# PEG In a Nutshell, 4 of 3

by Pete Fasciano, Executive Director 1/25/2013 & 1/4/2015

You read that right. This is part 4 of 3 because this is the future of public access. (*Note the dates above. This is a reprint of an earlier story, and with good reason.*)

Disclaimer: When it comes to predictions, everyone's crystal ball has cracks. Trying to anticipate our future is imprecise at best. But, try we must, for the future is where we are all headed.

For access studios, part of our future is based on government mandate. We fulfill the obligations of open meeting laws by covering government meetings. Part of our future is prescribed for a set time (often ten year periods) in contractual agreements between local governments and Cable service providers.

Our future via these agreements between municipalities and carriers is also affected by shifting technology and with that, the shifting habits of viewers as Cable subscribers and internet surfers. It's about paradigm shift. Shift happens. In actuality, it's more akin to a paradigm <u>drift</u> over time, and many of us spot this slow change only in retrospect after wider adoption. When did you first watch a video over the internet? Who knows? Today it's commonplace.

Cord-cutters are viewers who quit Cable altogether. They watch TV over-the-air or over-the-internet. As we move to offer more local PEG programs over-the-net as streaming HD video we will lose a bit of our funding with each snip of the cable.

Meanwhile, Cable service providers are reluctant to open up HD channels for local public access. This is another barrier that will prompt local access programs to move to the internet. The rising use of mobile devices is also a future factor. More people are video and information snacking on-the-go. How do local access studios afford to support these expanded, non-Cable program services?

The future will likely see some contentious negotiations between carriers and municipalities as towns seek HD channels for local access use, along with internet and mobile video supported PEG access fees. The courts struck down internet based funding in the nineties since no one watched video that way back then. However, the times, (and technologies) they are a-changing. The time has come for revisiting this funding matter as a viable avenue that keeps local access TV programming alive and vibrant-well into the future. (Next week; The MVPDs)

And, thanks for watching!



# PEG In a Nutshell, 5 of 3

by Pete Fasciano, Executive Director 1/11/2015

The MVPDs are coming! Sounds like an honorific. Most-umm-Valuable Pla-??



In our acronym laden world, much of what you see and hear is regulated by the FCC. The Federal Communications Commission's Chairman Tom Wheeler convened its five commissioners to put forth for consideration an NPRM regarding an expansion of the legal definition of an MVPD.

(A Notice of Proposed Rule Making, Re: Multiple Video Program Distributors)

What is a Multiple Video Program Distributor? The MVPD is the current legal definition for your Cable company. Acronyms are convenient contractions for convoluted names. Acronyms change as industry goals and sentiments change.

Remember CATV? Community Antenna TV. The acronym described the process of sharing (subscribing to) a very large antenna system for better TV reception.

In the 80s, CATV was later re-interpreted to mean Community  $\underline{Access}$  TV. It was orchestrated by the Cable industry to boost public relations as carriers expanded rapidly across the country – community by community by community. The public access studio was born, ushering in the era of local, citizen-produced TV.

As the industry matured and most communities had become wired, the acronym simply reverted to Cable TV. This reflected a sea change; more channels. Local TV stations competed with programs from more distant superstations and Cable programmers: WAGA/TBS, WGN, HBO, CNN, ETC.

By 2009 the MVPD became the official wonk-speak for Cable. We citizens still call it Cable, but the MVPD is a legal definition for your Cable carrier. It gives them the right to bring you (redistribute) local TV and other programs while paying a fair license rate to broadcasters and program providers for the rights.

Per the FCC proposal, the MVPD definition is about to be greatly expanded. All program providers - HBO, SHO, Starz, A&E, PBS, CNN, FXX, Netflix, Hulu, et al - will have MVPD status and privileges. It means that they also may distribute programs nonexclusively from all sources over the internet or via other technologies.

The FCC shift away from CATV? It's a shift away from Community Access. More next week. And, thanks for watching! Our Community Acce



# PEG In a Nutshell, 6 of 3

by Pete Fasciano, Executive Director 1/18/2015

When I began this series two years ago on the past and future of Public Access TV I ended on prescient comments about the rising phenomenon of cord-cutting. What is driving a sea change? What lies ahead? The distinctions between Cable TV and Internet and phone service are becoming blurred.

Last week I reviewed the evolution of CATV (Community Antenna/Access TV) to Cable TV to today's MVPD. While we still think of TV as "Cable", the core business is no longer just about providing a community antenna for clear local TV pictures. It's about shipping programs – lots of programs from lots of sources. Hence, the FCC's legal definition of an MVPD, Multiple Video Program Distributor.

This week I attempt to navigate a backstory of some complexity. In our fast-paced world of communications technology there are key issues under review by the FCC and Congress for possible regulatory action.

- Title II utility status for Internet service
- Net neutrality v tiered priority service
- Technology Independence for MVPDs
- Expanding the legal definition of MVPDs

These issues are intertwined, hence their complexity.

The FCC is considering regulation of the Internet as a Title II utility. That would be a big step toward insuring Net Neutrality where all customers' data, great and small would be treated equally as it travels over the Internet. It means that video, voip, bank transactions, file uploads/downloads, email, streaming music, or pix of funny cats – all this data would compete for bandwidth equally according to its handling protocols (http/ftp/udp) as it passes through the Internet's vast fabric of Ethernet connections. That's the Internet we enjoy today where all data traffic, regardless of its origin, is delivered on the same best efforts basis.

The Internet was introduced to many of us over the phone. It was a dial-up service. Over time, the phone companies developed DSL, Digital Subscriber Line service. Cable carriers quickly realized that they could offer a faster internet connection that didn't tie up the phone.

When Congress gave Cable carriers the right to sell phone services they also allowed phone companies to sell Cable services. Each could make more efficient use (and more money) of existing infrastructure. It promoted competition. It was the birth of the three-way bundle of services: Phone/Cable/Internet. Like electricity, the telephone is a Title II regulated service – an essential utility. Power and phone services have guaranteed right-of-way access to our homes to insure that everyone gets affordable service. Currently, Cable and Internet are not considered Title II essential services. They're optional. Cable must pay an access fee for rights of way. That's how local Public Access TV is funded.

Here was a conundrum. As a bundled service, the Internet inherits its right-of-way access from either your phone or Cable company. If you got your Internet service from Cable TV you paid a right-of-way access fee as a small percentage of your entire bill. If you got Internet service from your Title II phone company, you didn't. It's one factor that led the courts to decree that access fees should apply only to the Cable TV portion of your bundled services bill.

The FCC seeks technology independence for all TV programmers - MVPDs. Why? Although we buy three communications services – Phone/Cable/Internet – they all come to most us via the same digital technology; Ethernet. It's all done through Internet protocol communications (I.P.) Phones today are VoIP lines, Voice over IP. Cable TV is a dedicated Video over IP system. It's all packets of data.

Your carrier wants to maintain the three way bundle as a business. At the surface, more services = more income streams = more money. However, the Internet is eroding Cable TV service because you can also watch some TV over the Internet. People who abandon Cable and elect to watch TV (Netflix, YouTube) via the Internet or watch local TV stations via an antenna are dubbed cord cutters. In 2015, cord cutters account for an estimated 11% to 14% of TV viewers.

Although Cable TV is a data stream under the hood, it travels to you via reserved bandwidth – a dedicated fast lane – to guarantee that TV shows won't be disrupted by competing traffic. All Cable carriers; Comcast, Time-Warner, Verizon FiOS, maintain dedicated digital infrastructure and reserved bandwidth expressly to support reliable Cable TV services. This cost is part of your Cable bill.

Conversely, streaming Video over IP from Netflix, YouTube, et al shares your Internet bandwidth and must compete with other data traffic to get to your home. Best efforts? Your TV shows might stop and stutter during periods of high traffic when the Internet's best efforts just aren't fast enough. Other than originating servers and Internet connections, MVPDs have no other infrastructure costs.

Navigating through menus to find your favorite shows is not nearly as easy as changing the Cable channel. However, digital technology is doing what it does. It's evolving as everything becomes data, and these early UX (user experience) issues will be resolved. Rules and regulations from the analog past aren't keeping pace, and the FCC and Congress are both working on this.

If the FCC expands the MVPD definition and privileges beyond Cable providers, the increase in competition can mean lower costs to consumers. Promoting technology independence – the ability for MVPDs to distribute their TV shows by any means (Internet) – is a nod to the digital facts of life. It's all just data. However, our current Internet infrastructure is not quite ready for a massive increase in video traffic.

Recently, Netflix agreed to pay the carriers (Comcast/Verizon) a premium for fastlane traffic service beyond their normal Internet connectivity fees. Negotiations were contentious, and few winners emerged from the resulting bad press. The carriers simply sought compensation for infrastructure costs to provide a level of guaranteed traffic service akin to the reserved bandwidth of Cable TV programs.

The logic of Cable's position is that if all MVPDs are to provide the reliable user experience of Cable TV, then all MVPDs should contribute to the dedicated wire cost. However, because that wire is now virtual – as reserved bandwidth on a shared data line – there are economic, legal, and techno-political challenges in defining dependable MVPD data streaming service as something set apart from the noble Net Neutrality ideal where all data is equal.

Cable industry's stated position: If all MVPDs are to enjoy Cable's privileges, they should also take up Cable's legacy obligations. The courts attempted to level the playing field once before. The unintended consequences were that local access TV facilities lost a considerable portion of revenue. Cable TV service won't just go away, but as cord-cutting becomes more viable, Cable's future will be diminished. Because local access TV is supported via Cable fees, and other MVPDs make no contribution to support local TV, we will be diminished over time as well. The legal underpinnings of support for local access TV are inadvertently and unwittingly becoming undone by technology independence. Will this happen tomorrow? No. Next day? No. However, our TV paradigm is drifting, evolving over time.

Technology uptake tends to reach its tipping point somewhere around 15 percent. It's the point where technology moves from early adopters to mainstream users. People finally believe that it works – or not. Will cord-cutting go mainstream? It makes sense once the bandwidth and UX issues are resolved. In another two years we could see cord-cutting become much more mainstream.

At Franklin TV we are also planning for web-enabled TV. We will expand beyond our channels and go to where the viewers are. Thus, as our financial support decreases, our costs will rise. We can only hope that our legislators can muster the Solomonic wisdom to craft a good outcome for all.

And, thanks for watching!



### PEG In a Nutshell, 7 of 3

by Pete Fasciano, Executive Director 1/25/2015

Here is an informed overview of the thorny FCC issues that I covered last week by someone most expert in Broadcast Law, Washington Attorney David Oxenford.

I have provided technical guidance to David on past matters of music streaming and digital media technologies. If you sensed the many complexities in play from my observations of last week – hang onto your hat and cable box – and read on.

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Who says that the Internet is not regulated? Whether to treat Internet video providers by the same rules that apply to Cable and direct broadcast satellite systems is the subject of a Notice of Proposed Rulemaking released by the FCC just before Christmas, notice of which was published in the Federal Register today, setting the comment dates on the proposal. Comments are due by February 17, and replies by March 2. This proceeding could have a substantial impact on Internet video providers - potentially extending FCC jurisdiction to a whole host of services not currently subject to its rules, and potentially subjecting Internet video services to all sorts of rules that apply to traditional MVPDs (multichannel video programming distributors), including the FCC's EEO rules, captioning rules and CALM (sound levels) Act compliance. Even the political broadcasting rules, which the FCC notes in the NPRM only specifically apply to Cable and direct broadcast satellite rather than to MVPDs generally, could potentially be looked at in the future for these services should they come under FCC jurisdiction. At the same time, the rules could also have an impact on program suppliers and broadcast networks, as various rules dealing with access to Cable and broadcast programming could extend to Internet video providers, thus potentially conflicting with existing contractual obligations and even the Copyright Act.

What are some of the specific issues being considered?

The issues raised in the Notice are many – including the very fundamental one as to whether the FCC even has the authority to include Internet delivered video (what the FCC refers to as Over the Top or OTT providers) under the rules for MVPDs. While the general definition of MVPD would seem to cover Internet video (as it covers anyone who makes multiple channels of video programming available for purchase by subscribers), it is not that simple. As with any Federal law, one can't just stop the analysis with a quick read of the statute. The statute, in at least one place, defines a "channel" as a portion of the electromagnetic spectrum capable of delivering a TV channel. And the FCC defines a TV channel as one comparable to what is delivered by broadcast TV. It's that reference to "electromagnetic spectrum"that has tripped up previous services seeking an expansion of the MVPD definition. In the case of Internet-delivered service called Sky Angel, the FCC staff five years ago determined that, as it was not a facilities based system – it did not control that electromagnetic spectrum on which its programming was delivered-it could not be an MVPD. The full Commission sought comments on the staff decision then, and, with the recent Aereo decision and its aftermath, and the seemingly daily announcement of new online video service offerings from everyone from CBS to HBO to Dish and Disney, the FCC seems now ready to move with this expansion of its authority to cover video on the Internet. Because of the potential for very similar video services to have very different regulatory burdens (Cable and satellite could be subject to all the FCC MVPD rules, while the same programming, delivered by an Internet service, might have none of those obligations under the current regulatory interpretations), the majority of the FCC commissioners want to move forward with this proposal. But, it asks for comments on whether it really has the authority to do so.

But, just what video would be covered by the FCC's proposal? The FCC suggests that it would be multichannel "linear" programming services - essentially those that look like Cable services, where programming is pushed by the service to consumers in a continuous feed - not on-demand programming like that provided by YouTube or NetFlix. But there are numerous issues with such definition, and the FCC asks for comments on them. They ask, for instance, should a party that streams all of its own programming, even if done in a linear fashion, be able to avoid MVPD treatment (e.g. should Major League Baseball be able to provide a package of all of its games without MVPD treatment, or should CBS or ABC be able to provide a package of all of the programming channels that they own without such treatment)? Should there need to be a minimum number of channels before such treatment applies (the FCC suggests maybe 20 would be appropriate)? Should there need to be a minimum amount of daily programming before the service would be considered an MVPD? The FCC also asks what should be considered a "payment" for such service, as only services which are purchased by subscribers are considered MVPDs - does it need to be a direct cash payment, or if it is bundled with other services for which payment is made, would that bring it under the rules?

And exactly what rules would apply to OTT services if they are treated as MVPDs? It would seem that some rules that apply to Cable and satellite (e.g. rules on inside wiring, signal leakage and perhaps many of the rules regarding set top boxes and other reception devices) simply make no sense given the technology involved. But what about the EEO rules, and those that deal with accessibility issues (captioning and video description) or the CALM Act? The FCC asks if these rules would stifle innovation on the Internet.

Finally (but certainly crucial to the debate), there are questions about the impact on programmers. There are rules governing MVPDs and their relationship with Cable programmers (e.g., in certain instances where a Cable system owner has a financial interest in a programming channel, the channel must be made available to other MVPDs; rules also forbid Cable operators in some circumstances from insisting on getting an ownership piece of a programmer in exchange for carriage). There are

rules governing the carriage of over-the air TV stations (e.g. the must-carry and retransmission consent requirements; the requirement of good faith negotiation over retransmission consent rights). Do any of these rules make sense for an OTT MVPD? The FCC asks about how the application of these rules would affect competition with other outlets for such programming, and whether programmers of broadcast and Cable programming have the contractual rights to authorize the distribution of their programming on the Internet. But for broadcasters, there is also the big question of territorial exclusivity, especially as one could see that many OTT MVPDs would be national, not local services. What impact would their carriage of broadcast programming have on local TV affiliates and the local service that they provide? Would carriage of network programming by an OTT provider undermine local television? While the FCC does not seem to specifically ask, a question that may need to be addressed in the proceeding is whether TV stations should be able to refuse to negotiate with OTT systems that cannot show that their service is geographically limited. There are also copyright issues as carriage of broadcast program without a copyright compulsory license (which comes from Copyright Act, rather than the Communications Act) would require the approval of everyone who holds copyright in any element of a broadcast program.

Obviously, there are many questions about this proposal – and this summary only scratches the surface. There are sure to be many interesting comments filed on this matter next month, and the future of video programming and the regulation of the Internet will surely be debated as part of this proceeding. Everyone involved in the video programming world should be carefully watching this proceeding as it moves forward. – David Oxenford

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If you took in all of the above with complete comprehension, congratulations. You're now officially a full-fledged digital media wonk (like me).

How soon will all this settle out? Nettlesome issues take time, and the challenge for Washington regulators is to keep apace of the technology, its public impact, and how stakeholders might benefit or be harmed, fairly or unfairly. Does the FCC hold authority over these Internet and media matters? There is clear precedent in its oversight of the phone companies and interstate (hence Federal) communications. However, the FCC's mandate and reach is further regulated by Congress.

The broad view; competition brings more choice at lower cost. With his venture capital experience, Chairman Wheeler brings a keen awareness of new technology, its public uptake and related free-market forces. Given its mandate and history, the FCC is the appropriate agency to address these matters. Hopefully, under his guidance the FCC can work with Congress constructively to divine the answers.

So, what of Public Access TV? Are we still relevant? Valued? We should be.

A quick financial snapshot of what we produce (the PEGonomics if you will of our charter) indicates that when compared with equivalent commercial media services, a PEG facility can generate two dollars of local value for every dollar of support.

Value for whom? Everyone in the communities we serve. Without support from access fees, most of our programs and services would simply vanish.

Local PEG TV <u>amplifies the public good</u>. We do this by publicizing the positive aspects of community life; by educating and informing residents about local events and activities; and by promoting free services and support offered by volunteer groups and other nonprofit organizations (like us) who serve the public interest.

#### Citizen Support:

We provide an open and accessible bully pulpit, with citizens educating citizens about local issues, nonprofit service groups, promoting their messages, missions, events and good works. Citizen opinion and editorial expression on local issues of the day are provided with an open voice. It is the first amendment writ large.

#### **Educational Support:**

We also spotlight local arts, music, cultural and school events and local sports while providing volunteers with practical, hands-on experience and training in media craft and communication arts.

#### **Government Support:**

We provide regular coverage of open government meetings, publicize government notices and activities, and provide a ready forum for informing and educating the public on local issues of civic importance. Candidates for local offices are afforded ample balanced access.

In sum, local PEG TV strengthens the very fabric of community life.

With all in play, it's ever more difficult to define future PEG service – in a nutshell. New technologies have improved and expanded our services. New regulation could erode or insure our very existence. As tiny, local access PEG TV facilities, we are running with elephants. Our challenge is to somehow avoid being trampled.

#### And, thanks for watching!



## Whither this Weather?

Just when you thought it was safe to go out. by Pete Fasciano, Executive Director 2/1/2015

Remember snow days as a tyke, and massive snowdrifts that you couldn't see over? Yeh, like that. Except - now you're big. So are the drifts. The outsized scale of a three foot blizzard takes you back. Big weather makes you small again. So - I'll just put these here...



After this one, my valiant little electric snow blower owes me nothing. Meanwhile, at the studio we finally got dug out by Thursday morning.



And, thanks for watching!

### Kids Are On A Roll!

Candlepin bowling for the young. by Pete Fasciano, Executive Director 2/08/2015

New England Candlepins, now in its seventh tournament run, has been gathering



viewers at a steady clip. Now we're expanding our coverage of candlepin bowling as an uniquely regional New England sport. We're beginning a new competitive bowling series – 12 shows in all – dedicated to kids. *Candlepins, New Generation* features kids in three age groups competing for prizes and trophies.



Hosts Rob Taylor and Brian Roe brought the excitement as parents in the audience watched and cheered – and cheered – their kids on.

The kids compete in teams, and frames roll by pretty quickly during each string and 30 minute episode.

Deep thanks go to Woburn Bowladrome and the ICBA for supporting these kids.

Learn more. Check out their websites:

Woburn Bowladrome: www.woburnbowl.com

The ICBA: http://www.candlepinbowling.com

Watch *Candlepins, New generation*-this spring. And, thanks for watching!

