

WATOA Teleconference 10/22/14

1. Call to order 2:06 PM
 - a. Attendees: Judy, Linda, Mike, Dave Hinman, Chris, Randy, John, John Delay, Jim, Jeff, Megan, Victoria, George
2. Approval of minutes from 9/17/14, George moved, Judy seconded
3. Treasurer's Report.....Dea Drake
 - a. Expect report to board next month
 - b. Followed up on a few memberships and renewals
4. Legislative Update including a discussion on "OTT Programming"Victoria Lincoln, Dave Hinman and Jeff Lueders
 - a. HBO announcement last week that you can pay to watch specific programs
 - b. State legislative definition of cable TV—concerns that as people cut the cable TV cord and choose Netflix, Hulu, etc....our current definition is that we're paid for cable TV subscriptions.
 - i. Could this give the cable industry reason to say their payments and subscribers rates will go down?
 - ii. Reaching new customers who still pay for internet service through cable subscribers
 - c. How do we capture our funds and our right of way payments when they may be based on an old school desc of cable TV
 - i. It's still going over lines that use our right of way
 - ii. Approach state legislature to reexamine wording---to include the IP services (that didn't exist when many of our franchises were written)
 1. Protecting payments for use of our right of way/infrastructure
 2. Update the definition of how
 3. Whether you subscribe to cable TV or IP service—there should be a subscriber fee no matter how that service is delivered to the customer
 - iii. Could cable companies claim that if a person is paying for internet, but not cable TV, they don't need to pay a franchise fee for that customer—even though they're still using the right of way to deliver the internet
 1. Victoria Lincoln: we have a federal law prohibiting taxing the internet "Internet Tax Freedom Act"
 - a. WA State has history of law prohibiting taxing the internet, but one is not active
 - b. This would be a HUGE battle in Olympia , not sure we would win
 - c. Concerned that until Feds don't change their law, this would be difficult
 - d. All the telecommunications companies (10+) in this state have lots of money to make sure this doesn't happen
 2. Victoria's advice:
 - a. Find out how this interacts with federal law/telecomm act (would this be included in a rewrite of the telecomm act?)
 - b. How big is this problem right now
 - c. Need data on collections from cities/counties around the state—what's happening with their subscriber numbers
 - i. Is it a future loss?

- d. Where is taxation in telecommunications going in the future? Does it need to be a bigger conversation?
 - e. We need to think through all the hurdles and future of the industry
 - i. (Jeff) It can't be just a focus on the cable providers any more, it's also about what's in the right of way
 - f. Would this be viewed as a 'new tax'? Hard to get legislature to pass a new tax
 - g. Smart to think about Dave's concern—evaluate where we see future going—including changes in the tax structure
 - h. Educate ourselves first before we act—2015 will be a big budget year for legislative session
 - 3. Examples: In Pasco cable subscribers are declining at a fast rate, unsure about internet subscribers, but revenue is increasing. Pierce County numbers are flat
 - iv. Ken Fellman looked at it. He questioned if there's federal involvement needed.
 - v. Jeff suggests getting Steve Traylor's perspective
 - vi. Where we left it—do some research, bring info back to WATO board, make a decision about if and how we proceed or possibly take to Ken Fellman
 - d. Victoria—Senate: energy, environment and telecomm cmtte had session
 - i. Promoting the deployment of telecommunications services—how state can assist in deploying high speed IP services
 - ii. Telecomm companies wanted some tax breaks to pay for equipment to do this better, but WA budget in hole \$900 million, plus 1.5 billion requirement for education, possible lowering of class sizes on ballot cost \$1.4 billion
- 5. All Member E-WATO board – Finalizing a topic.....Jeff Lueders and Chris Jaramillo
 - a. Creation of apps, but NATOA already offered that as an ENATO board with Hunter George of Pierce County in May/June
 - i. Was also a session at NATOA in October
 - b. Other ideas
 - i. What are the benefits of WATO board—goal of increasing membership
 - ii. Hinman's topic of charging the right of way/over the top services
- 6. Newsletter Assignments/Status.....Linda Seesz
 - a. Working on Tony's article
 - b. Jeff's is done
 - c. 2 production articles: Hinman writing 1 on battle of bands/sharing video among PEG
 - i. Ben Ramsey on ABS equipment show???
- 7. Other
- 8. Adjournment 3:00 PM Moved and seconded