

“Cable Competition” Law Fails: Union Jobs Down, Rates Up, First Community Access Station Loses Funding

On Tuesday, November 17, Representative Gary Hebl (D- Sun Prairie) presided over a legislative briefing at the Capitol that highlighted the failure of the Cable Competition Act (Act 42) to rein in rates, or provide jobs, or preserve community television as Act 42's proponents promised in 2007 and *still claim*. The main focus of the session was to brief attendees on Rep. Hebl's Cable Consumer Repair Bill and how it will protect consumers, jobs, and community television. Dr. Barry Orton of the University of Wisconsin - Madison, Rich Pearson, Vice-President of CWA Local 4603 (Milwaukee), and Mary Cardona, Executive Director of the Wisconsin Association of PEG Channels spoke to the packed room. Other supporters of the Cable Consumer Repair Bill in attendance were Dan Rossmiller of the Wisconsin Association of School Boards, Curt Witynski of the League of Wisconsin Municipalities, Rich Eggleston of the Wisconsin Association of Cities, and Rob Boelk, President, CWA Local 4622 (Beaver Dam).

Mr. Pearson stunned the crowd by announcing that the number of union jobs has actually dropped in the Milwaukee area since passage of Act 42. Mr. Pearson cited figures to show membership in the Milwaukee union is now 15% lower than last year, a loss of about 300 strong, family-supporting jobs. Employment opportunities created by AT&T's U-Verse roll-out are turning out to be limited term jobs with no pension benefits. With no apparent plans to expand the broadband build in Wisconsin, AT&T workers are being loaned for six weeks at a time to other states such as Indiana and Ohio where stronger broadband provisions in state statutes are creating work. While 300 U-Verse "boxes" (required to upgrade the telephone system to carry video) were installed in 2007 and another 300 in 2008, only 60 were placed in 2009. Workers placed the last one in September. (*Note: According to AT&T's letter to DATCP in February, 31% of households in its service area were able to subscribe to U-Verse. By September, the company probably reached a penetration level of 35%, the level Act 42 requires to be reached within three years. Act 42 does not require AT&T to build out any further until two years after U-Verse captures 30% of the market for six months. – Ed.*)

Professor Orton discussed how the bill would strengthen enforcement of consumer protections by transferring oversight from the Department of Financial Institutions to the Public Service Commission, by funding both agencies with revenue from annual licensing fees, by creating enforcement tools now absent, and by allowing local governments to enforce state-level consumer protections. Professor Orton pointed out that the promise made by promoters of the bill, that rates would instantly drop with competition, have very decidedly not proved to be true. "Cable rates never go down," Orton said. "They go up, and they go up consistently." Basic Cable Rates are up 25% and Expanded Basic Rates are up 18% in Charter's service areas.

Mary Cardona, Executive Director of the Wisconsin Association of PEG Channels, spoke about the damage being done to community television. A provision which ends PEG fees in 2011, has already jeopardized the future of WYOU, whose funding was cut in half by the City Council with the expectation that no funding would be available in 2011. Cable

operators are moving community channels to hard-to-find places on the line-up. Municipalities are saying no to new and expensive transmission equipment that Act 42 requires cities to pay for in order to be carried on channel 99, a website where community programming is buried under a series of menus. As a result, only seven stations are carried on U-Verse besides the Milwaukee channels, which received free equipment from AT&T prior to passage of Act 42.

WAPC supports the Cable Consumer Repair Bill because it will allow municipalities to reinstate PEG fees up to 1%, transfer responsibility for transmission equipment back to video providers, and require all video providers to carry community television channels as they carry the local broadcast channels on the basic tier of service.

Ms. Cardona ended by noting that the City of Oak Creek, which is located in the district of Sen. Jeff Plale, a co-author of the Cable Competition Bill, is part of a national upward trend of interest in “hyper-local” content by beginning to use its government access television channel for coverage of City Council meetings.

Attendees were encouraged to ask questions and make comments. Members of the audience who participated included one foe of the bill, Tom Moore, the Executive Director of the Wisconsin Cable Communications Association (WCCA) and three supporters of the bill, Marcia Standiford, Manager of the Madison Metropolitan School District Media Services and Pam Steitz, Executive Director of Sun Prairie Cable Access, and Brad Clark, Manager of City Channel, Madison.

Besides those already mentioned, several members of WAPC traveled to attend the hearing including Brian Utter (McFarland), Brian Winge (Cottage Grove), Alan Lockett (Whitewater), Connie Darling (Fitchburg), Barbara Bolan (WYOU) and Rachel Packard and Lindsay Giese (Sun Prairie). Gary Goyke, WAPC’s lobbyist, was also present. Industry representatives in attendance were A. J. Wilson, lobbyist with Broyderick and Associates, representing AT&T and Scott Tyre, lobbyist for the WCCA.

Wisconsin Eye taped the event and several news outlets covered it.