

April 6, 2021

Committee on Energy, Utilities and Technology
100 State House Station
Cross Building Room 221
Augusta, ME 04333-0003

Dear Senator Lawrence, Representative Berry and Members of the Committee on Energy, Utilities, and Technology,

As local leaders serving Maine communities, we respectfully encourage you to oppose LD920, a bill that would implement a burdensome, mandatory five percent tax on cable services. This tax, established through mandated local franchise fees, will hurt Maine's municipalities, and it will take a disproportionate toll on Mainers who simply can't afford to see their monthly bills increase right now.

In addition to increasing residents' cable bills, this legislation will circumvent local governance, overriding communities' ability to make decisions on franchise fees and public access programming that are based on public input and serve the best interests of our residents. The legislation will remove freedom of choice from the more than 200 municipalities in Maine that either assess no franchise fees at all or do so at less than five percent. An action like this overrules local autonomy and will hike monthly bills for cable customers in these Maine communities, which represent 40 percent of the towns and cities in our state.

If LD920 is implemented, a Maine customer who pays \$90 per month for cable service today will see their bill increase by \$4.50 per month. On top of that, the bill adds a new \$0.25 monthly fee that must be paid to the Maine Public Utilities Commission (PUC), meaning thousands of Mainers can expect to see their cable bills increase by nearly \$60 per year. This will have a direct impact on Mainers living on a budget, especially those struggling to pay for basic items like groceries or medication. For many who rely on cable television for their news, entertainment and weather, this monthly cost increase could price them out of being able to afford to continue their service.

We must look closely at who this rise in costs will impact. Take our state's seniors, for example, who comprise more than one fifth of Maine's population according to the U.S. Census Bureau. Retirement-age Mainers often rely on fixed income sources like Social Security, and many of them can barely get by. The impact of LD920 will add to their existing financial challenges. Then there are those who are enduring financial hardship due to job loss from the pandemic, and this cable tax will hurt their pocketbooks, too. Colby College recently conducted a study indicating that some Maine localities may not fully recover from the pandemic's economic toll until 2022. Creating new expenses for everyday people will only serve to prolong that timeline.

LD920 will also place Maine taxpayers on the hook for costs associated with the state's negotiations for renewing franchises as well as legal challenges. Under the bill, the PUC will be responsible for adjudicating any disputes between franchisees and municipalities, generating additional legal and administrative costs when disputes inevitably arise. That's not to mention the public funds that will be needed to fight legal battles stemming from portions of the bill already preempted by federal law.

Mainers struggling to make ends meet simply can't afford LD920. We respectfully urge policymakers to oppose this statewide cable tax that will undermine local governance, generate legal challenges and costs to the taxpayers, and increase the monthly bills of Maine's most vulnerable communities.

Thank you for your attention to this important matter.

Sincerely,

Kasie Kolbe, Town Council Member, Lisbon
Howard Kroll, Town Manager, Hermon
Debra Giroux, Clerk and Administrator to the Selectmen, Etna
Andrew Watson, Head Selectman, Etna
Leroy Hall, Selectman, Etna
Daniel French, Selectman, Etna
Brian Curtain, Selectman, Etna
Gary Whittington, Selectman, Etna
Katie Haley, Town Manager, Fryeburg
Jim Gardner, Town Manager, Easton