asset, and as such, it should be available to the widest audience possible. It gives voice to all wishing to engage it. It produces programs that educate and entertain, inform and enlighten. They strive, every day, to live their motto, *Building community through media*.

Therefore, I am writing to let you know that I oppose Statewide Cable Franchising. The financial burden that such a bill would impose on CTV and public access channels across the state would make it impossible for them to continue to be the voice of the community, for the community. Thank you for your consideration.

Sincerely,

Jennifer Brockpahler  
Board member, Community Television

March 25, 2007

Dear Wisconsin Legislators,

I urge you to withhold any consideration of support for Proposed Video Franchising Legislation LRB 1914/3 until amendments have been added to change the bill so that it protects the PEG funding, access, and support that are crucial to the survival of public access channels.

As the president of a neighborhood association, director of a local nonprofit organization that provides prevention programs for youth, and former city council member, I have seen firsthand how our local public access channel, Community Television, has strengthened our democracy and fostered greater community involvement by contributing daily to our public's right to be informed. Here are just a few examples--Community Television provides live broadcasts of our local city council and plan commission meetings; videotapes and broadcasts our school board and county commission meetings; hosts and provides live broadcasts of candidate forums for upcoming local elections; and videotapes and broadcasts community forums about a variety of issues including city planning, downtown development, and health issues such as childhood obesity and its prevention.

I have personally worked with the Community Television staff and volunteers to put on a number of local forums. With their assistance to videotape and broadcast them, as well as provide training in video editing, we were able to share valuable information with the entire community rather than just the roomful of people who were able to physically attend. These forums and programs have included neighborhood workshops to build community capacity, crime prevention programs, community forums to discuss controversial projects, and a pedestrian safety program.

When I ran for city council, I went door to door to talk to residents. I met many residents who said that Community Television allowed them to "attend" city council and school board meetings from their homes so they could stay on top of issues and see how they were being represented by their elected officials. One elderly woman said that without Community Television, she would "be in the dark."

Without specific language protecting current PEG channels and funding in LRB 1914/3, this bill will cripple, if not eliminate the Community Television operation, along with every other public access channel in this state. Although I support competition in the telecommunication landscape, it cannot be at the cost of losing public access channels, programming, and services.

I urge you to support amendments to this bill that will protect PEG access, consumers, and existing municipal revenue.

Sincerely,



Jane Tappen  
611 Division Street  
Eau Claire, WI 54703

3619 Country Club Lane  
Altoona, WI 54720  
March 26, 2007

To the Assembly Committee on Energy and Utilities:  
Re: Assembly Bill 207

I am writing as a board member of the Eau Claire Chamber Orchestra (ECCO), which has worked closely with the Community TV organization in Eau Claire and Chippewa Falls over the past year to provide a regular program on one of the public access channels. That program has enabled the orchestra to reach a wider audience and better inform the public of the cultural opportunities offered by ECCO.

I am also writing as a concerned cable television consumer. In reading through the analysis of Assembly Bill 207 by the Legislative Reference Bureau, I am dismayed by the impact that this legislation will have on Community TV here, and by extension on the educational efforts that ECCO is able to provide through a local public access channel. The negative effects of this legislation are many, and I am unable to understand why it should receive serious consideration.

This proposed bill seems to me to reverse long-standing state public policy in regard to cable systems and the services they are able (and, on some matters, obligated) to provide to the public. If these changes, which will have negative effects your constituents, are being proposed simply to encourage a new cable provider to compete, I'd strongly urge you to remove the provisions that harm the public interest before trying to level the playing field for a new competitor.

Specifically, I am appalled by the provision that removes cable franchise procedures from local jurisdiction and places them with the Department of Financial Institutions. This is a function that belongs at the local level, where government officials know local needs (and opportunities) far better than a state agency can know them. Prohibiting municipalities from requiring cable operators to provide funds, facilities and equipment for public, educational or governmental channels is an extremely shortsighted step to take, as is the provision that will force organizations such as Community TV to assume the costs of getting their signals to local cable systems. The bottom line is that any legislation which drastically reduces funds available for municipalities to support community television channels is not in the public interest!

As I read it, this legislation would also weaken the governmental protections for cable system subscribers, and would create loopholes regarding the provision of service to low-income households. I hope that you will heed these concerns, and either kill this bill or rewrite it totally so that it benefits rather than harms cable TV customers in Wisconsin.

I am sending a copy of this letter to Terry Moulton, my representative in the Assembly, since I see him listed as a sponsor of this bill. I hope that he will withdraw his support for this legislation, and thereby continue to protect rather than harm the cable consumers in his district.

Sincerely,

David Gordon

wpc: Assemblyman Terry Moulton







## LEAGUE OF WOMEN VOTERS<sup>®</sup> OF WISCONSIN

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March 27, 2007

To: Assembly Committee on Energy and Utilities  
Senate Committee on Commerce, Utilities and Rail

Re: Opposition to Assembly Bill 207 / Senate Bill 107

The League of Women Voters of Wisconsin is strongly opposed to AB 207 and SB 107 based on our support of citizens' right to know and local municipalities' right to govern.

The League understands that a viable democracy relies on an informed electorate. Only with in-depth information and open decision-making can citizens make wise choices. We advocate for open meetings, open airwaves and open discussion, regardless of the issue or technology involved.

Public, Education and Government (PEG) Access is committed to such openness. The League of Women Voters avails itself of PEG Access around Wisconsin and the nation, all for the purpose of providing the in-depth information about issues and governmental practices and policies so critical to a healthy democracy in our complex 21<sup>st</sup> century world. PEG Access is the only true "public" forum among current media options.

PEG Access should be provided sufficient funds from franchise and per-subscriber fees to purchase and maintain equipment, employ staff, and enhance training programs. In addition, PEG Access should remain free from distributors' up-streaming charges. Franchise and per-subscriber fees are a necessary means to a desired end – a healthy democracy in which all voices are heard. This legislation clearly would result in reduced funding for PEG Access.

Equally troubling about this bill is that it would remove local municipalities' authority to grant cable franchises to operators, instead requiring providers to obtain a video service franchise from the state Department of Financial Institutions (DFI). The bill would allow existing cable operators to opt out of their current local franchise agreements and become subject to the state franchise.

Yet this bill does not empower state government to act in the interests of the public. If DFI does not issue a franchise within 10 days of receiving a complete application, the franchise is deemed automatically approved. Franchises may be transferred to other parties without government approval. Neither the state nor the municipality is allowed to regulate rates.

Municipalities would continue to receive the same percentage of gross revenue from providers, but the definition of revenue to which this applies has significant exclusions, resulting in reduced local revenues. Although no funding for PEG channels is required, municipalities would be required to pay all costs of connecting PEG channels to a video service provider's network, costs that are currently paid by cable operators.

Under this bill, local municipalities are prohibited from charging fees for right of way access, although utility boxes take space and may result in lost parking revenues.

This bill takes control away from local governments and denies citizens access to needed public affairs programming. It is a bad bill, and we urge you to vote against it.





WISCONSIN  
TECHNOLOGY  
COUNCIL

**March 27, 2007**

**TO: Members of the Senate and Assembly Utilities Committees**  
**FROM: Tom Still, president, Wisconsin Technology Council**  
**RE: Statewide video franchising (SB 107/AB 207)**

Thank you for this opportunity to offer a few thoughts on “the new media” and how this phenomenon is affecting Wisconsin.

For better and sometimes worse, the Internet has been the most disruptive technology of our time. When Communism fell and use of personal computers and the Internet began to catch fire, a revolution of political, economic and cultural importance quietly spread. The democratization of communications accelerated at a pace unseen since the dawn of television. The days when only those with huge amounts of working capital (newspaper owners, television and radio station owners) could communicate with mass audiences were pretty much over. Today, anyone with a laptop, a web site and some compelling content can potentially reach the world.

That’s why despots hate the Internet. It’s one thing for a dictator to control a relative handful of newspaper plants and television stations, but it’s quite another for a totalitarian regime to block information that may be easily called up on a wireless laptop.

Even in a representative democracy, however, the emergence of the new Internet media is having profound effects. One example in Wisconsin is the debate over “statewide video franchising.”

Before you today is a proposal to allow AT&T, the world’s largest telecommunications company, to enter the subscription television market, improve its Internet services and provide computer-linked telephone service. That would essentially set up competition between AT&T and cable companies, the largest of which in Wisconsin are Time Warner Cable and Charter.

The Wisconsin Technology Council supports the core concepts behind the bill, the Video Competition Act. The bill is consistent with the Tech Council’s general call for a more level playing field in telecom regulation, which our board believes will enhance competition, create jobs, encourage innovation and lower costs for consumers. Please read our 2007-2008 white papers at [www.wisconsintechnologycouncil.com](http://www.wisconsintechnologycouncil.com) to learn more.

In the world of visual media, the only constant is constant change. Think back to 1980 and the flick of the switch that turned on CNN’s television light. Overnight, the three main networks –

ABC, NBC and CBS – were not alone. Today, there is a news and information traffic jam on television screens across the land. The television industry itself, whether traditional or cable, is now facing competition from outside. The Internet, websites such as YouTube, portable e-mail devices such as Blackberries, cell phone, iPods and other mediums are readily accessible to tens of millions of Americans.

An Associated Press story in today's Wisconsin State Journal offered a perfect example. The Onion, a Wisconsin-born publication that is a leading provider of fake news, is bringing its brand of humor to the hot medium of the moment: online video. Clips from the Onion News Network will also be available for downloads on Apple's iTunes store.

All of this adds up to a competitive environment within the visual media – and the need for a regulatory system that reflects that reality.

As members of the Legislature consider statewide “video franchising,” they should recognize that the Internet is changing the telecom world. Governments need to create regulatory frameworks that anticipate change; that expect new technologies. They should not be clinging to regulatory frameworks that lock them into a specific technology, because such an approach will ultimately impede innovation.

The Tech Council has not taken a position on whether the Video Competition Act should continue or discontinue payments to local governments to support Public, Educational and Government (PEG) channels. However, there are distinct types of PEG channels.

- Local government channels function essentially as a community “C-Span,” often providing gavel-to-gavel coverage of specific meetings or broadcasts of broad public interest. There may be a legitimate public purpose in providing franchise-related financing for these channels.
- Other PEG channels exist to make the medium of television accessible to citizens for a variety of purposes that may not directly serve matters of broad public interest. For example, these channels might carry entertainment or social and cultural commentary. While all such discourse is important in a democracy, there may be questions about how to finance those channels which do not directly serve the broad public interest.

In Gainesville, Fla., late last year, both the Gainesville City Commission and the Alachua County Commissioners declined to create a local access channel because they didn't think it was needed. They cited the growth of the Internet and its rapidly expanding array of video choices such as YouTube, which has profoundly changed how people make videos available to a wider audience.

The Video Competition Act is an important recognition that technology has changed – and will continue to change – access to visual media. To the extent it is possible, the Legislature should ensure there is a level playing field for competing technologies and mediums.

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