

Wednesday, March 11, 2009

## Where will future TV fees go?

CAN TV and city stations vie for cable money

By MICAH MAIDENBERG  
Editor



An ordinance that would direct public access fees exclusively to Cable Access Network Television is scheduled to be heard by the Committee on Finance on March 16.

While the West Loop-based CAN TV has long been the city's designee for public, educational and government, or PEG, programming, the city wants a share of the dollars expected to flow from companies authorized by the state to provide cable television in Chicago for its own two channels.

The situation was sparked by a law passed by the Illinois General Assembly in 2007 that permits companies that want to sell cable service to obtain a franchise - basically a contract to use public rights-of-way - from the state. Municipalities previously were the sole regulators of franchise agreements.

Both state law and city ordinance requires companies to pay the city a 5 percent franchise fee out of their gross revenues. One percent of gross revenues is reserved for PEG programming in state and city code (though the city's funding formulas has been changed to a flat annual rate).

One company, AT&T, is authorized by the state to sell cable in Chicago, though it hasn't rolled out its operations yet. Providers Wide Open West, RCN and Comcast are authorized by city ordinance.

Barbara Popovich, executive director of CAN TV, said guaranteeing the entirety of PEG dollars from AT&T would be the first step in shoring up the group's shaky budget, which currently includes a \$300,000 deficit.

"CAN TV was just looking to get that 1 percent of funding to serve a fairly large mission, which is to serve the educational institutions, the non-profits, the local residents and just about everybody else," she said.

The network offers a variety of programming on five channels, including public affairs and live call-in shows whose users include everyone from city aldermen to the Etiquette Foundation of Illinois (This reporter once answered phones at the call-in center and hosted one show when working previously for a non-profit).

The city, however, wants to split that 1 percent equally between CAN TV and the city's two channels, MUTV and a local origination station, which allows residents to purchase on-air time for programming related to Chicago. The city's channels would be deemed as PEG stations under this scenario.

Norma Reyes, commissioner of the Department of Business Affairs and Consumer Services, argued for sharing the PEG fees equally at a Committee on Finance meeting last October.

"The City of Chicago also has a PEG channel. The City of Chicago also has a government channel, an education and government channel. So we are also a PEG," she said.

Reyes cited city productions about the Earned Income Tax Credit, business seminars and affordable housing programs as examples of the kind of crucial television residents can't get elsewhere.

"Our programming lets our constituents know, your constituents know," Reyes told aldermen attending the October committee meeting, "the news that is occurring in each of your wards that the mainstream media refuses to cover."

A spokeswoman for Reyes' department was unable to determine the city's position on sharing the state franchise funds by Chicago Journal's deadline.

Reyes' proposal for splitting the monies was met by skepticism from aldermen at the Oct. finance meeting. Ald. Bernard Stone (50th) disputed the notion that the city's channels constituted PEG programming.

"When you come in here and try to become PEG because of all of a sudden you want a piece of the pie that you don't deserve, I find that ludicrous," he said.

"That channel belongs to the executive branch, the executive branch controls it, dictates what goes on it," Stone said.

Popovich said the city has other funding streams coming in from the cable companies currently authorized by the city to operate in Chicago.

Stone, a longtime backer of CAN TV and, along with Ald. Ed Burke, one of the only council members who voted on the city's original cable law, said he wants to preserve the network's unique programming.

Stone and Burke are co-sponsors of the ordinance that would guarantee the full one percent of dollars from state authorized cable companies goes to CAN TV.

"Cable access is extremely important," he said. "It represents the people's voice."

CONTACT: [mmaidenberg@chicagojournal.com](mailto:mmaidenberg@chicagojournal.com)