

PRESERVING QUALITY LOCAL COMMUNITY TELEVISION THROUGH SUSTAINABLE STATEWIDE FUNDING

Community television is a valuable city service that is critical to informing and engaging residents across the state

Community television programming keeps community members **connected and entertained**, from high school sports and city council meetings to newscasts and local events, **through public, education and government (PEG)** programming.

Benefits:



Covering news - We report the hyperlocal stories of our communities, a public service not met by regional, state or national media.



Engaging residents - We provide neutral, unbiased coverage of public meetings, city services, and local elections - strengthening democracy with accessible, transparent and accountable coverage.



Enriching lives - We spotlight high school sports, parades, local concerts, and community events for viewers near and far, connecting them to the hometown action.

About the Minnesota Association of Community Telecommunications Administrators

The Minnesota Association of Community Telecommunications Administrators (MACTA) is a statewide organization of communications professionals who **ensure the public has reliable access to information** about the communities in which they live, work, and play.

MACTA members **support cable television and streaming services that deliver local community programming to area residents**. MACTA's mission is to promote quality, hyperlocal community television programming and **modernize its funding source for future sustainability**.

How is community television programming funded?



Primarily through a cable franchise fee negotiated by cities with cable television providers as part of the contractual use of the public right-of-way



In some cases, through an additional PEG fee, which is negotiated between cities and cable television providers

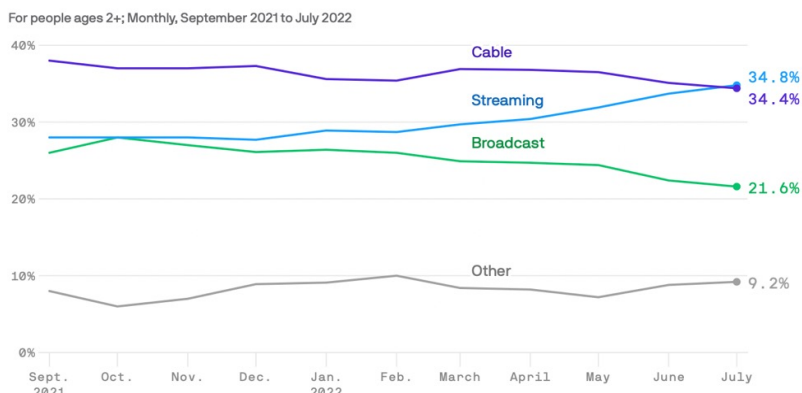
The problem?

The 40-year funding stream for community television using cable franchise fees is in decline. The video programming marketplace has changed significantly since the early 1980s when cable operators built the infrastructure to deliver cable television, and later, internet/broadband service. It is the cable television infrastructure in the public right-of-way that delivers the majority of internet service – 72 million customers, or 69% of the market* in 2021.

Cable subscribers are abandoning the traditional cable TV service delivery and opting to purchase digital/video streaming services delivered via the internet/broadband. In fact, cable operators are changing business strategy by converting traditional cable TV subscribers to “over-the-top” (OTT) delivery.

It’s called cord cutting. However, customers continue to use the same “cord” to purchase video via streaming instead of the cable box. As cable subscriber numbers drop, so does the funding for community television. And, under current state law, many corporations using the public right-of-way are not required to compensate cities. The funding stream must be modernized to reflect this marketplace change.

Share of total TV consumption, by type



Data: Nielsen; Chart: Axios Visuals Fischer, Sara. “Streaming Surpasses Cable as Top Way to Consume TV.” Axios, 18 Aug. 2022

Modernizing the funding source for community television

STATE

- Impose a modest fee on companies using the public right-of-way for delivery of digital/video streaming services collected by local city authority with allocation to community television stations.
- Assess a modest fee on digital/video streaming services collected by the state with allocation to cities and community television stations.
- Budget a state general fund line item for support of community television stations across the state.
- Implement annual funding similar to state support of public radio and public television.
- Protect and preserve local city authority of public right-of-way management and compensation to cities for private use of the public right-of-way.

FEDERAL

- Protect against threats to local city authority of public right-of-way compensation; specifically, regulatory orders and industry-supported “Astro Turf” bills.
- Advocate for changes in federal law, like the Protecting Community Television Act, to codify current community television funding in franchise agreements.
- Support the appointment of a full FCC Commission with the mission to protect consumers and regulate industry.

The “other” public television

Local community television keeps communities connected, informed and entertained. The pandemic showcased these small local stations accomplishing big gains in engagement.

It was dubbed the pandemic pivot – people were able to stay informed about local government meetings and community events while staying safe at home. These local stations leveraged new technology to bring live/on-demand/virtual/hybrid/multi-location programming to residents, including virtual high school graduations, government meetings, sports team games with no fans in the stands, musicians performing from living rooms, fundraisers, streamed religious services and drive-by parades.

Since the pandemic, engagement with community television has grown exponentially. Website statistics for one station show tenfold spikes in viewership of local live event coverage, with audiences continuing to grow. Another station reported local government meeting coverage expanded by 15%. Between 2020 and 2021, local sports event coverage at another local station increased by 51% with the innovation of remote technology. A Facebook page containing news and city information for another station posted a 72% increase in the number of followers from 2019 to 2021.

The television viewing marketplace continues to evolve. Community television is the local source for news and information, particularly as local newspapers and broadcast television shrinks or is shuttered completely.

Protect hyperlocal community television programming!

Help MACTA preserve this vital connection to your local communities by modernizing the funding source beyond cable tv subscribers.

Let’s brainstorm together the funding solutions that will keep this local and vibrant community connection thriving.



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