



H. R. 3745 Community Access Preservation Act (CAP)

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 having to close 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.

2. It guarantees that PEG channels are treated the same as all other local commercial stations or network affiliates and guarantees that those channels be made available to every subscriber (Basic tier).

Certain cable operators are lumping all PEG channels in a regional area onto one single channel (for instance AT&T's channel 99). This delivery method degrades the signal quality, prevents closed captioning and causes viewers to have to wade through myriads of menus to get their local PEG channels. PEG channels should be treated exactly the same as other commercial or network affiliated channels. And, PEG channels should be made available to every subscriber.

3. Rolls back reductions in PEG funding and channels.

CAP provides that PEG channels will receive funding equal to the historical support it received prior to the damaging statewide/state issued franchising laws that have passed since 2005--**OR**--the amount that operators are required to pay under the new statewide/state issued franchising laws--**whichever is greater**. It returns the number of channels a community can have to the same number that was being provided as of May 31, 2005.

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 and localism.