



## LEG/REG/STATE OF THE INDUSTRY UPDATE ON PEG Friday, October 2, 2009.

The past two years have brought significant challenges to PEG programmers. Can a cable operator move PEG channels to a higher priced digital tier? Can they be removed from the basic tier? Must PEG channels be comparable to other channels in technical quality? As easily located in the lineup? Some new systems are making PEG channels harder to access than their commercial channels. How do state franchise laws impact PEG accessibility for cable subscribers? The courts, the FCC and Congress are all addressing these issues in 2009. If you care about PEG, you'll want to be at this session.



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# The Present PEG Picture

- **at&t Video Service State Legislation**
- **Providers Emboldened**
  - Incumbent Cable
    - Centers Close, In Kind Services End, Remove PEG from view of Limited Basic Subscribers...
    - at&t Ch 99
- **Municipals and PEG React**
  - Fight Starts in Michigan Federal Court with Comcast
  - Spreads to Congress and FCC
  - ACM and L.A. take at&t to the FCC and Court
- **Obama Administration**

# The Future of PEG?

*Whatever we want it to be.*

*Why?*

# **Detroit: The Death — and Possible Life — of a Great City**



***“Three years after Katrina devastated New Orleans, unemployment in that city hit a peak of 11%. In Detroit, the unemployment rate is 28.9%”***

***“...the city is on life support. Detroit's treasury is \$300 million short ...The school system...is in receivership.***

***“...commercial activity is so palpably absent you'd think a neutron bomb had been detonated —”***

Time Article September 25, 2009

**Michigan: No Budget In Place By Midnight, Shutdown  
Beginning ---- 12:01 a.m.  
October 1, 2009**

- **The state of Michigan started Oct. 1 minutes ago without a spending plan for Fiscal Year (FY) 2010.**
- **Granholm Press Secretary...said the Governor has taken the steps to shutdown government.**

If we can fight the  
Industry and win in  
Detroit, Michigan, we  
can fight and beat  
them anywhere

# Biography of Michael J. Watza



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**Michael J. Watza** is a Principal and Co-Chair of the Commercial Litigation and Governmental Practice Group at the Kitch Law Firm, a full service firm based in Detroit, with offices in Lansing, Marquette, Mt. Clemens, Chicago Ill. and Toledo OH. Mr. Watza's practice provides litigated, legislative and regulatory solutions on behalf of municipal, non profit and private sector clients alike. Michael has represented clients in State and Federal trial courts throughout the State of Michigan and argued in both the State and U.S. Court of Appeals on their behalf as well as attended to regulatory matters before the Michigan Public Service Commission, Michigan Tax Tribunal, Department of Labor and Economic Growth and the Federal Communications Commission. Mr. Watza has also represented his clients' interests in the halls of the Michigan Legislature and Congress through negotiation, drafting and testimony regarding legislation on various issues including electric transmission line siting, telecommunications, cable, pipeline regulation, the formation of inter-governmental authorities and tort reform.

Michael also serves as General Counsel to PROTEC, is a board member on the Michigan Gaming Control Board, Board member of the Covenant House Central School Board in Detroit, Chairman of the Novi EDC and Chairman of State Bar Grievance Panel #9. He holds an A-V rating with Martindale Hubbell and was designated a Super Lawyer in 2007.

Most recently, Michael and Co-counsel Joe Van Eaton, were successful in protecting Michigan PEG channels from unilateral digitization and the 900 channel tier by obtaining an injunction in Federal Court in **Dearborn v Comcast**. The proceeding is now before the FCC for determination of technical legal issues along with the ACM petition challenging at&t treatment of PEG.