November 14, 2018

Honorable Chairman Ajit Pai

Commissioner Michael O’Reilly

Commissioner Brendan Carr

Commissioner Jessica Rosenworcel

On behalf of NewTV, its viewers, users, members, staff and its board of directors we oppose the NPRM item 05-311. The "netting out" of a cable operators in-kind contributions from the 5% PEG support is wrong in so many ways. Simply put, if passed it will destroy the last vehicle residents have to stay in touch with their community.

Let's start with the facts here in Newton, MA:

* All three cable operators pass through the 5% PEG support and other franchise related costs to the Newton consumer (*who willingly pay this fee to support their local channels managed by NewTV*) and now seek to deduct all previously negotiated in-kind contributions from the net 5% PEG funding? This appears to be an accounting faux pas at minimum. The consumer knowingly pays 5%+ of their monthly cable bill to see local city council and school committee meetings, high school sports, holiday festivities, candidate forums, chamber of commerce matters to name just a few programs aired 24/7.
* NewTV provides scrolling message alert capabilities to the municipal leaders in the event they need to inform the community of an emergency situation. A video link is also provided to ensure swifter alerts to save lives.
* NewTV provides a video platform to state/regional consumer affairs, veterans, elder, housing and transportation officials so they can get their message out to residents of Massachusetts.
* The loss of PEG funding due to the “netting out” of in-kind contributions will force NewTV to close its doors. There is no chance we would survive this drastic measure the FCC is proposing.

A compromise (*I can’t believe that I am even saying this*) would be to allow the cable operator to deduct the in-kind contributions amount from the gross annual revenue (GAR) ledger similar to the “Bad Debt” line item.

* A current example; cable operator grosses $1,000,000.00 in revenues for the quarter and submits $50,000.00 to the PEG provider representing the 5% of GAR’s.
* If the FCC Rule Making (05-311) passes as proposed the cable operator would deduct the in-kind contributions expense from the $50,000.00 earmarked for PEG. If the cable operator values their contributions at $50,000.00, then the PEG provider receives $0 that quarter.
* With my compromise solution, the cable operator would deduct the $50,000.00 from the $1,000,000.00 in GAR’s thereby providing 5% of $950,000.00 to the PEG provider which amounts to $47,500.00 for PEG support. A loss of $2,500.00 is easier to overcome than the loss of $50,000.00.

The loss of Community Media hurts all Americans.

* In 3000 local media centers across this country there are Republicans and Democrats serving as Federal, State and Municipal legislators. And many of them are producing informative shows to get their message out to their constituents.
* Community Media injects more original programming to mainstream television than any other network. Even the FCC has recognized this in past statements.
* NewTV has 14 employees that do not work for the government.
  + We pay into a private retirement system and pay for private healthcare.
  + We leased our office/studio space for many years and in 2017 we purchased the office condo to avoid a spike in rent.
  + We annually purchase office supplies, utilities, proper insurance coverage and audio/video equipment and accessories for the last 27 years.
  + NewTV is engaged with emergency responders and seeks to be a go to source for them when called upon.

The “netting out” of in-kind contributions will sink Community Media immediately if you pass the NPRM as proposed. Cable television is eroding fast enough without allowing this Rule Making to go forward. We, all of us, need to think of how we can provide Anytown, USA residents with a glimpse of what is happening in their neighborhood or village. Broadcast television, YouTube, NetFlix and Facebook will not satisfy this need.

We place trust in you as the caretakers of communications in our country and pray that you will do your best to save localism in the form of PEG Community Media!

Respectfully,

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