

**Policy Proposal 3: Enable local governments to have the option to assess a 0.25% Community TV Fee on cable TV monthly bills.**



*Current law:* Wisconsin local governments are not allowed to collect a dedicated “PEG” fee for the support of Community TV from cable TV subscribers, although it is commonly collected elsewhere in the nation, where local governments are the local cable franchising authority. The “PEG fee” or “Community TV fee” is distinct from the “franchise fee” known as a “Video Service Provider fee” in Wisconsin law.

*Why changes are needed in current law:*

1. Locally-produced Community TV is currently free to cable TV subscribers. No fee earmarked to support the cost of program production is charged. The Video Service Provider fee (federal law calls it a franchise fee) that cable companies (Video Service Providers) pay to municipalities for the use of rights of way can be used for any municipal purpose.
2. All jurisdictions served by a Community TV channel should be able to collect an earmarked fee from cable subscribers to support Community TV program production if desired. Since 2008, state law has made it impossible for nearly any local government to get a new Community TV channel. As a result, many Community TV channels that do exist have regionalized and now cover other community’s government meetings and events and offer media training to other community’s residents.
3. The fee would help pay for studio and field cameras, studio switchers, editing equipment, computers, sets, servers, microphones, lighting and other equipment and facilities needed to produce programming. Local franchising authorities have been specifically empowered by federal law to fund capital costs for Community TV out of dedicated “PEG fees.” (47 U.S.C. 542(g)(2)(c)).
4. This fee could also be used to pay for the cost of meeting the “effective communication” requirements of the Americans with Disabilities Act. The ADA requires local governments to ensure “access to city life by people with disabilities.” The fee could be used to purchase closed captioning equipment, for example, which is needed for government meeting coverage.
5. The loss of this dedicated fee in 2011 has harmed all community media centers, some much more than others – several have closed or currently provide only the most minimal of services.

*How much would a cable customer pay per month?*

According to one source, the average monthly Cable TV bill (video services only) is \$107 so a 0.25% fee would add just over 25 cents to the average bill.

*How much funding would the fee raise for Community TV?* Here is an estimate based on average cable penetration rates, household size, and the cost of cable television service:

- 600 cable subscribers – about the size of Algoma and Howards Grove: \$1,926/year
- 2,600 cable subscribers – about the size of Stoughton and Hudson: \$8,346/year
- 6,000 cable subscribers – about the size of Sun Prairie and West Bend: \$19,260/year
- 20,000 cable subscribers – about the size of Green Bay and Kenosha: \$64,200/year
- 40,000 cable subscribers – estimate for Madison: \$126,000/year
- 110,000 cable subscribers – estimate for Milwaukee: \$350,000/year

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