



City Council Agenda Bill

<h2 style="margin: 0;">20002</h2> <p style="margin: 0;">Bill Number</p>

Subject: Update on expansion of PEG Access Television

Summary Statement: "PEG" refers to Public Access, Education Access, or Government Access non-commercial television channels. The City's Comcast franchise agreement allows the City to add channels.

The City Council, as part of work plan and budget discussions for 2013, directed that Comcast franchise funds continue to be set aside to support potential expansion of PEG Access television, and to discuss the potential issuance of a Request for Proposals soliciting submission of access channel proposals. Based on council direction staff will write and distribute an RFP in fall 2013.

Previous Council Action: Council direction re: 2013 City Budget to hold 1% of Comcast franchise fee revenue in 2013, 1.25% in 2014 to potentially add channels. Capital revenue from PEG fees also held.

Fiscal Impact: Staff time, plus potential use of held Comcast franchise fee revenue of approximately \$380k startup funds and \$200k annual operating, plus capital revenue of \$195k startup funds and \$85k annually.

Funding Source: Comcast franchise fee revenue, Comcast "PEG Fee" revenue

Attachments: Memo - Policy Discussion regarding expansion of PEG Access Television

Memo - Peg Recommendation from Council

August 2012 Report - A Survey of Organizational Options for Adding Educational or Public Access Cable Television in the City of Bellingham

Meeting Activity	Meeting Date	Staff Recommendation	Presented By	Time
Committee Briefing Information Only	01-Jul-2013	Information Only	Marty Mulholland, Director of I.T. Services Department	5

Council Committee:

Committee of the Whole
Seth Fleetwood, Chair

Agenda Bill Contact:
Brian Heinrich, exec

Reviewed By	Initials	Date
Legal	PM/L	6-25-13
Mayor	KL	6-25-13

Committee Actions:

Council Action:



Date: May 15, 2013
To: Mayor Kelli Linville
From: Marty Mulholland, Director of I.T. Services Department
Re: Policy Discussion regarding expansion of PEG Access Television

Background:

The purpose of this memo is to provide you with requested background information to prepare for the planned Council discussion of policy issues related to Public, Education, and Government (PEG) Access Television.

The City Council, as part of work plan and budget discussions for 2013, directed that Comcast franchise funds continue to be set aside to support potential expansion of PEG Access television. The City's I.T. Department 2013 work plan includes gathering of policy input in order to prepare a request for proposals (RFP) for potential expansion of PEG Access Television.

Per your request, my recommendations follow regarding the most cost-effective manner to proceed based on the direction provided by the Council.

1. Maximize BTV10 programming
 - o Recent equipment investments have allowed us to cover a number of new community meetings
 - o Modest expansion to staffing, within existing BTV10 funding - has been proposed for Council consideration June 3, 2013
2. Preserve General Fund revenues
 - o The best method to preserve General Fund revenues for high priority government services, is to minimize investments in new programs, and when doing so identify the most cost-effective options possible
3. Assuming PEG programming will expand, do so in the most efficient manner possible
 - o See actions for most efficient expansion of PEG, below

Actions to provide most efficient expansion of PEG programming:

1. Limit channel expansion to one entity and one channel initially

Recommendation: Request proposals to be written for one additional channel operation initially, in an effort to focus funding and efforts on supporting one new entity rather than

two.

2. Encourage consideration of Education Access interest - Based on prior statements of interest, Education Access expansion may be more cost-effective over time than Public Access, because of reduced equipment needs and startup costs
3. Any Public Access proposals should be cost-effective in terms of equipment needs and ongoing costs. If equipment costs can be minimized, then there is opportunity to reduce subscriber bills.
4. Proponents should be encouraged to identify possible collaboration strategies with BTV10, in an effort to reduce costs and maximize community programming
5. Limit the initial term of the agreement to three years

Policy Direction Needed

- Types of channels to be considered
- Number of entities to consider
- Policy direction relating to funding levels

REFERENCE Material

The current Comcast franchise agreement, along with extensive information about community needs, including access channels, is available on the City's web site at www.cob.org/comcast.

Definitions - Types of Access Channels:

"PEG" refers to non-commercial television channels that may have one or more of the following designations.

- ▶ "P" - Public Access
 - Local programming created by wide variety of individuals, groups, and organizations within a community
 - Channels, equipment, facilities available - first come, first served
 - Operator does not exert any editorial control except over unprotected speech (obscenity, etc.)
- ▶ "E" – Education Access
 - Channel administered and programming created by staff, faculty, and students of local education institutions
 - Programs center around activities of schools and colleges, may include fully-televised courses of instruction
- ▶ "G" – Government Access
 - Channel administered and programming produced by local government staff and volunteers
 - Typical programming includes gavel-to-gavel coverage of public meetings, plus informative programs on topics such as fire safety, health, recreation

Current Government and Education Access Channel - BTV10:

BTV10 is the only PEG channel currently operating in Whatcom County under the existing Bellingham Comcast franchise agreement.

BTV10 was designated as a Government and Education Access Channel by the Bellingham City Council in June 2000.

BTV10 can be viewed by Comcast subscribers within Bellingham City limits as well as most Comcast subscribers located in Whatcom County. BTV10 is also available "live" via the City's web site.

Programming history through 2010 is described in the 2010 Cable Television Informal Needs assessment report, available via the City's web site at www.cob.org/comcast.

BTV10 has airtime available to add programming. Additional staffing resources are needed to create/handle additional programming.

Adding PEG access channels:

The City Council determines control and administration of PEG access channels.

The City Council has considered but not approved initiating public access television services at least once since 2000, most recently in Aug. 2006.

The franchise agreement with Comcast approved by the City Council in October 2011 provides capacity to allow up to two (2) additional PEG channels to be added to the cable system.

Currently Whatcom County does not provide ongoing operational funding support to BTV10. The County does pay BTV10 a fee to guarantee a dedicated time slot and timely turnaround for airing of County Council meetings.

Education Access - The City continues to hear from representatives of public education institutions who have expressed interest in supporting an "E" channel.

Public Access - The City continues to receive contacts from members of the public expressing an interest in the provision of public access television services.

Estimated - Funds identified that could support expanded PEG channels:

Important: Funds shown below are *estimates* and are based on revenue forecasts and other assumptions:

Funding Type	Source of Funding	Early estimate of available funds - one-time startup funds as of Jan 2014	Maximum ongoing available funds starting in 2014
Operations - Franchise Fees held for Future Access Channels	2013 - 1% Comcast franchise fee revenue, increasing in 2014 to 1.25%	\$ 380,000 One-time	\$ 200,000 / year
Equipment - PEG fees - may only be used for eligible equipment expenses	\$.50/subscriber/month	\$ 195,000 One-time	\$ 85,000 / year

Memo

To: All Members, Bellingham City Council
From: Mark Gardner, Legislative Policy Analyst
CC: Mayor Linville; Marty Mulholland; Janice Keller; Brian Heinrich
Date: 6/24/13
Re: PEG Recommendations from Council Peg-TV Working Group

PEG Recommendations

The City Council's PEG-TV Working Group met on June 21, 2013 to develop recommendations for PEG programming expansion in Bellingham. The recommendations are listed below.

1. An RFP should be written for organizations interested in operating a single new channel that would provide some combination of P and E programming.
2. An RFP should encourage collaborative approaches between local organizations for programming and/or station operations.
3. Respondents to an RFP should identify an approach for sharing of local equipment resources between local television entities, including BTV-10.
4. Respondents should identify additional monetary or in-kind resources that will contribute to station operations. This could include regular contributions to operating funds, a fund-raising plan, or in-kind resources such as an office or studio space, a plan to organize volunteers to help run a station, etc.
5. The RFP should identify a three-year initial operating period for the new station/channel, with a review after three years and the option of two additional one-year extensions by mutual agreement.
6. A draft of the RFP should be ready for further review by Council by mid-August, with a goal of being able to release the completed RFP by Labor Day.
7. The proposal should retain some of the dollars available from the Franchise Fee in a reserve for possible new programming or special projects.

DRAFT *Briefing Paper*

A Survey of Organizational Options for Adding Educational or Public Access Cable Television in the City of Bellingham

August 15, 2012

Bellingham City Council Research Staff

I. Introduction and Context

As provided for in its franchise agreement with Comcast Cable, the City of Bellingham currently operates a Government channel, and provides some educational programming, on cable channel BTV-10. The City has discussed expansion of educational and/or public programming on cable television for some time. For example, in 2006, a community group, Coalition for Community Media, proposed creation of a public access channel. The group also sought support from the County Council. At that time, support was not forthcoming.

An effort to expand programming has been revived recently, in part because a renegotiation of the City's Comcast franchise agreement increased cable fees, providing a possible revenue stream. The franchise agreement also set aside two new channel slots for possible use as public and/or educational channels. Franchise fees were increased from 4.25% to 5%, and the City Council set aside some of the existing franchise fee revenue for possible channel expansion. During the franchise renewal process, various local educational institutions expressed interest in an Educational channel, to include content provided by the University of Washington's UWTV channel. Various groups or individuals have continued to express interest in a Public Access station, and one preliminary proposal materialized during the franchise renewal process.

This research will compile background information to help identify organizational options for possible creation of new Education or Public Access channels. Many aspects of the context are evolving, and additional research will be necessary to understand the implications of various factors. First, the process of obtaining City Council direction on the preferred changes to E and P programming has not yet occurred. Also, the County franchise agreement with Comcast has expired and County interest in advocating for additional P or E programming outside of Bellingham is not known at present. Given these unknowns, this paper will focus on providing broad options for further consideration.

Organizations selected for analysis. Information was gathered broadly from about 30 Washington stations for this paper, with a subset of 8 selected for more in-depth analysis. The emphasis is on stations that operate a public access channel with or without other channel types. Information was gathered via each station's public web site, from published reports and policies, via e-mail exchanges with station management, and from phone interviews. While the emphasis of this review is on small to medium size markets, a few stations in larger population centers were also examined to provide a broader picture of operational models and production practices.

The stations examined represent a wide variety of station types and operational models. In some areas, particularly larger cities, the three functions (P, E, and G) may be split among two or more organizations rather than falling under one organizational umbrella. In contrast, in other cities or counties, all of these channel types are operated by one organization. In a few cases, a non-profit manages all three types of channels, including the government station or programming.

Not surprisingly, there is a wide variety in mix of programs among the different media organizations, with each having a character reflecting types of channels operated, station policies, and the interests and capabilities of the community itself. The following section summarizes the main findings of this review of station operation and practice, keeping in mind that the myriad of differences in media markets, organizational form, and channel types preclude strictly comparable analysis of many characteristics.

II. Comparative Research on Community TV Stations

Budget and Funding. Total annual budgets vary widely, from a high of around \$600,000 to a low of around \$40,000.¹ Of the Washington stations examined, government funding (usually pass-through of franchise fees assessed on each cable subscriber) is a preponderant source, providing 80 percent or more of the funding, and in some cases 100 percent. (The one exception to this -- Puget Sound Access -- does not get the usual pass-through of franchise fees and instead received operating funds in a lump sum from cable companies to create an endowment. It does, however, receive fees from local area governments on a fee-for-service basis).²

Table 1 on page 14 lists total station budgets. These budget numbers were extracted from station documents, or are estimates provided by station managers. Note that the amounts are often not strictly comparable, since stations vary in the amount of in-kind services (e.g. free or subsidized rent) they receive. Many of these stations receive substantial in-kind benefits. As a result, the stated budgets in the table often do not reflect the total resources necessary to run a station, and are instead order-of-

magnitude comparisons. For example, a station with a relatively low budget in relation to the size of its market -- Seattle Community Media -- receives substantial in-kind subsidies by virtue of being affiliated with a long-standing station operated by the Seattle Community College District. A number of other stations also receive in-kind subsidies, as noted in Table 1. (As one example, the Thurston County station estimates that the value of in-kind resources totals about \$130,000). Without putting a monetary amount on the in-kind subsidies, these budgets numbers cannot be directly compared.

One common method to diversify income is creation of a membership structure. Some stations attempt to maximize membership revenues by having a wide variety of membership types, ranging from general subscribers (akin to subscribers of public television), to member/producers (usually charged a higher fee), to organizational membership (e.g. local non-profits that may also produce shows). In addition, some stations encourage businesses or other organizations to provide sponsorships, although this source of funding often assists in the production of a particular show or series of shows rather than providing general station support.

Some stations supplement their revenue through earned income. Some public revenue may come in the form of contracts for services (e.g. covering the meetings of a public port) rather than as a direct pass-through of franchise fees. (As such, government dollars may be understated in some instances as fees for contracted services appear in this analysis as fee-for-service income). Some stations charge a fee for certain types of training required before members can produce shows for public access. Some stations provide production assistance or web services to non-member organizations for a fee.

Of these non-governmental sources, membership fees do not provide a substantial source of additional revenue, but earned income fees and charges may make a much larger contribution. The amount of money raised via memberships at the stations examined here reached a high of about \$3000 per year. With the exception of Puget Sound Access, the highest levels of earned income were in the range of \$40,000 to \$50,000 per year. One operation (Thurston County) received a moderately large amount from grants (\$75,000). Grant dollars are likely to fluctuate wildly from year to year and generally cannot be used for operating expenses. Instead, grants may be used for one-time equipment or other capital purchases, or for specialized types of programming or instruction (e.g., youth media workshops).

Substantial differences in revenues in turn affect services offered by the respective stations. Some offer extensive training and elaborate studio spaces and equipment, while others take a bare-bones approach and only provide minimal training or support to community producers. The budgetary implication of this is that station operators

have some control over expenditures, and corresponding needed revenue levels, through decisions made on the type of services that are offered. Some of these variations in practice will be discussed more thoroughly below.

Station Organizational Forms, Channel Type, Origins. The organizations examined for this paper comprise a wide variety of operational models, from P, E, and G channels all produced by government employees, to P, E, and G channels operated by a non-profit, to a subset of these run by public (government or education) or the non-profit sectors. In some areas, separate organizations exist for a subset of channel types.

Many of the stations are operating all three types of programming (P, E, and G) within the same organization, with these multi-programming stations being distributed among government, educational, and non-profit organizations. In some instances schools or colleges run a public access station or even a government station/content. (Although not examined for this study, it is common for single-purpose educational channels to be run solely by educational institutions.)

The following chart illustrates the range of *channel ownership* at the Washington organizations examined for this paper, sorted by organizational type (government, non-profit, or educational sectors) and channel character (P, E, or G, or some combination). Note that this chart is not meant to illustrate a representative pattern among the broader universe of Washington or national stations, only to illustrate some of the organizational variation encountered within the small sample examined for this report.

Chart 1: A Typology of Select Washington Organizations Operating P, E, or G Stations according to PORTFOLIO of stations (Bellingham added for comparison)							
Operational Organization Type:	Channel Type(s):						
	P	E	G	PE	PG	EG	PEG
Government					<ul style="list-style-type: none"> • Yakima Community Television/ Public Affairs Channel(s) 	<ul style="list-style-type: none"> • Bellingham BTV 10 	<ul style="list-style-type: none"> • Bremerton-Kitsap Television • Wenatchee Public Access
Non-Profit	<ul style="list-style-type: none"> • Puget Sound Access 						<ul style="list-style-type: none"> • Thurston Community Television • Kelso-Longview Television
Educational Institution	<ul style="list-style-type: none"> • Seattle Community Media (Seattle Comm. College Dist.) 						<ul style="list-style-type: none"> • Port Townsend TV*

* Note: Port Townsend TV is operated by the Port Townsend School District but is a partnership between the City and the District.

Looking instead at how the different *channels* operated by these organizations sort out, it is apparent there is even more variety. Chart 2 shows that many of these organizations have separate channels with different configurations of P, E, or G content. (Note that if we added additional Washington operations to these chart, we could likely fill in additional boxes).

Chart 2: A Typology of Select Washington P, E, or G Stations by CHANNEL TYPE and type of operational organization (Bellingham added for comparison)							
Operational Organization Type:	Channel Type(s):						
	P	E	G	PE	PG	EG	PEG
Government	<ul style="list-style-type: none"> Yakima Community Television/ Yakima Community Television Channel 21 	<ul style="list-style-type: none"> Wenatchee CH. 99 (via agreement with UWTv) 	<ul style="list-style-type: none"> Yakima Community Television/ Yakima Public Affairs Channel 22 		<ul style="list-style-type: none"> Wenatchee CH. 98 	<ul style="list-style-type: none"> Bellingham BTv-10, CH. 10 	<ul style="list-style-type: none"> Bremerton-Kitsap Television CH. 12
Non-Profit	<ul style="list-style-type: none"> Thurston Community Television CH. 22 Puget Sound Access 	<ul style="list-style-type: none"> Thurston Community Television CH. 77 	<ul style="list-style-type: none"> Thurston Community Television CH. 3 Thurston Community Television CH. 26 Kelso-Longview Television CH. 29 	<ul style="list-style-type: none"> Kelso-Longview Television CH. 28 			
Educational Institution	<ul style="list-style-type: none"> Seattle Community Media (CH. 77 (Comcast) and Ch. 23 (WAVE)) Port Townsend TV* CH. 97 					<ul style="list-style-type: none"> Port Townsend TV* CH. 98 	

* Port Townsend TV is located at the Port Townsend School District but is a partnership between City of Port Townsend and the District.

Research for this paper revealed some of the history behind how the various organizations developed. The operational model and organizational forms appear to have evolved organically in many instances, with the character of the initial organizing entity helping to determine final organizational form. For example, if a station started in local government it tended to remain within government operation. Similarly, if the creation of a public access station was spearheaded by a community organization, the station tended to be operated by a non-profit. When stations are operated outside government, few government funders appear to have used an RFP process to select the organizations that operate the various channels.

There are some exceptions regarding continuity of operations. For example, stations in Bremerton-Kitsap were initially government-run, later being turned over to a non-profit. When that non-profit encountered organizational and financial difficulties, Bremerton

and Kitsap County took over operations again. As another example, the City of Seattle used an RFP process to choose a new public station operator, in part in an effort to reduce station costs. As a result, station operation was shifted from a non-profit (Seattle Community Access Network) to an educational institution (Seattle Community College District).

As the information in this section illustrates, there is tremendous variety in how different stations and channels can be organized and operated. This reflects the absence of constraints in federal or state legislation regarding how to organize the allowed PEG channels. This variety also reflects the evolutionary character of the different operations, and is a product of varying histories and perhaps time periods within which the channels were organized. The good side is that it reveals many options. The flip side is that it provides little structure to narrow down options, making initial decisions regarding organization more difficult.

Staffing. Staff sizes vary substantially as well among stations, ranging from about 1 FTE to about 12 (FTE's are approximate because some stations have part-time staff that work a variable schedule). Not surprisingly, the number of staff generally reflects the range of services offered, with very small staffs corresponding to bare-bones operations, and larger staffs being able to do production filming, extensive training for public access members, and operate more elaborate studios and types of equipment.

Facilities, Production Support, and Standards. Many stations are located in a downtown area, and may be part of, or near, a government office complex when run by the municipality. With the exception of the Wenatchee PEG station, all stations with a public access channel offer technical assistance and training to the public, along with equipment rental and use of studio space. Training offered varies substantially, from stations that offer only basic training to those that offer multiple courses as well as customized training. For the more advanced trainings, stations tend to charge a fee per course or per hour. In all cases, completion of an orientation and/or basic training course are prerequisites to checking out equipment or using a studio. Of the organizations examined, Puget Sound Access had particularly extensive trainings. According to their web site, trainings range "from creating professional content for a wide variety of traditional and new media, to planning, installing, operating, and maintaining advanced content delivery systems, and even to innovating special purpose media hardware and software to expand producer, user, and consumer choices."³

Most stations have a computer lab for film editing, and some have more than one studio. A few have mobile production trucks to cover government or community affairs programming, with some staff time allocated to film and produce shows of local interest.

Depending on station policy and available channel types, these shows could appear on government, educational, or public access channels.

Programming Content. The profile of programming types and related characteristics varies across organizations/channels, reflecting the variation in station character already described. The research for this paper revealed some commonalities as well as differences. For public access, most stations give priority to locally-produced content created by members. Segments produced elsewhere generally must be sponsored by local members (individuals or organizational) to be shown on the public access station. However, some stations augment content produced or sponsored by members or member organizations, selecting available shows from the public domain according to quality and fit with the local community. This broadens station content while preventing excessive repeat segments of locally produced or sponsored content.

Given the differences in the quantity of locally-produced shows, and station policy regarding repeat segments, the estimated proportion of locally-produced public access programming varied widely at the 8 focus stations, ranging from a high of 90% to a low of 25%. Locally-produced educational content varied from a low of 40% to a high of 90%.

All public access stations have scheduling policies that determine procedures for slotting shows into time slots. Some stations have rotating time slots for shows, and programs air on the basis of time availability. This allows a show to be aired in a number of time slots to maximize viewership. For ongoing series, however, a regular time slot may be assigned.

The proportion of first-run content also varied substantially, although quantitative estimates were not available for most stations examined for this project. A cursory examination of station programming schedules indicates that for stations in the smallest markets, there are more repeat segments. At larger operations, original first-run content may make up a relatively substantial percentage of the programming. For example, at Thurston County Television the station CEO reported that about one in five programming hours is filled by first-run programming. (That station has a policy of repeating a single segment no more than 8 times, and segments in ongoing series may only show once or twice). At the other extreme, some smaller stations run many segments repeatedly, sometimes for a number of weeks at a time. In one case, a station was airing a film of a local sporting event that occurred a number of years ago. While this may indicate lack of sufficient new content in some cases, some station managers noted that repeat programming is not uncommon even for the most well-funded commercial cable channels.

The character of station content varies widely between stations as a result of station practices and local interests and capabilities. For example, in some communities programming includes local sports coverage. In others, content reflects the more eclectic offerings commonly associated with public access programming. More generally, larger staffs lead to a wider variety of programming across all available channels. Some of the stations examined here take an active role in filming and producing local events and forums, and other do not. To the extent that a station has a larger staff and/or a large number of volunteers, station coverage may include coverage of local news, sports, and public affairs events.

For some public access channels, religious programming is one of the most common themes. For example, in Thurston County, shows with religious or "spiritual" content comprise almost half the public access station programming. However, the station has recently created a "curated" channel with 100 percent of the content created or selected by station staff. As a result, across all the Thurston County PEG stations, the proportion of religious content drops substantially.

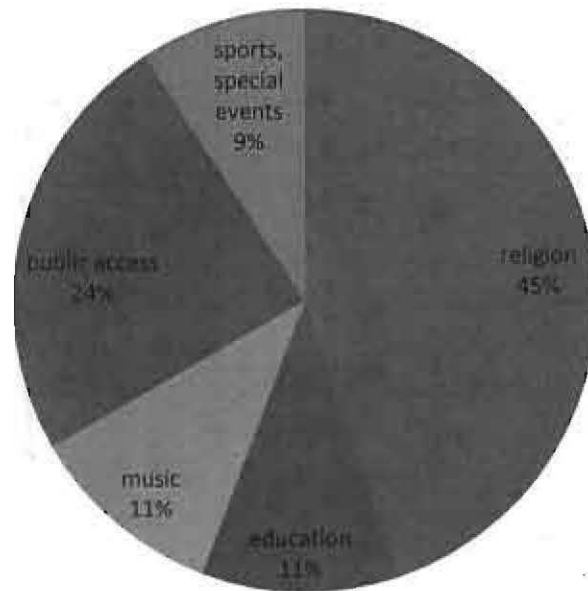
The following chart (p. 9) illustrates a breakdown of programs by category at one public access station, Kelso-Longview (KLTV), for the two week period beginning July 1 and ending July 14. Here too, religious programming was a dominant type at 45%. Public access, a broad category encompassing everything from the 4th of July parade to a "book chat" program, comprised 24%. Music, education, and sports/special events each made up a relatively similarly-sized segment, varying from 9 to 11 percent.

KLTV has another channel, Channel 28, airing both educational and public access programs, which does not air any religious shows. Taking both channels together, programming appears more balanced across categories. However, Channel 28 often airs the same educational or public access shows that are on Channel 11, so that a second channel does not translate into a doubling of content variety.

In this one example, the frequency of first run programming varies by category. Since religious programs include a number of local sermons, which are newly available each week, religious content tends not to have frequent repeats. Even in this category, however, some religious programs are series that are repeated a number of times.

Despite small budgets and staff, some stations have achieved a relatively balanced range of programming between types. For example, Port Townsend TV shows less than 10% religious content and includes a wide variety of general interest education programming. However, this variety is achieved by use of numerous imported programs, which comprise 50% or more of programs aired on the public access channel.

Breakdown of KLTV Channel 11 Programming by Program Type (Public Access Station, Kelso-Longview)



Note: Short, frequently aired segments on public health, at about one minute each, were aired frequently but were excluded from this count. Time period examined: July 1 through July 14.

Some station managers indicated that some information-only programming was of value to their viewers. For example, one station manager indicated that community bulletin boards on educational or public access stations were a service valued in their community. Another station (Port Townsend) uses a web-based weather service as "filler" to provide weather reports more closely tailored to the local area than are available from commercial stations.

Technical Standards and Broadcast Quality. Most stations with a public access channel have technical standards for submissions. For example, one station (KLTV-Longview) requires broadcast quality minimum standards for audio and visual, names of producers to be on the segment, exact run times for the segment, etc. According to the station manager, most producers have no trouble meeting these standards, although novice producers do have a learning curve.⁴ Similarly, Bremerton-Kitsap Television's (BKAT) policy states that "... The program must have a clear and unbroken picture. The audio must be clearly understandable and at audio levels free from distortion. DVD's should start on their own. BKAT reserves the right to reject programs not meeting minimum standards."⁵ Similarly, at Port Townsend TV, " Programs that have insufficient lighting,

have poor quality audio or suffer from other production problems will not be broadcast."⁶

According to station managers, quality of submitted programs vary, with some being very high quality and others mediocre. Receiving extremely poor quality segments appears relatively rare. A few stations noted that since they did not have sufficient staff to review all programs before airing, some programs of questionable technical quality have been broadcast. For example, despite having very detailed specifications for segment formatting, the Yakima station experienced a wide range in production quality, with some producers never learning to produce technically proficient segments. The Port Townsend station has pulled some segments off the air after discovering broadcast quality issues. No station reported that citizens complained frequently about broadcast quality.

Technology and the Evolving Climate for Public Access. At the present time, the technologies for video filming, production, and broadcasting are undergoing rapid change, ranging from the increased availability of higher quality consumer video cameras, to home video editing software, to a wide variety of new ways of broadcasting video product. Responses from stations regarding the impact of these new technologies, including changes in the profile of member-producers, ranged from no real impact to a "huge influence."

There are a number of simultaneous crosscurrents created by these changes. The availability of home editing software and less expensive video cameras makes it easier for the average person to participate in filming and production. Most organizations noted that many member-producers are using multiple technology platforms to distribute their work. At the same time, availability of new avenues may reduce the desirability of the public access TV forum to some degree to some producers. These two crosscurrents may be cancelling each other out: it is easier to produce content, but there are more avenues for posting that content, resulting in only minor or no discernible net changes in the quantity of materials submitted for broadcasting at the public access stations examined for this paper.

As one example of how these trends are affecting the profile of producers, one station (Kelso-Longview) stated that their participating producers have become more age-diverse as older citizens learn new technologies and use these tools to become involved in production. According to the station manager, the average age of their producers has gone up to 55. At the same time, the station maintains interest among young people by holding classes on producing a better video for You-Tube. The videos then get aired on the station as well. (Some stations have a policy stating that videos produced using

their equipment or as a result of their training programs must first air on the public access station).

While, in general, the availability of new technology and platforms has not reduced interest in public access among the small sample of stations examined for this paper, conversations with station staff revealed that some are seeing reduced demand for use of studio space or editing equipment. In the case of Yakima and Port Townsend public access channels, managers are seeing less demand for studio use and equipment checkout as public access producers increasingly use their own cameras for filming and then edit segments using a home personal computer or a laptop. In the case of Seattle Community Media, lower rates of equipment and studio use reflects a conscious policy of encouraging people to produce more of their work at home.

Growing understanding of new technologies puts a premium on a station being able to provide content to multiple platforms. For example, according to Seattle Community Media, "Many of our producers also submit to YouTube. But we hear many are focusing on the SCM Platform because we simulcast a live stream, 24/7, on our website. And all programs produced since we launched the SCM Platform are available on demand on the site, as well as at our Archive.org portal."

Longer-term trends in cable television are beyond the scope of this paper but should be examined before final decisions are made regarding station structure, budget, and capabilities. Broadcast technology and platforms are in a state of flux and new output formats are being developed rapidly. First, cable was challenged by other transmission modes such as satellite dishes, and more recently by internet and other forms of direct TV, all of which play a part in the erosion of cable subscriber bases. The "bundling" model at the heart of the cable channel structure is also being challenged. On-demand services delivered using internet protocols, such as Netflix or Hulu, provide customers with a way of choosing content independently from traditional cable. Other technologies, such as Verizon FiOS fiber optic broadband, represent another potential challenger, although only a small portion of the country presently has access to this model. New business models are developing to reflect technology. If content is unbundled, then the fee structure of cable could become destabilized as well unless a pay-per-view or some other funding model is developed. Business analysts appear divided on whether we are on the cusp of a sea change in technology that will severely disadvantage cable, v. a scenario where cable adapts along with the rest of the industry.⁷ How an unbundled and/or pay-per-view world might affect cable franchises and franchise fees are a question worth pondering.

Yet another trend affecting public access is the development of software to automate video production and station operation. A few U.S. public access stations have adopted

open source software to automate some of the process of scheduling new shows and segments. In this model, producers generally edit a segment at home and upload it using software on the station's server, which formats the segment and schedules the time slot(s) when a segment will air. This approach was pioneered by Denver Open Media and the Open Media Foundation, and has been adapted for use by the Seattle Community Media public access station. Stations in a variety of areas have adopted this model, including those in larger markets, such as Boston Neighborhood Network, and stations in smaller markets such as Davis Media Access (in Davis, CA, population 65,622).

Seattle Community Media modified the original open source software to provide for additional programming control over submissions, including the ability to maintain uniform time slots for series. According to station staff, the automated processing saves 1-2 hours per segment that would have otherwise gone into formatting the content for broadcast. In order to create the Seattle web site, a programmer modified available open source software, a process taking about 6 months. In addition, software modules are available to automate various operational activities, such as equipment checkout, via a station's web site. Note that since this open source platform and associated operational management software is new and evolving rapidly, its usefulness locally would need to be evaluated by individuals with appropriate technical and television production knowledge.

The open source movement in public access also touts the potential of this platform to allow for nationwide sharing of the best shows. In order to facilitate this, Denver Open Media and Seattle Community Media require that producers agree to having their programs licensed on a "Creative Commons," making them available for broadcast by other stations.⁸ Programs are then archived at "Archive.org" for free use by other stations.⁹ Along similar lines, some stations make their shows available simultaneously via the web including live streaming capability, placement on You Tube, Vimeo, etc. This multi-platform release maximizes the impact of station content while expanding access to a wider variety of participants and viewers, many of whom may not have access to cable.

Controversial Programming Issues. While most rules for scheduling are content-neutral, shows portraying illegal activities or pornography are generally prohibited on all public access stations. Shows with adult material are usually shown in a late evening time slot and are preceded by a warning label. No station reported any legal challenges to such "safe harbor" practices. Those who submit adult content are usually asked to self-rate their shows, although station staff may also do this themselves in some instances. In one case, (Yakima), producers are asked to voluntarily schedule their shows into later time slots. According to a station manager, they usually agree to do so.

According to responses from stations examined for this report, incidences of highly controversial programming creating a public stir are relatively rare. For example, the Yakima station has been broadcasting since 1983 but the supervisor of the station could only recall five instances when a controversy erupted over content. However, at certain times and places, certain shows or segments will generate significant public sensation. For example, in the 1990's in Thurston county an "Evergreen Forest Bible Study" program was aired, produced by church members who were practicing nudists. This show was shown in the "safe harbor" time slots. At another station, a producer submitted segments with audio political messages combined with a video background consisting of clips showing nudity. However, since the producer was unable to demonstrate that he had copyright permission to show the visuals, the show was not aired.

Although major controversies appear rare, some station managers reported that many shows elicit some sort of complaint on a regular basis, whether it was regarding "off-color" humor, swearing, concerns about the expression of certain political views, or concerns that airing particular shows with religious content were "glorifying" fringe or uncommon religious practices.

Even when a single organization runs more than one type of channel, content is often sorted into the various channel types. For example, some organizations judge their G and E channels as 100% "family-friendly," whereas the suitability of the content of public access stations varies widely -- thus arguing for separate P channels, when possible. This practice, along with "safe harbor" provisions, may serve to dampen controversies over programming.

Table 1 on page 14 summarizes some of the station characteristics and size of the local market.

Table 1: A Basic Profile of Select P, G, and E Stations in Washington

Organization	Population of major city (cities) and surrounding county	Channels and Type of Programming	% local content	Budget Information (latest available year)
Bremerton-Kitsap Access Television (BKAT)	<u>Kitsap</u> : 253,900 <u>Bremerton</u> : 38,790	Public, Educational, Government on one channel per cable company (AT&T Channel 12 and Charter Channel 3).	E: 75%* P: 90%*	Total: \$336,000 Gov't. %: 99%. In-kind: rent.
Wenatchee, Public Educational Government Access Television	<u>Kittitas</u> : 41,300 <u>Ellensburg</u> : 18,250	Public, Government: Channel 98. Educational: Chanel 99 (Imported content from UWTV).	P: 60%*	Total: \$2000** Gov't. %: 100% In-kind: rent, utilities, staff.
Kelso-Longview Television (Cowlitz County)	<u>Cowlitz County</u> : 102,700 <u>Kelso+Longview</u> : 48,650	Public: Adelphia Cable channel 11. Public/Educational: Adelphia Cable channel 28. Government: Adelphia Cable channel 29.	E: 70%* P: 80-90%*	Total: \$529,801 Gov't. %: 89.9%
Port Townsend TV	<u>Jefferson County</u> : 30,050 <u>Pt. Townsend</u> : 9,180	Public: Channel 97. Government and Education: Channel 98.	E: 90%* P: 25-50%*	Total: \$42,000 Gov't. %: 93% In-kind: rent, utilities.
Puget Sound Access	<u>King County</u> : 1,942,600 <u>6 cities</u> : 367,660	Public: Channel 77.	P: less than 50%	Total: \$400,000 Gov't. %: 0% *** see notes
Seattle Community Media	<u>King County</u> : 1,942,600 <u>Seattle</u> : 612,100	Public: (Channel 77 (Comcast) and Ch. 23 (WAVE))	P: 73.9%	Total: \$187,000 Gov't. %: 100% In-kind: rent, utilities, admin. overhead.
Thurston Community Television	<u>Thurston County</u> : 254,100 <u>Olympia+ Lacey+ Tumwater</u> : 107,180	Government (some ed. content): Channel 3. Public: Channel 22 Government (some ed. content): Channel 26. Education (including classes): Channel 77.	E: 40%* P: 60%-70%*	Total: \$595,000 Gov't. %: 80% (Year: 2012) In-kind: rent, utilities.
YCTV - Yakima Community Television Y-PAC - Yakima Public Affairs Channel	<u>Yakima County</u> : 244,700 <u>Yakima City</u> : 91,630	Government: Charter Cable channel 22. Public: Charter Cable Channel 21.	P: 40%* (150 first run locally produced shows/yr).	Total: \$300,000 Gov't. %: 99%

* Indicates estimate by station staff rather than analysis of program data.

** Wenatchee PEG is funded mostly through in-kind donations from the City given franchise agreements that send most franchise fees to the main cable operator.

Puget Sound

*** Puget Sound Access does not receive franchise fees but conducts a number of services for local governments on a fee-for-service basis.

Population Estimates for Washington Cities are from the Office of Financial Management, April 1, 2011 estimates.

Organizational and operational choices. The above review of Washington stations has revealed a wide variety of possible choices for organizing new stations or expanding educational or public access content. Major choices include the following:

- Whether to add additional educational programming and/or a channel, to add a public access channel, or both.
- What organizations/organizational types will sponsor the new programming.
- Whether to offer extensive studio space/training/equipment etc., or adopt a more minimalist model.
- Which revenue diversity options to pursue.

The wide variety of organizational examples described in this report provides a number of possible pathways for any expansion. For example, new channels could all be operated by one entity, or separately according to channel character (P or E). Each alternative has benefits and drawbacks. (Given the risk of moving BTV 10 into a new entity for operation, transferring the G channel to a non-profit or educational institution is unlikely to be a viable short-term option). Given the variety of possibilities, various phase-in options also arise. For example, the City could phase-in new channels, starting with E and adding P at a later date -- or, vice versa, depending on circumstance and policy preference.

There are also a variety of revenue options, although it is unlikely that a public access channel could be operated without substantial continuing public subsidy. Conversely, for an education channel, research to date did not reveal any pure "E" channels that received a majority of funding from non-educational public entities.

Although there may be some advantages of having the three channel types run by separate entities, the high cost of assembling studio space and equipment, and associated ongoing operational costs, may make it difficult to sustain three separate G, E, and P stations in Bellingham. These financial constraints could be lessened by the availability of in-kind subsidies such as rent and utilities, or shared use across different stations or operating organizations, all of which could reduce operational costs substantially. Regardless, the start-up capital costs of any new station(s) would need to be examined carefully.

In the current slow-growth economic environment, some stations are searching for ways to reduce costs by trimming services or increasing productivity through technology. For example, for public stations, one money-saving option is to skip expensive services, such as "live" studio capability, and to automate production as much as possible using web-based tools to reduce staffing requirements. As Seattle

Community Media demonstrates, this model is adaptable to local circumstance. Another money-saving option would be to substitute a simple "green screen" room for a more elaborate studio with automated cameras, etc. A low-cost start-up model could later be expanded upon if additional resources materialized at a later date (e.g. from grants, donations, fund drives, etc.) However, a minimalist model, while cheaper, reduces the ability of a station to proactively cover the full range of activities in a community. With a "passive" model, programming results may not reflect a broad spectrum of community interest.

Another issue that needs to be discussed is the character of any education channel or programming. Given the interest of some local higher education institutions in a collaborative model, it may be worth considering whether some role should also be reserved for local school districts. Some station managers interviewed in this report stated that programming by or about the local schools is quite popular, ranging from sports to instructional programs. On the instructional side, some education stations have set aside some daytime slots for regular use by a school district.¹⁰

Other issues that have arisen locally in the past -- such as concerns over controversial public station content -- can be addressed to some degree by choices made on how to organize the channels and the programming. As mentioned above, station policies, such as the creation of "safe harbor" time slots, can reduce risks of inappropriate viewing of public access content to some degree. In addition, segregating E and G channels from P channels may help reduce controversy over public content deemed offensive, as this allows potentially offensive content to be concentrated on one station, with shows likely to attract a "family audience" being aired on the G or E channels.

As the above review has indicated, production quality can be an issue with public access, although this varied substantially between stations. Staff from a few stations noted that production standards do not always translate into a high quality product, although most stations did not report major quality issues. Also, under certain circumstances there may be a conflict between free speech and broadcast quality. More training and technical assistance for station producer-members may reduce this conflict and result in the creation of higher quality programs, but this requires more staff time unless such an effort is supported by volunteers.

In general, these broad organizational and operational options need to be examined in some detail, and analyzed for costs and benefits, after some parameters are set around possible expansion pathways. Part of this examination could include a preliminary feasibility study to determine if a new station, or stations, are viable given the likely long-term levels of funds available from the City, as well as funds available from other sources. Costing out the individual elements to reflect an array of program options, and

choosing a subset to stay within a projected budget, may contribute to financial feasibility.

In summary, some of the factors that affect station operation costs are listed below.

- Number of separate channels operated
- Number, size and capability of studio(s)
- Availability of live programming capacity
- Time frames when studio and equipment can be used/rented
- Adoption of procedures and software to automate programming
- Availability of training, and fees charged to defray costs
- Availability of in-kind resources from other entities.
- Possible shared use of facilities among different entities involved in producing P, E. or G coverage.

III. Summary and Next Steps

This report has surveyed various documents and examined a variety of television station operations in some fashion, including a more in-depth examination of a subset of Washington stations. This section summarizes some findings, outlines some organizational choices and considerations, and provides some preliminary recommendations to guide further examination of this issue.

Findings. While the sample of local stations is relatively small and cannot be claimed to represent the larger universe, there were a number of patterns that emerged so that some general observations can be made. The following summarizes these observations:

- While large programming controversies do occur they appear to be relatively rare. Many stations adopt a "safe harbor" time period for broadcasting programming with adult themes, and some separate public access from other channels to help guide viewers in choosing programs that are appropriate to their tastes. However, any public access station needs to have the capacity to deal with such issues when they do erupt.
- Broadcast quality of public access is variable and on average is lower than professionally-produced content, but most public access stations did not report large ongoing quality control issues. Most stations have policies allowing them to refuse to broadcast shows of very low quality.
- In the short term, the availability of new technology and new interests among citizen-producers is leading to some changes in station operation. Citizens find it

easier to film and edit their own content, increasing the overall production of video. At the same time, there are more outlets for broadcasting so that some of this output gets posted to alternative venues. Stations are remaining relevant by adopting new technologies, providing training to new producers, and posting content in multiple formats.

- Almost all public access stations offer access to one or more studios, video and editing equipment, and training. An expansion of a do-it-yourself capability among member-producers has resulted in some reduction of demand for studio and editing equipment at a number of stations.
- Government remains the preponderant source of funding for public and government access. While other sources of funds are important and should be encouraged, they are unlikely to make up a substantial portion of operating expenses. Among sources of supplemental funds, fee-for-service activities appear most promising.
- Programming diversity varied tremendously among stations. Smaller stations in smaller markets broadcast numerous repeat segments, while larger stations produced more first-run programming.
- Locally-produced programming ranged from a low of 25% and a high of 90% for public access channels, and from 40% to 90% for educational channels.
- In some public access stations in smaller markets, religious programming tended to be the most common public access program type.

Considerations for next steps. This review leads to the following preliminary recommendations to help structure choices, or to guide further examination of this topic.

- Keep government programming in-house, at least in the short-term.
- If possible, do not combine public access with E or G programming on the same channel.
- Although not a focus of this paper, it appears that most educational channels run by educational institutions do not receive ongoing local government money. As such, one option for an E channel locally would be to provide an initial subsidy (capital and/or operating) but then phase out assistance over some specified time period.
- On the public access side, encouraging, via an RFP process, a prospective channel operator to submit a plan to diversify its funding as much as possible (e.g. through a multi-tiered membership structure, fee-for-service activities, etc.)

could also assist in financial stability and reduce City outlays to some degree. Earned income may be the most promising source of revenue to supplement government funds.

- Ensure that choices are made with some knowledge of emerging trends in technology and video broadcasting. While PEG stations are adapting to new technologies in the short-term, the effect of the multiplication of new broadcasting models on the bundled cable business model is uncertain.
- In-kind resources were a major source of operating subsidy in many of the stations. As such, it is advisable to look for ways to maximize in-kind resources, and look for economies of scale when considering station offices, equipment, and facilities.
- Clarify remaining issues affecting organizational choice and revenues, including whether Whatcom County is interested in co-funding a local cable programming expansion.
- Examine the possibility of using software to automate program formatting and scheduling, and to streamline station operations, as both cost-saving and efficiency measures.

Notes

¹ The City of Wenatchee's station has a station budget below this range, but it is a clear outlier with extremely low franchise fees resulting from an unusual franchise agreement, necessitating that virtually all of the operating budget is supported by city staff and paid for by the city general fund. A separate cost breakout was not available.

² Although not a focus of this paper, educational stations run by educational institutions do not usually get local government funding on a regular basis, instead drawing from their institutions' own budgets or from earned income.

³ See <http://www.pugetsoundaccess.org/production.aspx>.

⁴ Interview with Executive Director Barry Verrell, May 18, 2012.

⁵ "Bremerton Kitsap Access Television Policy Handbook," undated.

⁶ Port Townsend TV, Policies, July 2006.

⁷ See, for example the recent discussion in the following two articles: Christopher Palmeri, "Sun Valley Media Moguls Gain Footing With Emerging Models," *Bloomberg News*, <http://www.bloomberg.com/news/2012-07-12/sun-valley-media-moguls-gain-footing-with-emerging-models.html>; Derek Thompson, "The End of TV and the Death of the Cable Bundle," *The Atlantic*, <http://www.theatlantic.com/business/archive/2012/07/the-end-of-tv-and-the-death-of-the-cable-bundle/259753/>.

⁸ See the Creative Commons web site at: <http://creativecommons.org/>.

⁹ See Archive.org, <http://archive.org/index.php>.

¹⁰ According to the Bellingham School District, there would be a need for a slot of from 3-5 hours per day when school was in session. See Franchise Needs Assessment Report p. 33.