



The Community Access Preservation Act (the CAP Act)
H.R. 1746
Introduced by Congresswoman Tammy Baldwin (D-WI)
Co-Sponsored by Congressman Steven LaTourette (R-OH)

1. It removes the distinction between "capital" and "operating" in PEG support fees.

PEG support fees that are collected from subscribers by the cable operators can only be used for "capital and equipment" and not for operational overhead. The CAP Act will eliminate that part of the Telecommunications Act that prevents PEG centers from using PEG support for their operating expenses. Right now, access centers are closing their doors because even though they receive money for buildings and equipment, they do not have or are losing money for operations. The CAP Act will allow centers to spend the PEG support fees as they see fit to keep the centers open and keep the channels on the air. The CAP Act will save or create over 8,400 jobs nationwide.¹

2. Makes sure local governments can secure funding for PEG channels in exchange for cable operators' use of public rights-of-way and makes sure local government can have PEG channels.

For twenty-seven years, federal law has recognized the importance of allowing local government to ask cable operators for PEG channel funding in exchange for use of local rights of way. The CAP Act restores that ability to local government subdivisions in those states that passed statewide/state-issued franchising laws. The CAP Act provides that PEG channels will receive funding equal up to the historical support it received prior to the damaging statewide/state issued franchising laws²--**OR**—up to the amount that operators are required to pay under the new statewide/state issued franchising laws—**OR** up to 2% of the gross revenue of the cable operator--**whichever is greater**. It also makes sure local government can get a PEG channel if they do not have one, up to three.

3. It makes sure that cable operators transmit the PEG channels without charge to the local government.

This is an important point because in several places cable operators are claiming they can charge local governments for the transmission of the channels. Cable operators are demanding several thousand dollars per year per channel for transmission. This must stop!

4. It requires the FCC to undertake a study on PEG.

The FCC will be required to undertake a study within 180 days of the passage of CAP to analyze the effect of statewide/state issued franchise laws that have passed. It also requires an analysis of the impact of digital conversion on PEG. And it calls for the FCC to make recommendations for changes to the Telecommunications Act to preserve and advance PEG, broadband and localism.

¹ Jobs Survey conducted by ACT July 2010

² In states that have passed such laws since 2005.