



**Town Square
Television**

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Representative Ginny Klevorn, Chair
House Committee on State and Local Government
581 State Office Building
St. Paul, MN 55155

Representative John Huot, Vice Chair
House Committee on Commerce Finance and Policy
591 State Office Building
St. Paul, MN 55155

April 2, 2024

Dear Chair Klevorn, Vice Chair Huot and Members of the State and Local Government Committee:

I was privileged to testify in support of HF 4182 / SF 4262 the Equal Access to Broadband Act (now included in HF 4077 House Commerce Omnibus Bill) at the March 11th House Commerce Committee hearing. Following are the notes from my testimony, respectfully submitted into the record for the April 4th hearing:

I am the Executive Director of NDC4 Cable Commission and Town Square Television. The cities of Inver Grove Heights, Lilydale, Mendota, Mendota Heights, South St. Paul, Sunfish Lake, and West St. Paul joined together in 1982 to create the Northern Dakota County Cable Communications Commission (“NDC4”). The Member Cities and our non-profit community media station Town Square Television are pleased to support H.F. 4182, The Equal Access to Broadband Act, and we’ve entered a resolution of support into the record.

I also represent MACTA, a state trade association representing Cities, Cable Commissions and Community Television Stations across the state. MACTA supports the League of MN Cities AND the passage of H.F. 4182.

We’re a state chapter of NATOA, a national organization that helps us keep a finger on the pulse of broadband, franchising, and PEG programming across the country, and I can tell you that Minnesota is admired nationally for our strong leadership in border to border broadband, local franchising and PEG programming.

It’s my honor to speak on behalf of the 135 LOCAL Public Education Government (“PEG”) STATIONS, and the 838 CITIES who have franchising and some form of local PEG all across the state. Many of our members are in the room today, or watching online, and have submitted letters and resolutions of support.

By the way, this HEARING is being simulcast on local cable channels, making it accessible to viewers who may not have internet service or the device for streaming. That’s today’s world, we need to distribute PEG programming on many platforms to reach our residents where they are, and we need to modernize the regulatory and funding structure to do this. TST distributes on cable TV, our web site, Vimeo and Facebook, and other members use YouTube, Hulu, Roku, AppleTV and many other platforms, but our funding comes only from traditional Cable franchise fees and PEG fees, and is rapidly declining.

PEG stations across MN take many forms- they may be an operation inside city hall, inside a school or library, or like Town Square Television- an independent 501(c)(3) nonprofit. The beauty and the challenge are that each local community meets its own unique needs and interests, through franchising.

MACTA members like Town Square Television and NDC4 wear many hats. Besides televising about 2,000 hours of LOCAL programming last year, we assisted with local broadband efforts, and we took complaint calls from local residents and helped get them resolved through the escalated complaints team at our franchised provider.

Even though our incumbent telephone provider chose to end its cable TV franchise three years into its ten-year term, we continue to provide customer service to residents who have complaints about their broadband services, and we deliver our local programming on streaming services to their customers, but they are using the rights-of-way in our seven cities for free. This bill would allow us to ensure that both incumbent broadband providers in our area build out to the entire community with no cherry picking or redlining, as we did for the three years that we had a cable TV franchise with both companies (2016-2019).

In addition to televising and streaming the LOCAL events and programs that our residents and businesses need to engage in their communities, MACTA members are diversifying to podcasts and low power radio licenses. We are investing in closed captioning and meeting the expanding demand for video and communications services in our communities.

The pandemic spotlighted the value and exponentially increased the need for our services- we provide critical information, allow remote participation, ensure transparency of government proceedings, and allow families to connect from remote distances, and the demand continues to accelerate. Even without a pandemic, it is obvious that many residents need access to community engagement- whether they have small children, elderly or disabled family to care for, demanding jobs, or transportation challenges. Many communities are also losing our broadcast and newspaper coverage, leaving our stations as the last remaining media.

We know that viewers are WATCHING our programming. Just ask any elected leader or program host how many people mention their appearances in the grocery store or at the gas station. We can provide statistics if a Member cares to follow up during Q&A.

I can tell you in my 35 years in this job, our residents don't mind paying franchise fees when they know their dollars are being employed locally to provide our franchise office and our local programming. The franchise fee is clearly labeled on the bill, AND the local franchise authority phone number and address are shown on the bill.

Minnesota has been a leader in cable franchising and PEG programming, AND NOW IT'S time to bring the benefits of this strong 45-year tradition by including broadband in the franchising authority of local communities.

Sincerely,



Jodie Miller

Executive Director NDC4/Town Square Television
MACTA Legislative / Policy co-chair
Past Board Chair and Life Member NATOA

Cc: Representative Rick Hansen
Representative Maria Isa Perez-Vega
Representative Mary Frances Clardy
Representative Bianca Virnig
Senator Matt Klein
Senator Sandy Pappas
Senator Jim Carlson



RESOLUTION NO. 2-07-2024

**RESOLUTION IN SUPPORT OF STATE LEGISLATION
 TO MODERNIZE THE FUNDING STRUCTURE FOR LOCAL COMMUNITY “PEG”
 (PUBLIC / EDUCATION / GOVERNMENT) PROGRAMMING**

WHEREAS, the Northern Dakota County Cable Communications Commission (“NDC4”) is authorized by its seven Member Cities (Inver Grove Heights, Lilydale, Mendota, Mendota Heights, South St. Paul, Sunfish Lake and West St. Paul) to negotiate and manage the cable franchise agreements of the seven cities, to provide local government programming, and to contract with the non-profit corporation Town Square Television (“TST”) to provide local community Public Education and Government (“PEG”) access programming;

WHEREAS, NDC4 and TST provide essential local coverage of community events and issues, non-profits and charities, school sports and academic programs, business, chamber of commerce and tourism, school board, city, county and state government meetings, candidate information and election coverage, local history, public health and education, music, arts and other uniquely local programs that broadcast stations typically do not cover;

WHEREAS, in light of rapidly decreasing local print media, Town Square Television is the principal, and in some cities the only professional media source providing local video and posted online coverage;

WHEREAS, NDC4 and TST are funded through franchise fee and PEG fee support negotiated in the cable franchise agreements with local cable providers, which are currently limited to ONLY the revenues on traditional cable TV and NOT on streaming or internet revenues;

WHEREAS, NDC4 and TST are projecting an ongoing substantial loss of franchise fee and PEG fee revenues due to the marketplace trend of “cord cutting” (traditional cable TV subscribers migrating to multiple digital video service providers that are currently NOT required to support local community PEG programming);

WHEREAS, NDC4 and TST distribute essential local community programming on multiple platforms including cable TV, online streaming, and social media, to ensure access to all residents regardless of their income level or choice of technology; and

WHEREAS, “MACTA” (Minnesota Association of Community Telecommunications Administrators) and the “LMC” (League of Minnesota Cities) support legislation to *Modernize the Funding Structure for Local Community PEG Programming*.

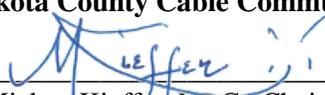
NOW, THEREFORE, BE IT RESOLVED that the NDC4 Cable Commission calls on the Minnesota Legislature to pass legislation in the 2024 Legislative Session to *Modernize the Funding Structure for Local Community PEG Programming* to provide an increase in financial support available to PEG programming for local communities; and

BE IT FURTHER RESOLVED that the NDC4 Cable Commission requests its Representatives and Senators for Districts 52B, 53A, 53B, and 65B to co-sponsor and support the passage of such legislation.

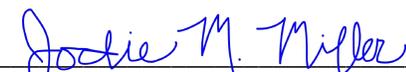
Passed and adopted this 7th day of February, 2024.

Northern Dakota County Cable Communications Commission

By:


 Mickey Kieffer, NDC4 Chair

ATTEST:


 Jodie Miller, NDC4 Executive Director

TESTIMONY Mayor Jimmy Francis South St. Paul 3-11-2024

Mr. Chair and Committee Members, Good Afternoon, my name is Jimmy Francis, Mayor of South St. Paul. In 1982 South St. Paul joined with six other cities to form the Northern Dakota County Cable Communications Commission (“NDC4”). South St. Paul enthusiastically supports H.F. 4182, and we’ve entered a resolution of support into the record.

South St. Paul and all seven Member Cities of NDC4 are committed to ensuring the continued vitality and development of our region through high-capacity broadband. For more than 42 years we have championed the **public interest** in cable, telecomm and broadband by providing a forum for strategic partnerships.

Through our cable TV franchise we enabled one of the **first robust all-dark-fiber institutional networks (or “I-Net”)** with a partnership of 12 public entities with 41 buildings, providing a **reliable and affordable option** when it was not available from the private sector.

The NDC4 Commission has insisted upon **full build-out and NO redlining or cherry-picking**, resulting in the cable company **continuing to extend its network** to new developments, and ensuring that the phone company’s 2016 fiber upgrade offered a **competitively priced second option to more neighborhoods**.

Today local franchising of broadband is needed to ensure that deployment is not only border to border across our state, but also within each community, especially in light of the Millions of federal dollars being distributed.

We have provided **strong consumer protection** and the **maximum level of rate regulation** allowed. We have expert staff who answer complaint calls from our residents with property, billing, or service problems, and make referrals to the cable operator’s special “escalated complaints” team. **These local franchise benefits should be extended to broadband operators who use our public rights-of-way**. Many of our residents do not wish to type a “chat” with a “bot” or try to call a 1-800 number in another state or overseas.

A critical benefit of local franchising is Public Education Government (“PEG”) Programming, provided in our area by our local non-profit Town Square Television. Through our membership in NDC4 we are able to share a TV station with a state-of-the-art production truck, studios, edit suites, master control and award-winning personnel to produce a news magazine show and candidate forums that we could not afford on our own. Their cameras are out covering all aspects of our community, presenting the events and programs that our residents want to see.

And make no mistake, any elected official will tell you, our residents ARE WATCHING.

While our PEG programs are distributed on many online platforms, support funding is coming ONLY from the rapidly declining traditional cable TV revenues. If the funding structure is not modernized, cities will face the choice of losing these invaluable LOCAL community media services, or placing another unfunded mandate upon the property tax payers.

In conclusion Mr. Chair and Members, **The Equal Access to Broadband Act extends the many benefits of local franchising to our present world, where broadband is an essential service, necessary to live, work, learn and play in any community.**

City of South St. Paul
Dakota County, Minnesota

RESOLUTION NO. 2024-39

**A RESOLUTION SUPPORTING MINNESOTA ASSOCIATION OF COMMUNITY
TELECOMMUNICATIONS ADMINISTRATORS (MACTA) EFFORTS TO
MODERNIZE PUBLIC, EDUCATION, AND GOVERNMENT (PEG) PROGRAMMING
AND PUBLIC ACCESS FUNDING**

WHEREAS, community television programming allows community members to stay connected and entertained through public, education, and government (PEG) programming; and

WHEREAS, public television programming includes local community and nonprofit submissions, City Council and board and commission meetings, and community events; and

WHEREAS, public television programming has primarily been funded through franchise fees which allow cable providers to utilize the public right-of-way for private use; and

WHEREAS, with the recent consumer trend of moving from traditional cable providers to digital/video streaming services, the funds available for public television programming has decreased; and

WHEREAS, the Minnesota Association of Community Telecommunications Administrators (MACTA) is a statewide organization of municipal and nonprofit staff that advocates for cities and their residents; and

WHEREAS, MACTA is launching a campaign to create legislative changes at the state and federal level that will respond to consumer changes and allow current practices to modernize in response to these shifts; and

WHEREAS, MACTA is working with Minnesota cities to gain support for their legislative efforts.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of South St. Paul that the City Council offers their support to the Minnesota Associate of Community Telecommunications Administrators (MACTA) effort to modernize local access funding through legislative change.

Adopted this 4th day of March, 2024.



City Clerk

PRESERVING QUALITY LOCAL COMMUNITY TELEVISION THROUGH SUSTAINABLE STATEWIDE FUNDING

COMMUNITY TELEVISION IS A VALUABLE CITY SERVICE THAT IS CRITICAL TO INFORMING AND ENGAGING RESIDENTS ACROSS THE STATE

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

Benefits:



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



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



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

ABOUT THE MINNESOTA ASSOCIATION OF COMMUNITY TELECOMMUNICATIONS ADMINISTRATORS

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

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

HOW IS COMMUNITY TELEVISION PROGRAMMING FUNDED?



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



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

THE PROBLEM?

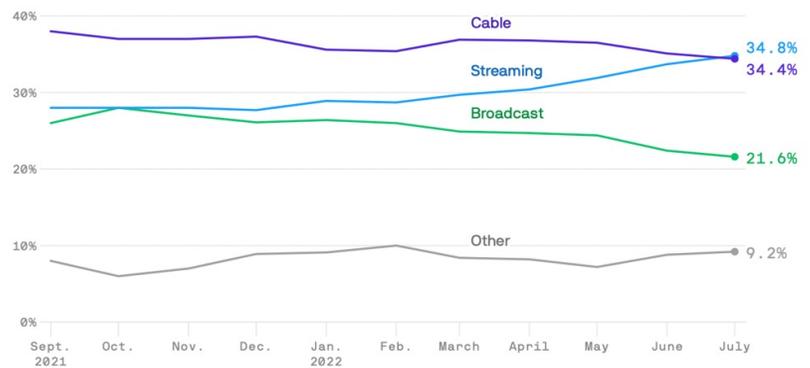
The 40-year approach of using the cable franchise fee as a community television funding stream is **no longer working**.

The video programming marketplace has changed significantly since the early 1980s when cable operators built the infrastructure needed for cable television and later, internet/broadband services.

It is this original infrastructure in the public right of way that now delivers most internet/broadband service – 72 million customers, or 69% of the market*, in 2021.

Share of total TV consumption, by type

For people ages 2+; Monthly, September 2021 to July 2022



Data: Nielsen; Chart: Axios Visuals

Fischer, Sara. "Streaming Surpasses Cable as Top Way to Consume TV." Axios, 18 Aug. 2022

Subscribers are now abandoning traditional cable services and turning to broadband streaming services instead. Referred to as cord-cutting, customers continue to use their original cable "cord" to access video via streaming, instead of the cable box. As cable subscribers drop, **so too does community television funding.**

Under current state law, many corporations that make a profit from using the public right of way or selling digital video streaming services are not required to compensate cities.

MODERNIZING THE FUNDING SOURCE FOR COMMUNITY TELEVISION

Community television funding must be modernized to reflect marketplace changes.

- **HF4186 (Freiberg)/SF3930 (Mitchell): Assess a fee on streaming services**, collected by local governments, for use by local public, education and government community television.
- **HF4182 (Freiberg)/SF4262 (Mitchell):** In exchange for private use of the public right of way by broadband providers, **establish a broadband franchise requirement to generate compensation** for local government to use for funding local public, education and government community television.

PROTECT HYPERLOCAL COMMUNITY TELEVISION PROGRAMMING!

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

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



MACTA LEGISLATIVE CHAIRS

Karen George

QCTV/Quad Cities Cable
Communications Commission

Jodie Miller

Town Square Television/
NDC4 Cable Commission

Sam Temple

Northfield Public Broadcasting