

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON TECHNOLOGY JOINTLY WITH SUBCOMMITTEE ON
ZONING AND FRANCHISES

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June 25, 2018
Start: 11:16 a.m.
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HELD AT: Committee Room - City Hall

B E F O R E: PETER A. KOO
Chairperson

FRANCISCO P. MOYA
Chairperson

COUNCIL MEMBERS: Robert F. Holden
Brad S. Lander
Eric A. Ulrich
Kalman Yeger
Costa G. Constantinides
Barry S. Grodenchik
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Donovan J. Richards
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A P P E A R A N C E S (CONTINUED)

Michael Pastor, General Counsel, Department of Information Technology and Telecommunications, DOITT

Andrew Manshel, Assistant Commissioner for Franchise Administration, Department of Information Technology and Telecommunications, DOITT

Melinda Katz, Queens Borough President

Camille Joseph-Goldman, Vice President for Government Affairs in Northeast Region, Charter Communications

John Fogarty, Vice President & Assistant Chief Counsel, Charter Communications

Rodney Capel, Vice President of State Government Affairs, Charter Communications

Derek Jordan, Business Representative
Union No. 3 and the 1,800 members on strike against
Charter Spectrum

Troy Wolcott, Charter Spectrum Worker (on strike)
Michelle Aliman, Charter Spectrum Worker (on strike)
Marvin Phillips, Charter Spectrum Worker (on strike)

Marianne Gibson, Resident of Village Care Assisted Living facility, Hell's Kitchen, Manhattan

Iris Cortez, Resident of Village Care Assisted Living facility, Hell's Kitchen, Manhattan

Gretta Byron, Community and Labor United

[sound check] [pause]

CHAIRPERSON MOYA: Good morning. I'm
Chair Francisco Moya, the Chair of the Subcommittee
on Zoning and Franchises. We are joined by the
Committee on Technology chaired by Council Member Koo
for and oversight hearing on New York City's Cable
Television Franchises. Before I begin, I want to
acknowledge my colleagues. We have Chair Salamanca,
Council Member Lancman, Council Member Koo, Council
Member Yeger and Council Member Holden. This hearing
will address issues arising out of the cable
franchise agreements between the city and its cable
television franchisees Charter Communication doing
business as Spectrum Cable, Verizon Fios and Altice.
The city's cable franchise agreements expire in 2020
prior to which the Council will consider a resolution
to authorize the renewal of these agreements. Since
the city entered into these agreements, the cable
television industry has undergone significant change
and realignment including multiple mergers and
changes in media consumption from television to
wireless. These changes have brought with them a
variety of complex concerns related to contract
compliance including the availability of promised

2 services, customer service, labor practices,
3 procurement and franchise fees. The purpose of
4 today's hearing is to garner information about these
5 and other issues relating to the existing franchises
6 so that it will be prepared to thoughtfully exercise
7 our authority when DOITT submits an Authorizing
8 Resolution for our consideration. Hearings like this
9 are important. As we all know, cable television
10 services have become indispensable for full
11 participation in the social, educational, economic
12 and democratic institutions of our city and country.
13 To obtain these public benefits, the city grants
14 private cable companies the right to use the public
15 rights of way, and—and conduits for their networks.
16 These conduits and rights—rights of way are the
17 property of the city of New York and its residents.
18 Let me emphasize: The cable franchises have been
19 given the right to use the property of the city to
20 provide a public benefit, and while they pay a
21 franchise fee for the opportunity to use the city's
22 properties, it is an expense that returns enormous
23 profits to the franchisees. As stewards of the city,
24 this body has a responsibility to conduct oversight,
25 and our contractors have a responsibility to appear

1 before us when asked. I want to thank the
2 representatives of Charter Inspection who have agreed
3 to testify at today's hearing. While I'm seriously
4 concerned about Spectrum's business practices, I
5 appreciate your willingness to be here and answer
6 questions some of which I expect will be quite
7 challenging. At the time—at the same time, I find it
8 unacceptable the representatives from Verizon and
9 Altice treated this hearing as optional, and decided
10 not to attend. The services that cable companies
11 provide are public in nature and demand public
12 oversight, which means the taxpayers who pay for the
13 maintenance of the rights of way and the conduits
14 that carry your wireless deserve to see and hear
15 representations of your companies account for their
16 activities. I want to put this on the record right
17 now. When we consider the resolution to authorize
18 the renewal of the cable television franchises, I
19 expect all three franchises Spectrum, Verizon and
20 Altice to be here, and I will do with everything in
21 my power to make sure that they are. Before we
22 begin, I want to briefly highlight the significant
23 issues with each franchisee that have come to light
24 as we prepare for this hearing. Spectrum Cable
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1 currently has a non-exclusive right to operate CATV
2 Franchise in Manhattan, Brooklyn, Queens and Staten
3 Island through July 18, 2020. Pursuant to franchise
4 agreements between the city and Spectrum's
5 predecessor in interest Time Warner Cable. As we
6 meet here today, 1,800 members of Local 3 IBEW are
7 entering their 16th month of a strike against
8 Spectrum. They have alleged among other things that
9 Time Warner Cable and Spectrum violated collective
10 bargaining requirements of the franchise agreements.
11 They also allege that their members were demoted in
12 violation of the anti-discrimination provision of the
13 franchise agreement. They also allege that Spectrum
14 provides customer equipment incapable of delivering
15 advertised Internet-Internet speeds and then unfairly
16 penalize technicians for making repeat visits to
17 customers who complain about the service
18 deficiencies. Subsequent to the Council's May 2017,
19 hearing, Local 3 filed a complaint with the
20 Department of Information Technology and
21 Telecommunications alleging that Charter Spectrum was
22 in violation of Article 17 of the Franchise
23 Agreement. In August 2017, DOITT initiated an audit
24 of a franchise with a focus on Charter's compliance
25

1 with Section 17.1 and 17.4 of the Franchise
2 Agreement. In February 2018, DOITT concluded its
3 audit findings that the NR—the NLRB determination
4 that Charter had violated labor laws constituted a
5 default of Charter's obligation under Section 17.1 of
6 the Franchise Agreement. In particular, DOITT cited
7 that the NLRB's finding that Charter's violate—the
8 finding that Charter violated labor laws by punishing
9 its workers for participating in protected union
10 activities and coercively interrogating such
11 employees about union activities. However, DOITT
12 stayed—that stayed its determination of default
13 pending the resolution of Charter's appeal of the
14 NLRB's decision. DOITT also found the Charter failed
15 to comply with the provisions of Section 17.4 related
16 to hiring local vendors. When asked for
17 documentations of its local hiring efforts, Charter
18 provided addresses of vendors that were clearly
19 unverified some of which turned out to be self-
20 storage facilities. DOITT found that Charter made no
21 effort to determine whether a vendor's employees were
22 city residents and that only 7 of 26 vendors were
23 actually located in the city. However, rather than
24 finding—finding Charter in default, DOITT put the
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1 company on notice that unless it undertook a bona
2 fide effort to comply with Section 17.4 when
3 selected—when selecting vendors, DOITT would find it
4 in default during a subsequent audit that would take
5 place within the following 12 months. On June 14,
6 2018, the New York State Public Service Commission
7 order Charter Spectrum to pay New York State \$2
8 million for its—for its martially bent—breaching the
9 conditions, material breaching the conditions of its
10 merge with Time Warner Cable related to its statewide
11 buildup. The PSC is also currently requiring
12 whether—reviewing whether Charter is paying adequate
13 franchise fees to the city. Though they are not
14 here, I'm prepared to ask questions about Verizon's
15 contract as well. Verizon first began to build out
16 its fiber network within the city in late 20—2004 to
17 provide Internet service, but not cable TV. Verizon
18 needed to obtain a franchise from the city in order
19 to offer cable television services. To maximize the
20 profitability of its network in 2008, Verizon entered
21 into a cable TV franchise agreement with the city.
22 The agreement required that Verizon's Fiber Optic
23 Service Fios pass all households in the city by 2014.
24 After fielding complaints from customers about Fios'

1 buildout, DOITT initiated an audit against Verizon
2 regarding the buildout of Fios on September 17, 2014.
3 In June 2015, the audit's primary findings were that
4 the company (1) claimed households as-claimed
5 households as passed with fiber optic cable when
6 there was no fiber connection to the block on which
7 the households were located. Systematically refused
8 to accept order for residential service not only
9 before it had passed the household, but even well
10 after he claimed it has passed a household.
11 Systematically failed to meet its 6 months to 12
12 months deadline to fill non-standard installation
13 order for service to residential buildings and
14 broadly provided a-broadly provided the public with
15 misleading information with regard to Verizon's
16 obligations. On March 3, 2017 the city commence a
17 lawsuit against Verizon New York, Inc. and Verizon
18 Communications, Inc. The city's complaint states
19 that definitions of passed all households would have
20 required Verizon to have to have fiber up and down
21 each street and avenue in the entire city. The city
22 claims that Verizon has defaulted on its obligations
23 both to build out its network and to undertake the
24 process for providing service where required by the
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1 potential subscribes. The complaint seeks a
2 judgement for specific performance, directed that
3 Verizon and its New York subsidy comply with the
4 Franchise Agreement in full. This case is pending,
5 and finally, the city renewed its Franchise
6 Agreements with Cable Vision Systems in 2011 to cover
7 services in Brooklyn and the Bronx. The last city
8 audit of cable vision now operating as Altice in New
9 York was in 2010. However, to our knowledge, there
10 are pending investigations of Altice's performance
11 under the agreement. But there are no pending—sorry—
12 there are no pending. The committee expects to hear
13 testimony in connection with the Cable Television
14 Franchise Agreements, the business and customer
15 service practice of the Franchises and how the
16 Council can better represent the public interest when
17 the next cable television franchise's author-
18 authorizing resolution comes up for review. The
19 committee looks forward to hearing testimony from all
20 interested parties, and now I want to recognize
21 Chairman Koo who will offer some remarks from the
22 Committee on Telecommunications on—on Technology.

24 CHAIRPERSON KOO: Thank you. Good
25 morning. I would like to thank everybody for coming

2 today, and Chair Moya for his statement. My name is
3 Peter Koo, and I'm the Chair of the New York City
4 Council Committee on Technology. As you have heard,
5 we're here to discuss the city's cable television
6 franchises. New York City requires cable companies
7 to obtain franchises if they wish to operate within
8 the five boroughs, and to run the cable through the
9 city streets. Franchises contain several operating
10 conditions, and significant protections for
11 consumers. However, there have been a number of
12 complaints against the various cable companies that
13 currently have franchise. We have heard complaints
14 about Charter Spectrum and their predecessor Time
15 Warner Cable regarding their compliance with the
16 Franchise Agreement with the city. One set of
17 provisions is Spectrum's franchise in both collective
18 bargaining and employment services both of which
19 Local 3 IBEW has alleged Spectrum is in violation of.
20 Fifteen Time Warner Cable employees of the age of 50
21 alleged that they were demoted and replaced by
22 literally hire less qualified younger employees to
23 fill their roles. The case is currently in the
24 discovery phase. In addition to allegations of
25 unfair labor practices, there have been reports and

1 also accusing Spectrum deficient Internet services to
2 their customers and falsely advertising about their
3 services. The New York State Attorney General filed
4 a lawsuit against Spectrum detailing a number of ways
5 that Spectrum that TWC defaulted New Yorkers over
6 Internet speeds. Excuse me. The lawsuit alleges that
7 from January 2012 through February 2017 the company
8 violated New York State Consumer Protection laws by
9 promising to deliver Internet speeds they know they
10 could not deliver to subscribers, and by promising
11 reliable access to online content that they know they
12 could not provide. The Attorney General's Complaint
13 alleges that since 2004, Spectrum and Time Warner
14 Cable has advertised Internet speeds of 100 to 300
15 megabytes for city customers, but the company
16 continues to lease modems that are technically
17 incapable of providing speeds above 20 megabytes. In
18 March 2017, the city commenced a lawsuit against
19 Verizon New York and Verizon Communications claiming
20 that Verizon has defaulted on these obligations both
21 to build out its network and to undertake the process
22 for providing service where requested by potential
23 subscribers. Reliable and affordable Internet
24 service is a modern day necessity, and a fundamental
25

2 right for people. Yet, the fact of the matter is
3 that there's incredibly a high cost associated with
4 building—with building out the infrastructure needed
5 to deliver cable and Internet service. As a result,
6 there's very little competition in this industry.
7 Only—and only a few companies—few companies—and only
8 a few companies for customers to choose from. In New
9 York City most people usually have one or two
10 companies to choose from their Internet and TV and we
11 must not allow companies to take advantage of the
12 subscribers of the subscribers and offer subpar
13 overly costly services. Companies like this must not
14 use their privileged position to operate in anyway
15 their fees (sic) and provide subscribers with subpar
16 services and violate their agreements with their
17 employees and the city. To some extent we have
18 franchises to protect against these dangers, and
19 these franchises are only effective if we actually
20 monitor and enforce them. I hope this hearing will
21 shed light on New Yorkers' experiences with our cable
22 franchise, and determine that—and determine what, if
23 anything, we must do to move forward. I look forward
24 to hearing from the panels today, and would like to
25 thank the Technology Committee and the Land Use staff

1 for putting together this hearing. With that said, I
2 would also like to recognize the Tech Committee
3 members, Council Member Holden and Council Member
4 Yeger. Thank you.
5

6 CHAIRPERSON MOYA: Thank you, Council
7 Member Koo. We are joined by the Public Advocate,
8 Public Advocate James, and we are going to hear her
9 remarks. Thank you for attending the hearing.

10 PUBLIC ADVOCATE JAMES: Thank you,
11 Chairman Moya and Chairman Koo for holding this
12 timely oversight hearing on the city's cable
13 franchises and for giving me the opportunity to
14 speak. Last year following considerable discussions,
15 the city of New York was forced bring suit against
16 Verizon for the company's failure to build out Fios
17 throughout the city by 2014. Verizon received-
18 received favorable terms in its Franchise Agreement
19 with the expectation that the company would bring
20 Internet service to every corner of the city. We had
21 challenge with Hurricane Sandy, but it is 2018, and
22 nearly a million New York City residents still do not
23 have access to Verizon, and when the state agreed to
24 allow Charter Spectrum to acquire Time Warner Cable,
25 it was contingent upon their pledge to bring cable

2 and Broadband service to 145,000 underserved and
3 unserved households throughout the city. Because
4 Internet access is not a luxury, it is a necessity,
5 and because the digital divide in our city is real,
6 and it exists because of a lack of investment in high
7 speed Internet in some of our communities, and that
8 also results in a lack of opportunities to parts of
9 our community, and so we've left countless numbers of
10 individuals behind. Unfortunately, Charter Spectrum
11 like Verizon has not lived up to its promises, and
12 the State Public Service Commission just fined
13 Charter Spectrum for misreporting or double counting
14 12,000 New York City homes they were already required
15 to serve under the Franchise Agreement with the City
16 of New York. Charter has been sued by the New York
17 State Assembly Attorney General as was mentioned for
18 promising New Yorkers Internet service they knew they
19 could not deliver, and as a strong proponent of
20 neutrality, I look forward to seeing that case to
21 conclusion. In order to obtain the Franchise
22 Agreement, we consider today, Charter promised the
23 city that they would honor workers' rights to
24 collectively bargain, refrain from discrimination,
25 and to use local vendors, three issues that I have

2 advocated for all of my public life and three issues
3 that I take very serious, which is why I decided to
4 come to this hearing this morning and which is why I
5 look forward to the discussion. You see the—the
6 NLRB—the NLRB found that Charter violated labor laws
7 by punishing workers for participating in protected
8 union activities and coercively interrogating such
9 employees, and as a city audit determined, they had
10 all but ignored their obligations to hire local
11 vendors and—and let me add also Minority and Women
12 Owned vendors. And they accused of engaging in
13 discrimination against older workers and there
14 appears to be some credibility to that evidence.
15 None of this is acceptable in the city and/or in the
16 State of New York, and unfortunately, none of it has
17 been fixed, and as of today, 15 months later,
18 thousands of New Yorkers are on the picket line,
19 middle-class workers individuals with families, and
20 unfortunately things have only gotten worse. I
21 believe that Charter Spectrum can be good partners
22 that we can move past these many transgressions, and
23 bridge the digital divide in our city, and put people
24 back to work. Verizon 2 still has a chance to redeem
25 its past failures, but as these franchise agreements

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2 come up for renewal, and as the Public Advocate of
3 the City of New York who has a vote on that
4 committee, and perhaps maybe the next attorney
5 general of the State of New York, we need to see real
6 progress, and ironclad assurances that they will
7 abide by current and future obligations. Telecom
8 companies do not have an inalienable right to merge
9 or to run their cables through our city streets
10 without any responsibilities to the customers that
11 they serve, and to live up to the laws of the city
12 and the state. Promises made must be promises kept to
13 the city, to the state, to the worker and to
14 customers. We must maintain the middle-class as it
15 gets smaller and smaller and smaller and this company
16 has responsibility and a duty to do that, and I
17 reject any organization that would—that would
18 continue to ignore the pleas of elected officials,
19 and the pleas of New Yorkers, and so I call on these
20 companies to do the right thing and to do it now. I
21 look forward to the testimony, and I look forward to
22 the line of questioning. Than you, Chair.

23 CHAIRPERSON MOYA: Thank you, Madam
24 Public Advocate. We are joined by Council Member

2 Rodriguez and Chair Salamanca has a few remarks he'd
3 like to put on the record.

4 COUNCIL MEMBER SALAMANCA: Thank you,
5 Chair Moya and Chair Koo. I really want to thank for
6 putting this hearing together. Just very briefly,
7 you know, today's hearing is on the city's cable
8 television franchise, which means the entire five
9 boroughs, the entire City of New York all five
10 boroughs. We have three franchise providers:
11 Spectrum, Verizon, and Altice, and for-for Charter,
12 I-I want to thank you for having the courage to show
13 up today, and have a difficult conversation with us,
14 and I just want to point that Altice and Verizon you
15 have shown a level of disrespect to this Council and
16 this committee by not showing up, by not showing up
17 today at this hearing, and this level of disrespect
18 will not be forgotten when we have more conversations
19 on the extension of these franchises. Thank you,
20 Chair Moya.

21 CHAIRPERSON MOYA: Thank you, Chair
22 Salamanca, and now we are going to ask the Counsel to
23 swear in the panel.

24 LEGAL COUNSEL: Please raise your right
25 hands. Please state your names.

2 MICHAEL PASTOR: Michael Pastor.

3 ANDREW MANSHEL: Andrew Manshel.

4 LEGAL COUNSEL: Do you affirm to tell the
5 truth, the whole truth and nothing but the truth in
6 your testimony before this subcommittee in response
7 to all Council Member Questions?

8 MICHAEL PASTOR: I do.

9 ANDREW MANSHEL: I do.

10 CHAIRPERSON MOYA: You may begin. Thank
11 you for being here.

12 Good morning Chair Moya, Chair Koo, Chair
13 Salamanca and members of the Subcommittee on Zoning
14 and Franchises and the Committee on Technology. My
15 name is Michael Pastor and I'm General Counsel to the
16 Department of Information Technology and
17 Telecommunications commonly known as DOITT. With me
18 today is Andrew Manshel, DOITT's Assistant
19 Commissioner for Franchises Administration. Thank
20 you for the opportunity to testify today on the
21 city's cable television franchise agreements with
22 Charter Communications also known as Spectrum and
23 formerly Time Warner Cable, Verizon and Altice USA
24 also known as Optimum or Cable Vision. Since these
25 franchise agreements are set to expire on July 18,

2 2020, this hearing is timely and appropriate. It is
3 the responsibility of both the administration and the
4 City Council to review each of these company's
5 fitness to continue their cable television franchises
6 in our city, and we are certain this hearing will be
7 an important part of the renewal process. First, I'd
8 like to provide some context for DOITT's role as
9 franchise administrator. A franchise is the vehicle
10 uses to select and administer services for New
11 Yorkers that require the use of public assets such as
12 sidewalk space by private companies. DOITT's
13 authority to negotiate and manage franchises is
14 granted in the City Charter. Our franchise
15 agreements govern the installation and maintenance of
16 wire, cable, optical, fiber, conduit antenna and
17 other structures on, over and under city streets and
18 sidewalks to transmit video, voice and data services.
19 The primary purpose of franchise agreements is to
20 ensure that consumers receive reliable service from
21 telecommunications companies. That includes setting
22 up parameters for responding to customer complaints,
23 speed with which customers can access customer
24 service, quality of service, et cetera. We are
25 committed to ensuring these service commitments are

2 followed by franchisees. As the Council is well
3 aware, the city has confronted several challenges
4 related to cable television franchisees in recent
5 years. For example, the city developed and entered a
6 Franchise Agreement with Verizon in 2008 that if it
7 had been fully performed, would have been a true game
8 changer for the cable consumer. That agreement
9 attempted to make Verizon service an option for every
10 single New Yorker. This would have increased the
11 amount of competition for cable service and created
12 competition where there typically is none.

13 Unfortunately, the city has determined that Verizon
14 failed to make good under this commitment to the
15 city. After years of disputes about Verizon's
16 obligations under the agreement, the city filed a
17 lawsuit against Verizon last year in an effort to
18 compel the company to keep their promise to New
19 Yorkers of putting telecommunications infrastructure
20 acquired for the provision of cable service directly
21 in front of every home in the city. This matter is
22 pending in the New York State Supreme Court and we
23 look forward to positive resolution for consumers.

24 While recently we carefully scrutinized our Franchise
25 Agreement with Charter Communications, the purchaser

2 of the Time Warner Cable Franchise. We conducted two
3 audits within the past six months, one of their
4 financial records and payments to the city, and
5 another on their compliance with the labor related
6 provisions in the Franchise Agreement. As you may
7 know, each cable franchisee is required to submit
8 five percent of their gross revenues to the city. As
9 a result of the first audit, Charter received a
10 notice of default from DOITT for failing to submit
11 financial information in a timely manner. This was
12 subsequently corrected by Charter and that audit
13 remains ongoing. Our audit into Charter's compliance
14 with labor related provisions did not find the
15 company in violation of the relevant requirements
16 agreed. This does not by any circumstances mean that
17 the company is in good standing with respect to its
18 labor relations, policies and practices. Charter is
19 required by the Franchise Agreement to utilize
20 vendors located in the city—in New York City to the
21 extent feasible. Our audit found that Charter has
22 been using an overly broad definition of what it
23 means for a vendor to be located in New York City, a
24 term that was not sufficiently well defined in the
25 agreement. As a result, following the audit, DOITT

1 provided the company with detailed criteria for its
2 use going forward. DOITT will commence a follow-up
3 audit within weeks to ensure that the company adheres
4 to the revised stricter standards for choosing local
5 vendors. We are also prepared to take action pending
6 the outcome of any-any National Labor Relations Board
7 adjudication in the event Charter is found in
8 violation of Federal Labor Laws. We continue to
9 wait-await the results of the federal review of
10 Charter's labor practices. These audits took place
11 against the backdrop of a protracted labor dispute
12 between Charter and Local 3 of the International
13 Brotherhood of Electrical Workers. We echo-we echo
14 Mayor de Blasio's strong and consistent call for
15 Charter to deliver a fair contract to the 1,800 hard
16 working men and women who have been on strike for
17 over a year. DOITT will continue to aggressively use
18 all tools at our disposal to hold Charter accountable
19 to the provisions of our Franchise Agreement within
20 the constraints of federal law. We are in an
21 important initial stage of the process to renew the
22 company's cable television franchises as required by
23 federal law. As we have indicated at other hearings,
24 a company standing on a variety of factors including
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2 compliance with the current franchise agreements are
3 assessed as part of this process. We've already
4 begun to solicit comments from the public via a form
5 on DOITT's website to evaluate future cable related
6 community needs and interest in communities and to
7 assess each cable provider's record of performing-of
8 performing during the current franchise term. The
9 next step in this process will include the passage of
10 an authorizing resolution by the Council's
11 Subcommittee on Zoning and Franchises. This
12 resolution like others passed in previous years would
13 authorize DOITT to grant non-exclusive franchises for
14 companies to use public rights of way for the
15 provision of cable television services in New York
16 City. To be clear, this authorizing resolution would
17 simply allow DOITT to enter into cable television
18 franchise agreements, and they are not specific to
19 any one company. It would be the starting point for
20 DOITT to begin its evaluation of past performance of
21 cable companies and negotiations with them over the
22 future terms and conditions of the franchise
23 agreements. The purpose of the authorizing
24 resolution is to lay out the framework of what the
25 franchise agreements may contain. With that

2 framework in place the city must then undertake a
3 number of assessments before negotiating the terms of
4 the next franchise agreements. This includes an
5 examination of the company's ability to meet the
6 future cable related community needs and interest,
7 and each cable providers record of performing during
8 the current franchise term. Over the next two years,
9 input from the public and the New York City Council
10 will be crucial in making these assessments. I'd
11 like to take the opportunity to reiterate—to
12 reiterate that our ultimate responsibility as
13 Franchise Administrators is to ensure that our
14 franchisees who are being granted the privilege of
15 using public rights of way to build out their
16 networks are providing the best cable television
17 service possible for New Yorkers. It is our shared
18 interest to make franchise agreements as strong as
19 state and federal law allow, and we look forward—we
20 look to the Council to assist us in that effort.
21 This concludes my prepared testimony and I will now
22 gladly answer Council Members' questions along with
23 my colleague Andy Manshel.

24 CHAIRPERSON MOYA: Thank you, and thank
25 you for your testimony. Just a couple of questions.

2 Article 7 of the Spectrum Franchise Agreements
3 provides that Spectrum shall offer customers valuable
4 and attractive competitive options in terms of the
5 quality, scope and technical sophistication of the
6 service it provides. What constitutes a competitive
7 option in the market where cable services are
8 provided by a monopoly or at best a dual-a dual
9 policy here? Sorry. It's a monopoly and I've got to
10 get new glasses.

11 ANDY MANSHEL: Thank you for your
12 question, Council Member. As you know, the cable
13 franchise that we administer is limited to cable
14 service, and we are also limited with respect to our
15 ability to mandate content to the cable providers.
16 What we do attempt to do is to make sure that cable
17 services are provided at an adequate technical
18 quality, and an adequate speed and that customer
19 service provisions—customer service is provided at
20 the highest cost of the level.

21 CHAIRPERSON MOYA: Also following that,
22 Altice is providing voice activated remotes with
23 series menus indexed by season and episode while
24 Spectrum is using the same remote and search
25 technology from five years ago. Would Spectrum

2 service be considered a competitive option if it were
3 not operating as a monopoly? [pause]

4 ANDY MANSHEL: That's an interesting
5 question that I'd have to give some thought to, but
6 it is always our goal to ensure that cable customers
7 in New York are receiving the highest possible
8 technology, the latest and what's most current in
9 technology. On the other hand, the franchise
10 agreements doesn't require any specific technology.
11 We do have the capacity to jawbone people into
12 improving their service and I would be pleased to
13 receive more information from your office on this,
14 and to speak with the providers to make sure that
15 they're providing the highest level of service.

16 CHAIRPERSON MOYA: I'm happy to do that.
17 Also, does—does DOITT keep track of all the different
18 cable boxes, remotes, search functionalities,
19 technologies and services offered by the various
20 cable television providers in the city?

21 ANDY MANSHEL: Our focus tends to be on
22 the cable company's presence in the right of way and
23 on public property. So, we're very familiar with the
24 technical equipment that goes into the trenching and
25 onto like—and onto poles and the—the—the boxes that

2 cable companies put on the street, we are—we are less
3 concerned with the in-home technology.

4 CHAIRPERSON MOYA: Before this
5 subcommittee takes up the next cable television
6 franchise authorizing resolution, could DOITT provide
7 us with a matrix that illustrates the difference
8 between the cable television technologies and
9 services provided by each existing franchises—
10 franchisees and the prices they charge for each?

11 ANDY MANSHEL: Certainly.

12 CHAIRPERSON MOYA: Thank you. My second
13 question is why is the city suing Verizon?

14 MICHAEL PASTOR: Yes, Council Member.
15 So, after a long period disputes with Verizon, and if
16 I could just step back for a minute. I mean the
17 purpose of the Verizon Agreement was to get Fios
18 everywhere, and the agreement required that. So, we
19 ultimately determined as a last resort that the only
20 way to get Verizon to comply with that provision was
21 to take them to court. So, it was our view—it's an
22 objective based lawsuit. It seeks specific
23 performance of their obligations under the contract,
24 and that's why we—we took them to court.

2 CHAIRPERSON MOYA: And Verizon recently
3 began offering Fios to more households in the city,
4 but with basic cable packages that omitted the 24
5 hours news channels. In effect, the cost of cable
6 news is a premium option for Fios. In DOITT's
7 opinion, is this competitive pricing or anti-
8 competitive pricing?

9 MICHAEL PASTOR: So, I don't know if I
10 want to opine necessarily on the competitive nature
11 of it, but what I will say Council Member is that we
12 do operate on a complaint basis to received
13 complaints, and if we received a complaint of that
14 kind, it may not have obviously from you, we would
15 take it seriously and look into it.

16 CHAIRPERSON MOYA: Great. Article 17.4
17 of the Franchise Agreement provides that franchisees
18 will to the best of their ability use local
19 contractors. DOITT's recent audit concluded that
20 Spectrum was not complying with this provision of the
21 Franchise Agreement, and warned the company that they
22 would be found in default if the conditions persisted
23 during the subsequent audit. Can you describe what a
24 local contractor is under the contract, and what
25 Spectrum has been calling a local contractor?

2 MICHAEL PASTOR: Sure. So, one of the
3 issues we face is that the—what is a city vendor in
4 the contract was not very well defined, but Charter's
5 position was that essentially if there was any city
6 presence of any kind in the five boroughs that was a
7 city vendor. So, one address for example, and as we
8 laid out in our audit, we do not believe that is an
9 appropriate view of what it means to be a city
10 vendor, and what we construct the charter to do
11 effective immediately from the time of the audit was
12 to start to look at certain criteria that they had
13 not been looking at to determine whether a vendor was
14 in the city, those criteria include whether they had
15 registered with the Department of State as being
16 registered to do business in one of the five counties
17 of New York City. Other things like what is
18 happening at that address. So, it's not just enough
19 to say you have an address. It's more important to
20 say what is the nature of the business of that
21 address? Are there employees there? What's the
22 nature of the presence? So, I think that as you
23 pointed tout in your Intro, Chair, you know, to say
24 that there is a—for example, a self-storage in the
25 five boroughs, that doesn't tell you anything about

1 whether it's a city vendor, and what we'll be looking
2 at in our follow-on audit is two things: One, have
3 they started to approach this inquiry using the
4 definition as we've instructed them to do, and also
5 very important, we have been recording that effort so
6 that—so that it can be audited because that was one
7 issued we found in the original audit is that there
8 wasn't a record of the process that had been
9 undertaken. I mean we wanted support (sic) those
10 things the next time around.

12 CHAIRPERSON MOYA: Thank you, and how
13 many New York City residents do you think would be
14 employed as contractors or employees of contractors
15 under this contract if Spectrum were complying with
16 its terms?

17 MICHAEL PASTOR: So, it's a little bit
18 hard to answer that question, Council Member. I mean
19 you make a presumption that a city vendor may or may
20 not hire from locally, but that is a bit of a
21 presumption. So, I don't know that I'm able to
22 answer that question with any precision. I think
23 what I will say, though, is that the intent of the
24 provision is to incentivize these companies that are
25

2 in the city to use vendors that—that are among us who
3 may very well have many city residents as workers.

4 CHAIRPERSON MOYA: So, we don't know how
5 many New York City residents are actually employed by
6 Spectrum pursuant to the provision of the contract?

7 MICHAEL PASTOR: I do not have—at least
8 not have—I—I may know it. The agency may know it. I
9 do not have handy the number employees that are
10 hired—that are employed by Charter in this
11 jurisdiction.

12 CHAIRPERSON MOYA: When DOITT requested
13 documents in compliance with this provision of the
14 contract, what did Spectrum provide, and did it
15 comply with their document request?

16 MICHAEL PASTOR: As it related to—so can
17 I just flip the question, Chair. If the question is
18 about the—the labor provisions audit, what they
19 provided was, you know, evidence as to what they
20 viewed as a city vendor addresses and those types of
21 things, and I think that we felt that we weren't
22 given enough or maybe that not enough existed. So,
23 if—if your question is just about Article 17.4,
24 that's what—that's what they gave us and we expect to
25 see more the next time around.

2 CHAIRPERSON MOYA: Can you describe how
3 Spectrum has evaded compliance with the provision of
4 the contract or concealed evidence of its actual
5 contracting practices?

6 MICHAEL PASTOR: I'm sorry. Can you—can
7 you repeat the question?

8 CHAIRPERSON MOYA: Can you describe how
9 Spectrum had evaded compliance with provisions of the
10 contract or concealed evidence of its actual
11 contracting practices?

12 MICHAEL PASTOR: So, I do not believe we
13 have any evidence of concealment. In the instance of
14 Article—the Article 17.4 Audit we found that they
15 didn't have documents recording their efforts. With
16 respected to the Article 17.1 Audit, which was the
17 financial audit, we found that they had not given us
18 enough, and they did cure that in terms of they then
19 provided more documentation as it related to revenue.

20 CHAIRPERSON MOYA: Is there any evidence
21 Spectrum has changed its hiring or procurement
22 practices to comply with the provisions of the
23 contract?

24 MICHAEL PASTOR: So, we have no evidence
25 of that to date, but the entire purpose of the audit

2 is to determine that very question, and originally in
3 our audit we had indicated that we'd be doing an
4 audit within the year to come, and the purpose of-of
5 that timeframe was to sort of give Charter time to
6 actually do what we instructed them to do, but we as
7 an agency feel like enough time has elapsed that we
8 should with engage with Charter soon to determined
9 whether they changed their practices.

10 CHAIRPERSON MOYA: And when will DOITT's
11 next audit of Spectrum be?

12 MICHAEL PASTOR: With respect to the
13 Labor Law, we expect it to commence within weeks from
14 now.

15 CHAIRPERSON MOYA: And according to the
16 New York State Public Service Commission, Charter
17 Spectrum claimed more than 12,000 New York City
18 households as part of its buildout for service to
19 underserved and underserved areas across the state.
20 How many households in New York City franchise area
21 are supposed to be connected to Spectrum Cable
22 Television Services but are no?

23 MICHAEL PASTOR: So, we don't actually
24 have any evidence of-of any particular residents that
25 should have cable service, but does not. I just want

1 to point out, Chair, while I have the opportunity
2 that the—the key point from the PSC's most recent
3 announcement was that there had been a violation of
4 the merger conditions, the conditions on which the
5 PSC approved the merger, and that's where the fine is
6 some of the introductory marks comes from. That
7 doesn't as we see it relate to a specific violation
8 of a franchise agreement, but I will say we are
9 follow the PSC's action very closely, and—and—and I
10 will also point that another portion of the PSC's
11 activity relates to revenue, which, of course, are
12 already auditing that and—and we're doing that before
13 they announce their actions.
14

15 CHAIRPERSON MOYA: Just a few more
16 questions. Is DOITT aware of any activities not
17 mentioned in its audit that it believes constitutes
18 efforts to interfere with collective bargaining
19 provisions of the franchise agreement, and have such
20 matters been referred by DOITT or any other third-
21 party to the New York State Public Service Commission
22 or the National Labor Relations Board?

23 MICHAEL PASTOR: So, the only matter of
24 which we're aware is—is a recent—appears to be a
25 recent action to decertify the Local 3 who just

2 became aware of this. The—the action seems to relate
3 at least what we were able to determine independently
4 to whether or not the person who filed that petition
5 was appropriately—was lawfully able to do that, and
6 the NLRB found I think within the past week that—that
7 person was lawfully able to do that. But, I will say
8 we are—we haven't—to answer your question, Chair,
9 have not referred that particular matter to the PSC
10 as we just became aware of it, but we are
11 investigating it.

12 CHAIRPERSON MOYA: And just two more
13 questions. The Public Educational and Government,
14 PEG access channels are an important public service
15 for my constituents. While PEG and NYC Cable
16 subscribers receive programming that is not available
17 on commercial stations, and that address local
18 concerns directly and in depth, in the next
19 authorizing resolution for cable TV franchises and in
20 the upcoming cable renewals, will DOITT commit to
21 enhancing the PEG access channels so that channel
22 capacity and financial support for capital and
23 operating expenses are provided by the cable
24 franchisees at levels that fully serve the
25 community's needs and interests.

2 ANDY MANSHEL: Council Member, I
3 appreciate the question and we are about to engage in
4 a two-year process, which will include the
5 negotiation of new franchise agreements with each of
6 the—each of the vendors. We will attempt in those
7 negotiations to get as much additional benefit for
8 the people of the city of New York as we can, but I—I
9 would hesitate to commit to show my hand in the
10 negotiation to commit to any particular goal in those
11 negotiations. But I share, we recognize your
12 statement that those facilities are important to your
13 constituents, and they will certainly a play a very
14 serious part in our negotiations.

15 CHAIRPERSON MOYA: Okay, and lastly, are
16 companies that misrepresent their commitments to the
17 city regarding local hiring and the delivery of
18 service the kind of companies that deserve to profit
19 from the use of the city's properties?

20 MICHAEL PASTOR: So, I would say no, I
21 think that—that we—that the idea of any concealment
22 to us or material misrepresentation to us would be
23 one that we would view very gravely.
24
25

2 CHAIRPERSON MOYA: Thank you. I am now
3 going to turn it over to Chair Salamanca for a few
4 questions.

5 CHAIRPERSON SALAMANCA: Thank you, Chair
6 Moya. Thank you very much for—for your statement.
7 Regarding the franchise agreements, can you tells us
8 when the next round of franchise agreements are from
9 Spectrum, Verizon and Altice?

10 ANDY MANSHEL: These franchise agreements
11 are all co-terminus and they all end in 2020.

12 CHAIRPERSON SALAMANCA: Alright.
13 Considering the issues we've talked about and will
14 talk about regarding Verizon and Spectrum,
15 discrepancies and claims or full statements agree-
16 agreed upon provisions, how will that affect the next
17 realm of franchise negotiations?

18 ANDY MANSHEL: As my colleague just said,
19 any material misrepresentations or actions in
20 violation of the franchise agreements will be taken
21 extremely seriously during the course of those
22 negotiations. We—I want to make clear that we share
23 the Council's goal and seek the most robust labor
24 provisions possible, and we're opening—open to
25 working with the Council to making this stronger over

2 the process. The -the next two years we'll provide a
3 number or opportunities for the public to be heard on
4 the renewal process. There will be hearings across
5 the city and we're hoping that those hearings and the
6 whatever hearings are held on the authorizing
7 resolution will provide opportunities to further air
8 these issues, and bring to light whatever actions
9 against the public interest that have been taken by
10 the-our cable franchisees.

11 CHAIRPERSON SALAMANCA: Regarding Verizon,
12 what is the status of the pending litigation
13 regarding the fiber optic cable build-out?

14 MICHAEL PASTOR: Yes, Council Member, the
15 case is at the New York State Supreme Court, and it's
16 currently in the discovery phase of the litigation.

17 COUNCIL MEMBER SALAMANCA: Alright.
18 Considering that Verizon believes that they satisfied
19 the buildout objectives, and DOITT begs to differ,
20 are there any other similar differences or opinion in
21 terms of conditions with other franchises agreements
22 that that this body should be aware of?

23 MICHAEL PASTOR: Not specifically,
24 Council Member, but I think that any time we audit a
25 franchisee as we're doing now, it's because we don't-

2 we think there's something that needs to be looked
3 into. So I think our audits are indicative any-of a
4 disagreement.

5 COUNCIL MEMBER SALAMANCA: Alright,
6 what's the-which division in DOITT is tasked with
7 ensuring that these franchise agreements are
8 satisfied as per, you know, the signed agreements?

9 MICHAEL PASTOR: It's the division headed
10 by my colleague Andy Manshel, the Franchise
11 Administration Division.

12 COUNCIL MEMBER SALAMANCA: And how many
13 staffers does this division have?

14 ANDY MANSHEL: In total there are 25
15 people who work in the division, but they cover
16 mobile telecommunications, the new WiFi kiosk, the
17 LinkNYC program as well as cable.

18 COUNCIL MEMBER SALAMANCA: And how many
19 telecommunication franchise agreements does DOITT
20 currently oversee?

21 ANDY MANSHEL: The three we've been
22 discussing.

23 COUNCIL MEMBER SALAMANCA: Just three?
24 There's only three?

1
2 ANDY MANSHEL: There is a fourth provider
3 that does not have a franchise agreement that is
4 grandfathered for certain technical and federal
5 regulatory reasons, but they provide a similar
6 service, but don't have a franchise. That company is
7 called RCM.

8 MICHAEL PASTOR: If I could just follow
9 up on your question, there are also separately from
10 the cable franchises eight—currently eight mobile
11 telecom franchisees. There is one franchisee for
12 public communications structures, Citi Break. So, so
13 here before this particular body today, we're talking
14 about three franchisees, but there are many more than
15 that in our portfolio.

16 COUNCIL MEMBER SALAMANCA: Alright and
17 just an off topic question. How—when are the mobile
18 franchise agreements up for renewal?

19 MICHAEL PASTOR: So, the Mobile Telecom
20 Franchise Agreements are up for Renewal a year before
21 the cable franchises next year 2019 and DOITT just
22 issued a request for proposals on that—on that
23 question seeking potential responders, which is due
24 July 18th of this year. We'll get responses back.

2 COUNCIL MEMBER SALAMANCA: Alright, and
3 then my last question, and I don't know if you'll be
4 able to answer this. Is DOITT currently auditing any
5 franchises?

6 MICHAEL PASTOR: Which? In which
7 franchise?

8 COUNCIL MEMBER SALAMANCA: Are you doing
9 an audit on any of these other than—other than what
10 you did for Charter? Are you doing an audit on
11 Verizon or on Altice?

12 ANDY MANSHEL: We have no currently plans
13 to audit any other franchisee, but that's subject to
14 change at any time. Our audit function is principally
15 complaint driven. So, when we receive an issue of
16 concern, we will attempt to uncover it.

17 COUNCIL MEMBER SALAMANCA: What—what is
18 the—I'm—how do you get these complaints to want to
19 initiate an audit?

20 ANDY MANSHEL: We receive complaints the
21 way other city agencies do through the 311 system by
22 email, and also through our partners in the Council
23 who forward to us concerns that their constituents
24 might have.

2 COUNCIL MEMBER SALAMANCA: Okay, alright.
3 Thank you very much. Thank you, Mr. Chair—thank you
4 Chair Moya.

5 ANDY MANSHEL: Thank you.

6 CHAIRPERSON MOYA: Thank you Chair
7 Salamanca. I would now like to turn it over to Chair
8 Koo for some questions.

9 CHAIRPERSON KOO: Thank you, Chair Moya.
10 Thank you for coming to testify. I'm sorry I missed
11 your testimony. I had to run across the street to
12 vote. My question is how often does DOITT inform
13 others of their cable franchises? You do it how
14 often?

15 MICHAEL PASTOR: So, as Andy just
16 mentioned, there's no regular cadence to audits.
17 What we do with our audits is when we are made aware
18 of an issue or a potential violation in the agreement
19 then we would look at that allegation and determine
20 to commence the audit, which is what happened some
21 time ago now with Verizon and is what happened and
22 actually, I should say with respect to—to—to the two
23 charter audits, one was initiated by our own team
24 that saw something that—that they thought looked

2 remiss, and the other one was initiated after
3 evidence was brought to us.

4 CHAIRPERSON KOO: And now often does
5 DOITT find the franchise to be in default and not in
6 compliance with their franchise agreements? Is the
7 first time--?

8 MICHAEL PASTOR: So, there's no real
9 statistic on that point, Chair, but, you know, I will
10 say that we—we take our auditing power very seriously
11 at DOITT and so we don't initiate an audit lightly,
12 and if we're initiating—if we initiate an audit, it
13 means we're serious and we're concerned about what
14 we've been told, which bore out in the case of—of the
15 Charter audit. [pause]

16 CHAIRPERSON KOO: [off mic] And what we
17 have is [on mic] the work does increase our
18 popularity on the Internet, and streaming services.
19 How is DOITT calculating revenue from the cable
20 franchises especially when cable fees are often
21 bundled in packages?

22 ANDY MANSHEL: I can take that. It's a
23 very good question, Council Member. As I've stated
24 before, we are limited in our roles to regulating
25 only cable. So, the—and—and the cable franchise fees

2 are based on 5% of the gross revenue from cable
3 services. So, in order to disaggregate the bundled
4 cable services, we allocate in our calculations a
5 portion of the bundled fee that is equal to the
6 percentage of allocable to cable charges as opposed
7 to the other things bundled in the cables. So, in-in
8 a packages. So, let's say that there's \$100 monthly
9 package and \$33 goes to cable and \$33 goes to
10 broadband and \$33 goes to—and each—each individually
11 would be \$33 then we allocate one-third of the cost—
12 of that revenue to the cable franchise.

13 CHAIRPERSON MOYA: Thank you, Chairman
14 Koo. I'd like to turn it over to Council Member
15 Lancman.

16 COUNCIL MEMBER LANCMAN: Thank you, Mr.
17 Chair. Good afternoon.

18 ANDY MANSHEL: Good afternoon.

19 COUNCIL MEMBER LANCMAN: So, as has been
20 discussed, part of the Franchise Agreement is a labor
21 provision, which requires among other things that the
22 Charter Spectrum recognize the right to bargain
23 collectively if it's—of its workers and that the
24 franchisees—franchisees shall not dominate, interfere
25 with, participate in the management of or control of

2 and give financial support to any union or
3 association of its employees. In your testimony, you
4 say that our audit into Charter's compliance with the
5 labor related provisions did not find the company in
6 violation of the relevant requirements of the
7 agreement. I want to understand the scope of DOITT's
8 inquiry into Charter's compliance with this section
9 of the Franchise Agreement. For example, does DOITT
10 examine whether or not Charter is negotiating in good
11 faith?

12 MICHAEL PASTOR: So, to answer your
13 question, Council Member, we do and this was
14 referenced in the Audit Report. We are not labor law
15 investigators sort of independently. What we do is
16 we investigate what the National Labor Relations
17 Board has been hearing and is investigating
18 themselves, and we rely in some respects on their
19 jurisdiction and expertise to then make a finding of
20 a violation of the provision you cited. So, with
21 respect to an unfair labor practice for example, we
22 would look for activity at the NLRB and if there was
23 a finding adverse to any-any of the franchisees, that
24 would be a basis to find a violation of the
25 agreement. In the case of one particular instance

1 with Charter, an administrative law judge did find
2 them in violation of the Labor Laws and we are
3 waiting for some time now to hear how that has
4 resolved at the NLRB on appeal.

5 COUNCIL MEMBER LANCMAN: So, you're
6 saying two different things. They may not be
7 different. One may be part of the other, but you say
8 you look—I'm paraphrasing it—you say you look to
9 what's going on at the NLRB, but it sounds like it's—
10 it's actually more restrictive that you are relying
11 exclusively on the NLRB to make a determination one
12 way or the other before DOITT will act to enforce
13 this provision of the franchise agreement. Is that—
14 is that DOITT's position that—that you have
15 essentially delegated or contracted out
16 responsibility for enforcing this provision of the
17 Franchise Agreement to the National Labor Relations
18 Board

19 MICHAEL PASTOR: It is our view that this
20 is—this provision essentially tracks the National
21 Labor Relations Act, federal law requirements and
22 federal law sort of squeezes out localities from
23 doing their own labor law enforcement above and
24 beyond that. So, I guess what I meant to say by
25

2 scanning is that the—you know, the NLRB process can
3 be somewhat opaque and so we sort of actively are
4 keeping an eye on that, but I think the answer to
5 your—the question as it was posed is yes.

6 COUNCIL MEMBER LANCMAN: Well, that's and—
7 and we've had conversations, and I do appreciate
8 DOITT's responsiveness to my—my questions on these
9 issues, but that's—that's problematic. First, I—I-it
10 seems to fly in the face of the plain language of—of
11 the agreement. Right, if the Franchise Agreement
12 intended for DOITT's hands to be tied solely to
13 determinations by the NLRB, it could easily have said
14 that. It would have taken up a lot less words and
15 fewer pages, more trees saved. It would have simply
16 something to the effect of the franchisee will be in
17 compliance with the National Labor Relations Board or
18 a violation of or finding by the NLRB will be a
19 violation of—of the agreement. But instead, the
20 language went into considerable detail and some
21 thought. You know, this—this phrase, this sentence:
22 Franchisee shall not dominate, interfere with,
23 participate in the management (sic) or control of or
24 give financial support to any union or association of
25 its employees. So, I really question whether or not

2 DOITT is fulfilling its responsibilities to interpret
3 and enforce the Franchise Agreement. Now, are you
4 telling me that it's your understanding that DOITT
5 is, in fact, preempted from--from--from doing such an
6 inquiry and conducting an investigation and issuing
7 findings that are consistent with the Franchise
8 Agreement because of the National Labor Relations Act
9 or some telecommunications act?

10 MICHAEL PASTOR: So, two points I'm going
11 to answer--

12 COUNCIL MEMBER LANCMAN: [interposing] And
13 if--and if so, I'd love to see the legal authority for
14 that.

15 MICHAEL PASTOR: Sure. So, to--to the
16 question of preemption I don't know that I can speak
17 necessarily to DOITT specifically, but I do believe
18 the case law it's fairly settled about whether or not
19 the localities have an independent right to enforce
20 labor standards differently than the federal
21 government would do it. Although you are right that
22 these provisions sound distinct from federal
23 constraints, they do track very closely both in terms
24 of the statute and in terms of case law, but if I
25 many take your point--second I guess, for me, you

2 know, I would also say that these provisions go back
3 a long ways, and the authorizing resolution is a
4 chance for you and us to be looking at all these
5 provisions in terms of do we feel they say the right,
6 and I think we're open to any suggestions you or
7 others at the Council have about that. There are
8 not--these provisions pre-date us, you know, this
9 administration by a long time, and I think are drawn
10 from the premise that indeed localities do have their
11 hands tied with respect to making independent
12 judgments--judgments as to collective bargaining
13 obligations.

14 COUNCIL MEMBER LANCMAN: Well, so I say
15 this with respect and collegiality, but my first
16 suggestion would be for DOITT to enforce the terms of
17 the Franchise Agreement that are written and that
18 clearly cover the substance of--of several of the
19 complaints that the union has made to the NLRB. The
20 reality is the membership of the NLRB changes. Its
21 politics changes and I don't think that we as New
22 Yorkers really want to contract out to the extent
23 that we're able to determination of whether or not
24 one of our franchisees is--is adhering to a labor
25 provision in our contract to--to the whims of the

2 NLRB. So, that would be my-my first suggestion, and
3 the union has provided significant detail, and I'm
4 going to go over this with-with Charter when they-
5 where they're sitting in that-when they're sitting in
6 the chair. That would-that strongly suggests that
7 they're engaging in grossly unfair labor practices.
8 So, let me ask you a question. Do you-do you think
9 that a franchisee, in this case Charter, that is
10 improperly engaging in a Decertification Campaign
11 that is violating the National Labor Relations Act by
12 propping up a Decertification Campaign and providing
13 support to it. Do you think that that would violate
14 Section, Article 17.1 of the-the Franchise Agreement?

15 MICHAEL PASTOR: Yes, I think that if it
16 were substantiated, yes. I think that if I may, part
17 of the-the constraint that we face is a-is quality of
18 both kind of expertise and sort of like the actual
19 legal charge to do something, but yes I think what I
20 will tell-tell you Council Member is that we, you
21 know, we are open to reviewing any evidence we get on
22 this point, and we do so rigorously, and have done
23 so. But I do think that there is an overlay of legal
24 constraint here that keeps us from doing as much as
25 we want.

1
2 COUNCIL MEMBER LANCMAN: Okay, we'll I'm-I
3 have a couple more questions, but I'm going to
4 provide you, and I'm sure Local 3 has provided it to
5 you already, but I'm going to provide you with the
6 basis, the facts that I'm—that are available to me,
7 which indicate that the company is engaged in one of
8 the—the grossest abuses that a company can engage in,
9 and that is interfering very directly and materially
10 with the employee's right to choose their own—their
11 own representatives, but let's move on. The—forgive
12 me if I—if I missed the detail, but you made
13 reference in your testimony to the audit. The audit
14 found that Charter has been using an overly broad
15 definition of what it means for a vendor to be
16 located in New York City, a term that was not
17 sufficiently well defined in the Agreement. That's a
18 very diplomatic way of putting it, and I—I credit
19 whoever wrote this testimony if it was you, but if
20 you haven't already, could you share with—with the—
21 the—the committee exactly how they redefined being in
22 New York City? I think people will find it
23 interesting and give them an insight into how this
24 company conducts itself.

2 MICHAEL PASTOR: Sure, our—and this was
3 spelled out in part in our audit and—and—and I'd be
4 happy to answer it here. Basically their position is
5 that city a vendor is a company that has any address
6 of any kind in the five boroughs of the city of New
7 York.

8 COUNCIL MEMBER LANCMAN: And that address
9 could include a place where they just store their
10 equipment for their operations.

11 MICHAEL PASTOR: Correct, and that's—and
12 it's in some respects is where I think our audit was
13 effective at unearthing—unearthing key—key components
14 of this inquiry right because yes if there's a self-
15 storage address we don't think that without other
16 information tells you that it is a city vendor,
17 right. It's just an address in one of the five
18 boroughs and--

19 COUNCIL MEMBER LANCMAN: [interposing]
20 Sure. I—I could be a vendor in a law practice let's
21 say. I could be a—I could a vendor of legal services
22 if I—if I rented a P.O. Box in Arizona or—or a store—
23 I stored my—my—my equipment a computer in some—some
24 storage shed in Tucson, then I would be—I would be in
25 Arizona. I would be an Arizona business.

2 MICHAEL PASTOR: Right. Yes. You know,
3 though in your instance if you have a law firm here
4 could be a cable business. That's what--probably all
5 you need.

6 COUNCIL MEMBER LANCMAN: It's pretty
7 absurd isn't it?

8 MICHAEL PASTOR: We--we disagreed with
9 that entirely and gave them a whole new set of
10 criteria to look at, and we'll be auditing their--
11 their compliance with--with that.

12 COUNCIL MEMBER LANCMAN: Right. Lastly,
13 because I know my colleagues have questions, the
14 process, right. The purpose of the Authorizing
15 Resolution is lay out the framework of what the
16 Franchise Agreement may contain. With that framework
17 in place, the city must then undertake a number of
18 assessments before negotiating the terms of the next
19 Franchise Agreement. Do you understand our authority
20 as the Council in--in giving the Authorizing Agreement
21 to include the ability to for example limit the
22 eligibility of franchisees to those who have no had a
23 history of either NLRB violations or well founded
24 NLRB complaints or some other metric of--of labor
25 standards?

2 ANDY MANSHEL: I would—the way I would
3 articulate that is that if an adverse finding were
4 made—a material adverse finding were made by the NLRB
5 with respect to a potential franchisee that may well
6 be disqualified.

7 MICHAEL PASTOR: And if I could just add
8 to that, Council Member. I mean that my colleague
9 mentioned this. You know, we view the renewal
10 process as an opportunity, multiple sets of
11 opportunities to review what's going on with these
12 franchises and I think the Council should do the
13 same.

14 COUNCIL MEMBER LANCMAN: Right, well, I
15 intend for my part just one little old Council Member
16 here to press for the Council in its Authorizing
17 Amendment or Resolution to be as specific and details
18 as possible when it comes to protecting the—the
19 rights of the people who work at these companies to—
20 to which we give these extraordinarily valuable
21 franchise agreements. Aright, thanks very much.

22 [pause]

23 CHAIRPERSON KOO: Thank you. So, we have
24 Council Member Reynoso and followed by Public
25

2 Advocate James and Council Member Holden and Council
3 Member Yeger. Reynoso. Yeah.

4 COUNCIL MEMBER REYNOSO: Okay, I defer my
5 time to Council Member Holden--- COUNCIL MEMBER

6 HOLDEN: [interposing] Right, I have to--

7 COUNCIL MEMBER REYNOSO: -- who has to go
8 to a hearing, and we'll switch places.

9 COUNCIL MEMBER HOLDEN: Yeah, thank--
10 thanks so much, Council Member. You were--you were
11 very--I don't know if you have gotten complaints about
12 Verizon's marketing techniques, high pressure
13 marketing. As a happy RCN customer for many years, I
14 had Verizon for my phone service. Not a day went by
15 that I didn't get two or three calls from Verizon--
16 Verizon to try to get me to switch over to--to Fios.
17 My mom was also a Verizon customer for phone only. So
18 two or three calls a day somebody ringing my bell. I
19 said I don't want Fios. What do I have to do to just
20 get you to stop? Alright, I'm very happy with my
21 cable service. They didn't stop. They set up their
22 tables in the streets in residential communities to
23 try to sell it. They set up tents. Two or three
24 called continued a day. I had the old Copper service
25 on my phone. They stopped maintaining it. That

2 means I get outages every few months two or three
3 times. Last—two months ago my mom, which I tell
4 she's 94 years old. She doesn't answer the
5 telemarketers. She won't answer, but I tell her
6 don't just hang up no them. She had Verizon Copper
7 Service. She kept hanging up on them. What they
8 did, Verizon cut off her phone service. I didn't
9 know for several weeks that she cut—because she lives
10 in the same house. They cut off her—her phone
11 service because she didn't agree to Fios. Now, two
12 blocks away you can't in my neighborhood, you can't
13 get Fios, but in my house I was unfortunate, I can
14 get Fios, but I didn't want it, and we were harassed,
15 cut off and by the way if you're cut off from your
16 Copper service, and they actually told me that they
17 don't actually maintain the copper wire any more.
18 So, if you—you can have outages and they'll take
19 sometimes a month to respond, and many seniors have
20 that service from the old days. So, I think—did you
21 get any complaints on this? Did you hear anything
22 like this?

23 ANDY MANSHEL: We—we have not received
24 complaints like that. We are—what we are being told
25 by Verizon with respect to the specific question that

2 you raise is that they are converting their entire
3 system from Copper wire to fiber optic cable into the
4 home, and they're rolling that out. I know they've
5 done it in my apartment.

6 COUNCIL MEMBER HOLDEN: Yeah, so, we—we
7 didn't receive any letter from Fios. The only thing
8 they do is call you, and again, a lot of people don't
9 want to pick up. A lot of people that, you know.

10 ANDY MANSHEL: Right.

11 COUNCIL MEMBER HOLDEN: So, this is a
12 problem I think that if you guys can look into this.

13 ANDY MANSHEL: I have begun a dialogue
14 particularly with Verizon in the last two weeks with
15 respect to customer service. We had a—as a diplomats
16 called a full and frank discussion of the issues with
17 respect to customer service, and we are—one of my
18 have done it—do it for four months and one of my
19 particular pieces of agenda is to improve customer
20 service from all the providers to every customer.

21 COUNCIL MEMBER HOLDEN: Yeah, and just
22 if—when you sit down with them, tell them I wouldn't
23 go to Fios because of the customer service that I
24 experienced over the years. Thanks for so much.

2 ANDY MANSHEL: Council member, it would
3 be my great pleasure.

4 COUNCIL MEMBER HOLDEN: Thank you. Thank
5 you.

6 CHAIRPERSON MOYA: [pause] Yeah, so, I'm
7 going to turn it over to the Public Advocate. Thank
8 you.

9 PUBLIC ADVOCATE JAMES: So, the stories
10 that the Council Member just described with regards
11 to copper service, it also has happened in my former
12 district in Fort Greene, Clinton Hill, Prospect
13 Heights and Crown Heights, and although I am not the
14 Council Member that's present Council Member Laurie
15 Cumbo currently serves us. As I walk in my
16 neighborhood I hear the same particularly from
17 seniors, and as I visit them in senior centers they
18 tell me that they usually hang up for these
19 marketeers and now, they do not have phone services,
20 and so it's problem, and so I'm really shocked that
21 you have not received any complaints because if it's
22 happening in Queens and it's happening in Brooklyn,
23 I'm sure it's happening elsewhere. And so, my
24 question to you all if all the issues that we've
25 described: Age discrimination, failure to respect

2 labor standards, speed, all of these complaints.

3 What are the default provisions under the franchise
4 agreement because what I'm hearing is the following:
5 that the resolution that will be negotiated by this
6 City Council in the coming months, that the previous
7 authorizing resolution was done way before this
8 administration and there's not much we can do or (2)
9 that we're preempted by federal law and/or case law,
10 and there's not much we can do. So is it your—is it
11 basically your position that you're sort of limited
12 and precedent it basically ties your hand and the
13 previous administration that—that negotiated this
14 Franchise Agreement left a lot to be desired and
15 there's—and we're sort of limited in our response.

16 MICHAEL PASTOR: So, to answer your
17 question, Public Advocate, I think we do—we do feel—
18 feel we are limited but we do also think that with
19 what we have we're pushing as hard as we can, and
20 we'll continue to do so, but with that also said, as
21 I mentioned earlier, we view this renewal process as
22 an opportunity for we and—and your office and the
23 Council to look across the board at our franchise
24 portfolio, and see if there are ways to improve.

2 PUBLIC ADVOCATE JAMES: But in regards
3 to I think the failure to define what it means to be
4 located in New York City you put forth—you detailed
5 new criteria and revised standards. If you did it in
6 the case of a poorly drafted agreement, why can you
7 not put in place revised standards and detailed
8 criteria I the areas of labor relations,
9 discrimination, local business practices and lastly
10 speed.

11 MICHAEL PASTOR: I think that—I think
12 that we should look into all those things and I think
13 that the city vendor definition example is one where
14 we clearly felt as we conducted our audit that the
15 city—the word city vendor wasn't enough and that we
16 wanted—we thought there were logical criteria that
17 they should be using. It's something that we
18 certainly should look at for future franchise
19 agreements.

20 PUBLIC ADVOCATE JAMES: Do you believe
21 that you have the power currently to close these
22 loopholes with respect to those four issues that I
23 just outlined? Currently?

24 MICHAEL PASTOR: Not—not that I'm aware
25 of. I think it would be about—well, first of all, I

2 should step back. For every loophole you described
3 if-if a-if something comes in, I mean we do take our
4 audit power seriously and we'll exercise and audit
5 for on the provisions we have. I'm not aware of any
6 power we have now to sort of revise those currently,
7 but I do think the franchise renewal process is the
8 perfect opportunity to look at our franchise
9 agreements and say this franchise agreement could be
10 better and we're going to make it better.

11 PUBLIC ADVOCATE JAMES: But I guess I'm
12 sort of confused. You were able to issue revised
13 standards with respect to a poorly defined term, and
14 so with the other issues that I just outlined why can
15 you not issue revised standards with respect to labor
16 relations, discrimination, speed and local hiring?

17 MICHAEL PASTOR: I'm sorry. I didn't
18 understand you questions I guess. So with respect to
19 city vendor there was a particular vagueness in the
20 language. With respect to discrimination laws and-
21 and-and labor laws, that is the area probably more so
22 than with the requirement that they utilize city
23 vendors where-where we do think state and federal law
24 ties our hands more than the other ones, but I think
25 that that precise legal question is the one that is

1 sort of on the table right now to look at and think
2 about.
3

4 PUBLIC ADVOCATE JAMES: If, in fact, you
5 determine that Charter has defaulted in a particular
6 area, what can you do at that point? Can you
7 require—can you demand specific performance?

8 MICHAEL PASTOR: So, the—the—all of this
9 is going to be sketched out in precision in the
10 Franchise Agreement. To answer your question, Public
11 Advocate, it will—it will depend upon the nature of
12 the default. There are two different types of
13 defaults in the Franchise Agreement. There's a
14 revocation default, which is sort of enumerated in
15 detail.

16 PUBLIC ADVOCATE JAMES: [interposing]
17 What kind of default? I'm sorry.

18 MICHAEL PASTOR: It's a revocation
19 default.

20 PUBLIC ADVOCATE JAMES: Revocation.

21 MICHAEL PASTOR: And then the other
22 default, which doesn't have a name. These particular
23 alleged violations we've been discussing here mostly
24 fall in the camp of that other default, and so what
25 you'll—you're going to do if you find a default,

1 you'll take the actions that are spelled out in the
2 Franchise Agreement and then that will be on the
3 record of the company when the company is reviewed at
4 renewal time.
5

6 PUBLIC ADVOCATE JAMES: So, let me just
7 recap. So, until such time as the NLRB determines
8 that, in fact, there's a default, you're sort of
9 limited in you power. Two, you look forward to
10 negotiating with the City Council on an upcoming
11 resolution and three, the areas that I outline
12 unfortunately there is—you cannot revise the language
13 to ensure compliance. Is that pretty much--?

14 MICHAEL PASTOR: I think that's pretty
15 much it.

16 PUBLIC ADVOCATE JAMES: That's—that's—
17 okay, so our hands are tied in other words. Can you
18 explain what is entailed in the Proof of Performance
19 Test?

20 MICHAEL PASTOR: [pause] Are you aware?
21 I'm sorry, I'm not familiar with that.

22 PUBLIC ADVOCATE JAMES: Okay, let me go
23 onto another question. Has the city requested
24 competitive service and technology reports of
25 franchisees? [background comments, pause]

2 ANDY MANSHEL: I believe the answer to
3 that is no.

4 PUBLIC ADVOCATE JAMES: Okay, and then my
5 last question is in regards to Verizon, and that is
6 there's a pending lawsuit against Verizon with
7 regards to Verizon defaulting on its obligations to
8 build out. As someone who was a strong proponent and
9 continues to be joining with other citywide advocates
10 with regards to helping to bridge the digital divide
11 and create more opportunities for underserved
12 communities in the city of New York, I understand
13 that the case is currently pending against Verizon.
14 Besides seeking specific performance are there any
15 other remedies that you are seeking at this point in
16 time in court?

17 MICHAEL PASTOR: That's the key remedy.

18 PUBLIC ADVOCATE JAMES: That's the key,
19 okay. Thank you. Thank you, Mr. Chair.

20 CHAIRPERSON MOYA: Thank you. Thank you
21 Madam Public Advocate. I'll turn it over to Council
22 Member Reynoso.

23 COUNCIL MEMBER REYNOSO: Thank you,
24 Chair. So, I want to work off of the Public
25 Advocate's questions. In the Franchise Agreement it

2 seems like language is an issue here. So, I want to
3 talk about you believe that a modification to the
4 language related to city contractors needs to happen
5 for the property enforce or-or regulate I guess
6 Charter's-Charter's interpretation of what it is to
7 be a city contractor?

8 MICHAEL PASTOR: That would be something
9 we'd mean more universally, but with respect to that
10 particular issue and Charter, we believe that what
11 we've done with the audit we've already put them on
12 notice that we expect them to do that. So, the
13 broader question would be a broader change, but we
14 believe-we've told them how we view that agreement
15 language, and told them to comply with how-how we've
16 defined it.

17 COUNCIL MEMBER REYNOSO: Okay. So, in
18 cases where it is vague like languages like this are
19 vague or a franchisee chose to see it vaguely and you
20 would modify it. Do they have a time to rectify it
21 or a time to fix their-their problem or is it you've
22 got to get rid of every single contractor that
23 already doesn't comply with this new language that
24 we've chosen or because there's this-what I would
25 consider like reinterpretation of re-clarification.

2 Do they get an opportunity to rectify or fix the—the
3 conditions?

4 MICHAEL PASTOR: So, it's a combination
5 actually of the two. I think we—we told them that in
6 terms of the definition and short of how they should
7 interpret what it means, we want that to be
8 immediate. Right, we've now told you so going
9 forward immediately use that interpretation. In
10 terms of the feasibility of using such contractors
11 under that definition, that would be a bit more
12 rolling, and that's what we plan on investigating
13 with the—with the second audit.

14 COUNCIL MEMBER REYNOSO: Right, so I
15 think—I think that's fair. What you're saying is
16 moving forward they have to comply with your—the new
17 re-established concept related to city contracts and
18 then you're going to work on modifying every single—
19 every other part of it so they can get into
20 compliance the way you see it. But unfortunately
21 because the language was written the way it was in
22 the Franchise Agreement, would you consider Charter
23 at fault is I guess what I'm asking? In that case or
24 do you see the need—did you see the need to clarify?
25

2 MICHAEL PASTOR: I think that—that in
3 this particular instance, you know, reasonable people
4 can disagree. I think that we just were not
5 persuaded by and—and Charter can speak to their
6 interpretation. We—we were just not persuaded by
7 their view of what it meant to be located in the city
8 of New York.

9 COUNCIL MEMBER REYNOSO: Okay, so,
10 reasonable people—reasonable people could have
11 disagreed there, and I think you've come to a—a
12 pretty good resolution by the way. I think it's, you
13 know, when an audit happens and we see a problem, and
14 it gets addressed by DOITT, I'm—I'm grateful for
15 that, but what I—what I'm having huge issues with is
16 that we have to wait 'til 2020 really to-to really
17 modify and strengthen these franchise agreements to
18 be able to hold franchisees accountable. What—what
19 I'm seeing here is not, you know, the law is what you
20 can get away with, right? A good friend of mine
21 Marty Needleman says that constantly every time I'm
22 with him: The law is what you can get away with, and
23 I believe that we did ourselves a disservice by
24 putting forth a weak franchise agreement that made it
25 so a lot of these things are vague and muddy, and

2 gray, and it allowed for any franchisee to about in
3 those—in those murky waters. So, I'm just seeing
4 myself here as a proponent to needing to wait to 2020
5 to really figure out a way to be helpful given what
6 you consider state and federal, you know, you know,
7 handcuffs right, and also a weak franchise agreement.

8 MICHAEL PASTOR: I think what I would say
9 to that council member it—yes, to—with respect to
10 revisions of the agreement there it feels like a long
11 window, but I will say as we've said earlier that we
12 don't always get the information as to particular
13 violations, and so, if there's something brought to
14 our attention, whatever it may be, it's something we
15 look at seriously and would—would audit it and sort
16 of carry out whatever remedies we have.

17 COUNCIL MEMBER REYNOSO: Yeah, no, it's
18 just I see mostly claims. You know, we know the NLRB
19 is investigating as well, but outright—right now it
20 seems like we need to—we need to do more on that
21 Franchise Agreement, and that what we're having here
22 in this conversation it's—it's a difficult
23 conversation to have I think because of the weak
24 agreements, and now we're preempted by state and
25 federal—federal law. I just think this is a very

2 hard hearing to have to try to get to a conclusion I
3 guess.

4 MICHAEL PASTOR: I agree with that.

5 COUNCIL MEMBER REYNOSO: But I appreciate
6 your time and thank you, Chair.

7 CHAIRPERSON MOYA: Thank you.

8 ANDY MANSHEL: Mr. Chairman, I've been
9 asked by my colleagues to correct the records, if-if
10 you'd be kind enough to allow me to do that.

11 CHAIRPERSON MOYA: Yep.

12 ANDY MANSHEL: I-I misunderstood a
13 question that the Public Advocate asked me, and I'd
14 like to read into the record an answer. This is
15 about the-monitoring the-the quality of the service
16 that's provided. We do have-we have performed
17 voluntary Internet test speeds during our Bi-Annual-
18 Bi-Annual Proof of Performance Testing of the cable
19 system for each cable franchise. These tests are
20 voluntary because we don't regulate broadband
21 service, but the ones we performed over the last two
22 years have yielded results showing that the average
23 Internet speeds were above the 300 MBPS range at all
24 Charter test points. She also asked about proof of
25 performance testing, and that pertains only to cable

1 and video services, but we'd be happy to provide
2 further information about the cable system proof of
3 performance test at your request. Thank you for
4 allowing me to correct the record, Mr. Chair.
5

6 CHAIRPERSON MOYA: Thank you. I want to
7 turn it over to Council Member—oh, first let me
8 acknowledge Council Member Miller, Council Member
9 Constantinides and Council Member Torres. I'd like
10 to turn it over to Council Member Yeger.

11 COUNCIL MEMBER YEGER: Thank you, Mr.
12 Chair and Mr. Chair. In the interest of time and
13 allowing my colleagues to proceed, I know there are a
14 lot of people here who want to testify. I'm just
15 going to be very brief. My first question is with
16 regard to Fios, and whether or not it's "available at
17 every address." I understand it's currently the
18 subject of litigation, but my question is do the
19 cable companies and heir franchises have that same
20 obligation specifically to pass all households in the
21 city?

22 MICHAEL PASTOR: They—they do have an
23 obligation like that although it's—the obligation is
24 worded I believe slightly different. The other—the
25 other cable companies other than Verizon I believe

1 have a slightly different wording, but they do have a
2 similar obligation. That's right.

3
4 COUNCIL MEMBER YEGER: Okay, so does that
5 mean that every address in the city with forgetting
6 about the question of whether or not it can get Fios,
7 is currently able to get cable?

8 MICHAEL PASTOR: Within the franchise
9 area for each franchise, each residential address
10 should be passed and yes.

11 COUNCIL MEMBER YEGER: If a cable company
12 says we don't serve a building, does—is that a
13 violation of the Franchise Agreement?

14 MICHAEL PASTOR: If it's within their
15 area, and it's a residential building, they're
16 required to have made it available, and the only
17 thing that would—I hope I'm not misstating this,
18 Council Member. I think the only thing that would
19 impeded them would be a refusal of the building
20 itself to allow them to come in and hook it up, but
21 other than that, they should have that option.

22 COUNCIL MEMBER YEGER: Got it. Okay, if
23 the—Chair Moya earlier asked the question regarding
24 24-hour news channels. I want to be a little more
25 specific. I'm not sure if you're aware. Fios

1 currently does not offer NEW YORK 1. NEW YORK 1 is
2 the Bible of our city government or at least a mega
3 church of our city government, and as I understand
4 it, the debate is-seems to be that Verizon and
5 Charter can't seem to come to terms. As you know,
6 Altice/Cable Vision does have an agreement to carry
7 NEW YORK 1 on their wires, but Verizon for some
8 reason has never been able to come to an agreement
9 and I don't know who's at fault. Do you know who's
10 is at fault?
11

12 MICHAEL PASTOR: I don't. I will say I'm
13 a Verizon Fios customer and don't get NEW YORK 1, and
14 find it extremely frustrating. So, I will-I will
15 look into that for you.

16 COUNCIL MEMBER YEGER: Okay, well let's-
17 let's figure that out because otherwise we shouldn't
18 even bother coming here. This is just a greater
19 question about the-what happens at the end of days.
20 If the franchise are not re-awarded come 2020 and
21 there about, or whenever that's supposed to happen,
22 who owns the infrastructure that's currently
23 installed and what happens to it?

24 ANDY MANSHEL: You're-you're speaking
25 about the cable infrastructure?

2 COUNCIL MEMBER YEGER: The cable
3 infrastructure or the Fios infrastructure.

4 ANDY MANSHEL: Each—each of the cable
5 companies, each franchisee owns its own
6 infrastructure.

7 COUNCIL MEMBER YEGER: So, let's say, you
8 know, the Franchise Board, the Council, et cetera,
9 all the great people who make these decisions say,
10 you know, what Altice has been bad, and Charter
11 you've been bad, Fios, Verizon you've all been bad.
12 We're not going to award you the—the franchise.
13 We're going to give it to somebody else. What
14 happens?

15 ANDY MANSHEL: I would—with either a
16 revocation or a refusal to renew, the bottom line is
17 the situation would be very protracted and
18 disruptive. It's a rare occurrence and it would be
19 hard to predict what would happen. There would
20 surely be lawsuits and service disruptions to
21 hundreds of thousands of customers. Any new entrant
22 into the market would have to purchase the cable
23 infrastructure of the incumbent, and I'm sure the
24 negotiation over what that price might be would be
25 protracted.

1
2 COUNCIL MEMBER YEGER: Yeah, Assistant
3 Commissioner, you seem to have been ready for that
4 question.

5 ANDY MANSHEL: I've—I've given it a lot of
6 thought.

7 COUNCIL MEMBER YEGER: We didn't—we
8 didn't coordinate this in advance though. So, I
9 don't want to—I don't want to belittle this because
10 this is a very important topic, and—and by the way I—
11 the story that Council Member Holden told before he
12 left, I have the same exact story. A Verizon worker
13 told me that they just don't monitor. They don't
14 care about their Copper any more. This was a number
15 of years ago, not yesterday, and they said, we're not
16 maintaining it any more because the company is trying
17 to get people to go to Fios. I had a situation where
18 every time it drizzled for—drizzled for more than
19 three minutes, my phone service would go out. I
20 ultimately filed a complaint with the Public Service
21 Commission, got a refund and they came out and they
22 had to actually replace the copper, but they were not
23 doing it, and they said that that's their position.
24 I'm actually a little surprised that you haven't
25

1 heard that, but that's not your fault, that's on us
2 for not telling you, but with regard to--

3
4 ANDY MANSHEL: [interposing] I have to
5 congratulate you on your success, Council Member.

6 COUNCIL MEMBER YEGER: Well, we're going
7 to fix that. We're going to make sure you get all
8 those questions, but I will share with you the
9 letters that I went back and forth with the Public
10 Service Commission a number of years ago about it.
11 With regard to the question that I just had, and
12 again, don't want to belittle the topic, but are we a
13 little bit spinning or wheels because ultimately
14 they're not going to do a thing that's going to deny
15 people access to their cable and their Fios, et
16 cetera, and if what you're saying is that a denial of
17 a franchise would ultimately kind of shut down the
18 system, you see to be saying that. I don't want to
19 put the words in your mouth.

20 ANDY MANSHEL: We take some, no small
21 pride in our capacity as franchise administrators for
22 the city. Our goal is to attempt to obtain the best
23 possible technology services for the people of the
24 City of New York particularly those who were
25 otherwise underserved and within the very complex net

1 or framework of federal and state regulations that
2 are out there we try to push the envelope as hard as
3 we can to get as much for the people of the city of
4 New York as we can, and we will through the renewal
5 process attempt to once again do that, to get as much
6 as we possibly can to push the envelope as hard as we
7 can to get the best possible service.

8
9 COUNCIL MEMBER YEGER: Okay, but I want
10 to be clear, though, that if the city does decide
11 that these franchises should not be awarded because
12 the companies are bad actors and are not deserving of
13 the—as Councilman Lancman referred to it as this
14 extraordinary thing that we're giving over when we
15 make an agreement, and all we get back is 5%, but
16 that's something that's in our power, and we wouldn't
17 be disrupting the city. I mean it's not--

18 ANDY MANSHEL: [interposing] I-I-I
19 know.--

20 COUNCIL MEMBER YEGER: [interposing] Who
21 has the cards here?

22 ANDY MANSHEL: It is—we have some cards.

23 COUNCIL MEMBER YEGER: Okay,

24 ANDY MANSHEL: I-I-I would not want to
25 tip my hand in advance of a negotiation that we're

1 going to have with these companies, but with
2 particular respect to Charter, we've recognized what
3 their business strategy has been since they acquired
4 the Time Warner franchise, and we will do the maximum
5 in order to make sure that they're a good corporate
6 citizen.
7

8 COUNCIL MEMBER YEGER: Okay, well, I
9 would like very much to get NEW YORK 1 on Fios. So
10 see if you can get that.

11 ANDY MANSHEL: Duly noted. Me, too.

12 COUNCIL MEMBER YEGER: Thank you, Mr.
13 Chair, thank you, Mr. Chair.

14 CHAIRPERSON MOYA: Thank you, and I want
15 to thank Council Member Torres for in the interest of
16 time foregoing his questions as we need to continue
17 to proceed with this hearing. I want to thank you
18 both for attending and coming in here to testify.
19 Thank you very much.

20 MICHAEL PASTOR: Thank you.

21 ANDY MANSHEL: Thank you, Mr. Chair.

22 CHAIRPERSON MOYA: I also want to
23 recognize we've been joined by Council Member Levin.
24 I would now like to call up the Borough President
25

Melinda Katz to come up and testify. [background
comments, pause]

MELINDA KATZ: Mr. Chair, thank you very
much. I do want to acknowledge you, Mr. Chairman.
As a Queens legislator I thank you for the work you
do and Councilman Koo and Holden and, of course,
Councilman Lancman and Miller and Constantinides. We
appreciate the work you do in the Borough of Queens.
We thank you Councilman Moya and Councilman Koo and
members of the committee and subcommittee for holding
this important oversight hearing on the city's cable
franchises. As you know, Mr. Chairman, in the
Borough of Queens the cable franchises currently held
by Charter and set to expire in July of 2020. As the
city now begins to revisit this franchise not only in
Queens but also Manhattan, Brooklyn, and Staten
Island. It is crucial for us to ensure that the next
cable franchise agreement rectifies the problems we
hear about today, and as a side note, as you know,
the Borough Presidents have a vote on the FCRC and so
does the Public Advocate who just stepped out, but we
heard her testimony as well. To that end, I
appreciate the testimony provided by DOITT. My
office has reviewed their audit and when it was

2 published earlier, this year, and it alleges that
3 Charter potentially violated the terms of the current
4 Franchise Agreement and that Charter not only ignored
5 its requirement to contract with New York City
6 vendors, but also had been adjudicated to have
7 violated provisions of the NLRA. And now, just as
8 also a side note, you know what Councilman Lancman
9 said I think really needs to be reviewed. We don't
10 understand why it only could be the NLRB to determine
11 if there was a violation of negotiating in good
12 faith. I think the Councilman is right on the nose,
13 which is that a violation is a violation, and when
14 the renewal comes up in 2020, the city will opine on
15 whether the good faith has happened or not in its
16 negotiations. I think that that is the right way to
17 go forward. I hope that Charter will voluntarily
18 take the corrective steps recommended by DOITT, but
19 their initial written response tempers that hope. In
20 any event, my office looks forward to reviewing the
21 subsequent audit, and expects DOITT will issue a
22 default if appropriate. As a member of the FCRC it's
23 my responsibility to review, propose Queens based
24 franchise agreements, and a default against an
25 applicant would certainly inform my decision. Now, I

2 want it to be noted that I testified today not only
3 as the Queens Borough President, but also as the
4 former chair of the City Council's Land Use Committee
5 have had oversight of many of the city's most
6 important franchises, and also of note that I was the
7 prime sponsor of the authorizing agreements. While I
8 was the City Council Land Chair, I negotiated with
9 the agreement on Time Warner-I guess it was Spectrum
10 or Time Warner at the time Fios and the other
11 organizations that provide service. Ultimately, we
12 need to make sure that the franchises are beneficial
13 and equitable to my borough's residents. It's become
14 clear that Charter has not held up to its end of the
15 bargain. First, Charter treatment of its unionized
16 employees has been outrageous. As you know, 1,800
17 Charter workers have been on strike for over a year
18 still waiting if their deal to be offered. These
19 hardworking men and women members of Local 3 merely
20 want to maintain the defined benefit pension and
21 health plans into which they have already paid.
22 Charter has refused to budge so far. We are hoping
23 that they will return to the table to work with our
24 local unions. Queens has remained a stable enclave
25 for the middle class during to the union's efforts to

2 secure well paying jobs and solid benefits for their
3 members. Second, I've been extremely dissatisfied
4 with many of Charter's responses to surveys—service
5 outages in Queens, and the most egregious example in
6 outage exactly one year ago, left approximately
7 60,000 Queens residents and businesses without
8 Internet, phone and cable service for hours. Not
9 only was this a major disruption for those affected,
10 but also the problem of communication happened.
11 Whereas, we didn't realize it for at 12 hours. So,
12 our office was getting complaints, and the all of a
13 sudden the second hour we were getting complaints,
14 the third hour, the fourth hour, and it was really 12
15 hours later after a phone call that, you know, we got
16 a response to the constituents, and the response was
17 information, but in order to make up for the hours of
18 delay of Internet, or I don't know how long it took,
19 a day, two days, we were offered only a few dollars
20 on every bill to make up for it. I will also note
21 that in Queens many of our seniors rely on their
22 house phone, which was affected by every single
23 outage, and that is a problem. Moving forward, the
24 city need to make clear that any company to which a
25 valuable franchises is granted, must meet certain

2 expectations. We expect that the company will offer
3 its workers fair wages and reasonable benefits as
4 well as respect the rights to organize. We expect
5 that the company will communicate with its customers
6 in a timely fashion when its service fails, and
7 provides them with reasonable reimbursement—
8 reasonable reimbursement, and we expect that the
9 company will abide by terms of the Franchise
10 Agreement and that any violation will jeopardize its
11 ability to conduct future business in this great city
12 of New York. I thank you very much for your time,
13 Mr. Chair. I know that you will find many issues
14 here today in the testimonies, and we look forward to
15 an agreement that will hopefully come before the
16 20/20 vote on the franchise, but also for better
17 service in the Borough of Queens. Thank you.

18 CHAIRPERSON MOYA: Thank you, Madam
19 Borough President. Thank you for—for coming here to
20 testify and hailing from the greatest borough in the
21 City of New York. [laughter] I want to thank you
22 again for all that you do for all of us. Thank you.

23 MELINDA KATZ: It's also great to be back
24 in this room, I must tell you.

2 CHAIRPERSON MOYA: [laughs] Great to
3 have you.

4 MELINDA KATZ: I'm proud of you. No
5 questions. Alright. We appreciate the time and
6 effort that it's going to take today. We know it's
7 going to be a long day, and we look forward to the
8 outcome. Thank you, Mr. Chair.

9 CHAIRPERSON MOYA: Thank you Madam
10 Borough President. Okay, we are now going to move to
11 the next panel. I'd like to call up Camille Joseph
12 from Spectrum, John Fogarty and Rodney Capel.

13 CAMILLE JOSEPH-GOLDMAN: Mr. Chairman,
14 I'd like to speak on behalf of the public.

15 CHAIRPERSON MOYA: So, if you can, you--
16 you can fill out--

17 MALE SPEAKER: We'll help her.

18 CHAIRPERSON MOYA: Yeah. [background
19 comments, pause] Good morning.

20 CAMILLE JOSEPH-GOLDMAN: Good morning.

21 CHAIRPERSON MOYA: Or good afternoon
22 actually.

23 CAMILLE JOSEPH-GOLDMAN: It is.

24 CHAIRPERSON MOYA: Just please state your
25 name.

2 CAMILLE JOSEPH-GOLDMAN: Camille Joseph-
3 Goldman.

4 RODNEY CAPEL: Rodney Capel.

5 JOHN FOGARTY: John Fogarty.

6 CHAIRPERSON MOYA: You can start your
7 testimony whenever you're ready.

8 CAMILLE JOSEPH-GOLDMAN: Thank you. Good
9 afternoon Chairs Moya and Koo and members of the
10 committees. My name is Camille Joseph-Goldman. I am
11 Charter's Vice President for Government Affairs in
12 Northeast Region, which includes Charter service
13 areas throughout New York City and New York State.
14 Thank you for the opportunity to appear before your
15 committee today to discuss Charter's cable service in
16 New York City and the Franchise renewal process
17 recently initiated by DOITT. As you know, Charter
18 has several franchises with New York City covering
19 Manhattan, Queens, Staten Island and portions of
20 Brooklyn. The company through its predecessor has
21 offered cable service in the city for decades and we
22 have always seen ourselves--

23 CHAIRPERSON MOYA: [interposing] I'm
24 sorry. I just wanted to--I don't mean to interrupt
25 you, but did you submit testimony for the panel?

2 CAMILLE JOSEPH-GOLDMAN: I will be
3 submitting testimony for the record after.

4 CHAIRPERSON MOYA: Thank you.

5 CAMILLE JOSEPH-GOLDMAN: We totally had
6 like 24 hours so there's that. Apologies. I
7 apologize. So, the company through its predecessor
8 has offered cable service in the city for decades,
9 and we have always seen ourselves as your partners in
10 bringing the vast, most advanced and highest quality
11 of services to your constituents and to our
12 customers. Since acquiring Time Warner Cable two
13 years ago in May of 2016, Charter has made
14 significant investments in its network, which has
15 enabled us to delivery better products and services
16 including faster broadband speeds than before the
17 merger. We have insourced my customer service
18 functions, prepared our network and operations for
19 upcoming launches of high value competitive mobile
20 wireless services, introduced a low-cost high speed
21 broadband service to low-income customers, and
22 continue to improve the quality and mix of our cable
23 television offerings including through investments in
24 hyper local 24-hour news information networks from
25 Spectrum News, NEW YORK 1 and Altice. A few of the

2 national highlights of the company's achievements and
3 investments since completing the merger include the
4 addition of more than 1.8 million new customers, the
5 expansion of our network including here in New York
6 City to provide the capability to serve more than 1.6
7 million new homes and businesses, and the creation of
8 7,000 new jobs. As a result of these and other
9 successes, Charter remains the fastest growing cable
10 company in the country. Charter offers our superior
11 products and services to bring greater value to our
12 customers' cable television experience. Last year,
13 Charter completed the rollout of Spectrum pricing and
14 packaging in New York City offering customers simple
15 robust high value and uniformly priced services under
16 our Spectrum broadband. Today, Spectrum pricing and
17 packaging defines the majority of our customer
18 relationships. We offer some of the most robust
19 programming options, over 200 HD channels, one of the
20 largest video on demand libraries with more than
21 10,000 titles, and one of the most technologically
22 advanced video service apps platforms in the industry
23 on Spectrum App with over 170 live television
24 channels, 60 of the Spectrum App channels are
25 available on the go, allowing customers to take the

2 Spectrum television services outside the home. We
3 have the most free HD channels available anywhere and
4 the Spectrum Mi Plan Latino offers 130 channels
5 including more than 75 channels in Spanish. Our
6 international plans and ala carte offerings provide
7 programming choices from across the world.

8 Innovating to meet the evolving needs of our
9 customers is one of our most important priorities
10 here at Charter. Earlier this month Apple announced
11 at its Worldwide Developers Conference that later
12 this year Charter customers will be able to watch
13 hundreds of live TV channels as well as tens of
14 thousands of on-demand shows and movies using our
15 innovative Spectrum TV App on Apple TV 4K as they
16 already do on iPhones and iPads and a growing number
17 of other devices. Our partnership with Apple is an
18 exciting new example of Charter's dedication to
19 offering our customers the flexibility to access
20 content when they want it, where they want it and how
21 they want it. Although broadband and other non-cable
22 services are not subject of this hearing today as
23 they are not specifically regulated by the city under
24 the Cable Franchise, let me say a few words about
25 them as well. Charter is one of the nation's leading

2 high speed Internet Broadband providers. At the end
3 of 2017, Charter made New York City one of its first
4 markets where we offer customers 1 gig Internet
5 connection with download speeds of up to 940 megabits
6 per second. Our standard residential broadband
7 service provides download speeds of 200 megabits per
8 second in New York City and we offer these services
9 without data caps, uses based pricing, early
10 termination of moto fees. Just last Friday, we
11 launched Spectrum Business Internet Gig in the city
12 serving small and medium size businesses and offering
13 the same 1 Gig Internet connection with download
14 speeds of up to 900 megabits, 940 megabits per
15 second. Residential and small businesses can now get
16 these services at a fraction of the cost required to
17 buy these speeds from other providers in the past if
18 they were even available, and we deliver it over our
19 advance hyper-hybrid fiber optic cable network.

20 Charter continues to demonstrate that as demand for
21 bandwidth and capacity grows. The company's network
22 is best positioned to respond to those needs, and
23 meet those demands. The city recently put out a plan
24 to ensure ubiquitous 1 gigabit service availability
25 throughout the city by 2025. I am pleased to report

2 to you that Charter has already made that happen in
3 2018. Supporting the state-of-the-art network and
4 providing these advanced products and services to
5 customers here in New York City require a strong well
6 trained and dedicated workforce. Charter has more
7 95,000 employees nationwide, and we employ more than
8 11,000 people in New York State alone including
9 thousands of people in New York City. Our employees
10 are dedicated, highly trained and professional. They
11 live in New York, the work in New York and they care
12 about the millions of customers who live and work
13 here, too. Having spent all my life right here in
14 New York, I can say unequivocally that this is the
15 greatest city in the world. It deserves the best
16 products delivered by the best service in the world,
17 too, and I am proud that here at Charter we strive to
18 deliver that for customers every single day. Our
19 employees are offered competitive wages, excellent
20 benefits, job training and career progression
21 opportunities for all. Recently, the company
22 announced that across its entire 41-state footprint,
23 all of our employees will receive a \$15 an hour
24 minimum wage by the end of the year. The majority of
25 our employees are call center representatives, field

2 technicians and staff personnel at Spectrum stores.
3 They interact with thousands of people every day and
4 are the face of Charter to our customers. These
5 employees are the key ingredient to helping us
6 deliver our core business objective, which is
7 providing superior products with great customer
8 service. Our management require—recognizes that a
9 \$15 and hour minimum wage for those valued workers
10 builds on our nationwide commitment to hire over
11 20,000 employees by 2020, and it will enable us to
12 better attract, train and retain highly skilled
13 diverse workers. We want and need to solve our
14 customer's issues or install cable and broadband
15 service in their homes. Our employees are eligible
16 for the company's generous benefit programs. This
17 includes comprehensive health coverage, tuition
18 reimburse—tuition reimbursement assistance, strong
19 vacation, sick and leave policy, and a generous 401-K
20 retirement program that matches employee
21 contributions dollar for dollar up to 6% of that
22 individual's compensation. Charter is also working
23 hard to attract and retain a diverse workforce. We
24 are proud of the Spectrum Broadband technician
25 apprenticeship program, a national program we

2 developed to create a pipeline for veterans to join
3 Charter workforce after completing the military
4 service. Qualified veterans can secure GI Bill
5 benefits by completing the program's classroom
6 curriculum and on-the-job training putting them in
7 the position to possibly earn tax free money in
8 addition to their Charter paycheck. Veterans bring a
9 mission oriented mindset that helps Charter across
10 all lines of business at all levels of the company
11 including our executive team. We recognize and value
12 the skills these individuals develop during military
13 service, and our goal is to help them build on their
14 talents and translate them to a meaningful and
15 valuable career with us. Our program was recently
16 certified by the Department of Labor, allowing us to
17 expand this initiative across our service areas
18 including right here in New York. Today, about 12%
19 of our employees come from the military ranks, and we
20 have committed—we are committed to undertake an
21 effort to grow that by 5% by 2020. Spectrum
22 customers will see even better service from us as a
23 result of the highly—high quality employees we can
24 attract through apprenticeship programs like the one
25 we offer our broadband technicians. Ethnic diversity

2 is also an important tenet of our commitment to a
3 strong workforce. At Charter, our employees are
4 local and representative of the customers and
5 communities we serve. In New York, almost 45% of
6 Charter's workforce represents ethnic minorities led
7 by African-Americans and Hispanic and Latinos at 22
8 and 15% percent respectively. Moreover, since
9 closing our transaction, we have made a concerted
10 effort to enhance the company's focus on diversity
11 and inclusion. The hiring of Charter's first Chief
12 Diversity Officer and the establishment of an
13 External Diversity Inclusion Council exemplified this
14 commitment. The Council is made up of highly
15 accomplished leaders with deep knowledge and
16 experience in creating more opportunities for people
17 of color. Its members include famed activist and
18 civil rights leader, the Reverend Al Sharpton and
19 Marc Morial the President and CEO of the National
20 Urban League who serves as the Council's Chair.
21 Representatives from other organizations with deep
22 roots in New York City and strong ties to your
23 communities that you serve including high level
24 executives associated with Lulac, Unidos US, and the
25 Hispanic Federation. The Council provides strategic

2 advice to all facets of Charter's operations
3 regarding diversity and inclusion efforts including
4 in the delivery of our services where we are an
5 industry leader providing ethnically diverse
6 programming. We submitted letters today from some of
7 those members from our Diversity Council illustrating
8 the value Charter brings to the community. All of
9 these efforts are in service to our customers. At
10 Charter, the mission is to focus on the consumer, and
11 bring innovative customer friendly service at a
12 reasonable prices. This formula has worked, and the
13 feedback from our customers since the merger has been
14 very positive. Speaking of our customers, Charter
15 maintains very friendly customer service policies.
16 Service appointments are scheduled during one-hour
17 windows for the convenience of our customers, a third
18 of which are in the evenings and weekends to
19 accommodate the customers we serve here in New York.
20 We maintain convenient neighborhood locations for
21 customers to pay bills, return equipment and transact
22 other business. Charter recently opened a new store
23 at the George Washington Bridge Terminal in
24 Washington Heights, and has been upgrading and
25 improving our customer walk-in centers locations

2 across the city. In total, we have 12 stores open,
3 and the retail organization is comprised of hundreds
4 of employees across those stores. We also have plans
5 to open many more stores over the next few years,
6 which will significantly increase the number of
7 employees in this region. Additionally, we have
8 opened more than 28 technology centers or learning
9 labs offering free video and broadband service and
10 equipping them with software, televisions, computers,
11 printers, Smart Boards and laptops. WE have brought
12 free WiFi services to our customers in the city
13 Parks. We pay hundreds of millions of dollars in
14 franchise fee payments to the city, provide free
15 channels for public educational and government use
16 and spend tens of millions in capital investment for
17 the city's non-profit PEG partners, M&M, BRIC, QPTV
18 and Staten Island access. Finally, unique-Charter's
19 unique philanthropic programs, Spectrum Housing
20 Assist helps ensure that more Americans live in safe
21 and healthy homes, and a set of goals improving
22 25,000 homes in our service area by 2020. Working
23 with our not-for-profit partner We're Building
24 Together, we have improved thousands of home,
25 contributed thousand of volunteer hours from Charter

1 employees, provided millions of dollars in broadcast
2 time to support the initiative, and conducted rebuild
3 events around the city to support the program's
4 objectives. We contribute culturally to the fabric of
5 New York City as well. In the past year alone, we
6 have held over 160 events and a multitude of
7 engagements across the city including partnerships
8 with groups like the National Action Network's Panel
9 on their Digital Divide Initiative, the Personal
10 Democracy Forums, technical skills training for New
11 York City Council staff, multiple computer
12 distribution and digital education events with Power
13 my Learning and groups around the city like Woodside
14 on the Move and the Dominican Women's Development
15 Center. We also recently purchased a part in the All
16 STEM Tech Career Fair encouraging supporting the Next
17 Generation of Latino Youth and pursuing challenging
18 and rewarding STEM-STEM Careers as well as sponsoring
19 the New York Urban League's Summer Steam program. We
20 are proud of our record and our work with the
21 communities of the city and appreciate sharing the
22 researches of the company to improve the lives our
23 customs and our constituents. Thank you for the
24
25

2 opportunity to testify, and I look forward to your
3 questions.

4 CHAIRPERSON MOYA: Thank you. So, before
5 we get into questions I just want to ask the Counsel
6 to swear the panel in.

7 LEGAL COUNSEL: Please raise your right
8 hand. Do you affirm to tell the truth, the whole
9 truth, and nothing but the truth in your testimony
10 before the Subcommittee in response to all Council
11 Member questions?

12 MALE SPEAKER: I do.

13 CAMILLE JOSEPH-GOLDMAN: I do.

14 CHAIRPERSON MOYA: Thank you. Thank you
15 for your testimony. Just a couple of questions. The
16 same question I posed to DOITT. Article 7 of the
17 Spectrum Franchise Agreement provides that Spectrum
18 shall offer customers valuable and attractive
19 competitive options in the terms of quality, scope,
20 and technical sophistication of the services that it
21 provides. What constitutes a competitive option in a
22 market where cable services are provided a monopoly?

23 CAMILLE JOSEPH-GOLDMAN: Sure. So, we
24 believe that we--

2 CHAIRPERSON MOYA: [interposing] For our
3 President. (sic)

4 CAMILLE JOSEPH-GOLDMAN: Do you want me
5 to answer that?

6 CHAIRPERSON MOYA: Yes.

7 CAMILLE JOSEPH-GOLDMAN: So, we believe
8 and we've reported routinely to DOITT that we offer
9 not just competitive packaging but the very best
10 service for our customer whether it's increasing the
11 Internet speeds regulated on the city. As I said in
12 my testimony, just this year we will—we will kind of
13 complete our 1 gigabit expansion right here in New
14 York City. We've also made significant increases to
15 the quality of cable services from equipment to the
16 types of options that any New York City resident can
17 obtain. So, we believe we are, you know, we're an
18 industry leader. We're kind of—we continue to grow
19 as a technology incubator and grow our business and
20 grow our options, but here in New York City we're
21 offering the very best packages, the very best
22 options to our customers.

23 CHAIRPERSON MOYA: And what television
24 services and technologies is Spectrum offering
25 customers that are at least as sophisticated if not

2 more sophisticated than the television technologies
3 and services offered by Verizon and Altice?

4 CAMILLE JOSEPH-GOLDMAN: Could you repeat
5 the—the video. I apologize. I didn't hear you.

6 CHAIRPERSON MOYA: What television
7 services and technology is Spectrum offering
8 customers that are at least as sophisticated, if not
9 more sophisticated than the television technologies
10 and services that are offered by Verizon and Altice?

11 CAMILLE JOSEPH-GOLDMAN: Sure, and one
12 thing I also I want to in my—and we talked about—you
13 mentioned like a dual-op, but I also want to mention
14 that our customers in addition to the franchise
15 options in their area can also kind of participate in
16 satellite options as well. So, we don't take for
17 granted that our customers have several options. We
18 do strive to offer them the very best. As far as
19 what we offer, as I mentioned in my testimony, just
20 this year alone we mentioned the special partnership
21 with Apple and which our customers will have a wide—a
22 wide array of different channel options, and
23 offerings. We also given our sensitivity to cultural
24 competence we offer a wide array of channels that
25 reflect the local means right here in New York City.

2 There are several multi-cultural programming options,
3 high definition options, tens of thousands of title
4 options through out cable services and we quite
5 frankly think are not only competitive but leading in
6 this space amongst our competitors.

7 CHAIRPERSON MOYA: In your testimony, you
8 talked about the 200 megabytes, megabytes that is now
9 actually offered you said to all of its customers.
10 Can a customer actually benefit? Can the customer
11 actually get the benefits of the 200 megabytes?

12 CAMILLE JOSEPH-GOLDMAN: Absolutely and,
13 you know, while I know that the franchise—the Kilo
14 Franchise Agreement is an extension of our Internet
15 provisions, and if any customer has any question
16 about anything that we're offering, they should feel
17 free to contact our company, and we'll follow up
18 accordingly.

19 CHAIRPERSON MOYA: So, going with that,
20 the Attorney General sued you—sued Spectrum for not
21 being able to provide adequate services. In that
22 lawsuit, how is it possible then that you are telling
23 us here that you can provide the 200 megabytes to all
24 of its customers--

2 CAMILLE JOSEPH-GOLDMAN: [interposing]

3 Sure.

4 CHAIRPERSON MOYA: --when there's an
5 actual lawsuit?

6 CAMILLE JOSEPH-GOLDMAN: It's any-first
7 and foremost, that's ongoing litigation so I can't
8 speak too deeply into it. What I can say is that
9 litigation commenced in 2013 before our merger, and
10 so while we will aggressively and vehemently defend
11 the actions of our predecessor, rest assured that
12 since the merger, Charter Communications has invested
13 significantly and expand just for customer and
14 cluster-customer quality assurance. So, on both
15 fronts we don't believe that we are involved.

16 CHAIRPERSON MOYA: The PSC recently fined
17 Spectrum \$2 million because it failed to meet its
18 statewide network buildout and commitments. You
19 responded that the conditions you accepted in
20 connection with your acquisition of Time Warner are
21 not valid because the federal law regulates the cable
22 television industry. So, my question is do you
23 believe that the PCS merger conditions were
24 unforeseeable when you accepted them?

2 CAMILLE JOSEPH-GOLDMAN: I-well, first
3 and foremost let me just say that the-I think you're
4 referencing and order to show cause. We've publicly
5 filed a response to those allegations, and we-we
6 don't believe and don't agree with what the PSC is
7 alleging. When we took on the merger deal here in
8 New York City we knew very well and New York State we
9 knew very well what our company was getting into. We
10 looked forward to the expansion provisions that's
11 highlighted by the merger order. We believe that
12 what's being cited by the PSC we don't-we simply
13 don't agree with it, and so we are-we responded to-we
14 publicly filed our responses to all the allegations,
15 and we have not heard of any immediate next steps as
16 of yet.

17 CHAIRPERSON MOYA: Okay, again. So, did
18 you not see that this was unforeseeable when you
19 accepted?

20 CAMILLE JOSEPH-GOLDMAN: I don't-I-first
21 and foremost, I don't know how that correlates to our
22 Franchise Agreement renewal, but I will say that our
23 kind of broad, our expansion efforts whether it's
24 here in New York City or throughout the state are
25

1 very much in line with the goals that the company set
2 forth after the merger.
3

4 CHAIRPERSON MOYA: Does your response to
5 the PSC reflect Spectrum's belief that the conditions
6 placed on the Franchise Agreement between Spectrum
7 and the City are preempted by federal law and,
8 therefore, unenforceable?

9 CAMILLE JOSEPH-GOLDMAN: Well, I actually
10 want to remind the Chamber of an item that DOITT
11 raised was that they have no knowledge of our-any
12 infringement by our company as it relates to things
13 that the PSC cites. The-the items that the PSC is
14 citing if you read the public order it's not
15 particularly in fact. There's something for us to
16 point. We don't agree, and so, you know, on this we
17 are in agreement with our local regulatory agents
18 that there's nothing to cite or examples of cites of
19 any malfeasance on behalf of our company.

20 CHAIRPERSON MOYA: Well, respectfully, I
21 don't think that's a response. So, I'm going to ask
22 again. Do you-do you-does your response to your PSC
23 reflect Spectrum believed that the conditions placed
24 on a Franchise Agreement between Spectrum and the
25

1 City are preempted by federal law and, therefore,
2 unenforceable.
3

4 CAMILLE JOSEPH-GOLDMAN: I don't know if
5 I'm prepared to say. I actually didn't bring
6 regulatory counsel with me since this is a franchise
7 renewal. Committee, but that--

8 CHAIRPERSON MOYA: [interposing] It all
9 deals with the same thing.

10 CAMILLE JOSEPH-GOLDMAN: But if that's an
11 item that you want me to look into, I'm happy to
12 follow up with you--

13 CHAIRPERSON MOYA: Great.

14 CAMILLE JOSEPH-GOLDMAN: --after the
15 hearing.

16 CHAIRPERSON MOYA: Thank you. Did you--
17 you want to say something?

18 JOHN FOGARTY: I'm sorry. I'm not sure I
19 understood the question. Did you ask if we're asking
20 if any provisions of the franchise were preempted?

21 CHAIRPERSON MOYA: Do you believe--does
22 your response to the PSC reflect the belief that the
23 conditions placed in a Franchise Agreement between
24 Spectrum and the City are preempted by federal law
25 and, therefor, unenforceable?

2 JOHN FOGARTY: What—what particular
3 provisions of the franchise are you referring to?

4 CHAIRPERSON MOYA: The provisions that we
5 have—any provision. I don't have it in front of me,
6 but any provision.

7 JOHN FOGARTY: Well, we can—we—I work
8 largely on—I'm an attorney with Charter. I work
9 largely on franchise matters. If there's a
10 particular assertion with respect to a preemption of
11 the franchise that you claim was made in papers to
12 the Public Service Commission if you could let us
13 know explicitly what you're referring to, we can get
14 back to you on it.

15 CHAIRPERSON MOYA: Great. Thank you.
16 So, what steps is Spectrum taking to improve its
17 network and the equipment it leases to its customers
18 in order to comply with the service benchmark set by
19 the PSC?

20 CAMILLE JOSEPH-GOLDMAN: I—I think that—I
21 mean I—I'm not quite sure what that question is a
22 reference to. As I said before, that we we've
23 responded publicly to the allegations that PSC has
24 assessed and named. We're clearly not in agreement
25 with it, but if you—if in furtherance of kind of what

2 you're seeking we can certainly defer to regulatory
3 counsel and get those questions for you, and just for
4 you.

5 CHAIRPERSON MOYA: And the IBEW Local 3
6 has been on strike for over a year alleging among
7 other things that when Charter took over Time Warner
8 Cable, it demanded that its employees give up their
9 pensions. You are currently engaged in a dispute
10 with the NLRB and DOITT about whether you are
11 engaging in good faith negotiations with the union.
12 Meanwhile, Charter's CEO is the highest paid CEO the
13 public of a public company in the United States with
14 an income of \$98 million in cash and stocks. That's
15 twice the compensation of the highest paid CEO. Why
16 should regulators believe that Spectrum is engaging
17 in good faith collective bargaining when it proposes
18 to eliminate the pensions of 1,800 technicians and
19 admits to demoting all of its general foreman at the
20 same time the company is profitable enough to pay its
21 top executive more than any other CEO?

22 CAMILLE JOSEPH-GOLDMAN: Sure. I'd like
23 to respond to that, but first, my lawyers have
24 instructed me to make the following statement: Under
25 established Federal Law precedence, it is unlawful

1 for local governments to use their franchising
2 authority to pressure companies to accepting outcomes
3 at a bargaining table, which federal law lead to
4 bilateral negotiations between the parties. That
5 said, we want to be responsive to the committee and
6 to the elected officials who are inquiring and
7 believe our positions have been fair. So, we're
8 happy to discuss them on a very general level. This
9 is in now way a waiver of federal rights as we
10 continue to reserve all such rights. To your
11 question about whether or not we are bargaining in
12 good faith, the NLRB last November ruled that not
13 only was our company bargaining in good faith, but
14 the two sides had reached an impasse, and that
15 Charter had every right to implement terms of the
16 contract, and so I would defer to the federal agency
17 with jurisdiction on the matter.
18

19 CHAIRPERSON MOYA: What has Spectrum done
20 with the pension funds of the IBEW members and its-
21 and its employees?

22 CAMILLE JOSEPH-GOLDMAN: Since the
23 strike?

24 CHAIRPERSON MOYA: Yeah.
25

2 CAMILLE JOSEPH-GOLDMAN: Again, I have to
3 say, those are really questions best kind of
4 addressed at the collective bargaining table. What I
5 can say, in some ways that item—that to kind of
6 answer your question, we've actually as of May of
7 last year the JIB, which is the Joint Interest
8 Benefit that houses with the Pension Fund and the
9 Health and Welfare Funds has declined to accept any
10 of our contributions, and in February of this year,
11 they made the request that we withdraw permanently
12 from the fund. So, we are actually paying withdrawal
13 liability.

14 CHAIRPERSON MOYA: So, why has Spectrum
15 demanded that its employees give up their pensions?

16 CAMILLE JOSEPH-GOLDMAN: We are offering
17 a different package. Again, this is—I'm—I'm not at
18 the collective bargaining table. I'm not—I don't
19 have labor counsel and I don't have those
20 participants here. As it pertains to the Franchise
21 Agreement, we believe that we are compliant with
22 Article 17 as it pertains to our ability to recognize
23 the rights of a representative in the Bargaining Unit
24 as well as defer to applicable law on the matter.

1
2 CHAIRPERSON MOYA: And has Charter
3 Spectrum undertaken any activities to remove the IBEW
4 or any other union from the company?

5 CAMILLE JOSEPH-GOLDMAN: As I said, you
6 know, I don't know how that's germane to the
7 Franchise renewal conversation, but I can say that we
8 from the very beginning our intent was to collect-to
9 bargain in good faith with Local 3, bring them to the
10 table and have a conversation. We're unable to do so
11 based on Local 3's unwillingness to return to the
12 table.

13 CHAIRPERSON MOYA: What progress have you
14 made for Internet access as part of a-of the
15 franchise deal?

16 CAMILLE JOSEPH-GOLDMAN: Our franchise
17 doesn't pertain to Internet access, but outside of
18 that, I can-I can turn to kind of the one Gigabyte
19 expansion and the other items that we've done
20 throughout New York City to show our kind of focus in
21 investment on broadband capacity expansion.

22 CHAIRPERSON MOYA: And has there been any
23 progress with your negotiations with Local 3?
24
25

1
2 CAMILLE JOSEPH-GOLDMAN: We have not been
3 asked by Local 3 who can contact the media there to
4 return to the collective bargaining table.

5 CHAIRPERSON MOYA: And what is your
6 timeline then if—with your negotiations?

7 CAMILLE JOSEPH-GOLDMAN: If contacted and
8 notified by the media, we return to the table. As we
9 said from last year when this commenced that we're
10 more than willing to have a conversation and bargain
11 with those representatives from Local 3.

12 CHAIRPERSON MOYA: In May 2017, the New
13 York Times reported that Charter Spokesman Justin
14 Venech?

15 CAMILLE JOSEPH-GOLDMAN: Venech

16 CHAIRPERSON MOYA: Venech. Said
17 President Trump's promise of a lighter regulatory
18 environment enabled the company to commit to locating
19 20,000 call center jobs in the United States and to
20 spend billions on broadband infrastructure. What
21 regulations has the Trump Administration weakened or
22 eliminated since May of 2017 that will accomplish
23 these ends?

24 CAMILLE JOSEPH-GOLDMAN: I'm not familiar
25 with the federal legislation Justin was referencing.

1 I know Justin very well. I'm more than happy to kind
2 of clarify that with him. I will say that, you know,
3 we have been very clear on a national policy level
4 that we support many of the initiatives that are
5 shared right here in New York City, but as far as
6 line-by-line analysis of all the policies since May
7 of last year are not here, I can't provide that
8 today.
9

10 CHAIRPERSON MOYA: Since May of 2017, how
11 many new jobs has Charter and Spectrum added in New
12 York City?

13 CAMILLE JOSEPH-GOLDMAN: I don't know off
14 the top of my head how many jobs have been added
15 right here in New York City. Since the merger we've
16 invested a significant amount of workforce
17 development and workforce expansion and I could more
18 readily pull those numbers post-merger, but since May
19 of last year, I'm not sure.

20 CHAIRPERSON MOYA: Is the company
21 lobbying the Trump Administration to obtain
22 regulations that would prevent the state and the city
23 from requiring cable franchisees to collective
24 bargain?
25

1
2 CAMILLE JOSEPH-GOLDMAN: Not to my
3 knowledge.

4 CHAIRPERSON MOYA: Okay. Recently the
5 Trump Administration with Charter's support
6 eliminated net neutrality. Could you explain the
7 concept of net neutrality and could you explain how
8 this will affect content creators and consumers in
9 New York State?

10 CAMILLE JOSEPH-GOLDMAN: Sure. Again, I
11 know the franchise document doesn't have overview of
12 our--to our Internet, but I can say that we support
13 and my understanding the net neutrality is that it--
14 it's a term that may mean a lot of things to a lot of
15 different people, but in it's truest form it
16 references the openness of the Internet, and as a
17 company we support open Internet. We do not block,
18 throttle or discriminate against local contents, and
19 so we will continue to kind of promote those
20 principles throughout out footprint.

21 CHAIRPERSON MOYA: And how often and
22 under what circumstances do you offer free upgrades
23 to cable boxes and other hardware you provide
24 customers to access your service?

1
2 CAMILLE JOSEPH-GOLDMAN: I think once
3 they qualify. I don't know how frequently it's done
4 routinely, but, you know, if it's—if it's something
5 that our customers qualify to receive, we obviously,
6 you know, enforce that.

7 CHAIRPERSON MOYA: Okay and lastly, how
8 much does it cost to provide basic cable and high
9 speed Internet and phone service to one residential
10 unit with one phone line, one cable box and three
11 WiFi devices?

12 CAMILLE JOSEPH-GOLDMAN: I don't that
13 assessment of the top of my head. I'm sorry. You're
14 asking how much it is for a customer to purchase that
15 or how much it is for us to invest in--

16 CHAIRPERSON MOYA: [interposing] No, what
17 is—Yeah, what does it cost you to invest?

18 CAMILLE JOSEPH-GOLDMAN: I'm—that I'm not
19 aware of.

20 CHAIRPERSON MOYA: What are the medians
21 and mean prices--

22 CAMILLE JOSEPH-GOLDMAN: [interposing] I
23 can get that for you.

24 CHAIRPERSON MOYA: I'm going to turn it
25 over to you in a second. Has the New York Public

1 Service Commission ever audited any of your figures
2 when it dealt with your pricing?
3

4 CAMILLE JOSEPH-GOLDMAN: Not to my
5 knowledge. There's one audit that I'm familiar with
6 but I'm—I have since post-merger I am not familiar
7 with that type of audit.

8 JOHN FOGARTY: Yeah, you should—there--
9 there is no rate regulation of cable service in—in
10 New York City or anywhere else in New York State.
11 There—there has been in the past, but there is not
12 currently.

13 CHAIRPERSON MOYA: Thank you. Thank you
14 for your—for your time. I want to turn it over to
15 Chair Koo.

16 CHAIRPERSON KOO: Thank you, yeah. I
17 just have a few more questions, and because Chair
18 Moya already asked most of the questions on it. So
19 [pause] Does Charter have any programs to provide
20 cable service to low-income individuals or seniors at
21 a discounted or low rate, and how do this apply to
22 them? [background comments, pause]

23 CAMILLE JOSEPH-GOLDMAN: Yes, we do. We
24 have a program called Spectrum Internet Assist, which
25 provides high speed and low-cost Internet packaging

2 for qualifying families. So, if you have a senior
3 that qualifies for SSI or a student that qualifies
4 for free or reduced lunch, they would be able to
5 participate in that program.

6 CHAIRPERSON KOO: [off mic] Well, how
7 much is that usually?

8 CAMILLE JOSEPH-GOLDMAN: That package is
9 \$14.99.

10 CHAIRPERSON KOO: [off mic] These are on
11 modems?

12 CAMILLE JOSEPH-GOLDMAN: Correct. That
13 package, that's the package and it's—it's \$14.99 a
14 month.

15 CHAIRPERSON KOO: The cable franchise fee
16 is based on cable service revenue to provide cable
17 service. This fee has decreased over the years. Can
18 you speak to why that is the case, and as a small
19 business owner, if I saw my profit go down, I would
20 re-evaluate and find a way to increase the profit
21 again. So, what is Spectrum doing to increase their
22 subscribers? Two questions there, yeah.

23 CAMILLE JOSEPH-GOLDMAN: Sure. Do you
24 want to do the first and I can do the latter.

25 [background comments, pause]

2 JOHN FOGARTY: I—I think your—where there
3 has generally been a reduction in the number of cable
4 subscribers nationally, people are going to what they
5 call over the top where they get their video content
6 from means other than the cable system. So, that
7 impacts the revenues that we receive with the number
8 of customers declines. We have spoken to the
9 representatives of DOITT in the course of their
10 franchise fee audit about certain differences in the
11 interpretation of some of the franchise provisions
12 with respect to franchise fees and that's ongoing
13 matter as part of the audit, but it's—it's not
14 unusual today to see a decline in cable service
15 customers.

16 CAMILLE JOSEPH-GOLDMAN: I just want to
17 say that we take that assessment very seriously and
18 that calculation very seriously. I mean those are
19 costs that are passed through to our customers. So,
20 we want to ensure that not only accuracy, but the
21 feasibility. We're already capped out here in New
22 York City by the maximum amount allowed or
23 permissible to charge for franchise fees, and I think
24 as John alluded to that we are—the—the trends that
25 are being seen are a reflection of kind of core

2 cutting and other items that we're witnessing across
3 the nation, not just as it deals with our company.

4 CHAIRPERSON KOO: Okay. As part of your
5 Franchise Agreement the franchise agrees to provide
6 cable television service to all of residential units
7 in the franchise area. In January of this year,
8 Charter found that you have past 42,889 additional
9 premises, but the state determined that more than
10 one-quarter of those addresses were supposed to have
11 cable television as of the 5th day of Franchise
12 Agreement. Can you please provide us with the
13 updated numbers?

14 CAMILLE JOSEPH-GOLDMAN: Well, I-I don't
15 have the updated numbers in front of me. What I can
16 say as I think DOITT referenced before, you know, we
17 don't agree with the PSC's assessments of the count,
18 but whether that that our number included or not will
19 have no impact on our franchise.

20 CHAIRPERSON KOO: Yeah. So, during your
21 testimony you mentioned many accomplishments. There
22 are broadband related. So, what are you doing to
23 protect New Yorkers from the repeal net neutrality?
24 Are you doing anything to protect?
25

1
2 CAMILLE JOSEPH-GOLDMAN: Oh, we believe
3 in the principles of an open Internet. As I said
4 before, we do not block, throttle or slow down or
5 discriminate against lawful contents, and these have
6 been tenants that we've been abiding by for years.
7 So, we'll continue to do so.

8 CHAIRPERSON KOO: Okay, I finished my
9 questions. I'm finished with my questions. Thank
10 you.

11 CAMILLE JOSEPH-GOLDMAN: Thank you, Mr.
12 Chair.

13 CHAIRPERSON MOYA: Thank you, Chair Koo.
14 I want to now turn it over to chair of Land Use Chair
15 Salamanca for a few questions.

16 CHAIRPERSON SALAMANCA: Thank you, thank
17 you, Chair Moya. First, I want to thank you, Charter
18 for coming to today's hearing, and as I mentioned in
19 my opening statement I was really disappointed to see
20 the lack of respected from Verizon and Altice not
21 showing up, but you showed up knowing that your were
22 going to be in the hot seat, and you were going to
23 get difficult questions, you still came to the table,
24 and I thank you for that.

1
2 CAMILLE JOSEPH-GOLDMAN: Thank you, Mr.
3 Chair.

4 CHAIRPERSON SALAMANCA: I have a very
5 basic question that I am trying to get my head
6 wrapped around, and that has to do with the audit
7 that DOITT did and--and your response, and it has to
8 do with utilizing non-New York City vendors--

9 CAMILLE JOSEPH-GOLDMAN: Okay.

10 CHAIRPERSON SALAMANCA: --and in your
11 explanation here I mean you guys either cited--even
12 cited the--you cited a dictionary on the word located
13 in New York City--

14 CAMILLE JOSEPH-GOLDMAN: [interposing] Of
15 course, of course.

16 CHAIRPERSON SALAMANCA: --and what it
17 actually means.

18 CAMILLE JOSEPH-GOLDMAN: Correct.

19 CHAIRPERSON SALAMANCA: To mea someone
20 located in New York City is someone that is
21 established in the city of New York, and it's my
22 understanding that as part of this report, it showed
23 that you were using--you were utilizing non-New York
24 City vendors or the way you were establishing that
25

2 they were located in the city of New York was by
3 their address--

4 CAMILLE JOSEPH-GOLDMAN: Uh-hm.

5 CHAIRPERSON SALAMANCA: --and some of the
6 addresses that were utilized were storage facilities.

7 CAMILLE JOSEPH-GOLDMAN: Sure.

8 CHAIRPERSON SALAMANCA: I mean--

9 CAMILLE JOSEPH-GOLDMAN: [interposing]
10 Well, can I--?

11 CHAIRPERSON SALAMANCA: Yes.

12 CAMILLE JOSEPH-GOLDMAN: Sorry, go ahead.
13 Well, I want to address--today I want to address this
14 kind of threefold. First, let me say that DOITT
15 found us to be in compliance with this--with the
16 Charters of the franchise. We have disagreements
17 around how we're defining located in the city. A
18 couple of things I want to note. From the very
19 beginning, when we were discussing this with DOITT
20 through the audit process or across the board, we
21 asked the city the following: Let's say that you
22 believe we're falling short of this requirement, can
23 you highlight or point to any vendors that we should
24 be using in addition to the ones that we've already
25 highlighted, and we've never received a

2 recommendation. The second thing I'll note is in
3 DOITT's filing or their response, their dismissal of
4 or our claims didn't support—wasn't pulled from or
5 called from anything supporting the franchise
6 document. They decided that the language was too
7 vague, and they came up with their own recommendation
8 ahead of the next steps of another audit that they're
9 toing to commence, and hearing that and wanting to
10 work very closely with the city, we've reached out to
11 DOITT. We met with them as early as last week to go
12 through how we're calling for vendors, how we're
13 selecting our vendors and went through internal
14 paperwork that we're using to assure that the
15 responses that we're getting from vendors reflect
16 what they're asking, and so we're taking every step
17 to accommodate kind a request that isn't steeped in
18 the Franchise Agreements, recommendation that he city
19 is coming up with, and we're working very—working
20 very hard in all due candor and respect to kind of
21 address some of those outstanding issues. That being
22 said, without an absence of any recommendations the
23 city can furnish regarding what other vendors we
24 should be using, that inherently assumes that there's
25 a robust list of folks within the arena that we're

1 searching for. And the last thing I'll say because
2 we kind of addressed it earlier is that since our
3 kind of labor dispute began, we have not increased
4 the use of contractors, and many of the contractors
5 that we utilize are the same contracts that the other
6 telecommunication providers in the city use as well.
7 But the city wants us to explore other options, if
8 the city wants us to explore and then perhaps we're
9 overlooking, we're happy to review it. And the last
10 thing I'll say is in the list that we gave to DOITT
11 in which we highlighted the 20 New York City
12 contractors that we deemed within the city of our
13 list of 26, there are a couple of things that are
14 noteworthy. The ones that were in New York City they
15 weren't located in Florida or Colorado. They were
16 either in Westchester, they were in Long Island, they
17 were many of which were still here in New York State.
18 I think that's first. The second thing I'll highlight
19 that isn't—there was rhetoric earlier about a storage
20 facility not being able to be used or qualify as a
21 site and we agree, and in documentation that refers
22 to the city at our largest storage facilities or
23 sites, we said that based on the—based on our work
24 with the company and the materials that they furnish
25

1 about the work that they do there, they're not simply
2 using those sites for storage. But due to the highly
3 technical work that we're talking about, we're
4 talking about assistance with plants, cable wiring or
5 something or some things of the like, that entails a
6 sizable storage facility to accommodate the type of
7 work and industry that we lead, but even at those
8 sites in our publicly filed report we noted that even
9 those vendors said much more happens here than the
10 storage of items. But again, I welcome a list of
11 recommendations, and we look forward to continue to
12 working with city as we did last week to discuss next
13 steps in anticipation of the continuation of this
14 audit.

16 JOHN FOGARTY: Excuse me. If I could
17 just add one point to that, which you should be aware
18 of, most of this work is done by these contractors
19 either in the streets of the city or at the premises
20 of our subscribers. So, these workers they go to a
21 location, they pick up their assignments, their
22 equipment and then they go out--

23 CHAIRPERSON SALAMANCA: [interposing]
24 Yeah, but let's--let's be--let's be clear here. I
25 could live in New Jersey, get a storage unit in New

1 York City and then it seems that I can—I can be
2 quote/unquote I'm a—I'm a vendor because the address
3 that I'm using is a storage facility. That's wrong.

4 CAMILLE JOSEPH-GOLDMAN: But that's not
5 the case where--

6 JOHN FOGARTY: [interposing] Well, but
7 that is not—yeah.

8 CAMILLE JOSEPH-GOLDMAN: --that's not
9 what we're—we're—what we're recommending to you, Mr.
10 Chair. In our report that's not what we
11 substantiate. Let me just say, too, by the own
12 qualifications that DOITT kind of reports to
13 substantiate a New York City vendor, our company in
14 many ways wouldn't even qualify. I mean despite our
15 presence of stores based—if you go through the
16 qualifications that they're asking for, the majority
17 of workers in that area and so on inspection of the
18 company would not quality based on what DOITT put
19 forth as a vendor. So, we are trying to work with
20 them and trying to meet them half way, but in the
21 absence of an example or even review of the merits in
22 which we put forth again in the response we received
23 there was no franchise language leveraged to refute
24 our claims. They came up with the new criteria
25

1 that's not in the franchise document, and we're not
2 even pushing back. As I said, I met with them.
3 We're looking forward to working with them to kind of
4 meet in the middle, but I do want to be kind of fair
5 to what we kind of furnished to the city, and I think
6 the idea that we gave a list of storage facilities it
7 is a mischaracterization of our filing, but we've
8 shared in great candor with DOITT.

10 JOHN FOGARTY: Yeah, any-any-any
11 addresses for companies that we claimed were located
12 in New York City none of them were solely storage
13 facilities. There were other functions performed
14 there, and that was reported to DOITT. So, we have a
15 difference of opinion that with them.

16 CHAIRPERSON SALAMANCA: Alright, so it's
17 fair to say to move on from this conversation that
18 Spectrum or Charter Communication is working with
19 DOITT on compliance on hiring New York City based
20 contractor to have a physical presence in New York
21 City?

22 CAMILLE JOSEPH-GOLDMAN: I think it's
23 fair to say that based on DOITT's own testimony that
24 we are already in compliance. They did not find us
25 in default of that Article, but moving forward we are

1 looking—we are working towards reviewing the
2 recommendations. We're working closely with them to
3 get them in line with what they're forecasting for
4 the next audit.
5

6 CHAIRPERSON SALAMANCA: Alright. I'm
7 going to ask you a few questions about your—the labor
8 dispute and you may have mentioned earlier, but I
9 just want to some clarity. For the record what are
10 the main issues of contention in the labor talks
11 between Spectrum and Local 3.

12 CAMILLE JOSEPH-GOLDMAN: As I said
13 before, you know, those conversations are not
14 particularly germane to the franchise renewal
15 process. What I would say as it's, you know been
16 reported that I think the main contention (sic) is
17 the Joint Interest Benefit, which houses the Union's
18 Health and Welfare Fund as well as their Pension
19 Fund.

20 CHAIRPERSON SALAMANCA: Alright.

21 CAMILLE JOSEPH-GOLDMAN: But I defer to
22 those at the collective bargaining table to sharpen
23 that point for you.

24 CHAIRPERSON SALAMANCA: And so when was
25 the last offer of inspection (sic) made to Local 3?

1
2 CAMILLE JOSEPH-GOLDMAN: I—I know that
3 there was some recent interaction, but I'm not sure.
4 I'm not Labor Counsel. I'm not at the table.

5 CHAIRPERSON SALAMANCA: Alright, and the
6 terms that you are offering Local 3 are these similar
7 to agreements you have with other Spectrum employees?

8 CAMILLE JOSEPH-GOLDMAN: We're offering a
9 very competitive practice—very competitive package, a
10 very generous package open to invest thousands of
11 dollars for every employee. We are thinking through
12 and raising—raising the minimum wage for any entry
13 level employee. Upon entering and working with
14 committee, they will receive our—our company rather.
15 They will receive the lowest wage of \$17 an hour,
16 which is \$4 above minimum age, \$2 above next year's
17 anticipated state minimum wage increase, which is
18 higher than the 10, which is a 70% increase in the
19 terms of previous contract but, you know those, you
20 know going into greater detail than that being more
21 general—being more general than what I believe to be
22 a very generous offering from our companies we may
23 not be prepared to do.

24 CHAIRPERSON SALAMANCA: Alright, thank
25 you. Thank you, Mr. Chair.

1
2 CHAIRPERSON MOYA: Thank you, Chairman.
3 I want to now turn it over to Council Member Lancman.

4 COUNCIL MEMBER LANCMAN: Thank you. Good
5 afternoon.

6 CAMILLE JOSEPH-GOLDMAN: Good afternoon

7 COUNCIL MEMBER LANCMAN: So, this is a
8 hearing titled Oversight: The City's Cable
9 Television Franchises. So, I want to focus on that
10 franchise agreement. The first series of questions I
11 have is I don't understand what you mean or what you
12 seem to be suggestion by their being some ambiguity
13 in terms of your obligation to hire vendors that are
14 located in New York City, and if I recall, DOITT's
15 audit, it found that you were, in fact, not hiring
16 vendors that are located in--in New York City and the
17 language of the franchise as I understand it, the
18 franchisee shallot the extent feasible and consistent
19 with applicable law utilize vendors located in the
20 city for provisions of services under the franchise.
21 Is it your position that under that language of this
22 Franchise Agreement, which we're here to oversee,
23 that a vendor listing an address as--of a storage shed
24 makes them a vendor located in the city?

25

1
2 CAMILLE JOSEPH-GOLDMAN: I would kind of—
3 I mean I always refer to a job, but one thing I will
4 say is you read the kind of complete assertion of
5 that Article in the Franchise or other qualifiers
6 associated with the use of city vendors within that—
7 within that article, it deals with competitive, with
8 the competitive nature of the—of the industry,
9 pricing, quality assurance and other things.

10 COUNCIL MEMBER LANCMAN: [interposing]
11 No, no, I understand that and I—and I understand that
12 even in what I—what I read to you, I understand that
13 it says to the extent feasible and consistent with
14 applicable law.

15 CAMILLE JOSEPH-GOLDMAN: Yes.

16 COUNCIL MEMBER LANCMAN: We could have a
17 conversation or debate about—about that, but you seem
18 to be taking the position that a vendor who is using
19 the address of a storage shed for their equipment is
20 a "vendor located in the city."

21 CAMILLE JOSEPH-GOLDMAN: That's not the
22 representation that we're making, or their
23 representation we made in our filing with the city.
24 What we said was the—in cities that the city deemed
25 were only storage facilities for incorrect

1 assessment, and those were sites and facilities that
2 were used also for other purposes, and that's the
3 representation that we made. Of the 26 that we
4 furnished, 20 we deem to be located here in New York
5 City, but as I said before to DOITT and throughout
6 the audit exercise, if there is a vendor that we are
7 overlooking, and that the city prefer that we use as
8 we understand the city employs a divers array of
9 services and vendors for a slew of different business
10 purpose across the city, we'd be more than willing to
11 review those lists and those options. We furnished
12 to the city and we've been very cooperative. We've
13 given the full list of the entire universe of vendors
14 that we are aware of--

16 COUNCIL MEMBER LANCMAN: I understand.
17 So, too, it's not your position that vendors whose
18 only New York City address is a storage shed is
19 actually a-a local vendor?

20 JOHN FOGARTY: We-we did not assert that
21 in our response, no.

22 CAMILLE JOSEPH-GOLDMAN: Well, I'm not
23 sure if that's what-what-what DOITT understood your
24 response to be, and it did fine you.

1
2 JOHN FOGARTY: With respect to every
3 vendor that we asserted was located in New York City,
4 we listed the functions that we believed were
5 performed at those locations, and none of those 20
6 that Camille referenced was the exclusive function of
7 a storage facility. There were some that did have
8 storage facilities, but they performed other
9 functions there as well, and a storage facility is in
10 many cases necessary for them to perform the work
11 that they—they're performing because it's convenient
12 to have---

13 COUNCIL MEMBER LANCMAN: [interposing]
14 You know, of course, vendors need to store their
15 stuff somewhere. We all get that.

16 JOHN FOGARTY: It's—it's and they also
17 dispatch workers from that location, and it's
18 obviously very convenient to have your equipment
19 stored where you dispatch your workers from.

20 COUNCIL MEMBER LANCMAN: So, they've got
21 a storage shed. They store their stuff there.
22 That's where the buys show up in the morning and they
23 get dispatched from. That is a local vendor? That's
24 a New York City vendor?

1
2 JOHN FOGARTY: That's a dispatch. If
3 that's a dispatch facility, they're—they're not going
4 to perform their work at the vendor's location.
5 They're going to perform their work on our system in
6 the rights of way of the city or they're going to
7 perform their work in the premises of our customers.
8 That's where they perform their work. The type of
9 work they do is not performed at their own location.

10 COUNCIL MEMBER LANCMAN: That definition
11 or understanding of located in New York City makes
12 the—this section of the—of the Franchise Agreement
13 completely irrelevant and—and meaningless because, of
14 course, the work is going to be performed in New York
15 City. That's what they—that's where the Franchise
16 Agreement is read.(sic)

17 JOHN FOGARTY: But what we said as our
18 definition, which I think is what the words clearly
19 mean is that the vendor or contractor has a location
20 in New York City from which they conduct business.

21 COUNCIL MEMBER LANCMAN: Yeah, but the
22 problem is the only business they were conducting was
23 the provision of this service, which necessarily had
24 to be in New York City because that's where the
25 Franchise Agreement is. The term in the Franchise

1 Agreement is utilize vendors located in the city. A
2 vendor that's located in the city is one that is
3 located in city doing business in the city, has some
4 operations and--and--and some kind of if not the
5 headquarters, some kind of base in the city separate
6 and apart from sending folks in to do this work,
7 which necessarily is in the city, and I think that's
8 what DOITT found.

9
10 CAMILLE JOSEPH-GOLDMAN: [interposing]

11 Well--

12 JOHN FOGARTY: [interposing] I think what
13 we--I think we agree with you on a lot of what you
14 said, but not headquartered in the city. I don't
15 think this is a--this is a prohibition on using--

16 COUNCIL MEMBER LANCMAN: [interposing]

17 Right, I--I--I expressly said not necessarily the
18 headquarters.

19 JOHN FOGARTY: Okay.

20 CAMILLE JOSEPH-GOLDMAN: Sure.

21 JOHN FOGARTY: But yes, we--what that's
22 the--that's the meaning I believe that we--we used is
23 that they had a location and they were conducting
24 business from it.

1
2 COUNCIL MEMBER LANCMAN: Well, I think
3 that is a very strained reading of located in the
4 city. Let's move on. Another section of the
5 Franchise Agreement, which has been the subject of
6 much discussion this morning and afternoon, is
7 Article 17.1 of the—the Labor Agreement. Now, this
8 Franchise Agreement was to extent negotiated, signed
9 onto by your predecessor Time Warner, correct?

10 JOHN FOGARTY: That's correct.

11 COUNCIL MEMBER LANCMAN: And when Charter
12 Spectrum took over, you were bound by this Franchise
13 Agreement just as Time Warner was.

14 JOHN FOGARTY: Agreed.

15 COUNCIL MEMBER LANCMAN: Correct?

16 JOHN FOGARTY: Agreed.

17 COUNCIL MEMBER LANCMAN: Okay, and this
18 Franchise Agreement says, Article 17.1: Franchisee
19 shall not dominate, interfere with, participate in
20 the management or control of or give financial
21 support to any union or association of its employees.
22 Now, can we agree, do you agree that providing
23 support for an effort to decertify the Bargaining
24 Unit as the bargaining representative would represent
25 an effort to dominate or interfere with the unit?

1
2 CAMILLE JOSEPH-GOLDMAN: We're—we're not—
3 we're not—we're not supporting the effort you're
4 referencing, and we would defer to the NLRB.

5 COUNCIL MEMBER LANCMAN: [interposing]
6 I'm not—I'm not—I mean we didn't get to that yet.
7 That's a different question whether or not you're
8 supporting the effort. I'm going to—we'll talk about
9 that. I want to understand whether—whether you agree
10 that whoever is the franchisee, Time Warner, you,
11 whoever—whoever might be after you and as long as
12 it's this Franchise Agreement, is that an effort to
13 decertify the Union that you as the franchisee or the
14 franchisee is supporting or involved with would be a
15 violation of this section of the Franchise Agreement.

16 JOHN FOGARTY: What we would say I
17 believe and I'm not a laborer returning, is that this
18 provision is consistent with elements and provisions
19 of federal law and we are in compliance with it, and
20 we are in compliance with federal law, and there has
21 been no finding to the contrary.

22 CAMILLE JOSEPH-GOLDMAN: I agree.

23 COUNCIL MEMBER LANCMAN: Okay, well
24 that's a different question. Do you—do you
25 acknowledge that if you were or whoever the

1 franchisee, was dominated—was—was involved in a
2 decertification effort that that would violate the
3 terms of this article. Can we at least agree on
4 that? I'm not saying you are. I understand the NLRB
5 hasn't ruled on that. I just want to understand if
6 we have—we're on the same page or what this—from my
7 perspective the plain terms of this Franchise
8 Agreement means?
9

10 JOHN FOGARTY: This and the other
11 provisions of 17.1, as we said, incorporates
12 provisions of—of federal law and we believe we are in
13 compliance with it, with federal law and therefore
14 the franchise.

15 COUNCIL MEMBER LANCMAN: Okay, who is
16 Bruce Carberry?

17 CAMILLE JOSEPH-GOLDMAN: Who?

18 COUNCIL MEMBER LANCMAN: Bruce Carberry,
19 the individual, the employee of Spectrum Charter who
20 filed a Decertification Petition with the NLRB.

21 CAMILLE JOSEPH-GOLDMAN: I don't know who
22 that is.

23 COUNCIL MEMBER LANCMAN: Do you know
24 whether he's an employee of—of Charter Spectrum.
25

1
2 JOHN FOGARTY: I've never heard the name
3 before.

4 CAMILLE JOSEPH-GOLDMAN: That's—I mean
5 I'm—I'm not involved in—in what you're—what you're
6 referencing. Is that something you want us to confirm
7 employment of someone in your name. We can certainly
8 do that. I can't do that right here.

9 COUNCIL MEMBER LANCMAN: Okay, so you can
10 confirm that for me?

11 CAMILLE JOSEPH-GOLDMAN: I can do—I can
12 confirm employment if you want to know if someone
13 works at our company?

14 COUNCIL MEMBER LANCMAN: And—and can you
15 confirm for me, Mr. Carberry's title at Spectrum?

16 CAMILLE JOSEPH-GOLDMAN: Not today. Not
17 that is not--

18 COUNCIL MEMBER LANCMAN: [interposing] No,
19 I—I understand.

20 CAMILLE JOSEPH-GOLDMAN: --it's not
21 germane to kind of a franchise renewal process. I
22 now it has to do--

23 COUNCIL MEMBER LANCMAN: [interposing]
24 Wait, wait, say that again. What's not germane to
25 what?

1
2 CAMILLE JOSEPH-GOLDMAN: That you're
3 saying, you're asking me to confirm the name and
4 title and I'm assuming some more questions about a
5 particular worker, and what I'm saying is I, and like
6 maybe you can explain to me. I don't know what that
7 has to do with franchise renewal--

8 COUNCIL MEMBER LANCMAN:[interposing]
9 Sure, I--

10 CAMILLE JOSEPH-GOLDMAN: --which I came
11 prepared to discuss, but I can at the end of this
12 hearing go back to our legal team and see from an HR
13 perspective what we're allowed to share about any
14 employee that works for us to a public forum. I'm
15 not privy to that right now.

16 COUNCIL MEMBER LANCMAN: So, I'm-I'm
17 happy to explain to you why it is germane. As I said
18 at the start, this is hearing to oversee the
19 Franchise Agreement with Charter.

20 CAMILLE JOSEPH-GOLDMAN: Sure.

21 COUNCIL MEMBER LANCMAN: And in the
22 Franchise Agreement there's a section that prohibits
23 the franchisee from interfering with the-the
24 bargaining unit.

25 CAMILLE JOSEPH-GOLDMAN: Of course.

1 COUNCIL MEMBER LANCMAN: Mr. Carberry
2 purports to be a technician--

3 CAMILLE JOSEPH-GOLDMAN: Okay.

4 COUNCIL MEMBER LANCMAN: --at Spectrum--

5 CAMILLE JOSEPH-GOLDMAN: Uh-hm.

6 COUNCIL MEMBER LANCMAN: --who has filed
7 a Decertification Petition with the NLRB.

8 CAMILLE JOSEPH-GOLDMAN: Sure.

9 COUNCIL MEMBER LANCMAN: His status as an
10 employee whether or not, in fact, he was put up to
11 file that Decertification Petition by Charter is
12 relevant and germane to whether or not Charter is
13 violating Article 17.1 of the Franchise Agreement.

14 CAMILLE JOSEPH-GOLDMAN: Well, two points
15 to that. One is the NLRB ruled that were--what you're
16 alleging was the not the case a few weeks ago. And
17 that the petition was legally filed. So, I--I didn't
18 come prepared to discuss any aspect of that because
19 we are complying with the provision that you just
20 noted per the NLRB ruling. If you have HR questions
21 about any employee that reports to whether it's
22 Charter Communications Corporate of Spectrum as a
23 field tech, I'm just being fair to you, Mr.

24 Councilman that I have to ask our labor attorneys and
25

1
2 our HR representatives. I'm not privy to how much I
3 can share about any individual who works for Charter
4 in an open hearing format, but I can look into it,
5 but per the NLRB, who ruled—who ruled compliance on
6 that matter I did not come prepared today to refute
7 the claims of the federal body that has sole
8 jurisdiction over labor relations.

9 COUNCIL MEMBER LANCMAN: Will you be able
10 to get us information on whether or not at any point
11 Mr. Carberry was, in fact, a supervisor?

12 CAMILLE JOSEPH-GOLDMAN: I will be able
13 to consult with our attorneys and see what I can
14 share about any worker who is under the employ of
15 Spectrum, and report that out.

16 COUNCIL MEMBER LANCMAN: Uh-hm. Can you
17 tell us where or not Spectrum did, in fact, put Mr.
18 Carberry up to filing the Decertification Petition
19 and whether or not Spectrum provided or Charter
20 provided any assistance to Mr. Carberry in filing
21 that petition?

22 CAMILLE JOSEPH-GOLDMAN: I'd like to cite
23 the NLRB's ruling which said that that was not the
24 case.

2 COUNCIL MEMBER LANCMAN: And is-is-is
3 that your testimony, though, that Charter did not?

4 CAMILLE JOSEPH-GOLDMAN: [interposing]
5 That is—that is my testimony that I am not privy to
6 any malfeasance on behalf of the company, and as was
7 ruled by the NLRB, no such action occurred. Yes.

8 COUNCIL MEMBER LANCMAN: And—and if I
9 told you that—that Mr. Carberry was a supervisor at
10 least according to his—his own LinkedIn page at
11 Charter, at Spectrum, and then when he filed the
12 Decertification Petition--

13 CAMILLE JOSEPH-GOLDMAN: Uh-hm.

14 COUNCIL MEMBER LANCMAN: --as a
15 technician--

16 CAMILLE JOSEPH-GOLDMAN: Uh-hm.

17 COUNCIL MEMBER LANCMAN: --what that
18 looks like that he was put up to file that
19 Decertification Petition on behalf of the company.
20 Does that strike you or add to your knowledge about
21 whether or not--

22 CAMILLE JOSEPH-GOLDMAN: [interposing]
23 I'm not proving to any of that.

1
2 COUNCIL MEMBER LANCMAN: --Mr. Carberry
3 was put up or assisted by Spectrum in filing that
4 petition?

5 CAMILLE JOSEPH-GOLDMAN: No, I'm—I'm not
6 privy to any of the details you're citing here today.
7 These are matters that are left to—to our labor
8 counsel and none of which are here today. Our
9 company I think has been very clear as far as the
10 tone that it's taking of the this certification
11 process, which is that we have no involvement, and
12 that's what the NLRB confirmed just a few week ago,
13 but again, if you have very tailored HR questions,
14 I'm happy to go back to my team and see what, if
15 anything can be shared about any Spectrum employee.

16 COUNCIL MEMBER LANCMAN: Okay. I'm
17 continuing to focus on this issues of Charter's
18 involvement or potential involvement in the
19 decertification effort. Does—do you know who Matthew
20 Antonek is? My understanding is he is an attorney.
21 I could be wrong, but my understanding is he's an
22 attorney who represented or assisted Mr. Carberry in
23 filing that Decertification Petition?

24 CAMILLE JOSEPH-GOLDMAN: I'm not familiar
25 with that at all. As I said before, I came prepared

2 today to discuss the renewal and the oversight of our
3 Franchise Agreements. I'm not privy to the HR items
4 that you're citing or you're noting. If there is
5 something you want us to go back and discuss with
6 counsel, we can, but I'm at liberty—I'm not at
7 liberty to discuss the items that you're raising.
8 I'm not privy to this at all and I'm in no position
9 to speak on behalf of our legal team or labor counsel
10 that's not here today.

11 COUNCIL MEMBER LANCMAN: Well, I mean
12 you're the one here representing Charter. I—I can't
13 make you divulge information that you don't have, and
14 I don't expect you to know every nook and--

15 CAMILLE JOSEPH-GOLDMAN: Of course.

16 COUNCIL MEMBER LANCMAN: --cranny of-of
17 Charter and Spectrum and--and its operations. I would--
18 I would--

19 CAMILLE JOSEPH-GOLDMAN: [interposing]
20 But you're asking me about an employee that I'm not
21 familiar with and the name of an outside lawyer that
22 he may or may or may not have used when the NLRB has
23 already ruled on this. So, I'm just trying to be
24 fair to you. I'm—I'm—not only am I not privy to those
25 details, but I'm in no discussion. I'm in no

1 position to discuss any of those items given the
2 scope of the hearing and the ruling set forth by
3 NLRB.
4

5 COUNCIL MEMBER LANCMAN: Uh-hm.

6 CAMILLE JOSEPH-GOLDMAN: And so there-
7 there are things that you want me to go back to my
8 company and see if there's an opportunity to have a
9 lengthier conversation about the-the greater
10 specificity that you're inquiring, I'm pushing back
11 on that. I will, of course, go back and report up
12 and see what, if anything we're ready to discuss.

13 COUNCIL MEMBER LANCMAN: Alright. No, I-
14 I--so let me-let me be clear here. I just want to be
15 clear because we're not asking about compliance with
16 labor law here. I think what my-my colleague here
17 is-we're trying to figure out whether or not your
18 company is acting in good faith with respect to
19 Article 17.

20 CAMILLE JOSEPH-GOLDMAN: Sure.

21 COUNCIL MEMBER LANCMAN: But you keep
22 going back to arguing whether or not this is-this is
23 a labor law issue and that's not what we're saying
24 right here. We're asking whether or not you are
25

1 complying in good faith, and that's in the line of
2 questioning in which-

3
4 JOHN FOGARTY: Yeah.

5 CAMILLE JOSEPH-GOLDMAN: I agree with
6 that, but I just want to highlight that as DOITT said
7 earlier they did not find that we weren't in
8 compliance. So, but you're asking me is to
9 substantiate a claim that DOITT doesn't claim of our
10 company, the NLRB doesn't claim of our company, and
11 you want me to share supporting information that kind
12 of goes in a different direction. I'm saying I'm
13 unable to do so. The regulatory agency that oversees
14 our cable franchise here in he city has not deemed an
15 issue of non-compliance as it pertains to that
16 article. In furtherance of that fact, the NLRB,
17 which is federally mandated to review that hasn't
18 either. So, I'm not trying to be kind of difficult
19 in our interaction. I want to be very mindful and
20 respectful of the body, but it's simply not within
21 the scope of what I was prepared to discuss today,
22 and given the rulings by not only our local
23 regulatory agency, but by the NLRB there was not
24 clear indication I have to be—I would have to be
25 prepared to discuss that today.

2 COUNCIL MEMBER LANCMAN: But I just want
3 to clarify is it your position that the NLRB-NLRB has
4 ruled that Charter Spectrum did not commitment a fair
5 labor practice—a violation in—in participating in—in
6 the—the decertification effort? Because my
7 understanding is the ruling from the NLRB was much
8 more narrow. It was just that in fact Mr. Carberry
9 is an employee of Spectrum, but not that the NLRB has
10 made a decision as to whether or not Spectrum
11 improperly involved itself in the decertification
12 effort. So, I just want to understand because you
13 seem to be say, and I want to give you this
14 opportunity to—to clarify. Maybe I misunderstood.
15 You seem to be saying that the NLRB has determined
16 that Charter did not participate or assist in the
17 Decertification Campaign as Local 3 alleges that it
18 did.

19 JOHN FOGARTY: I—I don't think either Ms.
20 Joseph or I are terribly familiar with the order of
21 the NLRB. I think what we know is that they upheld
22 the petition, but we certainly can say that there's
23 been no finding by the NLRB that Charter did anything
24 in appropriate.
25

1
2 COUNCIL MEMBER LANCMAN: Well, I
3 understand. The—the case is pending. The matter is
4 pending. My understanding is the matter is pending.

5 JOHN FOGARTY: I—I—I honestly don't know
6 whether it—it's—it's pending or that it has—it has
7 been resolved or--

8 COUNCIL MEMBER LANCMAN: Well, I—I
9 believe Ms. Joseph.

10 CAMILLE JOSEPH-GOLDMAN: My understanding
11 is that the petition was approved, and the next step
12 would be kind of whatever the due process is around
13 it, but that the petition that was filed was
14 approved.

15 COUNCIL MEMBER LANCMAN: But it's not
16 your contention that Local 3's complaint that
17 Charter—Charter violated the—the—the National Labor
18 Relations Act by assisting and participating in that
19 decertification petition has been determined one way
20 or the other.

21 CAMILLE JOSEPH-GOLDMAN: I—I hope we can
22 follow the framing of your question, but what I can
23 say is I can ask. Labor counsel is not here. So, I
24 don't want to be misleading. If that is—if that is a
25

2 point of kind of assertion (sic) that you want me to
3 clarify with the Council, I can.

4 COUNCIL MEMBER LANCMAN: Right.

5 CAMILLE JOSEPH-GOLDMAN: All I can do-I
6 can do--

7 COUNCIL MEMBER LANCMAN: [interposing]
8 Because I--because I thought--I thought that I--I
9 thought that I heard you say well the NLRB has
10 decided this already.

11 CAMILLE JOSEPH-GOLDMAN: It-it has
12 confirmed the petition and--

13 COUNCIL MEMBER LANCMAN: [interposing]
14 Right, but--but--t

15 CAMILLE JOSEPH-GOLDMAN: --an approved
16 the vote.

17 COUNCIL MEMBER LANCMAN: --but--but
18 confirming.

19 CAMILLE JOSEPH-GOLDMAN: [interposing] I
20 am not familiar with any NLRB ruling at this juncture
21 that cites any malfeasance or involvement of our
22 company in anything unethical. I am not familiar
23 with that.

24 COUNCIL MEMBER LANCMAN: So, I'm not
25 saying there is. It hasn't--my understanding is that

1 issue hasn't been decided yet. So, in light of the
2 fact if I am correct, that the issue of Charter's
3 allegedly improper involvement in the decertification
4 process has not yet been decided by the NLRB and we
5 as the Council are charged with overseeing the
6 Franchise Agreement that you can get me certain
7 information that would be relevant to me as a Council
8 Member, the committee the body to be able to
9 determine independent from the NLR-NLRB whether or
10 not Charter is in violation of 17.1 of the Franchise
11 Agreement specifically as it relates to whether or
12 not Charter improperly dominated, interfered with or
13 participated in this-the-the bargaining unit.

14
15 CAMILLE JOSEPH-GOLDMAN: Sure.

16 COUNCIL MEMBER LANCMAN: But by-by
17 engaging will be involved in the Decertification
18 Campaign.

19 CAMILLE JOSEPH-GOLDMAN: All I can say is
20 that is not my understanding, but I can go back to
21 Labor Counsel. I mean I talk about it, but I'm not
22 an attorney. So, I can like go back-

23 COUNCIL MEMBER LANCMAN: I didn't hear
24 you. I'm sorry.

1
2 CAMILLE JOSEPH-GOLDMAN: I didn't hear
3 you. I'm sorry. I said I talk a lot but I'm not an
4 attorney. I have not legal authority to speak on
5 this matter on behalf of the company. I can only
6 defer you to the NLRB judgment and say that given the
7 questions that you are now citing I can bring back to
8 my company to see if there's anything that we can
9 share related to the matters that you are raising.

10 COUNCIL MEMBER LANCMAN: Okay.

11 JOHN FOGARTY: And I do believe the NLRB
12 is the appropriate forum for the resolution of these
13 types of issues under the law.

14 COUNCIL MEMBER LANCMAN: I-I understand
15 that your opinion, and you're entitled to it, and my
16 opinion, which I'm entitled to--

17 JOHN FOGARTY: Right.

18 COUNCIL MEMBER LANCMAN: --is that DOITT
19 as the Administrator of the Franchise Agreement is
20 responsible for making an independent judgment--

21 CAMILLE JOSEPH-GOLDMAN: Of course.

22 COUNCIL MEMBER LANCMAN: --to whether or
23 not the clauses and articles of the Franchise
24 Agreement are being--are being followed, and that us
25 as the Council most importantly for me and us this

2 morning, we have a responsibility to make an
3 independent judgment and to contract that out for
4 want of a better term to some other entity let alone
5 a federal--

6 CAMILLE JOSEPH-GOLDMAN: [interposing] Of
7 course.

8 COUNCIL MEMBER LANCMAN: --entity.

9 CAMILLE JOSEPH-GOLDMAN: I wish—I didn't
10 mean it to be mean.

11 JOHN FOGARTY: [interposing] I'm not sure
12 it's contracting out, but it's federal—the federal
13 agencies have authority that they have with your
14 contract. [laughter] Don't think that's not.

15 COUNCIL MEMBER LANCMAN: No, but the—the
16 contracting out comes from the provision of the
17 Franchise Agreement.

18 CAMILLE JOSEPH-GOLDMAN: Of course.

19 COUNCIL MEMBER LANCMAN: It requires
20 certain labor standards et cetera, and whether or not
21 we ware going to look and see and determine whether
22 or not those provisions are being--

23 CAMILLE JOSEPH-GOLDMAN: [interposing]
24 Sure.

25

1
2 COUNCIL MEMBER LANCMAN: --adhered to as
3 opposed to well, if the NLRB says they are, then they
4 are. If the NLRB says they're not, then they're not.
5 Otherwise, I don't know if you were here earlier. As
6 I said to DOITT, this whole paragraph could have just
7 said well, depending on what the NLRB says.

8 CAMILLE JOSEPH-GOLDMAN: Again, I'm not
9 pushing back. We will share your recommendations to
10 our Labor Counsel. I-I think what just John was
11 referencing is that DOITT hasn't found or cited the
12 claim you're claiming or is the NLRB. Given what
13 you're raising now because we're not at liberty to
14 discuss in great detail what you're asking, we'll go
15 back and we'll look into what we can share.

16 COUNCIL MEMBER LANCMAN: Alright. Okay,
17 I'm--the last question. If you know of entity to call
18 I thinks it's the--well not the Employee--the Employee
19 Rights Group.

20 CAMILLE JOSEPH-GOLDMAN: Sorry, I
21 couldn't hear the beginning of your question.

22 COUNCIL MEMBER LANCMAN: The Employee
23 Rights Group, are you familiar with the Employee
24 Advisory

1 CAMILLE JOSEPH-GOLDMAN: [interposing] I
2 am not familiar with them.

3 COUNCIL MEMBER LANCMAN: --or the
4 Employee Rights Group or its involvement in any way,
5 shape or form with the Decertification Campaign?
6

7 CAMILLE JOSEPH-GOLDMAN: I am not
8 familiar with that group or organization. I'm sorry.

9 COUNCIL MEMBER LANCMAN: Okay, alright.
10 Well, we have a lot of follow-up to send you away.
11 Thank you very much.

12 CAMILLE JOSEPH-GOLDMAN: Thank you.

13 CHAIRPERSON MOYA: Thank you. Just one
14 quick question. Does Charter Spectrum plan to
15 coordinate with Altice and Verizon when preparing a
16 response to the next Cable Television Franchise
17 Authorizing Resolution, and if so, have you guys
18 already been in discussion or in communication?

19 CAMILLE JOSEPH-GOLDMAN: We plan on
20 working Altice and Verizon.

21 JOHN FOGARTY: Could you repeat the
22 question? I wasn't quite clear what--

23 CHAIRPERSON MOYA: Do you--do you plan to
24 coordinate with Altice and Verizon on a response for
25 the next Authorizing Resolution?

1 JOHN FOGARTY: We have—we have no plans
2 at all like that that I'm aware of.

3 CHAIRPERSON MOYA: Okay, thank you, and I
4 want to thank you all for your testimony today.
5 Thank you for coming. Again, I just want to note
6 that you did attend this hearing, and the other two
7 companies failed to come in front of this body, and
8 it will be noted as we go in the future. So thank
9 you very much I look--

10 CAMILLE JOSEPH-GOLDMAN: [interposing]
11 Thank you Chair Moya, thank you Chari Koo and members
12 of the Council.

13 CHAIRPERSON MOYA: So, for the next panel
14 I'd like to call up Troy Wolcott, Michelle Aliman
15 (sp?) Derek Jordan, Marvin Philipps. [background
16 comments, pause] Thank you. We're going to have the
17 Counsel swear you in.

18 LEGAL COUNSEL: Pleas state your names
19 one by one.

20 MARVIN PHILLIPS: [off mic] I'm Marvin
21 Phillipps

22 MICHELLE ALIMAN: Michelle Aliman.

23 DEREK JORDAN: Derek Jordan.

24 TROY WOLCOTT: Troy Wolcott.

1
2 LEGAL COUNSEL: Please raise your right
3 hand. Do you affirm to tell the truth, the whole
4 truth and nothing but the truth in your testimony
5 before the committee and in response to all Council
6 Member questions?

7 PANEL MEMBERS: I do. Yes.

8 LEGAL COUNSEL: Thank you.

9 CHAIRPERSON MOYA: You may begin.

10 DEREK JORDAN: Okay, good afternoon
11 everyone. My name is Derek Jordan. I'm the Business
12 Representative for Local Union No. 3 and for the
13 1,800 members on strike against Charter Spectrum. I
14 submit this testimony at this oversight hearing of
15 the New York City Council on New York City's cable
16 franchises. As the members of this Council and this
17 committee are aware, Local Union No. 3 IBEW workers
18 is in a protracted strike against Charter
19 Communications, Cable franchises entities such as
20 Spectrum. The strike began over Charter's
21 negotiating position that essentially were taken much
22 of health, welfare and pension benefits of Local 3
23 workers as well as adversely affecting a variety of
24 work rules and related terms and conditions. Local 3
25 would not surrender to such requests in a strike

1 which is now more than year plus began and is
2 ongoing. But recently the true purpose of Charter's
3 actions became clear, to decertify Local 3 as the
4 bargaining agent for its workforce. I want to
5 provide this Council with the perspective on this
6 action to others of Charter that evidenced that it is
7 not the type of entity that the Progressive New York
8 City should want to do business with. It's no
9 accident that New York City/State Public Service
10 Commission has three separate proceedings reached
11 either preliminary or final conclusions that Charter
12 has failed willfully and intentionally to live up to
13 its commitment and obligations to the state some of
14 which related to the numbers and types of workers to
15 be located in the state and others related to the
16 extent of Charter's building out its infrastructure
17 that it is committed to New York State to do. In
18 addition to a presently ongoing proceedings the
19 Public Service Commission seeking as a remedy for
20 Charter's alleged misconduct, which the Public
21 Service Commission alleged may include the
22 intentional failure to pay all monies that Charter
23 otherwise is supposed to pay to the city, the taking
24 away of Charter's New York City franchises. It is
25

2 also seeking to rescind its approval of Charter's
3 Communications Merger with Time Warner Cable the
4 successor. Also important is the New York State
5 Attorney General's lawsuit against Charter Spectrum
6 for alleged violations in New York State regarding
7 willful misinterpretations to consumers concerning
8 Internet access services including uploading and
9 downloading speeds. Accordingly, the New York State
10 Attorney General's Office, thousands of New Yorkers
11 if not hundreds of thousands have been defrauded and
12 many of those are located right here in New York
13 City. Finally, this Council has received testimony
14 for DOITT that even if--though very late in the game--
15 -believes that there are issues with Charter's
16 conduct under its New York City cable franchises.
17 These include the use of certain workers and
18 independent contractors that may be at odds with
19 Charter's franchises as well as what DOITT
20 inexplicitly refers to as irregularities in Charter's
21 payment of franchise commissions all of the above
22 evidenced that charter is to use the term vernacular
23 a corporate no goodnick, but I submit to this Council
24 if one of New York City cable franchises engaged in
25 misconduct particularly with respect to paying

1 commission, should we think that Charter is unique,
2 unusual? I submit no. Also, what's with DOITT? It
3 has had the allegations of the State Attorney General
4 for almost a year and a half. Why has this agency
5 not done its own investigation? DOITT has had the
6 Public Service Commission's different proceedings and
7 allegations for almost a year. What has it been
8 doing? Is this super—is this supervising agency of
9 Charter? DOITT tepid order of Charter only done
10 because of the command of Mayor de Blasio suggests
11 that DOITT either is incapable of adequately
12 policing—I'm sorry—policing its corporate franchises
13 or it's indifferent to its regulatory oversight power
14 and its content to see to the state government. Can
15 the Council be content with the agency's oversight?
16 I think not. Let me conclude by linking it all to
17 what the Local 3 strike is about, and what Charter
18 stands dramatically opposed to: The dignity of city
19 workers and their desire to have a decent wage,
20 decent benefits and the modicum of job protection.
21 If this Council believes in true progressivism, if
22 the Mayor does as well, then both must look at how
23 Charter conducts itself against its own union workers
24 as well as against its own city consumers. There is
25

1 a direct line there, and the city must put pressure
2 on Charter as well as to conclude that in the future
3 it does not want to do business with Charter. In
4 addition, the Council should want to ensure a city
5 that encourages and protects the dignity of workers
6 and not reward corporate actors that do not. If the
7 city of Seattle can do so, why not this city? The
8 Mayor says we are a progressive city. The Speaker
9 does, too. So, how can the government of the city
10 suffer a corporate actor, a city franchisee such as
11 Charter? It should not, it must not, and it cannot.
12 Thank you.

14 CHAIRPERSON MOYA: Thank you.

15 TROY WOLCOTT: Hello. Yes. Thank you.
16 My name is Troy Wolcott. I want to tell you what I
17 hear daily from the people that call me. My daughter
18 is starting colleges. I promised her I would help
19 her. I'm about to lose my house I saved all my life
20 for. I can't lose my medical coverage. My child has
21 special needs. I have to file for bankruptcy. I'm
22 losing everything. These are the calls I have to
23 receive daily from an entire workforce fighting for
24 their lives because they're trying to fight for what
25 is right. Spectrum would to have you believe that

1 1,800 men and women are doing this because they
2 offered us more money than we asked for. That would
3 be great if we were just looking today at money only,
4 but we're looking to try to have—provide ourselves
5 and our families' future benefits. I'm a New Yorker
6 born and raised in Brooklyn. New York has changed a
7 lot in a small amount of time but I never thought I'd
8 see the day it changed where an outside company could
9 come into New York and push around its people,
10 workforce, elected officials and then dare them to do
11 something about it. I know that the standard
12 perception of the union dispute is all fight over
13 money. This is not that. This about a company
14 looking to eradicate the union so they can send a
15 message that they are willing to do anything to
16 destroy any voice working people have. We sacrificed
17 for over 40 years of wages to contribute towards our
18 benefits. That's the reason this—that's the reason
19 we fight so hard for this. It's no for something
20 that was given to us. It's something we spent 40
21 years paying for. Forty years of sacrificing wages
22 for benefits. Forty years investing to our union
23 benefit plan that gives us our strength. This is
24 also the reason that Spectrum's goal is to eliminate
25

2 it. Corporations like to point out our differences
3 between us to make us fight against each other and
4 distract from them taking away from us day by day
5 more and more as they continue to get richer and
6 richer off of our work. We fight each other, but
7 they see us as all the same, a working class stiff.
8 Our benefits as workers continue to fade while
9 profits with corporations continue to increase. They
10 think because we work with our hands that we don't
11 have people working under us that we're beneath them.
12 I would like to tell you Spectrum that the company
13 that—the companies that would like to follow your
14 blueprint because you have more money than us that
15 doesn't make you better than us. It is apparent by
16 their tone that the concept is difficult for Spectrum
17 to understand. At the bargaining table they told us
18 they know what our people want. We want cash in our
19 pockets not promises of benefits. They say this
20 because this is what they believe about working
21 people. They told us point blank at the negotiating.
22 They promised on their mother's grave we will never
23 get back our medical and retirement for our families.
24 When it gets to that point, how can you say this is
25 about business any more? This is—this is only about

1 Spectrum's attempt at union busting and it's starting
2 with New York City. Spectrum has hired a large
3 amount of out-of-state workers claiming that they
4 work here because they have storage units in New
5 York. Apparently it seems also misrepresenting their
6 revenue and possibly cheating the city out of
7 franchise fees. Spectrum agreed to a merge agreement
8 in New York and agreed to build out to underserved
9 portions of the city. Now, just as they chose to do
10 with us, at the negotiating table, they are
11 reinterpreting the meaning of that agreement to avoid
12 their commitments. What's even more bold is that
13 they now tell the city that they should be lucky of
14 what they've done so far. It seems they have no
15 problem bending or even breaking any agreement or
16 terms they see fit then dare us to sue them to make
17 it right. I have never witnessed such blatant and
18 disrespect in the face of our city or our elected
19 officials. One of the first things they said when
20 they came to the city is that customers were paying—
21 were not paying enough for their cable bill, and that
22 set the tone for them moving forward. Yet, they have
23 nothing to say regarding the lawsuit file by the
24 Attorney General from lying to customers by
25

2 advertising and charging customers extra for higher
3 speeds they knew they couldn't provide. The city has
4 not had the opportunity after two years to see their
5 deficiencies and their lies. It only took us a
6 couple of days to see what they're about once they
7 changed everything we had just discussed at the
8 bargaining table immediately after we left it.
9 Corporations have amassed such wealth they could care
10 less about what any of us think you or us or the
11 customers. Our American dream is slipping away into
12 their bank accounts. What this company is doing is
13 only able to happen because of the monopoly they hold
14 in the city. Customers have no choice and neither do
15 the workforce. We call this a union town, but show
16 no sense of urgency when the main thing that makes it
17 what it is under direct attack. There is no longer a
18 question of why Spectrum is doing it. It's clear
19 that it's only concern is union busting. So, with so
20 many on our side in a union town built and maintained
21 by unions why are we allowing what this company is
22 doing to us and the rest of New York to happen and
23 continue for so long. Our elected officials have
24 spoke of how this is a union town, and it's not going
25 to happen here, but it's happening, and they're

1 daring you to do something about it. These cable
2 companies hold us hostage because they feel we have
3 no other choice but to deal with them. It's time to
4 show them otherwise. We are partly to blame because
5 we the people who are supposed to support that
6 efforts of our elected officials don't do the simplest
7 thing we can to support you and that's vote. We both
8 have to work to restore that faith in each other
9 again. Working people have gone unheard for long
10 enough. The honest truth—the honest truth is if this
11 city wanted to actually pull down the full weight of
12 the city of New York on Charter Communications, I
13 believe they could. Who would have thought that
14 time, experience and knowledge that we have would
15 have—and that we have would have been sacrificed just
16 to try to eliminate the union especially when it's at
17 the expense of the customers of New York City. We
18 underestimated Spectrum's blatant disregard for what
19 their customers or New York City thought of what they
20 were doing. This unrest was Spectrum's mission from
21 the very beginning and they won't easily let anyone
22 stop them not Local 3 the customers, their employees,
23 no agreement they made, not even the city itself will
24 stop them from trying to achieve that goal. The
25

1 better question is will you? Will you allow them to
2 threaten, bully and trampled on what our city is all
3 about? Everyday that goes by that nothing is done,
4 you allow them to do just that. Every day that that
5 happens we suffer more. Fifteen months is a long
6 time to be on strike and it's not easy. The easy
7 thing would have been to go back to work and just
8 move on, but that wouldn't have been in the best
9 interest of the futures of ourselves or our families
10 so we couldn't do that. The hard thing to do is stay
11 out and fight for our principles, which is what we've
12 been doing for the past 15 months. This company has
13 taken steps to move their greed to a new level. I
14 ask you now to stop them. We must send a collective
15 message as a city to anyone else who sees it as
16 profitable to stamp on the future of working men and
17 women who still believe in the American dream that it
18 won't be allowed and definitely not starting here in
19 New York. The last thing I ask you is for all the
20 elected officials can you all agree now not to renew
21 any franchise you feel is not living up to the spirit
22 of the agreement, and make them work to get back over
23 the next two years. You need no law to tell a bad
24

1 tenant that you're not renewing their lease. Thank
2 you.
3

4 MICHELLE ALIMAN: Thank you. [pause] My
5 name is Michelle Aliman. I live in the Bronx, New
6 York. [coughs] I've been employed with Spectrum and
7 Time Warner since April 18, 2008. I've been an active
8 Local 3 member since 2008. We had 1,800 workers went
9 on strike on March 27, 2017. When I began at
10 Spectrum, which was then Time Warner Cable, I started
11 as a service technician learning basic
12 troubleshooting for residential homes. In the years
13 that followed, I want to learn more about the
14 backbone of the company so when I received the
15 opportunity I joined the Construction Department and
16 built knowledge on maintaining New York's cable
17 system maintaining a system that is old and fragile.
18 [coughs] By the ninth year I had move up to our fiber
19 department in which I became certified and took on a
20 new field of knowledge to keep up the fast paced
21 technology in this city. For all my time on the job
22 I looked forward to tomorrow because of the
23 opportunity through my bargaining agreement to move
24 up and be the best all around technician New York
25 City residents and business owners. Because I was

1 union member I knew that I wouldn't be treated poorly
2 by my employer that wages and benefits and related
3 job security would allow me and my family to have a
4 decent life. In exchange for that, I worked harder
5 to always be the best at my job. Local 3's
6 Bargaining Agreement allowed me to have the proper
7 medical necessary for testing and treatment for both
8 my chronic asthma and Alport Syndrome, which is a
9 disease that affects my kidneys. For 40 years we
10 worked together with the understanding that Local 3-
11 Local 3's member overexert out bodies to keep our New
12 York City residents and business occupants happy. As
13 a unit we fight-as a unit, we fight through all
14 weather in a city full of blizzards, hurricanes, heat
15 waves and freezing temperatures. Working under these
16 conditions we deserve the best, not good medical and
17 proper retirement. Now, it seems that management and
18 owners of Charter want to take away what we as hard
19 working New Yorkers deserve. I was willing to strike
20 to preserve what I considered-what I considered a
21 decent job. Now, I hear-now I know that Charter want
22 so make itself a non-union shop. If this Council
23 believes in the dignity of worker-of workers and then
24 have a value of workers' labor, then you will do
25

1 everything in your power to cause DOITT to examine
2 with a laser beam Charter's business. If the State
3 Attorney General and the PSC are right, then DOITT is
4 going to fined what us as employees have been trying
5 say correct, but unless the city—unless the Council
6 makes DOITT act and stay on it to do so, I fear that
7 Charter will be getting one over on all of us men and
8 women in the city and on all of you.

10 CHAIRPERSON MOYA: Thank you. Next.

11 MARVIN PHILLIPS: Good afternoon. My
12 name is Marvin Phillips and I'm from Harlem. I began
13 my career as an apprentice installer when I was 19
14 years old at Paragon Cable. I was a young husband
15 father and tried to approach my job with respect and
16 integrity. Paragon notice that I was noticed that I
17 was young yet responsible and eager to learn. By my
18 fifth year my family and I were selected to be the
19 face of a campaign for the year of 1994. My face was
20 on the side of the cable trucks and even bus
21 shelters. My family was featured in print ads and a
22 short commercial. I was so proud to work for a
23 company that recognized my efforts and provided with
24 opportunities. After years of mastering my craft, I
25 earned the title of foreman. I was trusted to train

1 and guide the technicians in my department such as
2 like Michelle. In my department I encouraged pride
3 of work, accountability and could develop a well
4 trained team with great work ethics. I convinced them
5 that we work for a great company that recognizes hard
6 work and dedication. I guess I was wrong. I can
7 recall a specific time in my life where I realized
8 years later how beneficial it was to be a part of the
9 union. When my daughter was an infant she suffered
10 from a serious gastro-intestinal issue that required
11 many expensive tests, hospital stays including
12 ambulance rides and equipment at home to monitor her.
13 During those difficult times I was never denied
14 coverage for insurance for any of her needs and they
15 were intensive. Being a young father and at the time
16 not making a whole lot of money, it was comforting
17 not to have pressure of how her bill was going to be
18 paid for. I didn't realize the value until after
19 speaking to others that the coverage different than
20 mine and hearing the horror stories of denied claims
21 and big out-of-pocket expenses that I truly began to
22 appreciate the benefit and protection provided by my
23 union. I am happy and proud to say that today my
24 daughter is an adult and serves the city of New York
25

2 as an NYPD Officer. My union made sure that she was
3 taken care of, and we had everything we needed. My
4 family has benefitted from being part of a union. My
5 family has benefitted from being part of something
6 that shows you how to take pride in what you do and
7 to always do your best no matter what the
8 circumstances. I liked my job. I felt that I was
9 helping the company and the people who worked its
10 customers. The wages were steady and the benefits
11 were good. I had the union to protect my job
12 security if I didn't screw up. After so many years
13 on the job in the cable industry in this town I
14 didn't think that to change an ownership from TWC to
15 Charter would change the nature of my job and the
16 work experience I had for all the years of service.
17 I figure that if I did my job and did it well, I
18 would continue to receive the good wages and benefits
19 that I had in the past. Imagine my shock and
20 surprise when I learned that Charter wanted to take
21 all of that away from me and brothers and sisters in
22 Local 3. For my working life as a union member I was
23 productive—I was a productive person in society and
24 the city. Now Charter wants to change all of that.
25 I and the 1,800 workers of Spectrum and all our

1 extended families were constituents have now been
2 left out—left out to dry by Charter. This Council's
3 franchisee—this Council's franchisee I hope that you
4 will do all in your power to help me and my fellow
5 Local 3 members get back to work. Thank you.

6
7 CHAIRPERSON MOYA: Thank you. Just one
8 quick question for anyone. Since last May has the
9 union had any negotiations with Spectrum.

10 DEREK JORDAN: We haven't had any formal
11 negotiations since December 20th.

12 CHAIRPERSON MOYA: And this—has Spectrum
13 engaged in any activities that the union believes
14 violated the provisions of the Franchise Agreement.

15 DEREK JORDAN: Well, we don't feel they
16 were bargaining in good faith. We still maintain
17 that they're not bargaining in good faith.

18 CHAIRPERSON MOYA: And if so, has the
19 union brought up these concerns to DOITT, the SSC,
20 the NLRB and if so, what has been the response?

21 DEREK JORDAN: There are currently five
22 pending NLRB cases and, you know, again those are
23 still being worked on. There—I believe there has been
24 questions submitted to DOITT and I believe those
25 questions were also submitted to the committee, and,

1 you know, as far as I know we haven't gotten any
2 formal answers on that.
3

4 CHAIRPERSON MOYA: Okay, thank you very
5 much. We have been joined by Council Member
6 Richards. I want to thank you all for your time and
7 your testimony today. It's truly appreciated by this
8 body. All of the work that you have done to bring a
9 lot of these issues to light for us here, we want to
10 thank you for this opportunity to hear your testimony
11 today.

12 DEREK JORDAN: You're welcome and we
13 thank you and Local 3 thanks you also.

14 CHAIRPERSON MOYA: Thank you. I would
15 like to call up the next panel. Mary Reneek? How do
16 you say that. Ransinger, Gretta Byron, Iris Cortez,
17 and Marianne Gibson. [background comments, pause]
18 Yep, we called Marianne Gibson, Iris Cortez, Gretta
19 Byron, and Mary--

20 MARY RANEEK: Mary RanEEK.

21 CHAIRPERSON MOYA: Okay. Did--did you
22 submit--? [pause] We have Marianne we have Mary--

23 MALE SPEAKER: Any Mary.
24
25

2 CHAIRPERSON MOYA: Yeah. [background
3 comments, pause] Thank you. I just want to let you
4 know that we're keeping it to two minutes so--Okay.

5 MARIANNE GIBSON: Alright.

6 CHAIRPERSON MOYA: If you go over, it's
7 okay, but we want you to keep it--

8 MARIANNE GIBSON: [interposing] Good
9 afternoon. My name is Marianne Gibson. I am a
10 resident of Village Care, which is an assisted living
11 facility in Manhattan's Hell's Kitchen, and I'm here
12 today really to ask the Council to help us in getting
13 a senior citizen discount at the Village Care, and
14 basically to get us a senior citizen account around
15 the city--discount around the city. The residents in
16 our facility are all senior citizens, and we're all
17 on fixed incomes, and this means that in our--this-in
18 this stage of our lives, we're facing higher costs
19 all over the place, but our incomes basically are
20 remaining the same. So, what we're constantly is
21 struggling to make ends meet, and TV happens to be
22 very important to us. The energy level is not what
23 it used to be for any of us at the facility nor is
24 agility one of our strong points. So, we rely on TV
25 not only to provide us with information and keep us

1 in touch with what's on around the world, but it's
2 also a means of giving us entertainment and filling
3 up time during the day. So, it becomes really
4 essential to most of us, and unfortunately we don't
5 have the option of shopping around with competition
6 and finding good service at lower prices because
7 basically there is no competition for us. I mean
8 Spectrum has a monopoly in our area, and so we're
9 asking Spectrum to please join other private
10 corporations, private and public corporations like
11 MTA, like movie theaters like supermarkets like drug
12 stores, and give us a generous discount to deal with
13 our situation, and more than that, we really need
14 your help. So, we're begging for it to try and help
15 us get what we need from Spectrum. Thanks.

17 IRIS CORTEZ: Good afternoon. My name is
18 Iris Cortez, and I am 73 years old. I taught for 49
19 years, and what I come to ask is for help just the
20 same as Mary. We both live in the same place. We-we
21 know that the economy is high, but guess what, we
22 worked for so many years, and we don't feel that
23 we're entitled—we don't feel that we're entitled—
24 please forgive me. I—I am born and raised in Puerto
25 Rico. Where we come from we treat our senior

2 citizens with respect with dignity, and it's the
3 first thing that we put online. We are only asking
4 for something that we worked for, something we have
5 all worked for and if you have grandparents and I
6 know you do, then listen to us because someday you
7 will be in our place begging for something that you
8 have worked all your life for. We have tenants that
9 only get \$50 a month once they pay their rent.
10 Cable, I pay for cable \$150, and that means that we
11 have nothing left to spend. This is not your
12 problem. We're just giving you a reason why—why do
13 we have to go through this. Most of us have worked
14 all our lives. We don't—Spectrum does not care for
15 the workers. Spectrum does not care and I have
16 called Spectrum. I have—I called Time Warner, and
17 aske for a special package. They have nothing,
18 nothing at all for senior citizens. So, just
19 remember you will be in our place in our position if
20 we don't something now. Thank you. [background
21 comments, pause]

22 GRETTA BYRON: Okay. Hello, can you hear
23 me? Yes, I'm from Community and Labor United and
24 we're organizing a boycott against Spectrum because
25 Spectrum has violated every single tenant of their

2 existence. They increased, they're unfair to labor,
3 and you have pointed out and they are unfair to their
4 customers because they jack up—the start with the low
5 rate and then they jack up the prices three times,
6 and it's just not fair to the customers. I wanted
7 say while the Spectrum people were here that it's not
8 important that they don't—they—they shouldn't
9 negotiate with the Public Service Commission or with
10 the NLRB. They should—collective bargaining means
11 that you discuss things with your union, and they
12 haven't done that, and I think hey should, and find
13 out and our Lisa Sovian (sic) talking to the
14 community members that the community support the
15 community is very much against Spectrum Cable. We
16 just want to let you know that. Thank you.

17 CHAIRPERSON MOYA: Thank you. Just one
18 quick question. So, in—in their testimony earlier
19 today, Spectrum said that they offer senior discounts
20 at \$14.99. Are you not receiving that?

21 GRETТА BYRON: No, no. That's first of
22 all I mean the taxes are something, that \$14.99
23 there's taxes on that, and it become \$30, it's
24 neither here nor there about, but \$14.99 they put on
25 TV, and if you call and ask about \$14.00, you've got

2 to take exactly that package, which amounts to
3 basically nothing. I mean if you have the already,
4 and you say I want to go down to this or I want to go
5 down to that, forget it. You can't go down anywhere.
6 You have to be a new customer that's now taking this
7 package, and you get it for year. You're never
8 notified at the end of the year. You have to make
9 sure you keep-keep track of what time-what the time
10 is so that you call and cancel. Otherwise, you bill
11 automatically goes up. I have one of these deals,
12 and it was nothing like \$14.99 in addition to which
13 I've called them. I have only TV from them. I've
14 called them and asked them because I wanted WiFi in
15 my room if I could add Internet. They wanted \$55 to
16 add Internet to my TV, which is ridiculous. I mean
17 I--

18 CHAIRPERSON MOYA: Right.

19 GRETTA BYRON: They're not easy to deal
20 with and-and we have at Village Care to contact them
21 and get some kind of a discount, and it's really a
22 deaf ear that you're talking to, which is why we
23 really need the help of the Council.

24 CHAIRPERSON MOYA: Thank you.

25 GRETTA BYRON: Impossible.

CHAIRPERSON MOYA: Thank you. Thank-
thank you all for your--your testimony.

IRIS CORTEZ: Thank you.

CHAIRPERSON MOYA: Council Member. Thank
you. [background comments, pause] Okay. I would like
to thank the members of the public, my colleagues,
Council--Chair Koo, Committee Counsel, and the
Technology and Land Use staff. [background comments
Oh. [laughter] Wow, that was like--

COUNCIL MEMBER GRODENCHIK: You didn't
like me getting on that.

CHAIRPERSON MOYA: I know. We are joined
by--

COUNCIL MEMBER GRODENCHIK: But I have
been excuse.

CHAIRPERSON MOYA: --by the great Chair
of Parks, Council Member Barry Grodenchik. I want to
take this opportunity to really thank the staff for--
Technology and Land Use for all the hard work that
they did to make this hearing happen, and thank you
all. This meeting is hereby adjourned. [gavel]

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24

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COMMITTEE ON TECHNOLOGY JOINTLY WITH SUBCOMMITTEE ON
ZONING AND FRANCHISES 179

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 18, 2018