

Reinventing PEG Access in Atlanta

**Report of the
Public, Educational, Governmental (PEG) Access Subcommittee
of the Telecommunications Policy Advisory Committee (TelePAC)**

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This is the final report by one of the three subcommittees of the Telecommunications Policy Advisory Committee (TelePAC), which was created in fall 2004 to advise the Atlanta City Council and Mayor on telecommunications policy issues. The PEG Access subcommittee focused on Atlanta's public access channel (People TV,) its educational channels (CAU-TV and APS-TV,) and its governmental channel (City Channel and Fire Channel.)

I. Recommendations

The recommendations are summarized here according to the policy player to whom they apply. We first present recommendations for action by the City, then by all PEG stations, then by People TV, then by a producer group within People TV. Although these recommendations go beyond the City Council and Mayor, those top-level policy authorities can influence actions by the lower-level entities.

1. The City (City Council and Mayor)

- Prepare for a competitive re-bid of the People TV contract upon franchise renewal
 - Encourage competitive bids
 - Investigate emerging models from other cities
- Relax control over People TV board

- Open new avenues to entry on the board
 - Producer representation
 - Viewer representation
- Assist People TV
 - Provide free facilities to People TV
 - (conditional on people TV reorienting its budget; see below.)
 - People TV gets assistance...
 - ... if it becomes leaner and more efficient ...
 - ... so the total savings fund migration to digital technology.
- Record service complaints for cable system
 - Document level of service
 - needed for both good and less-than-good service
 - Add a web-based reporting form
- Do a close-out report of the Atlanta Community Technology Initiative (ACTI)
 - Document history, spending, accomplishments

2. All PEG Stations (People TV, CAU-TV, APS-TV, City Channel, Fire Channel)

(Note: the recommendations in this section are for the PEG stations and not for the City of Atlanta to implement.)

- Form a PEG Working Group/Coordinating Committee
 - In conjunction with other jurisdictions, invite stations from entire metro region to participate
 - Email discussion list
 - Semi-annual meetings
 - Functions:
 - Best practice diffusion (e.g. City Channel shows others its video-on-demand)
 - Policy process (preparation for re-franchising, regulatory changes)
- Increase the voice of the viewer in the PEG system
 - Balance other voices (of governments and producers)
 - Mechanism
 - Encourage formation of a PEG Viewers Advisory Committee
 - Each PEG station should seek feedback from viewers on a regular basis
 - Functions:
 - Review and evaluate whether existing commitments are fulfilled
 - Completeness and timeliness of PEG program guides
 - Outreach activities by PEG stations
 - Help develop new models of service provision
 - Generally provide feedback on viewer needs
- Fully utilize channel capacity
 - Fill the 24-hour programming cycle
 - Support digital video recorders (Tivo)
- Allow more imported programming
 - Consistent with community service mission
 - Helps fill channel capacity

- Serves viewers needs
- Use appropriate technology for different types of programming
 - Video on demand (Internet)
 - For archival recordings (e.g. City Council meetings, citizen group meetings)
 - For re-runs
 - Regular cable television
 - For first run productions
 - For live shows (call-ins)
 - For imported programming
- Better outreach to viewer
 - Fulfill existing commitments
 - Exploit all franchise-guaranteed options
 - Advertising on commercial cable channels.
 - Newsletter by Email
 - On-line program guides
 - Program descriptions, not just names
 - Links to show archives
 - Always timely and up to date
 - Ensure accurate cable channel listings on Comcast Cable Menu

3. People TV

- Recognize current vulnerability
 - Regulatory change could eliminate PEG
 - Local franchise renegotiation could eliminate public access in its current form
 - Competition in 2009 could award contract to other entity
- Achieve state-of-the-art by 2009
 - In time for franchise renewal
 - Prepare for competitive bidding
- State-of-the-art technology: digital
 - Recording devices (digital cameras,) editing devices (computers & software,) distribution (server computers -- for both cable and Internet distribution)
 - Empower private producers
 - Negotiate with retailers for producers' discounts in purchasing equipment for their personal use in order to reduce use of People TV equipment
 - Develop staff expertise in digital technology
 - Manage own web site and internal LAN
 - Emphasize video-on-demand (i.e. Internet)
 - Move away from real-time analog video signal
- State-of-the-art organization: new model of public access
 - Focus on community groups as well as individuals
 - Assist community groups with digital communication technology (not only video, but also audio, still images, graphics, text)
 - Focus on easy winners
 - web pages for community groups

- video-on-demand archiving of events
 - relevant imported programming
 - Move away from a “bricks and mortar” model of public access
 - Teach classes in community centers throughout the city
 - Allow users to edit at home (lend out computers)
 - Better serve the viewer
- Shift budget priorities
 - Invest more in digital technology
 - Preserve value-adding “front office” staff and activities
 - Reduce budget for administrative staff (“back office”)
 - Recruit a strong volunteer base to coordinate scheduling, productions, equipment usage
 - Get pro bono management review from consulting firm

4. Dissident Producers at People TV

- Dissident producers at People TV should pursue constructive strategies
 - Organize effective producer group
 - Create their own digital platform
 - Parallel to People TV
 - Self-managed
 - Based on video-on-demand (Internet)
 - Develop competitive alternative to People TV, Inc.
 - Develop strategies and proposal in preparation for re-franchising in 2009
- De-emphasize destructive efforts
 - Lawsuits hurt People TV
 - Hurt Atlanta public access generally

5. All Parties

- All parties should make contingency plans for new federal regulation that could radically change local telecommunications regulation
 - eliminates local franchising authority
 - eliminates PEG provisions
- All parties, including PEG, the cable service provider, and city/county governing bodies should support experimentation in new models for digital media that extend beyond the physical parameters of the City of Atlanta

SUMMARY OF RECOMMENDATIONS				
	<u>City Council & Mayor</u>	<u>All PEG Entities</u>	<u>People TV</u>	<u>Producers</u>
New building for People TV	Provide free facilities to People TV (in exchange for admin overhead reduction and investment in digital technology.)		Less bricks-and-mortar; mobile model; classes in neighborhood centers.	More mobile model; lend out computers for editing.
Admin Overhead Reduction at People TV			Cut admin overhead budget (in exchange for free housing from City). Match the cuts.	More volunteer work.
Digital Tech Conversion	Provide surplus digital equipment from ACTI to People TV.	Coordinating Council to disseminate best practices among stations (esp. from City Channel to others.)	Capital investment. Equipment from ACTI.	Use digital technology. Create Internet-based parallel to People TV.
Re-franchising preparation	Prepare for and encourage competitive re-bid of People TV contract	Coordinating Council to share information	Prepare for competition for contract with city.	Prepare competitive alternative to People TV.
Serve users		Viewers Advisory Committee. Stations seek feedback from viewers.	Comprehensive and up-to-date on-line program guides.	Provide write-ups of shows and links to archived materials.
Do close-out report on Atlanta Community Tech Initiative	City staff does report			
People TV Board	Open control of board to beyond City Council and Mayor. Provide positions for viewers and producers.		Facilitate producer involvement.	Create a producers association.
Record complaints for Comcast	Implement a web-based complaint system with recording. Resume telephone-based recording.			
Use full channel capacity		Allow more imported programming.	Provide 24-hour programming	

II. Introduction: The Need for Constituency

This report focuses on one dimension of Atlanta's cable franchise: the system for public, educational, and government access television (PEG). PEG is one of the most important public interest provisions of any city's cable franchise. It provides local residents with a First Amendment/public forum, gives schools and universities access to viewers, and allows governmental proceedings to be publicly cablecast.

The next five years will be critical for Atlanta's PEG system. The telecommunications regulatory environment is everywhere in flux, and the PEG provisions are candidates for reduction or outright elimination. Federal telecommunications regulations are likely to be revised soon, and political leaders in Washington will undoubtedly scrutinize PEG. Similar trends are at work at the state level (e.g. in Texas,) and could easily lead to a Georgia initiative to reform PEG. Locally, the Atlanta cable franchise will expire in 2009, at which time the PEG system could be significantly modified. In the coming five years the PEG system will be subject to intense political (and public) scrutiny.

While no institution, public or private, relishes political scrutiny, such review should not be unwelcome. In general, the public interest is served when public programs and policies are periodically reviewed and required to justify their continuation.

After all, the PEG system consumes considerable public resources. Over the 15-year term of the cable franchise, Atlanta's public access station, People TV, will have been supported by approximately \$10 million of public funds (detailed below.) During that same period, we estimate that Atlanta's government access station, The City Channel, will have benefited from comparable amounts of funding (at the time of this writing we have not been able to obtain actual figures.) In the four year period of 2000-2004 another government initiative, the recently-ended Atlanta Community Technology Initiative (ACTI), consumed an additional \$8.1 million of franchise-derived funds. Atlanta's educational channels are different: they are not funded by the cable franchise. In all, PEG-related expenditures over 15 years have cost somewhere around \$30 million.

Are these funds well spent? Do they serve the public interest? In the coming years, such questions will be asked frequently by public officials at the federal, state, and local level. Answering them poses an analytical challenge. Operating outside of the market, the PEG system does not generate price and sales data, so it cannot be assessed in a dollar denominated benefit-cost analysis.

There exists, however, another measure of public benefit: constituency. In a political review by elected officials, the existence of a large and active constituency is the primary evidence that a program provides useful public service. Although not perfect, the test of constituency is a legitimate measure of the value of a public program.

Thus in the coming years policy makers in Atlanta and around the country are likely to be asking, what is the constituency for PEG access television? Is the constituency

sufficiently broad to convince them that PEG deserves continued funding? If it is to survive, the PEG system will likely need the support of a broad constituency.

The research for this report identified two possible PEG constituencies. Each is composed of individuals and groups, but one is narrow and the other is broad. The narrow constituency for PEG is:

- Atlanta City Council and Office of the Mayor
- Atlanta Fire Fighters
- Staff and video producers at People TV.
- Students and staff of Clark Atlanta University
- Students and staff of Atlanta Public Schools

In their totality, these groups constitute a small constituency. If they are the only groups who speak out on its behalf of PEG in the coming years, then it seems quite possible that regulatory reform could reduce PEG.

However, PEG can plausibly lay claim to a much broader constituency. This broad constituency includes:

- The entire metro Atlanta cable television-viewing public
- All citizens interested in local public affairs and programs
- All local Neighborhood Planning Units (NPUs) and neighborhood civic organizations
- All local non-profit groups (churches, clubs, neighborhoods)
- Other community media institutions (radio, television, print, Internet)
- All metro Atlanta school children
- Parents of all schoolchildren in Atlanta, both public and private
- All university students, staff, and alumni, regardless of university affiliation

If all these groups derived benefit from Atlanta's PEG system and actively supported the system, then policy makers would likely conclude that the system confers substantial benefits on the public. Regulatory reform, especially local re-franchising, would be much less of a concern.

Unfortunately, our research suggests that today's PEG system does not yet serve the broader constituency. PEG certainly has strong supporters, but they may be limited to the few small groups comprising the narrow constituency. As the PEG system faces review in the coming years, this lack of a broad constituency poses a risk, for it suggests that PEG may not provide public benefits commensurate with its costs.

This report is intended to serve as a wake-up call to PEG supporters. The authors want to see PEG continue as an institution, but we also find it appropriate that PEG survival depends on its performance. Faced with regulatory change, Atlanta's PEG system has three to five years to win over the hearts and minds of a broad swath of the citizens of Atlanta and to prove its worth. PEG must fulfill its mission: it must not only to give a voice to local individuals, it must also make that voice accessible to Atlanta television viewers.

III. The PEG Model

The PEG model was developed in the 1970s¹. It was codified into federal regulation in the 1984 Cable Act². The PEG model builds on the model of non-profit radio, which is a very successful regulatory model for community access to mass communication.

Funding for PEG access comes from local monopoly franchises of cable television. The PEG model has three dimensions: functions, technology, and institutions.

The *function* of the PEG model is to provide access. It gives the local community access to television (specifically, a local cable television network.) “Community” in this model consists of three things: the local public (P), local educational institutions (E), and local government (G). “Access” consists of two things: production capability and channel capacity. In the PEG model, residents, schools, and the government are given the resources to produce their own programming and to cablecast it on the local network.

The *technology* of the PEG model is, of course, cable television. This technology is changing, but today the salient features of the technology are: “natural” monopoly, real-time communication, and expense. Cable networks are traditionally implemented as local monopolies, because the physical cable network is so expensive to build. The nature of the technology dictates this economic structure. (This is changing as competition begins to arrive from telephone networks and satellite broadcasts.) Video programming distributed over the network is delivered in real time, i.e. it is available only at the time of cable-casting, rather upon the demand of the system viewer. (Today video-on-demand is coming to market, but traditionally that has not been available to television viewers unless they invest in a home recording device.) Finally, television technology is comparatively expensive. Cameras, editing devices, and consoles traditionally cost thousands or tens of thousands of dollars. (Today, expensive equipment is quickly being overtaken by a more accessible, less expensive digital technology.)

The PEG model’s greatest strength is its *institutions*. The PEG model creates an exceptionally secure source of funds, and at a generous level. The “natural” monopoly of cable technology allows for a regulatory framework in which cities extract funds from franchisees. (Monopolistic franchisees, in turn, extract high monopoly fees from consumers!) Local governments are allowed to negotiate a franchise of as much as 5% of the cable company’s gross revenue. In the case of Atlanta, this amounts to nearly \$4 million per year³. In addition to that franchise fee, local governments can negotiate for funds and channel capacity for PEG access. This can run to another 3% of the

¹ See: Sloan Commission. 1971. *On the Cable: The Television of Abundance*. New York: McGraw-Hill. Engelman, Ralph. "Origins of Public Access Cable Television," 1966-1972. Columbia, SC: *Journalism Monographs*. Number 123, Oct. 1990. Klein, Hans. 1999. "Making It Happen Now [Realizing the Potential of Community Television and Radio]." *Peace Review*, special issue on Media and Democratic Action, Volume 11, No. 1, March, pp. 41-52

² Meyerson, Michael. 1985. "The Cable Communications Policy Act of 1984: A Balancing Act on the Coaxial Wires." *Georgia Law Review*. Vol19:543.

³ Personal communication from the Telecommunications Manager of the City’s Office of Communications.

franchisees revenue⁴. Public access centers in medium to large cities typically have annual budgets between half a million and one-and-a-quarter million dollars⁵. For local, non-profit organizations that is a large amount of funding.

With twenty years of experience, some weaknesses in the PEG model are evident. Two stand out: PEG does not serve viewers very well, and it is excessively insulated from external pressures from viewers. The two weaknesses are related: since PEG organizations are so well insulated, they have not been subject to pressure to adapt their operations to better serve viewers.

Viewers are not well served by PEG, primarily because of the underlying television technology. First, the high cost of television production remains a barrier. Even with free access to equipment, production is very costly in terms of time. Producers manage high cost by lowering production quality. Much local production must be of technically and compositionally simple. The vast majority of local programming features a simple talk show or talking head format. Is this bad? Not necessarily. Could programming be of better quality and more interesting? Yes. In addition, production quality is frequently poor.

Second, television's real-time characteristics greatly reduce audiences. Programming is on at a particular time, and then it is gone; viewers must adapt their schedule to that schedule or record programs for later viewing. With many potential viewers unable to adapt their schedules, the actual audience is greatly reduced. Since PEG already starts with a small potential audience (local viewers interested in local production,) this attrition may reduce audiences to tiny levels.

Finally, television programming requires a program guide. Without it, targeted viewing of programming is nearly impossible; viewers can only "channel surf," and it makes the recording option ineffectual. It is our observation that PEG stations often do not produce reliable program guides. Admittedly, since PEG program schedules are more complex than professional television, its programming guides are also complex. Nonetheless, the hard fact remains that without a program guide, few local residents will be able to find programs. The potential tiny audience is further reduced.

The combination of these three factors may be fatal for PEG viewership. With production so costly, real-time cable-casting so inconvenient, and program guides often unavailable, audiences simply cannot connect with the programming. We conclude that the PEG model is ineffective at serving viewers in the community.

A second weakness of PEG is its insulation from forces for change. Any organization, be it public or private, is usually an adaptive system that changes in response to external forces. Changes in organizational behavior most often occur through threats (which elicit adaptation for survival) and opportunities (which elicit adaptation to reap benefits.) The

⁴ Communication from Gerry Lederer, Miller & Van Eaton, P.L.L.C.

⁵ Columbia Media Resource Alliance. 2003. "National Survey of Peg Access Stations". Viewed at: <http://www.cmra.tv/pegsurvey.html>

PEG model is so robust, however, that stations are insulated from threats and opportunities.

Specifically, public access stations are insulated from financial, political, and public pressure. Stations are insulated from financial pressure because their funding is so secure. Year after year the cable companies transfer the funds, regardless of performance. Since funds go directly from the cable companies to the public access stations, the stations escape the scrutiny of the governmental budgeting process. Stations may have occasional performance reviews for contract renewal, but they are generally not subject to resource competition (unless another organization competes for the city contract.) Finally, stations experience little pressure from viewers, perhaps because potential viewers don't even know they are there. Viewers rarely make the considerable effort to organize themselves to complain about a missed opportunity; viewer feedback manifests itself in an absence of feedback. Without financial, political, or public pressure, access stations are likely to interpret the silence as validation of the status quo.

As a result, the stations tend to be conservative, with little adaptation over time. For over twenty years public access stations have not been reaching local audiences, and few stations have corrected this. Ironically, the PEG model creates a very secure monopoly, resembling, if anything, the cable company.

The main threat to PEG institutions would be a revision of the federal regulations that create the PEG model. That is the prospect that PEG faces today⁶. Threatening as that may be, it may motivate PEG stations to adapt. Faced by the prospect of their elimination, they may act to better serve their community, building a constituency, and ultimately surviving political scrutiny. This report attempts to catalyze such behavior.

To the extent that public access stations are dynamic and adaptive, that dynamism occurs around producers. Most public access stations function quite well as training and production institutions for small communities of highly committed residents. Producers are the one group with close and effective ties to the stations, and it is not uncommon to see them providing noisy feedback to station staff and directors. As a result the stations serve these groups reasonably well, offering classes and making equipment available. Viewers may be neglected, but producers are served. There is also an issue of whether the current producers are the appropriate group to be trained; perhaps the benefits would be larger if a different group of producers were trained, for example, the unemployed or youth.

Given the limitations of this study, it has not been possible to collect data documenting these trends. Surveys of viewership are prohibitively expensive. We can imagine a data collection program. Perhaps the simplest evidence would be the number of established community groups that take up the opportunity presented by PEG. Another useful

⁶ It must be noted, however, that PEG regulations have survived previous regulatory revisions. The Communications Act of 1996 left the PEG provisions intact, perhaps because a Republican-controlled Congress valued PEG's service to local religious groups.

measure would be the number of producers and trainees. Such numbers could be compared to the annual budget in order to see costs per producer, etc.

Initial investigation suggests that public access stations do not attract many established local organizations. With the high cost of production and the difficulty in reaching an audience, most organizations may find PEG an unattractive medium for communicating with the community. The most common profile for a PEG producer appears to be an individual engaged in religious communication. That may accurately reflect the composition of the community, or it may manifest other community groups' conclusion that the cost of television production for PEG is too high.

One final problematic aspect of the PEG model deserves attention: its commitment to localism. Localism reflects both a commitment to local community and a philosophy elaborated in response to cable companies' use of local rights of way. Localism gives PEG its producer orientation: PEG exists to give the local community a voice. In theory, localism could also entail a commitment to local viewers, but this has not been the case (as noted above.) Significantly, localism justifies the imposition of limits on the importation of programming from outside the community. In this, PEG diverges sharply from the community radio model, in which local stations regularly air music and public affairs from beyond the immediate confines of the town. Ultimately, the PEG model favors free speech (a producer value) over diversity of information (a viewer/listener value.) Even though locally-produced programming may not achieve high quality, and even though it may hold little appeal for local viewers, it has higher priority access to the channel than does imported programming. The PEG model would arguably better serve local viewers by loosening the restriction on imported programming. PEG would more closely resemble community radio.

Most of the discussion so far applies to the "P" in the PEG model (public access.) We close with a few words about "E" (educational access) and "G" (government access.) Unlike public access stations, government access is closely connected to local government. Its funding may be subject to annual review, and it may receive strong feedback from elected officials. Also, its mission to cablecast public hearings is well defined and clearly has value to the community. It renders local government more accessible and transparent. Nonetheless, many of the problems described above apply. Given the real-time nature of television cable casting and the rarity of program guides, one must question the actual size of the government access TV audience. Presumably the viewership could be much larger with better promotion and accessibility throughout the metro area.

Educational access often consists of little more than making a channel available to a local school or university. Unlike with P or G, often no funding is provided. Perhaps as a result, educational access stations have a greater propensity to provide imported programming. With many community radio stations run by educational institutions (e.g. college radio,) educational access television seems closer to the community radio model.

In summary, the PEG model creates well-funded, very stable local institutions to give the local community a voice on cable television. The technology they employ creates barriers to reaching an audience, while their insulation from outside forces frees them from the need to adapt to external pressures. They serve producers better than viewers.

IV. Digital Technology

Earlier we stated that the next five years will be critical for PEG. PEG faces a threat from regulatory change. For example, the PEG provisions of local franchising authority could be abolished. However, the next five years also hold tremendous opportunity with the arrival of digital technology.

The PEG system, if it can seize the opportunities presented by digital technology will be well-suited to better serve local viewers. PEG stations can – and must – adapt in order to survive.

The advent of digital technologies has created a number of important changes in technology and the development of new communications devices⁷. “Digital technology,” the shift from analog to digital -- has greatly expanded the capabilities of voice, video and data transmissions. Developed as a way to improve terrestrial broadcasting, digital technology has transitioned into a service that offers superior video quality programs, data delivery, and interoperability of audio exchanges on a variety of platforms.

Traditional media, like television won't be as we know it today. Data, text, high fidelity audio, high resolution graphics and photographs, as well as video, will all exist in the digital domain expanding the number of channels and options available to the public. Digital conversion from analog will allow the communications industry to present an amazing array of delivery systems into the home in which images will be delivered over multiple types of networks – not just broadcasting. Audiences will watch video images over new devices ranging from the familiar television set, to desktop computer screens, handheld devices, phones with screens, shopping carts, and other venues yet to be created.

The quality of video will be determined by its form of origination rather than its platform (e.g. cable, broadcast) and people will eventually take the ability to interact with the material for granted. Being digitally connected will be important for all citizens. Technologies still regarded as exotic novelties will soon become household items. Communication will consist of digital file transfers from one computer to another. Everything will be different.

These innovations already exist and their cost is affordable. The main requirement is access to broadband, and that now costs about the same as access to cable television. With such access, users can make phone calls for free (e.g. with Skype). They can download videos, movies, television shows, pictures, and music all for free. (Indeed, the

⁷ These paragraphs on digital technology benefited from the contribution of Dr. Helena Mitchell, another member of the TelePAC.

biggest policy problem is how to *prevent* everything from becoming free. This is the problem of intellectual property.)

In order not to confuse consumers, companies are packaging digital devices to look like familiar telephones, hi-fis, and televisions. Writers of reports must adopt a similar approach: in order not to confuse our readers, we will talk about digital file transfers in terms of the old technologies. Thus when we say “video on demand,” we are really referring to digital file transfers (of moving images.) Likewise, when we talk about “voice over Internet Protocol,” we are really talking about digital file transfers (here of audio data in real time.) When we talk about “digital radio,” we are really talking about – as the reader may already have guessed -- digital file transfers (here of higher resolution audio.) The world of communication as we know it soon to be completely realized through this digital technology.

The crucial point for this report is that digital technology is far superior to television technology for realizing the PEG model. The PEG model, so promising in theory and so disappointing in practice, can now be made to work. It can escape the limitations of analog television and broadcasting. That is the exciting opportunity that Atlanta faces today.

One of digital technology’s most powerful features is that it need not operate in real time. Unlike analog television, digital video is available *on demand*. Therefore, users do not need to make their schedules conform to the network; they can view programming as they need it. This means that niche programming with small potential audiences can reach that entire audience; all viewers can access the programming at their own convenience. Since nearly all PEG programming is niche programming, this can revolutionize PEG. Finally, local viewers can access local programming.

Another feature related to the Internet is cost. Digital technology is far cheaper than the traditional analog technology of television. Video production is now possible using equipment costing around \$1500.

In assessing today’s available technology, it is useful to distinguish between archival quality and professional quality. Archival quality programming need merely be sufficient to record sounds and images so they can be recognized. A stationary camera, a grainy image, an echoing sound track suffice to archive an event. Professional quality demands more creative camera usage and higher technical quality. Today’s technology is sufficient to realize archival quality video on demand.

As an example, one can consider how digital technology revolutionizes governmental access television. Much “G” programming consists of public hearings by city councils and commissions. The material is rarely entertaining, but any one program can be of great importance to some residents. Viewers are likely to be keenly interested in particular hearings but not in the programming generally. By making this programming available on demand in archival quality, the small number of citizens interested in

specific issues can watch the hearings of their choice. This can supplement cable-television-based access. Atlanta's City Channel has recently implemented this (below.)

The possibility of combining existing PEG institutions and new digital technology is very promising. PEG offers stable funding in large amounts. Digital technology offers the functionality needed to realize the vision of PEG. PEG center staff can train producers to use cheap digital technology (owned by the access center or even by the individual) and to make their own programs. These programs can be posted to a high-bandwidth server (owned by the access center or even the individual). Granted, this transformation is already happening independently of PEG institutions, but they are not irrelevant or unnecessary. PEG resources could accelerate the dissemination of technology to the community.

In summary, the PEG model is admirable in its intentions and impressive in its longevity, but it doesn't work very well. Television technology, which is costly and based in real-time distribution, precludes effective audience formation. Digital technology is far more accessible to viewers in a community. The combination of PEG institutions and Internet technology holds the promise of realizing vision of PEG. The threat of regulatory annihilation makes it urgent for PEG stations to seize this opportunity.

V. PEG in Atlanta

So far we have discussed the PEG model in general. Here we focus on the specifics of PEG in Atlanta.

The legal details of Atlanta's system are set out in the 1994 Franchise Agreement between the City and the cable company of that time (*Franchise*)⁸. In 2002 the *Franchise* was substantially amended in the Change of Control Agreement (*Amendments*)⁹. Another important document is the 1995 "Agreement" contract between the City and People TV (*Agreement*)¹⁰.

The original 1994 *Franchise* reserved 11 channels for PEG: two public access, five educational, four governmental. The 2002 *Amendments* reduced that to just six channels and removed a requirement for an institutional network. The "P", "E", or "G" status of those six channels was not specified, leaving the City to make the designation. Today, the operational entities in Atlanta's PEG system are:

- The public access operator
 1. People TV (channel 24)
- The educational access operators
 2. Atlanta Public Schools (APS-TV, channel 22)

⁸ *Franchise Agreement Between the City of Atlanta, Georgia, a Municipal Corporation, and Atlanta Cable Partners, L.P. D/B/A Georgia Cable TV & Communications*, November 21, 1994. Authorized by City Council Resolution 94-O-1775 on December 1994. See Appendix B.

⁹ *Change of Control Agree with MediaOne of Colorado, Inc. & AT&T Comcast*. Adopted by City Council Resolution 02-O-0900 on July 15, 2002. See Appendix C.

¹⁰ *Agreement* [between City of Atlanta and People TV], November 1, 1995. See Appendix D.

- 3. Clark-Atlanta TV (CAU-TV, channel 23)
- The Government access operator
 - 4. The City Channel (channel 26)
 - 5. Fire Department Channel (channel 25)
- The city's sixth channel carries (imported) governmental access programming:
 - 6. Fulton County TV (FGTV, channel 21)

Two other important entities in this system are:

- Mayor's Office of Communications. This office serves as the cable franchise authority and oversees the PEG system.
- Comcast Corporation, the (current) cable franchisee.

Between 2000 and 2005 spending in Atlanta's entire PEG system was dwarfed by another cable franchise-funded government program: the Atlanta Community Technology Initiative (ACTI). ACTI received \$8.1 million to operate cyber centers around the city. The program reported directly to the Mayor, was staffed by city employees, and used city facilities. The ACTI was closely associated with Dr. Jabari Simama, who decades earlier had helped create and administer Atlanta's public access television station. The ACTI was an attempt to reduce the "digital divide" in Atlanta by giving economically disadvantaged citizens the opportunity to learn computer skills. Both Dr. Simama and the Initiative won numerous national awards. The ACTI ended in November of 2004, and the program's resources were merged into the Atlanta Workforce Development Agency. Although ACTI is no longer under the purview of the PEG subcommittee, we feel that it is important to have closure on this project. How was the \$8.1 million spent? How many citizens were served? How much of the program continues to exist through Workforce Development?

VI. Atlanta's Educational (E) and Government (G) Access Channel

The City Channel (26) has already made an initial transition to digital service provision, and the results are impressive. Some recent City Council meetings are archived on the web, where they can be downloaded¹¹. As any user can confirm, the video on demand greatly increases the accessibility of government proceedings. City Channel 26 is proof of our claim that digital technology makes PEG work.

Atlanta's "E" channels are noteworthy for their higher amounts of imported programming. APS-TV, in particular, carries a lot of programming from the PBS and other reputable outside sources. In this respect, APS-TV resembles the successful community radio model. The programming is high quality and appealing; even in real time it could attract a noteworthy audience. Unfortunately, although APS-TV provides a general programming guide, few know the guide exists or where to find it, so it is difficult to select programming to watch. In addition, while much of the programming is designed for use in the classroom, real time programming makes it difficult for teachers to fit programs into their daily schedules, and availability of televisions to view the programs is scant.

¹¹ See: <http://apps.atlantaga.gov/citycoul/video.htm>

Like APS-TV the Clark Atlanta-operated CAU-TV is also open to imported programming. According to an on-line program guide (that is out of date,) the station also produces large amounts of local programming. CAU-TV produces a local news show that may be good enough to attract a mass audience, but most programming seems to be classroom instruction. Such locally produced material might be more effectively distributed as on-demand video on the Internet. (CAU students would probably benefit from the on-demand capability.) Like APS-TV, CAU-TV's program guide seems deficient.

These educational stations receive no funding from either the cable franchise or the city. Their home institutions fund them. The cable franchise only gives them access to a channel. What programming they offer the city is clearly a gain for local viewers. Still, they could be better.

These two E stations seem close to the (successful) community radio model. With some small changes they could better adapt their operations to that model. The most important change would be a reliable program guide.

Likewise, the City Channel has room for improvement – at least it should do more of what it is already doing so well. First, it could increase the kinds of hearings that it archives. Now that it does the City Council, it could start archiving all public hearings. It might even archive meetings by local Neighborhood Planning Units (perhaps it could do this in partnership with People TV producers.) This merits the highest priority, higher than its internal productions. Given the trade-offs between the (perhaps more exciting) work of producing programs about public officials (“an elected official cuts a ribbon”) and the (perhaps less exciting) work of recording hearings, the latter should receive a higher priority.

VII. Public Access: People TV

People TV is the operator of Atlanta's public access channel. Most details of People TV's terms of service are detailed in two documents the 1994 *Franchise* and the 1995 *Agreement* contract between the City and People TV (both cited above).

People TV was created in 1986, and its current contract with the city was signed in 1995. That contract is subject to review and renewal every five years, i.e. at 2000 and 2005. The People TV contract is synchronized with the Comcast franchise, with both expiring on December 31, 2009.

One of TelePAC's first substantive decisions, taken at the end of 2004, was to recommend to the City that it renew its contract with People TV. This fulfilled the requirement of a review of People TV for 2005¹². (*Please note: The two members of the PEG subcommittee abstained from that vote, believing that they did not yet have sufficient information to make a review decision.*)

¹² *Agreement*, section 5.0.

Governance

People TV's Board of Directors has 21 director positions. According to its bylaws at least 7 of those positions must be filled. Directors are appointed as follows¹³:

- 5 by the Mayor
- 6 by City Council
- 1 by the cable franchisee (Comcast)
- 9 elected by the board

Thus the majority of the board is appointed by the city government. (People TV's contract with the city, however, explicitly states that it is not an operating entity of the city¹⁴. That status has been disputed in lawsuits filed by a People TV producer¹⁵.) We believe that People TV is unusual for its high degree of government control, as realized by the composition of the board.

It is worth noting the station producers and viewers have no direct voice in selecting directors, even though they are arguably the two most important constituencies of the station. The lack of representation of key groups on the organization's board may contribute to tensions and the use of alternative avenues of influence.

Currently, the Board is in flux. In 2004 a number of directors stepped down, in part because of conflicts with station producers, one of whom filed lawsuits. New directors are currently being recruited.

Finances

People TV's financial resources are significant. Since 1995, the organization has received payments from the cable franchisee of approximately \$7 million. By the time the current franchise expires, People TV will have received about \$10 million.

In contrast, the annual budget of community radio station WREK is estimated to be about 15% of that. The annual budget of WRFG is about \$0.3 million, or about half that of People TV¹⁶.

The structure of the payments to People TV is detailed in both the *Franchise* and the *Agreement*. Payments are of two kinds: those for access equipment (as-requested payments from the capital spending fund set up in 1995) and those for access services (recurring annual payments).

The access service payment to People TV is \$0.5 million per year, plus an inflation adjustment¹⁷. For 2004 the total payment was \$0.605 million (i.e. the inflation adjustment was \$105,000). That constituted almost the entirety of People TV's income¹⁸.

¹³ *Agreement*, section 3.2.

¹⁴ *Agreement*, Section 3.5

¹⁵ Communication with Mr. Jack Jerzowitz.

¹⁶ Personal communication from WRFG General Manager, Heather Gray.

¹⁷ *Franchise*, section 11.4. *Agreement*, section 4.2.1.

¹⁸ The organization generated only \$30,000 of additional income, mostly from workshops. See People TV's "2004 Annual Budget Summary as of 12/11/2003."

The access equipment payments are non-recurring. The *Franchise* specifies an initial (1995) payment of \$1.95 million and a subsequent (1999) payment of \$1.4 million. The *Agreement* between the City and People TV specifies how much of that goes to People TV: \$0.9 million and \$0.65 million, respectively¹⁹. The difference of \$1.8 million was allocated to educational and governmental channels²⁰.

In addition the *Franchise* allows for optional additional charges, based on demonstrable need, in the eighth year of the franchise (2003)²¹. However, these charges would be listed on consumers' bills. The city has not exercised this option²².

Payments to People TV do not pass through City accounts. Both the annual payments and the equipment payments are paid directly to People TV. Funds paid to People TV do not count as part of the city's franchise fee²³, which is set at the federally-regulated maximum of 5% of gross annual revenues²⁴.

According to the *Agreement* People TV is not a city agency. However, some producers at People TV have maintained that this claim that People TV is not a city agency is contradicted by case law²⁵.

People TV's current budget is not fully balanced. Its 2005 operational deficit is estimated at \$50,000²⁶.

Technology

People TV has not yet made the transition to digital technology. Most of its equipment is based on older analog technology.

Facilities

People TV is currently searching for new facilities in the anticipation that its current location could be condemned and/or People TV would be forced to move during the expansion of the 14th Street expansion. Currently, People TV spends \$70,000 per year on rent. This amount could be dramatically reduced with the City providing main studio and satellite facilities.

Connection to Viewers

¹⁹ *Franchise*, section 11.3; *Agreement*, section 4.2.2 and 4.2.3

²⁰ Personal communication with Mr. Joe Morris III, Telecommunications Manager, Office of Communications, City of Atlanta.

²¹ *Franchise*, section 11.5.

²² Personal communication with Mr. Joe Morris III, Telecommunications Manager, Office of Communications, City of Atlanta.

²³ *Franchise*, section 11.4

²⁴ *Franchise*, section 19.1.

²⁵ Personal communication with Mr. Jack Jerzowitz.

²⁶ Budget analyses provided by People TV to the TelePAC document internal recommendations to reduce costs. Lewis, Teddy, "2004 Budget Projections Report." 19 October 2004.

Atlanta's cable franchise agreement includes numerous mechanisms for viewer outreach, including:

- Newsletter²⁷. People TV must publish a newsletter at least three times per year.
- Advertising Slots on Regular Channels²⁸. Each regular channel on the cable network should make available 3 30-second advertising slots per day for publicizing PEG programming.
- Comcast Program Guides²⁹. Comcast must list PEG programming, provided that PEG entities provide it.
- Annual 4-page Comcast Subscriber Newsletter on PEG³⁰. The Franchisee must distribute this to all subscribers.

Our preliminary research indicates that these opportunities have not been consistently seized. Although the *Franchise* put in place mechanisms for reaching viewers, the PEG entities have not fully used them.

VIII. Atlanta Community Technology Initiative (ACTI)

In year 2000 the city launched its Atlanta Community Technology Initiative (ACTI). Between 2000 and 2004, ACTI consumed a whopping \$8.1 million of franchise-derived funds.

ACTI was a city program, administered by the Office of Community Technology in the Mayor's Office of Communications. It operated "cyber centers" dedicated to teaching computer skills to economically disadvantaged citizens³¹.

ACTI was funded through an amendment to the cable franchise approved by the City Council in July 2002. In the *Amendments* Comcast agreed to pay the city \$8.1 million more than what was foreseen in the original Franchise. In the Amendments, Atlanta also agreed to return five of its 11 access channels to Comcast. The City also reportedly forgave hundreds of thousands of dollars in fines for items such as poor customer service, build-out delays, and hiring practices. The exact amount of fines has not been substantiated, but their resolution by fiat resulted in lost dollars for the citizens of Atlanta. The *Amendments* also allowed Comcast to charge consumers for up to \$1.9 million of additional costs³².

The \$8.1 million was reserved for ACTI. The initiative proceeded independently of the PEG system. People TV missed a major opportunity to evolve from a community television center to a community media or even a community technology center. Had some of the investment for cyber centers gone to People TV, perhaps it would have better made the transition to digital technology.

²⁷ *Agreement*, section 3.16.2

²⁸ *Franchise*, section 11.8.1.

²⁹ *Franchise*, section 11.8.2.

³⁰ *Franchise*, section 11.8.3.

³¹ "Bridging the Technology Gap. Action Ideas for Cities and States. Atlanta, Georgia. Available at <http://www.techpolicybank.org/atlantadesc.html> .

³² *Amendment*, section 11.14(ii) allows Franchisee to recoup costs of up to \$1.9 million.

The separation from People TV may also have been damaging to ACTI. ACTI pioneered the application of digital technology, but it was unsustainable: it was funded with a one-time infusion of funds but had no source of on-going funds. In contrast, People TV is sustainable, but it lacks digital technology. It has not made an effective transition to digital technology, but it does possess operating funds. Thus, it seems that an opportunity was missed to combine the sustainable public access television model and the innovative community technology initiative.

The ACTI was recently ended, and its assets were merged into the Atlanta Workforce Development Agency (www.atlantaworkforce.org), a bureau of the city. There is relatively little information available about the \$8.1 million program or its accomplishments. We understand that much of the original documentation was thrown away when the program was ended. Further, financial records are apparently archived at City Hall East. We recommend that further research be done on the effectiveness and benefits of this program compared to the money and staff expended.

Indeed, it appears that Comcast was given a profitable arrangement by the City (channels returned and forgiveness of franchise violations) and that programs, such as PEG, that were related to the cable television system did not benefit. It is strongly advised that the franchise renewal committee address issues such as this thoroughly so that the City will be in a stronger renegotiating position.

IX. Conclusion

The regulatory environment in Atlanta, Georgia and the US poses threats to the continued existence of PEG. The PEG system can best respond to this by making itself invaluable to the local community. Digital technology offers an opportunity to do just that. Leveraging new technology, PEG institutions really can realize the PEG functions. Individuals and groups throughout the community can get benefit from the system. In response they are likely to support the system in the future. By serving the community, PEG can develop a constituency that will ensure that it continues to thrive.

X. Appendices

- A. Addendum by TelePAC member Earl Johannaber**
- B. Original Cable Franchise agreement**
- C. Amendment to Cable Franchise Agreement (2002)**
- D. Contract *Agreement* between People TV and the City**
- E. Bylaws of People TV**
- F. Information on TelePACs from other cities**
- G. Powerpoint presentations by all PEG entities to TelePAC**

APPENDIX A:
Addendum by TelePAC Member Earl Johannaber

TO: the Mayor's Office, City Council, and members of the TelePAC

FROM: Earl Johannaber, Atlanta City Council TelePAC Representative, District 1

June 26, 2005

Thank you all for the chance to give input into the Telecommunications Policy Advisory Committee.

I was assigned to TelePAC on the committee March 21, 2005 by appointment of City Council, District 1. I was invited to my first TelePAC meeting on June 21st, 2005, seven days before the end of the committee.

At the June 21 meeting, I asked for a seven-day extension to complete my outline of my research and 180 days to write my paper. This was similar to the amount of time other TelePAC members had in which to complete their studies. As a result, the committee voted against this request, and I was granted just seven days to submit my final report.

To date, I have had the opportunity to sit with Beverly Molander and Dr. Hans Klein in two PEG (Public, Education, and Government cable channels) subcommittee meetings. I recorded one meeting on my camcorder of the PEG committee, and one meeting of the TELEPAC, as well. I am willing, with Dr Klein's help, to make these available for viewing on webstream technology.

At both of those meetings I was able to provide valuable input and additional information about PEG in Atlanta. I feel that the PEG report is extremely well written and insightful. It speaks for itself, thanks to the hard work of both Dr. Klein and Beverly Molander.

I reviewed the work of the Franchise Subcommittee and the New Technology Committee, and can say with out hesitation that they are brilliant as well.

However, I would like to add to this report in that we have several emergencies that need to be addressed with more regular open reporting:

1. We must have a clear plan to help the Fire and Police Department develop crucial training videos.
2. Both Channels 24 and 25 have developmental/growth urgencies, with neither the resources nor the personnel to address them.
3. The governance of Public Access TV is top (management) down and is neither soliciting nor receiving information from the viewers and producers which would improve performance.
4. Regarding "in school" television productions, there are some curricula errors in teacher training that need to be addressed immediately.

5. Along with the city cited in the report, we must look at other cities in the U.S. and around the world, because Atlanta is falling behind unnecessarily.
6. The best way solve the present problems is to develop strategies which courageously look to 10, 20, 30 and even more years into the future. For example, the Japanese have been known to plan for the next 300 years. It is crucial that we start looking towards creating our future, NOW.
7. Telecommunications systems must be recognized as a city utility similar to water, sewage, sanitation; and therefore must be planned and maintained at least with the same frequency. One of the distinctions of the telecommunications area is that the planning must be done in an open format, because our right to free speech and privacy will be affected by policy and technology.
8. The present TelePAC report does not reflect the critical re-occurring problems that will continue without ongoing democratic management. I stand by the recommendation that an ongoing TelePAC be adopted, as recommended in version 4 TelePAC PEG report, submitted on June 21, 2005.
9. It might be wise to look at the overall City of Atlanta's lack of awareness about the advent of digital media as a crisis. This new "digital divide" demands that the concept of analog television be replaced by interactive streaming media. Hundreds of products that have changed our lives and environment in ways that really need to be understood.
10. All of the above challenges, as well as the ones not listed, create an opportunity for the kind of innovation, growth and world leadership that Atlanta needs in order to excel and address these challenges head-on.

OTHER APPENDICES (separate documents)

B. Original Cable Franchise agreement

C. Amendment to Cable Franchise Agreement (2002)

D. Contract *Agreement* between People TV and the City

E. Bylaws of People TV

F. Information on TelePACs from other cities

G. Powerpoint presentations by all PEG entities to TelePAC

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