

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND FRANCHISE JOINTLY WITH
COMMITTEE ON TECHNOLOGY

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B E F O R E: DONOVAN J. RICHARDS
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JAMES VACCA
Co-Chair

COUNCIL MEMBERS:

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BARRY S. GRODENCHIK
JOSEPH C BORELLI
I. DANEEK MILLER

A P P E A R A N C E S (CONTINUED)

Michael Pastor
General Counsel, New York City Department of
Information Technology and Telecommunications

Stanley Shor
Assistant Commissioner for Franchise
Administration for DoITT

Adam Falk
Senior Vice President State Government Affairs
For Charter

Camille Joseph
Charter's Vice President for Government Affairs
In New York City

Harlan Silverstein
Charter's outside Counsel from the Law Firm of
Kauff, McGuire and Margolis

Lance Van Arsdale
Assistant Business Manager of Local 3, IBEW

Alberto Alonso
Southern Manhattan Field Foreman

Karega Bennett
Residential Tech Ops, Queens

Ryan Logan
Plant Technician, College Point

Alberto Pizarro
Employee of Time Warner/Charter/Spectrum, Far
Rockaway

Lord Dowdell
Chairman of the National Action Network Harlem
Chapter Technology Committee

A P P E A R A N C E S (CONTINUED)

Jeff Brault
Manhattan Chamber of Commerce

AU Hogan
President of Baisley Park Houses

Jesus De La Cruz
Employee for Spectrum Charter

David Lopez
Employee for Spectrum Charter

Tatiana Cabezas
Employee for Spectrum Charter

Melissa Chapman
Commenting on behalf of Andrew Hoan, President
And CEO of the Brooklyn Chamber of Commerce

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[gavel]

CHAIRPERSON RICHARDS: Alright, good

morning, well afternoon now. We will now move on to our final topic of the day. Once again for the record I'm Donovan Richards, Chair of the Subcommittee on Zoning and Franchises. I would like to welcome Chair Vacca and the Committee on Technology who have joined us for our oversight hearing on the Spectrum Franchise Agreement and before we begin I would like to acknowledge Council Members once again Chairman Vacca, Council Member Lancman, Crowley, Palma, Reynoso, Wills, and Grodenchik, did I miss anybody, no. Spectrum... okay, Spectrum Cable, a subsidiary of Charter Communications is the largest cable television provider in New York State. It was formed in May 2016 when Charter Communications completed it's 60-billion-dollar acquisition of Time Warner Cable and Bright House Networks. The acquisition included the assumption of Time Warner Cable's franchise agreement with the city which granted Time Warner the non-exclusive right to use the public ways to provide cable services in Manhattan, Brooklyn, Queens, and Staten Island through 2020. This agreement was executed following an RFP issued by

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2 DoITT subject to an authorizing resolution pass by
3 this subcommittee in 2006, I was not elected then.
4 When Time Warner Cable entered its first cable
5 franchise agreement with the city in 1983 people
6 signed up for cable because they wanted MTV, no
7 laughs, okay. Alright, now cable... I don't know if I
8 want MTV now but okay... but that's good. Now cable not
9 only provides access to television channels from
10 around the world, it also provides the main means by
11 which people obtain broadband, broadband access to
12 the internet. It is a service that is increasingly
13 essential for full participation and social
14 educational, economic, and democratic institutions.
15 The changing role of cable franchises was an
16 essential subject of the various approval processes
17 that proceeded Time Warner's acquisition by Charter.
18 Whenever there is a modification or a change of
19 control of a city cable franchise the New York State
20 Public Service Commission has to approve it. When the
21 PSC approved the charter acquisition it imposed
22 various conditions including requirements that
23 Charter provide all customers 300, 300 megabits per
24 second broadband access by 2019 and that it narrow
25 the digital divide by providing low cost, high speed

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2 internet service to households that qualify for free,
3 reduced lunch and senior... free and reduced lunch and
4 seniors who qualify for supplemental social security
5 income. The New York PSC approval also address work
6 force issues. The Charter acquisition included the
7 closure of Time Warner's cable corporate headquarters
8 in New York City and the location of Spectrum
9 headquarters in Connecticut. The New York Public
10 Service Commission worked to ensure that the
11 acquisition would minimize local job losses by
12 imposing a requirement that Charter shall not cause a
13 reduction in customer facing jobs, however as we meet
14 here today, 1,800 members of Local Three, IBEW are
15 entering the 9th week of a strike against Spectrum.
16 They have alleged among other things that Time Warner
17 Cable and Spectrum violated collective bargaining
18 requirements of the franchise agreement. They also
19 alleged that their members would be mooted in
20 violation of the anti-discrimination provisions of
21 the franchise agreement. They also allege that
22 Spectrum provides customers equipment incapable of
23 delivering advertised internet speeds and then
24 unfairly penalizes technicians for making repeat
25 visits to customers who complain about the service

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 7

2 deficiencies. I want to thank everyone offering
3 testimony today, we hope to learn from the
4 administration who... what controls exist to ensure
5 compliance with the franchises, the various
6 obligations, and then the status of any information
7 requests the administration has made of the
8 franchising. We look forward to hearing testimony
9 from Spectrum Charter about the status of commitments
10 it has made in connection with the franchise
11 agreements including those related to collective
12 bargaining. We are also anticipating hearing more
13 from Local Three, IBEW on the basis for its various
14 allegations. I now recognize Chair Vacca for opening
15 remarks from the Committee on Technology and just
16 before we begin I just want to lay some ground rules;
17 no booing, no clapping, if you like what someone says
18 you can do this if you don't you can hold your nose,
19 come up with any other gesture you want but please no
20 calling out, no running into the aisles, our Sergeant
21 of Arms will remove you, so I'm laying those ground
22 rules very early, let's have a respectful dialogue,
23 everybody who has signed up with slips will have the
24 opportunity to voice their opposition or support. So,
25 let us do this in a respectful fashion. Now onto

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2 Council Member Chair... Chair... to, to Chairman Vacca,
3 thank you.

4 COUNCIL MEMBER VACCA: Thank you Chairman
5 Richards. I'm James Vacca, Chair of the City Council
6 Committee on Technology and I, I know we have a lot
7 to cover so I'll try to keep my remarks brief. As
8 you've heard we're here to discuss Spectrum's
9 Franchise Agreement with the city. There have been a
10 number of complaints made against Spectrum and their
11 predecessor Time Warner Cable that if accurate could
12 mean Spectrum is in violation of their franchise. New
13 York City requires cable companies to obtain
14 franchises if they wish to operate within the five
15 boroughs and to run their cable through city streets.
16 franchises contain several operating conditions and
17 significant protections for consumers. One set of
18 provisions in Spectrums franchise involves collective
19 bargaining and employment practices both of which
20 Local Three has alleged Spectrum is in violation of.
21 In addition to allegations of unfair labor practices,
22 there have been reports of lawsuits accusing Spectrum
23 of providing deficient internet services to their
24 customers and falsely advertising about their
25 services. To be clear Spectrum's Franchise does not

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2 explicitly refer to internet service only to cable
3 TV. However, Spectrum provides their internet service
4 over these same cables and resulting from the New
5 York Public Service Commission's approval of the
6 Charter acquisition there were a number of internet
7 specific requirements put into place. The original
8 franchise agreement mandates compliance with the PSC
9 accordingly it's important we consider Spectrum's
10 internet service. Local Three has asserted Spectrum
11 issues consumers equipment incapable of delivering
12 advertised internet speeds meaning people are paying
13 for a service that they're not getting. Additionally,
14 New York State Attorney General Eric Schneiderman
15 filed a lawsuit against Spectrum detailing a number
16 of ways that Spectrum defrauded New Yorkers over
17 internet speeds. As I've stated before reliable and
18 affordable internet service is a modern-day necessity
19 and a fundamental right of all people yet the fact of
20 the matter is that there is an incredibly high cost
21 associated with building out the infrastructure
22 needed to deliver cable and internet services. As a
23 result, there is very little competition in this
24 industry and only a few companies for customers to
25 choose from. As far as I know in New York City most

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2 people only have a few companies to choose from for
3 their internet and TV service. We must not allow
4 companies to take advantage of the quasi monopolistic
5 nature of the market to offer subpar overly costly
6 services. We must not let companies use their
7 privileged position and control of high cost
8 infrastructure to operate in any way they please. To
9 some extent we have franchises to protect against
10 these dangers and these franchises are only affective
11 if we actually monitor and enforce them. today I hope
12 we're starting to get to the bottom of the many
13 allegations made against Spectrum and determine what
14 if anything we must do going forward. With the
15 federal government appearing increasingly less
16 concerned with maintaining an open and affordable
17 internet New York City must be particularly vigilant.
18 I look forward to hearing from the administration
19 about the franchise, Spectrum Charter about their
20 operations and Local Three about their grievances and
21 without further to do I'd like to begin calling our
22 first panel. Thank you Chairman Richards.

23 CHAIRPERSON RICHARDS: Thank you, thank
24 you Chairman. Before we begin I just also want to
25 acknowledge that there... we are in budget negotiations

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2 so there are a lot of members who care deeply about
3 this issue who couldn't join us as of today and
4 negotiations now. Alright, we will now call the first
5 panel. Michael Pastor, the General Counsel for DoITT
6 and Stanley Shor of DoITT and I'll ask the council to
7 please swear them in.

8 COMMITTEE CLERK: Please raise your right
9 hand. Do you affirm to tell the truth, the whole
10 truth and nothing but the truth in your testimony
11 before these committees and then all, all Council
12 Member questions?

13 MICHAEL PASTOR: Yes.

14 STANLEY SHOR: Yes.

15 COMMITTEE CLERK: Thank you.

16 CHAIRPERSON RICHARDS: Okay, thank you
17 and I just also want to acknowledge we've been joined
18 by Council Member Torres and Council Member Williams
19 joined us as well, he's on the negotiating team as
20 well. Alright, you may begin.

21 MICHAEL PASTOR: Good afternoon... [cross-
22 talk]

23 CHAIRPERSON RICHARDS: State your name
24 for the record.

25

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2 MICHAEL PASTOR: Chair Richards, Chair
3 Vacca, and members of the Subcommittee on Zoning and
4 Franchises and the Committee on Technology. My name
5 is Michael Pastor and I'm the General Counsel for the
6 Department of Information Technology and
7 Telecommunications known commonly as DoITT. With me
8 today is Stanley Shor, the Assistant Commissioner for
9 Franchise Administration for DoITT. Thank you for the
10 opportunity to testify today on the city's cable
11 television franchise agreement with Charter
12 Communications also known as Spectrum. Spectrum is
13 the brand name for the company formed as a result of
14 a merger between Time Warner Cable and Charter
15 Communications. This entity will be referred to as
16 Charter Communications throughout the rest of my
17 prepared testimony today. In light of the ongoing
18 strike by Charter Communications workers represented
19 by the International Brotherhood of Electrical
20 Workers, Local Three, DoITT and the Mayor's Office
21 have been in communication with both Charter
22 Communications and the union to understand all
23 concerns. The De Blasio Administration strongly
24 believes in collective bargaining, and a respectful
25 and collaborative process that is fair to hardworking

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2 New Yorkers. This is the approach that helped the
3 administration bring 99 percent of the city's
4 workforce under contract. It is unreasonable that
5 Charter workers have been without a contract
6 themselves. The administration supports the union's
7 right to organize and we urge Charter to offer a fair
8 contract now to their local employees. With that, I'd
9 like to detail DoITT's franchise relationship with
10 Charter. Pursuant to authority found in the New York
11 City Charter, DoITT negotiates and administers
12 telecommunications franchises with private companies
13 such as cable television providers, that use the city
14 streets and sidewalks to provide public services. Our
15 franchise agreements govern the installation and
16 maintenance of wire, cable, optical fiber, conduit,
17 antenna, and other structures on, over, and under
18 city streets to transmit video, voice, and data
19 services. Today I am here to specifically address
20 DoITT's franchise with Charter Communications, which
21 provides cable television service in Staten Island,
22 Manhattan, Queens, and Western Brooklyn and will
23 expire on July 18th, 2020. A key purpose of franchise
24 agreements is to ensure that consumers receive
25 reliable service from telecommunications companies.

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2 To this end, the Charter franchise agreement sets out
3 consumer... customer service standards, including four-
4 hour appointment windows for service calls and
5 installation, availability of customer service
6 representatives to take service, billing, and
7 complaint calls; credits for service, service
8 outages; and notices to customers of rate and
9 programming changes. Additionally, all cable TV
10 franchisees are required to submit customer report
11 card data to DoITT each year. This report allows
12 current and prospective cable customers, customers
13 the opportunity to compare services offered and
14 operating performance. Of particular interest to the
15 present committee is Article 17 of the agreement,
16 which is the sole section relating to employment and
17 purchasing. This article lays out the following
18 requirements of Charter Communications. The company
19 must recognize the right of its employees to bargain
20 collectively through representatives of their own
21 choosing in accordance with applicable law. The
22 company must comply with all applicable federal,
23 state, and local employment discrimination laws and
24 requirements. The company must develop, maintain,
25 implement, and disclose to the city a plan consistent

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2 with collective bargaining agreements for the
3 recruitment, education, training, and employment of
4 residents of the city. To the extent feasible and
5 consistent with applicable law and with due regard to
6 price and quality considerations, the company must
7 utilize vendors located in the city in connection
8 with deployment of cable service. Finally, the
9 company must comply with EEO requirements throughout
10 the term of the agreement. I would like to again
11 emphasize that the franchise agreement acknowledges
12 the right of workers to bargain collectively and we
13 support a fair resolution between IBEW Local Three
14 and Charter Communications. Both DoITT and the
15 Mayor's Office have been diligently monitoring the
16 ongoing strike and we have been gathering information
17 from both entities to ensure that we have a full
18 picture as we evaluate... as we evaluate our powers
19 under the franchise agreement. At this moment, the
20 city has no evidence that Charter Communications is
21 violating any provisions of its franchise agreement
22 on its local hiring... local hiring plan or use of
23 local vendors. However, based on concerns expressed
24 by IBEW Local Three, DoITT sent a letter to Charter
25 Communications to gather more information on alleged

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2 violations of Article 17 which I just described. This
3 letter, dated May 17th, 2017, asked Charter
4 Communications to provide the following to DoITT
5 within 15 days of receipt. All contracts held by
6 Charter Communications to obtain temporary workers
7 for the provision of cable television services in New
8 York City. Information on any charges or findings
9 against Charter Communications by the National Labor
10 Relations Board regarding employees providing cable
11 services. And information on any formal findings
12 against Charter Communications by the Equal
13 Employment Opportunity Commission regarding employees
14 providing cable services. We await Charter
15 Communications response to this letter, and will
16 share the response with the committees upon receipt.
17 This concludes my prepared testimony, and I and, and
18 Stanley will now gladly answer Council Members'
19 questions.

20 CHAIRPERSON RICHARDS: Thank you so much
21 for your testimony today. So, I'll start by just
22 asking you some general questions around franchise
23 agreements. So, how many franchise agreements are
24 within DoITT's portfolio you would say right about
25 now?

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17

1 STANLEY SHOR: Well we have about 20
2
3 agreements...

4 CHAIRPERSON RICHARDS: 20?

5 STANLEY SHOR: Yes.

6 CHAIRPERSON RICHARDS: Okay.

7 STANLEY SHOR: I would say and we have
8 with cable companies basically three different cable
9 companies and one company RCN has, has an open video
10 system agreement.

11 CHAIRPERSON RICHARDS: So, PSC approved
12 this franchise agreement and then it went to
13 California, was approved and you say that happened
14 around 2016, correct?

15 STANLEY SHOR: I'm, I'm sorry repeat...
16 [cross-talk]

17 CHAIRPERSON RICHARDS: ...so... [cross-talk]

18 STANLEY SHOR: ...the question?

19 CHAIRPERSON RICHARDS: Can you just go
20 through so the, the process of when... how... when this
21 merger was approved, so merger was approved you would
22 say in 2016 or do you... can you just give a more
23 definitive timeline in when it got to the city?

24 STANLEY SHOR: I'm sorry, I don't
25 remember the exact date so it was in 2016, we went

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2 through a process, they had to also go the public
3 service commission at that time.

4 CHAIRPERSON RICHARDS: And how often do
5 you audit franchise agreements?

6 STANLEY SHOR: We audit as needed when
7 we, we do continuous reviews on information that we
8 get provided, we get quarterly reports from the
9 various companies and if we see something abnormal we
10 would do a review and if a, a review is not
11 sufficient then we would initiate an order.

12 CHAIRPERSON RICHARDS: So, there's no
13 mechanism right now internally in DoITT where you
14 audit on a regular basis so if someone has to file a
15 complaint or how does that work?

16 STANLEY SHOR: We, we can audit whenever
17 we choose to audit, of course audits require a number
18 of resources depending on how big the question is
19 that we're auditing, sometimes it has to involve a
20 number of lawyers getting involved. So, we don't
21 audit on a schedule, we audit when we think that it's
22 necessary. As you may remember we audited Verizon's
23 buildout, that was a rather expensive time-consuming
24 audit so we, we try to not have a regular schedule so
25 that we can be prepared to do audits as needed.

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2 CHAIRPERSON RICHARDS: So, you're saying
3 this is a resource question on why you don't audit
4 regularly on franchisees agreements that are within
5 your portfolio... [cross-talk]

6 STANLEY SHOR: Well it, it's not 100
7 percent of resource issue, it's based... we have... we
8 don't want to create an environment where we're
9 constantly auditing companies that do business with
10 the city if it's not necessary.

11 CHAIRPERSON RICHARDS: But would you say...
12 so I would think the city would want to audit to make
13 sure that agreements are being kept... [cross-talk]

14 STANLEY SHOR: Uh-huh... [cross-talk]

15 CHAIRPERSON RICHARDS: ...outside of when
16 complaints are just being... [cross-talk]

17 STANLEY SHOR: ...well, well... [cross-talk]

18 CHAIRPERSON RICHARDS: ...given to DoITT so
19 I'm not understanding if your, your agency is
20 supposed to be... you know the checks... [cross-talk]

21 STANLEY SHOR: ...well what... [cross-talk]

22 CHAIRPERSON RICHARDS: ...and balances...
23 [cross-talk]

24 STANLEY SHOR: ...I'm saying is... [cross-
25 talk]

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2 CHAIRPERSON RICHARDS: ...on the
3 agreements... [cross-talk]

4 STANLEY SHOR: ...that we... what we... what we
5 do is we do reviews which is... which is similar staff
6 looking at the... [cross-talk]

7 CHAIRPERSON RICHARDS: ...so can you go
8 through... [cross-talk]

9 STANLEY SHOR: ...information... [cross-talk]

10 CHAIRPERSON RICHARDS: ...the... yeah, okay
11 so I hear that. So, can you go through what does a
12 review entail?

13 STANLEY SHOR: A review entails if we
14 get... let's speak specifically about financials, if we
15 get payments that come in and they're significantly
16 less than we would have expected then we will ask the
17 company to provide us with the documentation behind
18 the commissions that they provided and then if we
19 feel that the documentation provided is insufficient
20 of if it's not... they're not properly documenting then
21 that may trigger an audit.

22 CHAIRPERSON RICHARDS: So, you've made a
23 determination at least I think I heard in your
24 testimony in which you explained you... that Charter,
25 you have not found them to be in violation?

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2 STANLEY SHOR: Well at this... [cross-talk]

3 CHAIRPERSON RICHARDS: ...even before an
4 audit is done?

5 MICHAEL PASTOR: That's right, we have no
6 information right now that they are in violation of
7 the franchise agreement and that was the... [cross-
8 talk]

9 STANLEY SHOR: But we, we are soliciting
10 information from them that would, would assist us in
11 making that determination.

12 CHAIRPERSON RICHARDS: And you're
13 soliciting that information based on...

14 STANLEY SHOR: Based upon representations
15 made to us, you know by the...

16 CHAIRPERSON RICHARDS: So, your letter
17 stated that you asked Charter for information on...
18 letter dated May 17th, would that have been in
19 anticipation of this hearing or would there just not
20 have been an audit at all or request for information
21 if there was no complaint given?

22 MICHAEL PASTOR: I, I think I can answer
23 that Chair, I, I think... we've been hearing a number
24 of different things before this hearing was noticed
25 and it got to a point where we felt we had enough

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2 sources in... sources of information that it was worth
3 our formally asking for information on these specific
4 allegations.

5 CHAIRPERSON RICHARDS: And you're... and
6 will that lead to an audit or there will be no audit
7 or will you just review and, and can you just explain
8 what was the request for information that you
9 requested from Charter?

10 MICHAEL PASTOR: So, we, we don't have a...
11 any information back from Charter yet, the, the
12 deadline pursuant to the letter would be this
13 Thursday to have information back from them so... and
14 we do expect to get information and or responses back
15 from them and I think to answer your question we then
16 look at, at what's been provided and determine if
17 there, there needs to be more, more auditing done or
18 more... or further requests.

19 CHAIRPERSON RICHARDS: Okay, so this
20 Thursday. So, it just seems to me that this is all
21 triggered based on the hearing so I would... you know
22 as we move forward this council looks forward to
23 working with you to make sure that under all
24 franchisee agreements that there's more regular
25 reporting and auditing around these agreements, you

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2 know we don't want to come to a hearing and not have
3 adequate information. It's very hard to say... to know
4 where we're at without any proper investigation
5 ongoing or, or going on, you know any essential
6 information that we would want to look at in an audit
7 to determine whether a franchisee is in compliance or
8 not. Can you go through so what if, you know the
9 information you come... you know you get the
10 information and it comes back to you can you go
11 through what, what penalties would the city lay out
12 if Spectrum is found to not be in compliance?

13 MICHAEL PASTOR: So, the allegation
14 that's been made is that there is a violation of, of
15 the agreement, if the... if the documents and response
16 provided to us bear that out then the agreement
17 itself sets out our powers to enforce those breaches
18 including inclusive of an ability to, to, to cure
19 Charter would have the ability to cure but I think
20 the... so it would either be what, what does that
21 information tell us and then if we need more
22 information then we would go request that again but
23 the franchise agreement sets out what we do if we
24 find that we think there's been a breach of the
25 agreement.

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2 CHAIRPERSON RICHARDS: And are they in
3 compliance with the PSC agreement?

4 MICHAEL PASTOR: As far as we, we are... we
5 are not aware of any violation in specific agreement
6 of the PSC approval specifically as it relates to
7 cable services. So, the PSC approval related to
8 services beyond cable service so to best... most
9 precisely answer your question we have no evidence
10 that they are in violation of any PSC approval but I,
11 I should say as we've said before, you know we are
12 open to reviewing any allegation of a violation with
13 that or, or any other law for that matter.

14 CHAIRPERSON RICHARDS: And what power
15 does DoITT have to enforce collective bargaining and
16 equal employment provisions under, under the
17 franchise agreement?

18 MICHAEL PASTOR: So, the, the powers are
19 found in Article 17 which I discussed in the
20 testimony and, and basically what, what would... what
21 we look at is what does the provision require of
22 Charter and then our powers would be well if they
23 breached that. So, for example the agreement says
24 that Charter is required to allow their workers to
25 negotiate collectively and, and to deal... and that

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2 they must deal with the representative of the union
3 if there was evidence supporting that they were not
4 doing that that would be a violation of, of the
5 agreement. With respect to discrimination the
6 agreement says the same thing that Charter must not
7 discriminate on the basis of any... on any unlawful
8 basis, if evidence was presented to us on that front
9 that would again be a breach of that provision and we
10 would... we would take action if we felt... if we felt we
11 needed to.

12 CHAIRPERSON RICHARDS: And can you go
13 through local hiring so there have been some
14 allegations that Spectrum is not using local
15 contractors while the strike has been ensuing, can
16 you speak to what has DoITT done to investigate these
17 allegations, are there... is there any truth, have you
18 found any truth in these allegations?

19 MICHAEL PASTOR: So, it's, it's worthy
20 here to, to, to break this up perhaps into
21 components. So, there's a requirement that Charter
22 have a local hiring plan so there is such a plan and
23 so the question there would be, you know is there any
24 inconsistency with the plan given to us. In addition,
25 there's a requirement that they... Charter to the

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2 extent feasible use city vendors and as we reference
3 in our letter if there are temporary agencies that
4 are being used for... temporary agencies being used for
5 temporary work that requirement would indicate that
6 they were meant to use local temp agencies to the
7 extent feasible, that would be the kind of thing we
8 were looking at. I think it's worth stressing that
9 the agreement does not require local hiring it
10 requires a, a plan to, to do local hiring and then it
11 requires them to try to use vendors when they can.

12 CHAIRPERSON RICHARDS: And how do you
13 track that so that's the big question?

14 MICHAEL PASTOR: Right, so... [cross-talk]

15 CHAIRPERSON RICHARDS: ...does DoITT... so is
16 DoITT responsible for tracking that?

17 MICHAEL PASTOR: Yes, so the plan... the
18 plan was submitted to us, right, so in, in, in the
19 instance of the plan we have it, we have the power to
20 ask for information about whether they're abiding by
21 that or by out of state. I mean we have somewhat
22 limited amounts of information as a franchise
23 administrator so... but I do think that when we get
24 allegations that come to us we take them seriously
25 and then follow up.

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 27

2 CHAIRPERSON RICHARDS: Yeah, so the union
3 has been in negotiations for two years and have you
4 seen any troubling signs through collective
5 bargaining, has there been anything that's raised an...
6 made you raise an eyebrow... [cross-talk]

7 MICHAEL PASTOR: At, at this... the, the
8 DoITT people here and I think I can speak for my
9 agency don't, don't have any evidence over that two-
10 year period of violations of, of, of labor laws.

11 CHAIRPERSON RICHARDS: Alright, we're
12 going to ask him... and does the franchise agreement
13 cover the internet or does it not?

14 MICHAEL PASTOR: It, it does not, it's
15 just a cable franchise agreement.

16 CHAIRPERSON RICHARDS: So, who would in
17 respect to the PSC would oversee that portion?

18 MICHAEL PASTOR: The PSC would, yes.

19 CHAIRPERSON RICHARDS: Okay and have you
20 been in communication with the PSC at all?

21 MICHAEL PASTOR: We... I believe... this
22 predates me but I believe we may have been in touch
23 with the PSC at the time of the approval but... and
24 when I say we I believe... I think that's the city, I'm
25

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 28

1 not charge of DoITT, I don't think there's been any
2 recent communications with the PSC.

3
4 CHAIRPERSON RICHARDS: So, the last time
5 the city to your knowledge has been in touch with PSC
6 was 2016?

7 MICHAEL PASTOR: On... at the time of the
8 approval as it relates to this issue, yeah, we're...
9 [cross-talk]

10 CHAIRPERSON RICHARDS: So, have you been
11 in contact recently?

12 MICHAEL PASTOR: No, not that I'm aware
13 of.

14 CHAIRPERSON RICHARDS: And you wouldn't
15 think that's a good thing being that... or due to...
16 agency does not talk or... [cross-talk]

17 MICHAEL PASTOR: No, I think it... [cross-
18 talk]

19 CHAIRPERSON RICHARDS: ...any, any
20 particular... [cross-talk]

21 MICHAEL PASTOR: ...I think it just...
22 [cross-talk]

23 CHAIRPERSON RICHARDS: ...reason... [cross-
24 talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 29

2 MICHAEL PASTOR: ...I, I think it was a
3 good thing for the city broadly to, to consider being
4 in touch with them about this.

5 CHAIRPERSON RICHARDS: Okay. Last
6 question before I go to my colleagues so on the
7 internet speeds obviously the Attorney General has
8 filed a lawsuit first Charter can you speak to any
9 things you've seen along the lines of internet
10 speeds, is there any truth in it?

11 STANLEY SHOR: We did not go into
12 customers apartments to see what their... the speeds
13 are in their apartments, we have gone out with
14 Charter to test their speeds at the nodes, the nodes...
15 the speeds at the nodes have been above 300 megabits
16 per second so the... [cross-talk]

17 CHAIRPERSON RICHARDS: We're going to ask
18 everybody to please keep it... hold it down, I don't...
19 you know...

20 STANLEY SHOR: So, the... you know the, the
21 testing then we don't... and we do unlimited testing,
22 we do a testing with them... [cross-talk]

23 CHAIRPERSON RICHARDS: Can you speak a
24 little... [cross-talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 30

2 STANLEY SHOR: ...twice, twice... [cross-
3 talk]

4 CHAIRPERSON RICHARDS: ...more into the..
5 [cross-talk]

6 STANLEY SHOR: ...a year... [cross-talk]

7 CHAIRPERSON RICHARDS: ...mic?

8 STANLEY SHOR: I'm sorry...

9 CHAIRPERSON RICHARDS: Uh-huh, thank you.

10 STANLEY SHOR: We, we do testing with
11 them twice a year, it's on a voluntary basis with
12 them and you know we also do it with LT's.

13 CHAIRPERSON RICHARDS: And is the speed
14 at the level that Spectrum has said its... it is?

15 STANLEY SHOR: The speed... the speed has
16 been at or above 300 megabits per second.

17 CHAIRPERSON RICHARDS: So... and, and
18 you've determined that... so just go through how do you
19 determine that again so you test from... [cross-talk]

20 STANLEY SHOR: I have... I have a technical
21 staff that goes out with the company and they have
22 equipment that tests the speed.

23 CHAIRPERSON RICHARDS: So, you said you
24 have not gone into customers apartments to test this
25 either?

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 31

2 STANLEY SHOR: Correct.

3 CHAIRPERSON RICHARDS: So, there's been
4 an allegation that the equipment that is placed in
5 the apartments or into a customer's apartment could
6 not... is not suitable enough to actually reach the
7 speed so how would you make the determination that
8 the speeds are correct?

9 STANLEY SHOR: So, we, we are... again our
10 franchise is only, only covers the cable television
11 service so... [cross-talk]

12 CHAIRPERSON RICHARDS: But you just said
13 that you test it so can you... [cross-talk]

14 STANLEY SHOR: ...we, we have... [cross-talk]

15 CHAIRPERSON RICHARDS: ...just talk about...
16 [cross-talk]

17 STANLEY SHOR: ...been going out...

18 [audible dialogue]

19 STANLEY SHOR: ...we have been going out...
20 [cross-talk]

21 CHAIRPERSON RICHARDS: So, you test
22 internet speeds sometimes or... [cross-talk]

23 STANLEY SHOR: ...we test it... [cross-talk]

24 CHAIRPERSON RICHARDS: ...or how... so
25 although the... [cross-talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 32

2 STANLEY SHOR: ...twice a year... [cross-
3 talk]

4 CHAIRPERSON RICHARDS: ...franchise..
5 [cross-talk]

6 STANLEY SHOR: ...based upon a tradition
7 that has gone back from the time when... before the FCC
8 that said that we could not be involved with the
9 speeds so this has been a... [cross-talk]

10 CHAIRPERSON RICHARDS: ...but you just said
11 that you... [cross-talk]

12 STANLEY SHOR: ...voluntary... [cross-talk]

13 CHAIRPERSON RICHARDS: ...tested it so what
14 made you test the speeds then?

15 STANLEY SHOR: We've been doing... we've
16 been doing this testing for many years and we're
17 continuing to do the testing with the companies that
18 are agreeable for example Verizon has not been
19 agreeable to us doing the testing and we have not
20 been doing the testing with Verizon.

21 CHAIRPERSON RICHARDS: Alright, I'm going
22 to come back for a second round of questions, I'm
23 going to go to Council Member Crowley followed by
24 Grodenchik and followed by Lancman.

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 33

2 COUNCIL MEMBER CROWLEY: Thank you to our
3 Chair... [cross-talk]

4 CHAIRPERSON RICHARDS: Sorry... [cross-
5 talk]

6 COUNCIL MEMBER CROWLEY: ...good afternoon.
7 The agreement with Spectrum as a provider ends in
8 2020 which is three years from now if the company is
9 in violation of the agreement the city has the right
10 to terminate that contract, isn't that correct?

11 MICHAEL PASTOR: The, the, the city has a
12 variety of different... [cross-talk]

13 COUNCIL MEMBER CROWLEY: ...but
14 specifically... [cross-talk]

15 MICHAEL PASTOR: ...rights... [cross-talk]

16 COUNCIL MEMBER CROWLEY: ...in your
17 testimony you referenced Article 17 of the... [cross-
18 talk]

19 MICHAEL PASTOR: Yes... [cross-talk]

20 COUNCIL MEMBER CROWLEY: ...of the Charter
21 Communications contract that states employees right
22 to collectively bargain through representation of
23 their own accordance to the law and from what I
24 understand it's been over two years since these
25 workers have gotten a fair contract and for the past...

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 34

2 I think past eight weeks, nearly two months over
3 1,800 of them have not been working because of the
4 failure to collectively bargain. So, I want to know
5 if you have the right... if your investigation
6 determines that the company is not bargaining in good
7 faith you have a right to determine to end this
8 contract?

9 MICHAEL PASTOR: I, I believe that, that,
10 that is provided for in the franchise agreement but I
11 would... I just wanted to answer your, your question
12 with two other... two quick points, you know first the,
13 the... we, we don't... we're not a laborer law
14 enforcement body but we are open to evidence
15 supporting a claim that a labor law violation has
16 occurred and you're right Council Member that would
17 then be a breach and would... it would give us all the...
18 [cross-talk]

19 COUNCIL MEMBER CROWLEY: It's just a
20 question about the contract... [cross-talk]

21 MICHAEL PASTOR: Uh-huh... [cross-talk]

22 COUNCIL MEMBER CROWLEY: ...if you find
23 that they're not holding up to their end of the
24 agreement in the contract you can terminate that
25 contract.

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 35

2 MICHAEL PASTOR: I, I would have to check
3 if, if this breach... [cross-talk]

4 COUNCIL MEMBER CROWLEY: You, you can,
5 the city has the right to do that, you're in an
6 agreement and the other party is not holding up to
7 their end then you could terminate the contract?

8 MICHAEL PASTOR: I, I would just have to
9 check the nature of the breach and then... [cross-talk]

10 COUNCIL MEMBER CROWLEY: And, and
11 furthermore the contracts in addition to collective
12 bargaining requires that the employees be treated
13 fairly but I've heard a number of stories that the
14 unionized employees are getting punished because
15 there's repeated service calls about unobtainable Wi-
16 Fi speeds due to false advertisement now there were
17 questions the Chair had about that speed but there's
18 also the state attorney, U.S... sorry, the state
19 attorney general that is bringing upon a lawsuit with
20 the company based on five million New Yorkers, that's
21 an awful lot of New Yorkers I bet the majority of
22 which are New York City residents that were promised
23 one thing by Charter but are not given the delivery
24 of service they were promised when they agreed to the
25 contract that they have with the company.

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JOINTLY WITH COMMITTEE ON TECHNOLOGY

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1 MICHAEL PASTOR: Right and in that
2
3 particular instance that lawsuit does focus
4 exclusively on internet speeds which is... does not
5 fall within the four corners of the, the franchise
6 agreement for cable speeds.

7 COUNCIL MEMBER CROWLEY: If, if the
8 courts find that the company was falsely advertising,
9 making promises that they could not deliver can you
10 terminate the contract?

11 MICHAEL PASTOR: I, I... I'm not sure... I'm
12 not sure Council Member, I'd, I'd have to look at
13 what, what, what... I'd want to look at what provision
14 they were violating if there's a court order... I, I
15 think I'm just going to have to... [cross-talk]

16 COUNCIL MEMBER CROWLEY: I just... [cross-
17 talk]

18 MICHAEL PASTOR: ...ask another question...
19 [cross-talk]

20 COUNCIL MEMBER CROWLEY: I would like you
21 to look into that... [cross-talk]

22 MICHAEL PASTOR: I will... [cross-talk]

23 COUNCIL MEMBER CROWLEY: ...and also again
24 when it comes to employees being treated unfairly
25 especially as it relates to delivery of service and

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 37

1 the, the installation of technical hardware that
2 could not provide the service that is promised as
3 well such as what we heard in the opening statements
4 of my colleagues, the Chairs. I just... you know I
5 understand how much the CEO makes in Charter, you
6 know and I compare it to the rank and file, it's like
7 10,000... it's like 10,000 dollars... 10,000 times what
8 they make, well over... it, it was reported that the
9 CEO made 98.5 million dollars that's one person when
10 the rank in file is, is making, you know maybe if
11 they're lucky 75,000 dollars a year, it just doesn't
12 seem fair because we in New York City... I certainly
13 want to make sure one, that when a company says
14 they're going to deliver a level of service that
15 they're providing that service, I have questions even
16 when it comes to my own home delivery now I feel bad
17 being a customer because I feel like I'm supporting a
18 company that is promoting substandard wages and not,
19 you know supporting New Yorkers who depend on their
20 wages that they make from the company, hard earned
21 money. I worry about a lot of my constituents who are
22 not working and their families because 1,800 New
23 Yorkers they're... that's a lot of people who are not
24 getting paid right now and I feel badly for being a
25

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 38

1 customer of Charter Communications and I also think I
2 pay extra for speed and my son recently came back
3 from college and he says mom the internet it's so
4 slow here, our, our internet is slow and I said it
5 couldn't, couldn't be, you know I didn't know that it
6 was so bad until he brought it to my attention but I
7 said well we pay extra, I get... I pay a little bit
8 extra to have faster service and we're not getting it
9 so I bet I'm one of those five million New Yorkers
10 who's not getting what was promised in delivery of
11 service. So, I would like, you know for DoITT to look
12 further into this franchise agreement to make sure
13 that the company is holding up to their end, that
14 they're... which, you know based on what I know and
15 I'll learn more today when Charter is up to answer
16 questions but if the company is not negotiating
17 fairly or punishing employees for their own mistakes
18 that raises a lot of questions to us as a city to
19 allow this franchise to continue and so we need to
20 stay in touch and, and I hope that DoITT will be here
21 for the entire duration of the hearing to hear from
22 both the company and the workers as to what's
23 happening out there and, and to them and, and who
24 they're employing right now to provide the service
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 39

2 if, if these trained members are not working who is
3 doing the work, that's what I'd really like to know.

4 MICHAEL PASTOR: And I would just say in
5 response Council Member that we, we agree, these,
6 these are serious allegations and we take them
7 seriously and that's why we're requesting the
8 information and we want to see if, if, if the
9 information we get back for them supports them claims
10 and then we take further action and I would also say
11 that the administration strongly believes that, that,
12 that these workers are entitled to a fair and just
13 contract as I said in, in my testimony but we will be
14 looking into any portion of the franchise agreement
15 if there's been any violation of it, we take it
16 seriously and will pursue it.

17 CHAIRPERSON RICHARDS: Okay, we're going
18 to... [cross-talk]

19 COUNCIL MEMBER CROWLEY: Thank you...
20 [cross-talk]

21 CHAIRPERSON RICHARDS: ...move on now,
22 we'll go to Council Member Lancman followed by
23 Grodenchik.

24 COUNCIL MEMBER LANCMAN: Thank you Mr.
25 Chair, good afternoon. I have the privilege of

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 40

2 representing the neighborhood of Electchester in the
3 city council where the headquarters for Local Three
4 is and where many members reside so the fact that so
5 many Local Three members are on strike affects my
6 community in a particular way. I just want to tailor
7 my questions to, to DoITT and DoITT's role, I know
8 that Spectrum will be here later and, and we'll have
9 others testify but you, you use the term I think
10 franchise administrator.. [cross-talk]

11 MICHAEL PASTOR: Or authority.. [cross-
12 talk]

13 COUNCIL MEMBER LANCMAN: Is, is, is DoITT
14 the entity within city government that is responsible
15 for making sure that Spectrum is adhering to its
16 franchise and adhering to its agreement with the
17 public service commission?

18 MICHAEL PASTOR: We are the... DoITT is the
19 agency responsible for assuring adherence to the
20 franchise agreement but the PSC is the one
21 responsible for assuring adherence with the PSC
22 merger, merger approval.

23 COUNCIL MEMBER LANCMAN: Well let me ask
24 you about that because as you know with the merger
25 Charter had committed to a number of conditions

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 41

2 related to the expansion of service, convert the
3 entire New York network to digital within 30 months,
4 make investments to offer broadband speeds up to 100
5 MBPS, etcetera, etcetera, is it... does DoITT have any
6 role in ensuring that Charter Spectrum is adhering to
7 those conditions or is that entirely up to the public
8 service commission to ensure?

9 MICHAEL PASTOR: You would want to look
10 at... there are a number of conditions that were there
11 and, and we think we might have a role to play if
12 there were conditions related to, to cable service
13 that could be tied back into the agreement but if it
14 was approvals as was related to non-cable service
15 then, then we, we don't see a role really.

16 COUNCIL MEMBER LANCMAN: So let me... and
17 let me just clarify because I want to be absolutely
18 clear, is it the city's position that the provision
19 of broadband service, internet service does not
20 require anything additional in, in, in the franchise
21 agreement like the franchise agreement is to provide
22 cable whether or not they provide broadband or not is
23 nothing to do with that franchise?

24 MICHAEL PASTOR: It's my understanding
25 that, that federal law in the instant where there is

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 42

2 a cable franchise federal law does inhibit the city's
3 ability to impose any conditions on non-cable
4 services with a cable franchisee, that's right so
5 there's a very limited role when you have a cable
6 franchisee also providing internet service for DoITT
7 in that... in that scenario.

8 COUNCIL MEMBER LANCMAN: I'm, I'm curious
9 is that because the broadband was introduced in the
10 span of a... of an existing franchise agreement or is
11 it even the case that come 2020 and let's say there's
12 a desire to renew the franchise or, or issue a new
13 franchise even then would the city be blocked from,
14 from negotiating terms on the provision of broadband?

15 MICHAEL PASTOR: I think what we'll do
16 when the renewal time comes up is you'll look at the
17 legal landscape that you're working under at that
18 time including if there are any, any FCC regulations
19 that change between then and now and we would seek to
20 exercise as much power as we could under that purview
21 to effectuate our, our franchise goals and our policy
22 goals.

23 COUNCIL MEMBER LANCMAN: Does the city
24 collect any kind of fee or commission from Spectrum,
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 43

2 Charter for the provision of internet or broadband
3 services?

4 STANLEY SHOR: No, we are precluded from
5 collecting that fee. Years ago, we collected a fee
6 for cable modems but the action of the FCC limited us
7 to five percent of the video services that were
8 provided over the system.

9 COUNCIL MEMBER LANCMAN: Alright, so
10 let's look at... let's move on from the, the agreement
11 with the... with the PSC and just look at the, the
12 franchise agreement and I just want to understand, I
13 want to... my... Council Member Crowley raised the
14 issues, I just want to be clear there is in the... in
15 the franchise agreement a couple of requirements that
16 arguably Spectrum is in violation of and I understand
17 you're collecting more information but I want to
18 understand precisely your role in determining whether
19 or not Spectrum is in violation and if so what is not
20 merely your authority but your responsibility to act
21 to protect the, the public's interest. I'm in
22 particular interested in the, the requirement to the
23 extent feasible and consistent with applicable law
24 utilize vendors located in the city for provision of
25 services under the franchise, that's a particular

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 44

2 bone of contention and it does not admit of any, you
3 know exclusions if there's a labor dispute, what is
4 your responsibility to ensure that that provision of
5 the franchise agreement for example is being followed
6 and if it's not once you get this information back
7 and hopefully you'll accept, solicit information
8 from, from Local Three and others, what is your
9 responsibility to act including if necessary going
10 to, to court to enforce our agreement, the public's
11 agreement with Spectrum?

12 MICHAEL PASTOR: So, in the instance of
13 your question if, if, if evidence supported a finding
14 that they were violating that provision that would be
15 a breach of the agreement and then the agreement
16 gives us a whole host of tools to enforce including I
17 believe going to court as necessary to, to enforce..
18 to force them to require them to, to apply... to comply
19 with that, yes.

20 COUNCIL MEMBER LANCMAN: One last quick
21 one, you're going to get the information that you
22 have solicited from Spectrum how long will it take
23 you to digest it and come up with a, a position as to
24 whether or not there are violations and what steps
25 you're going to take if any to deal with them?

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 45

2 MICHAEL PASTOR: In, in part it depends
3 on the volume but we plan to move quickly when we get
4 it, we won't... we will not be sitting on this
5 information we'll be looking at it right away.

6 COUNCIL MEMBER LANCMAN: Alright, well we
7 are looking forward to that with a great sense of
8 urgency and we have a great expectation that the city
9 will act to protect our rights under, under this
10 contract and we're going to follow up with you on
11 that. Thank you Mr. Chairman.

12 CHAIRPERSON RICHARDS: Thank you. We'll
13 go to Grodenchik followed by Torres.

14 COUNCIL MEMBER GRODENCHIK: Thank you Mr.
15 Chair, good afternoon gentlemen. In the current labor
16 action, the franchisee Spectrum has... I'm told that
17 they have brought in people from out of town and I am
18 wondering, you know I have thousand... we all have
19 thousands and thousands of people in our districts
20 who use this service, full disclosure I use Fios
21 right now, my dad overruled in my household but
22 that's full disclosure. So, we don't have the 1,800
23 men and women or Local Three members who have been
24 carrying these duties on in some cases for decades,
25 we have people from out of town who are... may not be

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 46

2 as familiar, it's certainly that they're not as
3 familiar with New York City as the people who have
4 been working for years but I am concerned about the
5 security of the people that use Spectrum services and
6 having people come into their house, is there any
7 vetting that's required by this franchise agreement
8 of the quote, unquote replacement workers that are
9 being used?

10 MICHAEL PASTOR: I'm not aware of, of
11 such a provision but what I will say is that the...
12 what we've requested from Charter is any agreement
13 that they have for the hiring of such temporary
14 personnel and we're entitled to see that as we're
15 entitled to see all records related to the franchise
16 and that would I think give us some picture as to
17 what, what vetting was being done if to the extent
18 any temp... temp agencies were being utilized.

19 COUNCIL MEMBER GRODENCHIK: So, we don't
20 know if some of these people could have criminal
21 records, they could have all kinds of things going on
22 in their lives and we just wouldn't know about them,
23 there's no way to determine that?

24

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 47

2 MICHAEL PASTOR: I think... looking at the
3 temp agreements would, would be the best way to
4 determine it, yeah... should be.

5 COUNCIL MEMBER GRODENCHIK: That concerns
6 me. The other thing that concerns me and you know
7 when Council Woman Crowley... I wrote down after she
8 had asked you a question you guys could not be
9 involved with speed, you know if, if the Department
10 of Consumer Affairs comes in or the Health Department
11 comes into one of my deli's and the temperature is
12 off by one degree, the wrong side of the... of the
13 thermometer people get fines, do you fine, do you
14 spot fine, is there anything that you do, do you do a
15 spot inspection anything like that?

16 MICHAEL PASTOR: I think... [cross-talk]

17 COUNCIL MEMBER GRODENCHIK: ...New York is
18 famous for fining people I just think that you know
19 DoITT would be part of that tradition.

20 MICHAEL PASTOR: I, I understand, I, I
21 think it, it happens to be... the internet happens to
22 be a space where the city is more hamstrung by, by
23 the federal and state, you know regulatory overlay in
24 terms of the things that we can and can't do in a way
25

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JOINTLY WITH COMMITTEE ON TECHNOLOGY

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1 that maybe, you know a deli... you know a, a grill
2 temperature, you know the, the... [cross-talk]

3
4 COUNCIL MEMBER GRODENCHIK: I used that
5 as an example...

6 MICHAEL PASTOR: Yeah.

7 COUNCIL MEMBER GRODENCHIK: So, I, I
8 assume there are a lot of people that would like to
9 have the New York City market for cable TV and
10 internet, it's very lucrative, there are eight and a
11 half million New Yorkers, can't we require the
12 franchisees to... are we absolutely prevented by
13 federal law from doing what we'd like them to do, is...
14 you know or... I would assume that not only Spectrum
15 but there are other groups out there that would love
16 to have our business, there's eight and a half
17 million New Yorkers, it's, it's the most densely
18 populated place in the... in the United States?

19 MICHAEL PASTOR: Yeah, I think... this,
20 this agreement dates back many years, I think our
21 view of it is that when, when the renewal time comes
22 up we'll be looking at all provisions within the
23 confines of, of the federal legal overlay to see if
24 there's anything we want to do differently, if
25

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2 there's any provision that, that is not in there now
3 that we want in there now, can we do it and...

4 COUNCIL MEMBER GRODENCHIK: Have... and
5 when is the franchise... this franchise agreement up?

6 MICHAEL PASTOR: In July of 2020.

7 COUNCIL MEMBER GRODENCHIK: So, just
8 about three years from now. And is there anything
9 that is in the franchise agreement that can compel
10 either side in this negotiation back to the table?

11 MICHAEL PASTOR: No, I'm afraid there's
12 no... [cross-talk]

13 COUNCIL MEMBER GRODENCHIK: ...no, okay..
14 [cross-talk]

15 MICHAEL PASTOR: ...provision right
16 directly on point with that... [cross-talk]

17 COUNCIL MEMBER GRODENCHIK: ...maybe we'll
18 write that in next time as well. Thank you Mr.
19 Chairman.

20 CHAIRPERSON RICHARDS: Thank you, going
21 to go to Reynoso followed by Torres then Council
22 Member Miller and just before we go there so when do
23 you expect the next authorizing resolution on this?

24 STANLEY SHOR: Should be within the... is
25 it the next year, within the next year.

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2 CHAIRPERSON RICHARDS: Speak a little..

3 MICHAEL PASTOR: Within the next year.

4 CHAIRPERSON RICHARDS: Within the next
5 year?

6 MICHAEL PASTOR: Yeah.

7 CHAIRPERSON RICHARDS: Okay. That... so
8 2018 around this time?

9 STANLEY SHOR: I believe so, I'd have to
10 go back and check the expiration... [cross-talk]

11 CHAIRPERSON RICHARDS: Okay, you can get
12 that back... [cross-talk]

13 STANLEY SHOR: ...on the current one...
14 [cross-talk]

15 CHAIRPERSON RICHARDS: ...to the committee.
16 Alright, we'll go to Reynoso followed by Torres.

17 COUNCIL MEMBER REYNOSO: Hello and thank
18 you for being here. I just want to read something
19 regarding the, the franchise agreement that you are
20 responsible for that is not the PSC's responsibility.
21 The franchise shall to the extent feasible and
22 consistent with applicable law utilize vendors
23 located in the city for provision of services under
24 the franchise, that is something you are solely
25 responsible for in this franchise agreement. I, I

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2 just want your, your I guess interpretation of
3 feasible and consistent with applicable law, is... does
4 the city of New York is it not feasible or consistent
5 with law to find workers within the city of New York?

6 MICHAEL PASTOR: So, Council Member I
7 read that provision to require... it's basically... you
8 take it all together, its requiring Charter to
9 utilize vendors to the extent that it's feasible that
10 they do so and to the extent that that's consistent
11 with applicable law so Charter... [cross-talk]

12 COUNCIL MEMBER REYNOSO: Okay... [cross-
13 talk]

14 MICHAEL PASTOR: ...may... Charter may
15 frankly be... may be the one... I'm not saying they have,
16 might be the one claiming... I... for example I would
17 have hired a local vendor but that wasn't feasible or
18 consistent with applicable law and then we would look
19 at that and see if we agree.

20 COUNCIL MEMBER REYNOSO: So... that's what
21 I'm asking do you agree that with Charter that it was
22 not feasible to hire folks within New York State?

23 MICHAEL PASTOR: We, we have not been
24 told that by Charter and... [cross-talk]

25

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2 COUNCIL MEMBER REYNOSO: So, so this is..
3 so this provision here has to be initiated by Charter
4 is what you're saying?

5 MICHAEL PASTOR: The... basically if
6 they're using vendors which we're, we're hoping to
7 find out that are out of state then we, we would do
8 our best to determine whether or not they, they did
9 not do enough to, to hire local vendors or whether
10 there was a legal bar to it so we... what we'd be
11 looking at is if they used out of state vendors then
12 we'd look at what were... what if any were the efforts
13 to try to use local vendors first.

14 COUNCIL MEMBER REYNOSO: Okay and who
15 has... who initiates that investigation I guess is what
16 I'm asking, how does... how do you find out that
17 they've used workers outside of New York State... New
18 York City, how... how is it initiated, how... [cross-
19 talk]

20 MICHAEL PASTOR: We, we, we initiate it
21 and have... we view the letter that we sent to them
22 already as initiating... [cross-talk]

23 COUNCIL MEMBER REYNOSO: And when was
24 that letter sent again?

25 MICHAEL PASTOR: On May 17th.

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2 COUNCIL MEMBER REYNOSO: May 17th...

3 MICHAEL PASTOR: Uh-huh...

4 COUNCIL MEMBER REYNOSO: So, again I, I
5 just... I'm concerned about the council's role in
6 supporting these franchise agreements that, that have
7 these sentences and in between commas that don't
8 specifically speak to exactly what's supposed to be
9 happening or how things are supposed to be moving,
10 moving, it seems like these franchise agreements have
11 no teeth to them because the work that you're doing
12 only gets initiated if we hold the hearing, should we
13 not hold the hearing or this not be an issue that's
14 in the light or in the front... in the front lines I
15 guess of the city of New York these workers will
16 never get justice is what I'm trying to say. That's,
17 that's important to note, the 17th they've been... for
18 how long has the union not been at work so far, has
19 the strike gone on for?

20 MICHAEL PASTOR: I think since the end of
21 March, 11 weeks.

22 COUNCIL MEMBER REYNOSO: 11 weeks...

23 [cross-talk]

24 CHAIRPERSON RICHARDS: Please no... [cross-
25 talk]

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2 COUNCIL MEMBER REYNOSO: So... [cross-talk]

3 CHAIRPERSON RICHARDS: ...calling out
4 please... [cross-talk]

5 COUNCIL MEMBER REYNOSO: ...in, in between
6 now and those 11 weeks before May 17th you didn't
7 find it prudent to move forward with an investigation
8 as to whether or not your compliant... they're
9 complying with these terms of the franchise
10 agreement?

11 MICHAEL PASTOR: No but during that time
12 we actually... we were trying to gather information to
13 substantiate it and got to a point that we felt that
14 we needed this letter to, to take it to the next
15 level.

16 COUNCIL MEMBER REYNOSO: Okay, I'm... I
17 don't... I, I want to say that I would love to see the
18 investigation and, and hopefully through time we're
19 going to find out when it is that you initiated the
20 request or, or when it is that you thought it'd be
21 important that you look into whether or not these
22 workers from outside of the city were actually there
23 and see if this... if this body or this council hearing
24 was what initiated it and not your self-initiation,
25 your own policing because if that's the case then

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2 there are no teeth to these franchise agreements and,
3 and they're not worth the paper we're printing them
4 on. The other thing is that if this strike continues
5 for an extended period of time does that... does that
6 effect the first portion of, of your... of, of what
7 you're supposed to oversee which is the franchise
8 shall recognize the right of its employees to bargain
9 collectively does a franchise... does a franchisee
10 actually recognize its employees if it just leaves
11 them on the side not working for as long as they
12 want, is that not I guess a... in former recognition...
13 or non-recognition of the union in itself?

14 MICHAEL PASTOR: In normal instance it
15 would... it would be... we would be best to rely on
16 someone... an agency like the National Labor Relations
17 Board if such an agency found a refusal to deal...
18 [cross-talk]

19 COUNCIL MEMBER REYNOSO: Right, so, so
20 why is this in the franchise agreement if you feel
21 that the responsibility on whether or not that's
22 happening falls on another, another entity like the
23 NLRB?

24 MICHAEL PASTOR: It's the difference
25 between wanting it to not happen and, and

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2 investigating whether it did happen and I think what...
3 the reason it's in the franchise agreement is because
4 the city cares about this issue and doesn't want
5 violations of it, if, if we learn about them either
6 through... substantiated through the NLRB or
7 independently that happens we have those provisions
8 there because it's something we care about.

9 COUNCIL MEMBER REYNOSO: Okay, we're
10 just... I just feel that we're doing a disservice to,
11 to the city of New York when these franchise
12 agreements one, are weak on paper but also the
13 enforcement arm is almost nonexistent and we should
14 really look into exactly how we're doing those, those
15 agreements but thank you very much Chair.

16 CHAIRPERSON RICHARDS: Thank you... [cross-
17 talk]

18 COUNCIL MEMBER REYNOSO: Thank you...
19 [cross-talk]

20 CHAIRPERSON RICHARDS: ...Council Member
21 Torres.

22 COUNCIL MEMBER TORRES: Thank you and I,
23 I share Council Member Reynoso's concerns. You, you
24 testified that you found no violation but I just want
25 to clarify, you found no violation not because there

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2 is no violation but because DoITT has not conducted
3 an investigation?

4 MICHAEL PASTOR: Right, we have no
5 evidence right now of any violation, that's right.

6 COUNCIL MEMBER TORRES: So, what I would
7 advise in the future is when testifying before the
8 city council I think it's important to point out we
9 have no evidence of a violation because we've done no
10 investigation, I think that's a, a crucial detail.
11 Now Council Member Reynoso pointed out the, the lag
12 time between the expiration of the contract and the
13 beginning of your... of the, the date when you sent the
14 letter and you said that you were gathering
15 information?

16 MICHAEL PASTOR: We were trying to... yes,
17 trying to, to substantiate the, the claim... because
18 there were... there had been reports really of
19 violations to the franchise... [cross-talk]

20 COUNCIL MEMBER TORRES: So, so how long
21 have you been aware of this deteriorating labor
22 dispute between Local Three and Charter?

23 MICHAEL PASTOR: We've been aware of the
24 dispute for the... for all the time of, of the dispute
25 but in terms of the... the... [cross-talk]

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2 COUNCIL MEMBER TORRES: So what is that
3 time to your understanding?

4 MICHAEL PASTOR: The, the, the claims
5 percolating to DoITT as to the specific claim of the
6 violation of the franchise agreement I think have
7 been, you know the past you know month or two.

8 COUNCIL MEMBER TORRES: Past month or two
9 and when did you... did you hear about the
10 deteriorating labor dispute before then?

11 MICHAEL PASTOR: The city certainly would
12 have, yes, yes.

13 COUNCIL MEMBER TORRES: And so why did
14 you not intervene earlier given the city's interest
15 in collective bargaining?

16 MICHAEL PASTOR: It was... it was all about
17 the, the question being presented specifically as a
18 violation to the franchise agreement that... that's our
19 purview and that's why DoITT decided... [cross-talk]

20 COUNCIL MEMBER TORRES: You know I, I
21 worry that your agency has a hands off lackadaisical
22 approach to enforcement, right you... the, the, the
23 assistant commissioner said something that I found
24 quite striking and I don't know if I'm quoting you
25 correctly but it says we do not want to create an

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2 environment where we are constantly auditing
3 companies, is, is that... is that your position?

4 STANLEY SHOR: No...

5 COUNCIL MEMBER TORRES: I mean given that
6 you have these franchise... [cross-talk]

7 STANLEY SHOR: ...we want... we want... [cross-
8 talk]

9 COUNCIL MEMBER TORRES: ...you have these...
10 [cross-talk]

11 STANLEY SHOR: ...we want an environment
12 where the companies know that when they do something
13 that's questionable that we're going to question
14 them, we're going to review them, that we're going to
15 audit them now the company that isn't doing that on a
16 constant... on a... on a regular basis that we'd... they...
17 we're, we're not going to have a schedule so that
18 we're going to be doing all of these companies and
19 then this other company, this big company that's
20 doing something wrong isn't on the schedule yet we're
21 going to address them as the situation... [cross-talk]

22 COUNCIL MEMBER TORRES: But the two are
23 not mutually exclusive, right, you can have both a
24 complaint driven enforcement as well as pro-active

25

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2 periodic enforcement, what is your agency's objection
3 to pro-active periodic enforcement or auditing?

4 STANLEY SHOR: We do pro-actively audit
5 we just don't do it on a schedule for... [cross-talk]

6 COUNCIL MEMBER TORRES: So, how often...
7 how, how often do you... [cross-talk]

8 STANLEY SHOR: ...schedule... we could...
9 [cross-talk]

10 COUNCIL MEMBER TORRES: ...audit... [cross-
11 talk]

12 STANLEY SHOR: ...do an audit of one
13 company every year if it was appropriate and we do,
14 do audits, we audited Verizon's financials and then
15 we audited their build out... [cross-talk]

16 COUNCIL MEMBER TORRES: ...so how often...
17 [cross-talk]

18 STANLEY SHOR: ...because... [cross-talk]

19 COUNCIL MEMBER TORRES: ...have you audited
20 Charter?

21 STANLEY SHOR: So, we're auditing them
22 now on their financials.

23 COUNCIL MEMBER TORRES: I, I cannot hear
24 you.

25

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2 STANLEY SHOR: We are auditing them
3 currently on their financials, we started auditing
4 them a few months ago.

5 COUNCIL MEMBER TORRES: Okay and how
6 often do you audit other franchisees that do business
7 with the city?

8 STANLEY SHOR: We do audits periodically,
9 we have a small staff, the controller also does
10 audits so the controller has a main... the main
11 responsibility for auditing contracts.

12 COUNCIL MEMBER TORRES: I, I know when
13 we've been... when we've craft a... craft a legislation
14 granting... creating a licensing scheme whether it's
15 car wash or other industries we empower the
16 commissioner to consider the character of a company...

17 STANLEY SHOR: Uh-huh...

18 COUNCIL MEMBER TORRES: Right and the
19 labor practices of a company and what it says about
20 the character of that company, right, well you know
21 is, is that a consideration with respect to franchise
22 agreements, do you... do you have the authority to
23 consider the labor practices of a company and what it
24 says about the character of a company?
25

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2 STANLEY SHOR: We have the power... we have
3 the authority to look at all aspects of a company
4 seeking to have a franchise with the city and the
5 federal government has overlaying regulations as far
6 as renewals of franchise agreements.

7 COUNCIL MEMBER TORRES: But does the
8 federal government prevent you from considering the
9 character of a company on whether that company's fit
10 to do business with New York City?

11 STANLEY SHOR: No, they do not preclude...
12 [cross-talk]

13 COUNCIL MEMBER TORRES: They do not, okay
14 so... [cross-talk]

15 STANLEY SHOR: It certainly is considered
16 in these... [cross-talk]

17 COUNCIL MEMBER TORRES: Do you consider
18 character as a... [cross-talk]]

19 STANLEY SHOR: Yes.

20 COUNCIL MEMBER TORRES: Do you, okay.

21 STANLEY SHOR: Yes, we look at... we look
22 at lawsuits, we look at criminal violations, we look
23 at all of that.

24 COUNCIL MEMBER TORRES: Okay and do you
25 feel that the absence of negotiations between the

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2 union and the... and, and Charter does, does that raise
3 questions in your mind about the character of the
4 company?

5 STANLEY SHOR: We are concerned when we
6 see specific allegations of specific actions that
7 have resulted in lack of negotiations and when we've
8 had that in the past we've investigated and we
9 continue... and we've had that with other... with another
10 company we're doing now we have allegations and we're
11 investigating them.

12 COUNCIL MEMBER TORRES: I see my time has
13 expired.

14 CHAIRPERSON RICHARDS: We'll come back
15 for second rounds. Just on that so has DoITT ever
16 terminated a franchise agreement or penalized any
17 franchisees or...

18 STANLEY SHOR: DoITT has terminated
19 franchise agreements.

20 CHAIRPERSON RICHARDS: Can you speak to
21 which... how many or can you give an example?

22 STANLEY SHOR: The, the examples that
23 come to mind most easily are the franchises for Pay...
24 Public Pay Telephone Companies that stopped

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 64

2 operating, abandoned phones for, for various reasons
3 that the company went out of business... [cross-talk]

4 CHAIRPERSON RICHARDS: And no cable
5 franchisees?

6 STANLEY SHOR: Cable franchise, I'm not
7 aware of any cable franchise that was terminated by
8 the city.

9 CHAIRPERSON RICHARDS: Okay and... okay,
10 I'll go to Council Member Miller and then I'll, I'll
11 have the statement to close out, Council Member
12 Miller.

13 COUNCIL MEMBER MILLER: Thank you Mr.
14 Chair. Good afternoon. So, I want to kind of follow
15 up on some of the things that my colleagues had
16 mentioned and, and first off I want to talk about
17 the... your responsibilities in kind of overseeing this
18 agreement and this... as, as it relates to labor
19 relations and collective bargaining and I know that
20 is minimal but there are some provisions in here that
21 do gives you discretion as you mentioned to oversight
22 and looking and, and, and when procuring this
23 agreement that you have the authority to look at the
24 character of the company as it pertains to its
25 workforce and so in doing so did... do you try to, to,

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2 to determine whether or not that, that that company,
3 that their history is consistent with that of the...
4 with organized labor here in the city of New York?

5 STANLEY SHOR: So, if we had seen any
6 specific allegations that they were not allowing
7 their employees to collectively bargain we would
8 absolutely raise that as an issue with the company in
9 coming in...

10 COUNCIL MEMBER MILLER: So, so what kind
11 of due diligence was done in, in determining whether
12 or not this was a, a good actor in, in procuring this
13 agreement?

14 STANLEY SHOR: We did all... we did the
15 background reviews, we looked into any cases, we
16 looked at all of this and we had not seen any...
17 [cross-talk]

18 COUNCIL MEMBER MILLER: Is that Time
19 Warner specifically Spectrum?

20 STANLEY SHOR: Time Warner and Charter
21 two... is the, the company.

22 COUNCIL MEMBER MILLER: Okay, so it was
23 done Time Warner and it was done again for Charter?

24 STANLEY SHOR: Yes.

25 COUNCIL MEMBER MILLER: Spectrum?

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2 STANLEY SHOR: Uh-huh.

3 COUNCIL MEMBER MILLER: Okay, we'd like
4 to... certainly like to, to see that. So, there's also
5 is a, a responsibility as, as... from DoITT to the
6 residents of the city of New York and how services
7 get delivered, right and, and, and in this... in this
8 particular case of IT that is the responsibility of
9 DoITT, do you... so... and, and, and upholding that
10 responsibility have you as was mentioned was there an
11 audit as to whether or not those services are being
12 delivered at the same level over the last 11 weeks
13 that they had been done prior to whether or not the
14 city residents are getting their bang for their buck,
15 is the services have they been diminishing in any
16 shape, form, or fashion before we get into whether or
17 not we are in compliance with Article 17 in bringing
18 folks from the outside but obviously there is a level
19 of expertise in training that go along with these
20 members here that we see in this room that these
21 folks don't come from anywhere, right, that they have
22 a... an approved apprenticeship and training that has
23 occurred and they're delivering services. What I pay
24 for we don't expect for those services to be
25 delivered in any... in any fashion other than what we..

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2 what, what we've come to expect so that would be the
3 responsibility of the agency who is overseeing, have
4 you audited it or... what's been your feedback on, on,
5 on the services over the last 11 weeks, now I know
6 that, that, that the company has done a great job in
7 advertising new products and not talking about where
8 they are now but what have we done to reach out to
9 folks to ensure that the services are being delivered
10 at the same level?

11 STANLEY SHOR: Okay, so our department
12 has a, a small staff that handles complaints that
13 come in regarding the cable companies and we review..
14 [cross-talk]

15 COUNCIL MEMBER MILLER: I can't... you have
16 to speak up sir.

17 STANLEY SHOR: Okay. We have a complaint
18 unit that handles complaints that customers have we..
19 with regard to the cable service and we review those
20 complaints and we seek resolution from the companies
21 on those complaints. I don't... I'm not aware of a
22 large increase in complaints in this area.

23 COUNCIL MEMBER MILLER: So, again... okay,
24 in, in determining... [cross-talk]

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 68

2 STANLEY SHOR: Any complaint that comes...

3 [cross-talk]

4 COUNCIL MEMBER MILLER: ...the... to... [cross-

5 talk]

6 STANLEY SHOR: ...to us we will... we will

7 seek resolution from the company, we follow up with

8 the company, we try to make sure that they... even if

9 it's a complaint that... [cross-talk]

10 COUNCIL MEMBER MILLER: So... [cross-talk]

11 STANLEY SHOR: ...that isn't a cable

12 compliant we do seek a resolution from... [cross-talk]

13 COUNCIL MEMBER MILLER: ...in, in, in the

14 interest of time if in fact there is a violation of

15 Article 17 and, and, and of the provisions within

16 this agreement what will be the resolution how we

17 intend to make that whole and most importantly and as

18 we procure for the future the, the... I just want to

19 say as the Chair of Civil Service and Labor that this

20 is a, a densely populated... the most densely populated

21 labor town in the country that we have standards and

22 we want to make sure that anyone that's doing

23 business in this city are going to be able to live up

24 to adhere those standards and provide services at the

25 level that, that, that we have come to expect as a

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2 city certainly it's not in the Charter but I, I think
3 it's within the purview of, of an agency that is
4 procuring to ensure that at least that level industry
5 standards will be maintained that's not too much to
6 ask and, and I don't know if it was asked already but
7 we want to... as we, you know drill down and, and, and
8 do the next round of negotiations we want to ensure
9 that, that the services that we're... that are being
10 delivered are at the level that we've come to expect.
11 Thank you Mr. Chair.

12 CHAIRPERSON RICHARDS: Thank you... [cross-
13 talk]

14 COUNCIL MEMBER MILLER: ...I'll save
15 everything else to the next round.

16 CHAIRPERSON RICHARDS: Chair of the Civil
17 Service Committee. Just last two points, one question
18 so what role does MOCS play here, does MOCS do
19 compliance enforcement in any way or what is their
20 role in this whole...

21 STANLEY SHOR: The Mayor's Office of
22 Contract Services is involved with the approval
23 process, they do not get involved in the compliance
24 of the contract that... [cross-talk]

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 70

2 CHAIRPERSON RICHARDS: So, just the
3 approval of the authorizing resolution... [cross-talk]

4 STANLEY SHOR: Well, well no the... it's
5 the approval of the proposed change in the, the
6 amendment to the contract to transfer control from...
7 of the franchise to Charter Communications that went
8 through a process, Mayor's Office of Contract
9 Services has a process that we follow as we bring the
10 item to the franchise and Concession Review Committee
11 and the Franchise and Concession Review Committee
12 voted to approve this change in the contract and then
13 we administer that changed contract.

14 CHAIRPERSON RICHARDS: So, is it arguable
15 to say that they can drive a harder bargain in the
16 future or... [cross-talk]

17 STANLEY SHOR: The Mayor's Office...
18 [cross-talk]

19 CHAIRPERSON RICHARDS: ...will they...
20 [cross-talk]

21 STANLEY SHOR: ...of Contract Services does
22 not negotiate the... [cross-talk]

23 CHAIRPERSON RICHARDS: ...so they don't
24 negotiate... [cross-talk]

25 STANLEY SHOR: ...contracts... no.

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2 CHAIRPERSON RICHARDS: Okay. Alright, I
3 just thank you for your testimony today and, and
4 before you go I just want to put this on the record
5 that, you know as the authorizing resolution comes to
6 the council next year I think you said.. [cross-talk]

7 STANLEY SHOR: I believe so.. [cross-talk]

8 CHAIRPERSON RICHARDS: ...you know we're
9 going to look for, you know regular audit dates to be
10 written in to either the resolution or the contract
11 and I think this is a standard that we want to see
12 when any franchisee agreements come before this
13 council in the future so I just wanted to make sure
14 that we have an understanding earlier because we will
15 not approve any franchise agreements in this
16 committee at least while I'm chair and while we have
17 our members here that doesn't entertain these sort of
18 specifics as we move forward. So, I just wanted to
19 put that on the record, do you have anything you want
20 to add to that?

21 STANLEY SHOR: No, we, we understand your
22 concerns.

23 CHAIRPERSON RICHARDS: Okay. Alright, we
24 got a lot of work to do. Thank you all for coming.

25 MICHAEL PASTOR: Thank you.

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 72

2 CHAIRPERSON RICHARDS: Alright. Alright,
3 once again I'm just going to remind the public and
4 everyone here that whether you agree or disagree we
5 ask everyone to act in a responsible and respectful
6 fashion as we move forward. We will now call Adam
7 Falk from Spectrum, Falk did I say it wrong, oh
8 sorry, Falk, sorry, thinking of a guy in my district.
9 Camille Joseph Goldman, Spectrum and Harlan
10 Silverstein, Charter as well. And our Counsel will
11 swear you in and then you may begin.

12 COMMITTEE CLERK: Please raise your right
13 hand. You're waiting, okay. Please raise your right
14 hand. Do you affirm to tell the truth, the whole
15 truth and nothing but the truth in your testimony
16 before these committees and in all... and answer to all
17 Council Member questions?

18 CHAIRPERSON RICHARDS: Alright, state
19 your name for the record then you may begin.

20 ADAM FALK: Good afternoon Chairman
21 Richards, Chairman Vacca and members of the
22 committee. My name is Adam Falk and I'm joined by
23 Camille Joseph, Charter's Vice President for
24 Government Affairs in New York City and Harlan
25 Silverstein, Charter's outside Counsel from the law

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1
2 firm of Kauff, McGuire and Margolis. It is nice to be
3 back here at the City Council where I began my career
4 in 1991, working for another Councilman from Queens
5 by the name of Walter McCaffrey, who chaired this
6 very same committee on Zoning and Franchising for
7 which I am appearing today. Walter cared deeply about
8 the Queens County district he represented in
9 Sunnyside, Woodside, Maspeth, and Long Island City
10 and the working-class people who lived in those
11 neighborhoods. The interest I developed as his
12 counsel, aiding the people of the 26th district and
13 staffing his work on this subcommittee including my
14 work on the city's cable television authorizing
15 resolution is one of the principal reasons I'm here
16 today. I have a deep respect for the city council as
17 an institution, a healthy familiarity with the work
18 of the subcommittee in overseeing the cable franchise
19 agreement and a good working relationship with DoITT
20 and the staff of the agency that regulates its terms.
21 Additionally, having worked in Queens and having
22 represented the working men and women from these
23 largely middle-class communities, I know how
24 passionate council members are about protecting their
25 interest. This today is an oversight hearing focusing

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2 on Charter's franchises with the city covering
3 Queens, Manhattan, Staten Island, and portions of
4 Brooklyn. Because this is the first opportunity to
5 appear before the city council since merging with
6 Time Warner Cable last year, let me spend a few
7 minutes first talking about what Charter Spectrum has
8 accomplished. Just over one year ago on May 18th,
9 2016, Charter completed its transaction with Time
10 Warner Cable and Bright House Networks, creating one
11 of the nation's most advanced cable and
12 communications companies in the country. Since that
13 time, Charter has lived up to its commitments and has
14 made steady progress fulfilling the visions of those
15 transactions. Principal among them is to spearhead
16 growth through an intense focus on the customer and
17 the delivery of innovative, customer friendly and
18 uniform services at highly competitive prices. We are
19 investing in our network, bringing overseas jobs back
20 to the United States to grow our highly trained,
21 diverse, insourced workforce and innovating with new
22 technology, all to create more value for our
23 customers through better products and services. The
24 company has invested 16 billion dollars in technology
25 and infrastructure since 2014 and is committed to an

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 75

2 additional 25 billion dollars over the next four
3 years much of which will occur in New York State and
4 New York City, the company's single largest service
5 area in the country. The company maintains a
6 workforce of more than 90,000 across the United
7 States, including more than 11,000 employees in New
8 York State, which is one of our largest employment
9 centers in the entire country with 12 percent of the
10 company's overall workforce. Additionally, with our
11 commitment to move all the former offshore Time
12 Warner Cable customer service calls back into the
13 United States which is consistent with the approach
14 Charter has taken for many years. The company will
15 create thousands of new jobs to handle those calls.
16 In the one year since the transaction, we have
17 already grown jobs in New York State specifically
18 hundreds of customer facing jobs. Our workforce
19 reflects the diversity of the communities we serve,
20 more than 40 percent are people of color and roughly
21 13 percent are military veterans. Since closing the
22 transaction, we have made it a concerted effort to
23 enhance the company's diversity and inclusion, hiring
24 Charter's first ever Chief Diversity Officer and
25 establishing an External Diversity and Inclusion

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 76

2 Council. The council is made up of highly
3 accomplished leaders with deep knowledge and
4 experience creating more opportunities for people of
5 color and includes the Reverend Al Sharpton and Mark
6 Morial, the President and CEO of the National Urban
7 League who serves as the Council's Chair. The council
8 provides strategic advice to Charter regarding its
9 diversity and inclusion efforts across the company in
10 all facets of our operation, including in our
11 services where we are an industry leader in the
12 delivery of ethnically diverse programming. At this
13 point, let me turn the testimony over to Camille
14 Joseph to speak about some of the specific things
15 that we're doing here in New York City.

16 CAMILLE JOSEPH: Once again good
17 afternoon. As previously stated Charter is intensely
18 focused on our customers, improving customer service
19 and driving innovation with our investment in
20 infrastructure. Our fiber rich, two-way, fully
21 interactive and all digital cable network in New York
22 City offers the fastest based broadband speeds in the
23 industry, the most HDTV channels, low-cost and
24 unlimited voice service and thousands of on demand
25 titles. Since merging with Time Warner Cable, we have

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 77

2 already increased base broadband speeds which are now
3 offered to new customers in New York City at download
4 speeds of up to 100 Mbps, double the speed previously
5 offered by Time Warner Cable to many of its customers
6 less than a year ago, while continuing to offer
7 premium tier broadband speeds of up to 300 Mbps. In
8 addition to continuing Time Warner Cable's everyday
9 low-price product for \$14.99 a month, the company
10 also launched Spectrum Internet Assist, an industry
11 leading up to 30 Mbps broadband service for eligible
12 low-income families and citizens to help promote
13 broadband access for those who cannot afford it.
14 Spectrum Internet Assist is the first low income
15 service to offer speeds at or above the FCC's 25 Mbps
16 designation for high speed broadband and the first
17 program universally available to low income seniors
18 across our service territory. The company is putting
19 customers first with straightforward, nationally
20 uniform pricing, no data caps, no usage... no usage
21 based pricing, and no early termination fees. And,
22 with limited exception, Charter provides its service
23 without fees common in the industry such as modem
24 rental charges and voice service taxes and surcharges
25 added to the bill. For the convenience of our

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1 customers, we schedule one hour appointment windows,
2 a third of which are in the evenings and weekends to
3 accommodate the customers we serve here in New York.
4 Charter recently opened a new customer service walk
5 in in NoHo in May of 2016, investing 1.9 million in
6 capital and is looking forward to the upcoming grand
7 opening of our George Washington Bridge Terminal
8 store in Washington Heights at a cost of three
9 million dollars. All 22 of the employees hired to
10 staff the new Washington Heights store are bi-lingual
11 in Spanish and in English and our other stores also
12 reflect the ethnicity, the.. of the communities we
13 serve. For example, in Flushing 14 of the 22
14 employees speak an Asian dialect and in Astoria we
15 have Greek and Arabic speaking employees to serve our
16 customers' needs. In total, since 2015 the company
17 has spent more than 10 million on customer service
18 stores in the city, including stores in Flushing,
19 Astoria, and Manhattan with more planned for the
20 future. As you know New York One will celebrate its
21 25th anniversary this year. Combined, New York One
22 and New York One Noticias continue to represent the
23 gold standard in local news, winning 12 Emmys and 34
24 New York Press Club awards in roughly the last
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 79

2 decade, keeping New Yorkers informed about events
3 around the world and in their very own neighborhoods.

4 We have opened dozens of technology centers or
5 Learning Labs offering free video and broadband
6 service and equipping them with software,

7 televisions, computers, printers and laptops. We have
8 brought free Wi-Fi services to our customers in city
9 parks, pay hundreds of millions of dollars in

10 franchise fee payments to the city, provide free

11 channels for public, educational and government use

12 and spent tens of millions in capital investments for

13 the city's not-for-profit PEG partners including MNN,

14 BRIC, QPTV, and Staten Island Access. Finally,

15 Charter's innovative program, Spectrum Housing

16 Assist, helps ensure more Americans live in safe and

17 healthy homes and has set a goal of improving 25,000

18 homes in our service area by 2020. Working with our

19 not-for-profit partner Rebuilding Together we have

20 been... we have actually improved over 8,000 homes,

21 contributed over 12,000 volunteer hours from our very

22 own Charter employees, provided 50 million in

23 broadcast time to support this initiative and

24 conducted rebuild events around New York City to

25 support the program's objectives including one two

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 80

2 weeks ago at Dyckman Houses in Washington Heights. At
3 this point, let me turn it back over to Adam to offer
4 some final remarks about our franchise and the IBW
5 Local Three strike here in New York City.

6 ADAM FALK: As one of the city's largest
7 franchisees, Charter takes very seriously its
8 responsibility to deliver to our customers the
9 highest quality cable and communication services. We
10 work collaboratively with DoITT to ensure continued
11 compliance under our franchise and have successfully
12 and consistently met our franchise obligations. Now
13 let me say a few words about the strike. First,
14 Charter cares deeply about its employees. Charter and
15 its predecessor Time Warner Cable have had a
16 bargaining relationship with Local Three for more
17 than 40 years. Charter has always invested in its
18 workforce and believes strongly in growing and
19 sustaining well-paying jobs in New York City and
20 across the country. Charter has offered the union a
21 generous wage package, on average 22 percent higher
22 than current wages, with some employees receiving as
23 much as 55 percent wage increases in pay, immediately
24 upon execution of the agreement. When combined with
25 strong Charter sponsored medical benefits and a

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 81

2 market leading, generous 401 contribution plan that
3 has dollar for dollar employee matches up to six
4 percent and is enjoyed by more than 90,000 other
5 Charter employees, these wage increases will have a
6 true, positive and lasting impact on employees'
7 standard of living. Second, our customers have not
8 been negatively impacted during the strike. Charter
9 has been able to maintain its level of service to
10 customers and there have not been delays in meeting
11 installation, trouble call scheduling or
12 disconnection requests. We continue to work with
13 local law enforcement to address the unusual spike in
14 instances of vandalism to our cable system, more than
15 80 separate acts of sabotage in two months compared
16 with only four instances in the three-year period
17 prior to the strike. While we continue to hope for an
18 expeditious resolution to the strike, until such time
19 comes, Charter will continue to meet its commitment
20 to our customers and to the city under its franchise.
21 Third, Charter has and will continue to bargain in
22 good faith with the union. We returned to the
23 bargaining table last week, on May 23rd and remain
24 committed to the process in an effort to reach a
25 mutually beneficial agreement for the company and its

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 82

2 employees. Despite Charter's efforts to negotiate, in
3 front of a federal mediator, the union refused to put
4 a proposed.. proposal on the table last week and chose
5 to cancel additional bargaining sessions scheduled
6 for May 24th and May 25th. Finally, allegations made
7 by the union that Charter's response to the strike
8 violates the terms of our franchise with the city are
9 100 percent false and without merit. In accordance
10 with Section 17 of the franchise, Charter has always
11 recognized the right of its employees to bargain
12 collectively through, through Local Three and has
13 negotiated in good faith with the union.

14 Additionally, with regard to the use of contractors
15 from outside New York City, Charter has also met its
16 franchise obligations. Our contractors overwhelmingly
17 come from within the city. While minimal, as
18 specified in Section 17, use of contractors from
19 outside the city is absolutely permissible. The
20 franchise specifically states that use of in city
21 contractors is only required to the extent feasible
22 and consistent with applicable law, and with due
23 regard to price and quality considerations. Using
24 quality contractors is paramount so that we may best
25 serve our customers. Charter is well aware of this

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 83

2 franchise term and has taken due consideration to
3 comply fully with its mandate. Thank you for the
4 opportunity to testify and of course we're happy to
5 take any questions.

6 CHAIRPERSON RICHARDS: Thank you and I'm
7 going to start with a few questions before I, I turn
8 it over to Chairman Vacca for questions. So, there
9 was an alarming article in the New York Times on
10 Friday where Charter spokesman, Justin Venech said
11 President Trump's promise of a lighter regulatory
12 environment enabled the company to commit to locating
13 20,000 call center jobs in the United States and to
14 spend billions on broadband, broadband
15 infrastructure. So, I have three questions relating
16 to this, what regulations is Charter relying on, the
17 Trump Administration to weaken or eliminate; two,
18 will the call center jobs be union jobs and three, is
19 the company lobbying the Trump Administration to
20 obtain regulations that will prevent the state and
21 city from requiring cable franchises to collectively
22 bargain? So, the first one is our... is Charter relying
23 on any regulations to be weakened or eliminated?

24 ADAM FALK: I, I think the... there is a
25 proceeding going on at the FCC right now that

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1 involves the, the open internet in, I think it was
2 2015 there were new regulations passed that
3 established broadband internet access services as a
4 title two service which was akin to telephone
5 regulation. During that proceeding and, and
6 subsequent to it we as an industry including Charter
7 has felt that title two is not the appropriate regime
8 for the federal government to regulate broadband
9 internet access services. We are participating the
10 proceeding that is going on now and its, it's our
11 hope that broadband investment, I think this is what
12 Justin was getting at, would be stimulated by a
13 change in the FCC's position with regard to title two
14 regulation of broadband internet access services and
15 I think that's born out quite well by the history, I
16 mean for, for more... I think for almost 20 years
17 democratic administrations, republican
18 administrations, the internet was, was not treated as
19 a title two service and during that period of time it
20 was over 1.5 trillion dollars in, in investment from
21 the companies who employ more than 900,000 people in
22 the United States, it's our hope that the climate
23 will return to a, a, a different regulatory regime
24 with regard to the internet but despite... [cross-talk]
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 85

2 CHAIRPERSON RICHARDS: So, let's hop
3 right into net neutrality and, and can you discuss
4 whether Charter Communication is supportive of the
5 Trump Administration's promise to eliminate net
6 neutrality?

7 ADAM FALK: Delivering superior products
8 and services to our customers... [cross-talk]

9 CHAIRPERSON RICHARDS: That sounds like a
10 political answer.

11 ADAM FALK: At a better value is the
12 foundation of our view about an open internet that...
13 [cross-talk]

14 CHAIRPERSON RICHARDS: So, let's answer...
15 [cross-talk]

16 ADAM FALK: ...that... [cross-talk]

17 CHAIRPERSON RICHARDS: ...the question yes
18 or no. Is Charter in support of the Trumps
19 Administrations promise to eliminate net neutrality?

20 ADAM FALK: We... there's a proceeding as I
21 said going on at the FCC currently and we are going
22 to participate in that proceeding... [cross-talk]

23 CHAIRPERSON RICHARDS: So, are you going
24 to support net neutrality or not support it?

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 86

2 ADAM FALK: We're, we're, we're going to
3 support broadband internet access services not being
4 treated as a title two service.

5 CHAIRPERSON RICHARDS: Can you explain
6 what is net neutrality?

7 ADAM FALK: Well it's, it's a... it... net
8 neutrality is a term that's used to describe the, the
9 openness of the internet. Charter does not
10 participate in practices that either block, slow
11 down, or interfere with customers preferences with
12 regard to the internet but regardless of that we
13 believe that the title two regime that was instituted
14 is not the appropriate regime for the regulation of
15 broadband internet access in the future.

16 CHAIRPERSON RICHARDS: So, I'm going to
17 read the definition of net neutrality which is the
18 principle that internet service providers and
19 governments regulating the internet should treat all
20 data on the internet the same not discriminating or
21 charging differentially by user content, website,
22 platform, application, type of equipment or mode of
23 communication. So, do you support it or do you not
24 support net neutrality?

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 87

2 ADAM FALK: As I said we don't block,
3 slow down, or interfere with online... the online of
4 activity of our customers and that has been our
5 practice in the past, it continues to be our practice
6 today.

7 CHAIRPERSON RICHARDS: So, does the Trump
8 Administration's regulation affect that and do you
9 support that, the Trump Administration's change?

10 ADAM FALK: Yet there's a proceeding that
11 is going on now that was just begun, we haven't... we
12 haven't submitted testimony in that proceeding..
13 [cross-talk]

14 CHAIRPERSON RICHARDS: ...okay... [cross-
15 talk]

16 ADAM FALK: ...yet... [cross-talk]

17 CHAIRPERSON RICHARDS: So, we're not
18 going to go... [cross-talk]

19 ADAM FALK: ...but I... [cross-talk]

20 CHAIRPERSON RICHARDS: ...much further into
21 this because I think we have other questions we want
22 to raise but I will just say that it is... that was an
23 alarming quote in the New York Times on last Friday
24 and, and we are concerned about Charter's stance on
25 net neutrality and we're hoping that you're not going

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1
2 to it and I think Camille who's a great friend of
3 mine spoke of the diversity that Charter is pushing
4 for and you know the Trump Administration seems to be
5 at odds with anything that has to do with diversity.
6 So, I'm hoping that Charter is going to reconsider
7 their position if they are supporting the Trump
8 Administration's policy shifts. I don't know if you
9 want to speak to that a little bit more but certainly
10 a major concern of this council. I'll jump into just
11 a few other questions where are we at... oh and just
12 before we go back there so will those 20,000 call
13 center jobs be union or non-union jobs and are there
14 conversations going on around that?

15 ADAM FALK: I, I don't think it's up to
16 us as to whether they're union or non-union jobs.

17 CHAIRPERSON RICHARDS: So, who would that
18 be up to?

19 ADAM FALK: It'd be up to the employees I
20 believe as to whether or not they want to be
21 represented by a union.

22 CHAIRPERSON RICHARDS: So, it would be up
23 to the employees who are looking for collective
24 bargaining agreement. So, where are we at with and
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 89

2 can you speak to where we are at in terms of
3 negotiations at the moment?

4 ADAM FALK: Sure, so on... in our... I don't
5 want to go through the entire history but, but on
6 February 6th we, we met with the union, on February
7 12th we submitted a proposal to the union that
8 proposal wasn't responded to until I believe it was
9 March 26th, the, the union presented something, we,
10 we responded immediately during the course of that
11 session and two days later the, the union decided to
12 go on strike. Since that time we have... we, we had
13 three bargaining sessions that were... that, that were
14 arranged through the use of a federal mediator, we
15 met with the union on May 23rd in, in the presence
16 of, of the federal mediator that bargaining session
17 we presented a new proposal to the, the union
18 representatives, the meeting did not last very long
19 and they subsequently, subsequently cancelled the
20 bargaining sessions that were scheduled for May 24th
21 and May 25th and there has been no additional
22 bargaining sessions that have been scheduled since
23 the cancellation of those sessions.

24 CHAIRPERSON RICHARDS: And what would you
25 say is the major concern here, so I'm hearing an

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 90

2 increase obviously in salary but a loss and, and can
3 you just speak to that, a loss in benefits I think is
4 a major concern of Local Threes so can you speak to
5 what are you offering and, and, and what is the union
6 losing for the increase in salary?

7 ADAM FALK: I mean those are, are matters
8 for collective bargaining, I'm certainly not the
9 expert on the entirety of the proposals that are
10 before Charter and, and the union but we do have some
11 fundamental concerns about the, the, the, the JIB and
12 the health of the benefits plans that the, the union
13 currently has. We feel strongly and believe strongly
14 that more money should be put in the, the hands of
15 our employees through higher wages and we've offered
16 them the, the benefits that are enjoyed by the 90,000
17 work... person's workforce that currently constitutes
18 Charter's employee... [cross-talk]

19 CHAIRPERSON RICHARDS: And is it safe..
20 [cross-talk]

21 ADAM FALK: ...place... [cross-talk]

22 CHAIRPERSON RICHARDS: ...to say you're
23 supporting an... a, a, a collective bargaining
24 agreement state over a right to work state?

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 91

2 ADAM FALK: I'm not sure I understand the
3 question.

4 CHAIRPERSON RICHARDS: So, are you
5 supporting collective bargaining over a right to work
6 state so...

7 ADAM FALK: Well we're subject to
8 collective bargaining, these, these employees have
9 chosen to be represented by Local Three and we
10 recognize the right of Local Three to represent them
11 and we engage in collective bargaining as, as, as
12 their representatives.

13 CHAIRPERSON RICHARDS: Okay, so you do
14 support the union's right to collective... a collective
15 bargaining agreement?

16 ADAM FALK: Of course.

17 CHAIRPERSON RICHARDS: Okay. I'm going to
18 move on to Chairman Vacca but I wanted to get into
19 just a few of the contracting issues so obviously we
20 know the... I think as you said the franchise agreement
21 speaks to the possibilities of you using local
22 contractors while the workers are on strike and we've
23 heard a lot about the use of contractors out of state
24 so can you speak to how many in state versus out of
25 state subcontractors you're currently using on the

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 92

2 job and if you can give a detail of how many jobs
3 each, do you have any documents or anything that can...
4 you can produce to the committee to speak to your
5 best efforts in, in showing local vendors have an
6 opportunity and especially MWBE's as well so can you
7 speak to that?

8 CAMILLE JOSEPH: Of course, let me begin
9 by saying our preferred workforce is Local Three
10 which is why we continue to engage in the collective
11 bargaining process which is why we welcome them to
12 come back to the negotiation table. As it stands both
13 before the strike commenced and after we remained
14 based on the information before us compliant with our
15 franchise agreement with over 80 percent of our
16 contractors being based right here in New York City.
17 The vast majority of contractors who engage on
18 business for Spectrum are from New York City.

19 CHAIRPERSON RICHARDS: And do you have
20 numbers detailing that, can you speak to those
21 numbers?

22 CAMILLE JOSEPH: Sure, I would say based
23 on what we have ahead of us about nine contractors
24 are utilized by our company are from New York City
25 and just about four just under from outside the city

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 93

2 keeping in mind that we provide services... [cross-
3 talk]

4 CHAIRPERSON RICHARDS: So nine... [cross-
5 talk]

6 CAMILLE JOSEPH: ...for... [cross-talk]

7 CHAIRPERSON RICHARDS: ...contractors
8 locally?

9 CAMILLE JOSEPH: Correct.

10 CHAIRPERSON RICHARDS: Okay...

11 CAMILLE JOSEPH: Approximately and I...
12 [cross-talk]

13 CHAIRPERSON RICHARDS: Approximately.

14 CAMILLE JOSEPH: And then I can... I know
15 after the session I can go in greater detail but what
16 I can say is, you know we service not just New York
17 City but we also service at least in my purview
18 Westchester and New Jersey and we utilize contractors
19 from those areas to service their, their local needs
20 as well but all of our contractors meet the same
21 levels of kind of background checks and verification
22 that our Spectrum employees enjoy as well.

23 CHAIRPERSON RICHARDS: So, can you we
24 stay on New York City, I understand you represent...
25 [cross-talk]

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 94

2 CAMILLE JOSEPH: Sure... [cross-talk]

3 CHAIRPERSON RICHARDS: ...Westchester... so,
4 in New York City right now how many contractors...
5 [cross-talk]

6 CAMILLE JOSEPH: It... the numbers don't
7 change, I... it's still nine and four, my point was
8 that... like that... when you say out of state it gives a
9 connotation that we're, you know bringing in, you
10 know contractors from various aspects what I'm saying
11 is that four includes folks from like Westchester or...
12 which is out of the city but not necessarily out of
13 the state but we can confirm those numbers offline.

14 CHAIRPERSON RICHARDS: So, there have
15 been allegations that you're utilizing contractors
16 from as far as Florida and Pennsylvania... [cross-talk]

17 CAMILLE JOSEPH: I, I would ask Local
18 Three to still substantiate those claims to our
19 knowledge based on the information that we have in
20 front of us the vast majority of contractors are
21 utilized by, you know contracting services right here
22 in New York City.

23 ADAM FALK: And that... and, and the number
24 of contractors that we use Chairman will, will be...

25

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1 will be identified in the response that we provide to
2 DoITT... [cross-talk]

3 CHAIRPERSON RICHARDS: Okay and... okay, so
4 you would... [cross-talk]

5 ADAM FALK: ...there May 17th... [cross-talk]

6 CHAIRPERSON RICHARDS: ...provide... that was
7 going to be my next question. So, these contractors
8 and anyone doing work right now you're going to
9 provide that information to DoITT or... does PSC in any
10 degree monitor this as well or no?
11

12 ADAM FALK: Not that I know of, no.

13 CHAIRPERSON RICHARDS: No, okay so... but
14 DoITT you're going to get that information to them?

15 ADAM FALK: Yeah, I mean it, it, it's
16 born out of right, the franchise term that we, we
17 discussed earlier that says to the extent feasible
18 and with due consideration to price and you know
19 quality applicable law that is in the New York City
20 franchise so, you know that provision will be
21 governed by the New York City Department of... [cross-
22 talk]

23 CHAIRPERSON RICHARDS: Okay and then just
24 the last question before I go to Chairman Vacca and
25 we're joined by Greenfield as well. So, there's a

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2 major concern that obviously you're, you're, you're
3 giving raises but at the expense of medical benefits
4 and the elimination of pensions of employees, can you
5 speak to is there any truth in this, are you looking
6 to gut health care benefits and pensions for workers
7 at the expense of raising their salaries?

8 ADAM FALK: Look, we, we, we are
9 absolutely concerned about the long-term
10 sustainability of the medical plan for example. Based
11 upon the plans own documentation that they provided
12 to us, financial statements and auditors reports it
13 does show a significant funding gap and so for the
14 last year in which that information was provided
15 we're talking about an increase over one year from
16 4.2 billion dollars in liabilities to 6.2 billion
17 dollars in liabilities while the funds' assets during
18 that period reduced from 600 million to 590 million.
19 So, we, we do have a concern about the long-term
20 sustainability of the plan and making sure that these
21 benefits are there for our workers in the future and
22 our plan is to put more money in the pockets of our
23 employees so that they can make, you know decisions
24 that, that support them and their families that
25 doesn't mean that we're abandoning medical benefits

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 97

2 in any way, we have comprehensive medical coverage
3 under Charter's, you know own benefits plan and
4 that's part of our proposal.

5 CHAIRPERSON RICHARDS: So, I will say
6 that this committee and council is very concerned
7 about health care and, and pension benefits for
8 workers and the need to ensure that these workers are
9 getting their just due and obviously we see what's
10 going on in the federal level, it seems like this
11 administration on the federal level is doing
12 everything to gut worker's rights and you know we
13 want to ensure that we're not moving to a right to
14 work state and that our unions and, and workers have
15 good access to, to good pensions, good jobs and great
16 health care and anything opposite of that is moving
17 towards a direction, a dangerous direction in our
18 opinion that is going to hurt these workers in the
19 long term and their families in the long term,
20 they've given a lot to this company and we want to
21 ensure that they are treated with the respect and
22 dignity as we move forward. I'm going to move to
23 Chairman Vacca but I wanted to weigh in there because
24 this is a dangerous... a dangerous precedence that I
25 see being set here and in light of... especially what

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 98

2 we see going on, on the federal level where we have
3 an administration that is looking to gut everything
4 that it seems to enable and hurt... and help workers,
5 we are concerned in this committee and council. I'm
6 going to move on to Chairman Vacca.

7 COUNCIL MEMBER VACCA: Thank you Chair. I
8 have to start off by saying I'm a Councilman from the
9 Bronx, I talk very plainly and you'll understand what
10 I'm saying when I start speaking but I expect the
11 same forthrightness from you. I sit here and listen
12 to some of the answers a lot of it is mumbo jumbo and
13 there, there, there are other terms that I will not
14 use, I think mumbo jumbo will suffice right now. I
15 object first of all to your terminology regarding
16 the, the web that you refuse to support an open and
17 neutral web, I object to that and you were asked that
18 question several times, you went around the mulberry
19 bush and you never answered. You know I represent
20 people in Morris Park and Throggs Neck and Pelham
21 Parkway, these are hardworking people every day and I
22 have to come here and sit here and think that we have
23 ten weeks where we can't arrive at a pension package
24 because you're saying that you're fiscally concerned
25 when the head of your company just had a 499 percent

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 99

2 increase in his salary, he went from 16 million or
3 whatever it was to 98 million dollars in one year,
4 this is not Councilman Vacca saying this, this is the
5 New York Times last week. So, to sit here and think
6 that it takes this long to negotiate with working
7 people when at the higher end of the spectrum
8 everybody's doing pretty damn well, I object, I
9 object and I want an answer to that, how can we
10 justify... how can we justify treating hard working
11 people that way where everybody at the top is doing
12 so damn well beyond anyone in the nation, the New
13 York Times says that your Chief Executive is the
14 highest paid in the nation so how do we justify
15 strike... allowing a strike this long to go on, how?

16 CHAIRPERSON RICHARDS: Please sit down,
17 please sit down.

18 ADAM FALK: We do what we need to do
19 which is get back to the bargaining table and bargain
20 a contract.

21 COUNCIL MEMBER VACCA: If you were
22 getting back to the bargaining table with due speed
23 we would not be here today in the New York City
24 Council... [cross-talk]

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 100

2 ADAM FALK: but we, we, we had... [cross-
3 talk]

4 COUNCIL MEMBER VACCA: I, I think most
5 people... [cross-talk]

6 ADAM FALK: ...bargaining session... [cross-
7 talk]

8 COUNCIL MEMBER VACCA: ...feel that these
9 negotiations if that's what it's called although I
10 think they were broken off from what I heard but the
11 people are saying that these negotiations have gone
12 on too long and we're here because we wanted to get
13 an understanding as to what's going on and I don't
14 know if we've shed much light on that today to be
15 honest and it's the old saying in the city, the rich
16 get richer and the poor get poorer, well sorry not
17 from this Bronx Councilman, no way, I don't go by
18 that and I don't... and I don't accept it. What, you
19 have no answer as you had on net neutrality?

20 CAMILLE JOSEPH: I can actually respond
21 to that, what I can say is that Charter remains
22 committed to returning to the negotiating table
23 whenever Local Three is ready to do so. I think we
24 remain committed to ensuring that all of our workers
25 not just Local Three are fairly compensated and have

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 101

2 the best... and very best benefits. I do think that and
3 for, for a matter of record I do want to note that
4 the delay in negotiation has not been a reflection of
5 in earnest Charter's ability to return to the table
6 or want to return to the table but we cannot conduct
7 these conversations that need to be had to reach a
8 conclusion or a contract in which both sides see deem
9 amenable if Local Three refuses to sit and talk to
10 us.

11 COUNCIL MEMBER VACCA: I think we're
12 talking about good faith here and unless you state
13 otherwise I interpret your not correcting me as
14 confirmation that the Chief Executive in 2016 of your
15 company made 98 million dollars. So, I'm talking
16 about some type of equity not that these people will
17 ever make 98 million dollars but some type of
18 fairness when it comes to pensions and their
19 families. We should not be taking away from one end
20 of their... of their life to subsidize another end, no,
21 no. what will you be taking away from them, what do
22 you plan to reduce, do you plan to reduce pensions,
23 do you plan to reduce benefits, what, what are you
24 looking to reduce at this point?

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 102

2 ADAM FALK: We, we have a proposal before
3 the union that proposal includes different benefits
4 and different medical coverage than the employees
5 have today. It's not my ability here to go through
6 each and every element of what's in our proposal that
7 Chairman Vacca is respectfully for the bargaining
8 table and for the collective bargaining process. Our
9 fundamental view is that we would rather put more
10 money in the hands of our employees to help ensure
11 the continued future of viability, we're concerned
12 about both the medical plan and the pension plan and
13 whether or not those will be there for our employees
14 in the long term so it's not my intention to go
15 through each and every element of our proposal that
16 really is what the, the bargaining table is for.

17 COUNCIL MEMBER VACCA: Alright, let me
18 ask some questions that... I think we covered the
19 salary issue that I wanted to cover so it seems like
20 negotiations are broken down right now, am I correct?

21 CAMILLE JOSEPH: That is correct.

22 COUNCIL MEMBER VACCA: And do you have an
23 intention of resuming negotiations soon?

24 CAMILLE JOSEPH: It is... it has always
25 been our intention to join the, the, the negotiation

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 103

2 process. As I said before not once but twice has
3 Local Three left abruptly from the session and so,
4 you know we as of May 23rd entered a negotiation
5 session with a federally appointed mediator to
6 continue conversations for three days. Those
7 conversations ended because Local Three walked out of
8 that session and cancelled the, the next two days,
9 May 24th and May 25th so as I said before Charter
10 Communications remains committed to continuing these
11 conversations should Local Three want to return to
12 the negotiation table as we've shown with all of our
13 previous collective bargaining sessions.

14 COUNCIL MEMBER VACCA: Do you think some
15 people may have walked out because with a company so
16 big as yours they found it hard to discuss reducing
17 pensions and reducing health benefits, I don't think
18 I'd be happy as part of that discussion if I was in
19 the room. There's no answer to that... [cross-talk]

20 ADAM FALK: Is that a... I... is it a
21 question?

22 COUNCIL MEMBER VACCA: I thought I... my
23 voice intonation was such, yes.

24 ADAM FALK: Look I'm sorry, can you...
25 [cross-talk]

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 104

2 COUNCIL MEMBER VACCA: That, that is a
3 question... [cross-talk]

4 ADAM FALK: Okay, can you repeat the
5 question please?

6 COUNCIL MEMBER VACCA: Well my question
7 is don't you think it would be difficult for people
8 who are representing the union to sit at the table
9 while there are serious negotiations taking place
10 about reducing their pension and health care
11 benefits, is, is... could that have been what prompted
12 people to say that sitting here is not constructive
13 at this point?

14 ADAM FALK: We, we think we're offering
15 them a better proposal than the one that... the one
16 that exists today and so when we came back to the
17 negotiating table on May 23rd we actually increased
18 our offer and provided a larger wage increase than
19 what we initially proposed so, no I don't... I don't
20 think that is realistic, it... I don't know what
21 motivated them Mr. Chairman but, but we were prepared
22 to negotiate and to continue negotiations through
23 that three-day period.

24 COUNCIL MEMBER VACCA: There have been a
25 number of allegations that you and your predecessor

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 105

2 TWC were providing customers with substandard
3 equipment that does not allow the customer to obtain
4 internet speeds that they are paying for specifically
5 that you are requiring people to lease dated D2
6 modems not the more modern D3 ones that are required
7 so currently what modems do you distribute to
8 customers?

9 ADAM FALK: What model modems do we
10 distribute, I, I don't know the specific make or
11 model of the modem so I can't answer that question.

12 COUNCIL MEMBER VACCA: Well this issue
13 goes to speed of service, can, can anyone there
14 answer about speed of service, does that require a
15 technical person is that what you're saying, it would
16 require a technical person?

17 ADAM FALK: Not that it requires a
18 technical person but you asked me about the modem
19 that we use the specific piece of equipment and I, I
20 just simply... [cross-talk]

21 COUNCIL MEMBER VACCA: What... [cross-talk]

22 ADAM FALK: ...said I don't know... [cross-
23 talk]

24 COUNCIL MEMBER VACCA: ...do you, do you
25 feel that... [cross-talk]

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 106

2 ADAM FALK: ...the model... [cross-talk]

3 COUNCIL MEMBER VACCA: ...you... are you
4 going to be providing updated more technology
5 advanced equipment, the, the, the D3 modems, are
6 customers going to be receiving those?

7 ADAM FALK: Again I don't know the model
8 numbers, we provide modems that are sufficient to
9 handle the speeds that we provide to our customers.
10 So, it... [cross-talk]

11 COUNCIL MEMBER VACCA: Alright, talk,
12 talk to me about disciplinary actions, have you taken
13 disciplinary actions and, and if so for what cause,
14 against workers, have you taken disciplinary actions,
15 I'm, I'm not looking for specifics as, as to who but
16 I'm looking to see in a general way for what reason
17 would there be disciplinary actions taken against
18 someone and have you done so?

19 ADAM FALK: That's a pretty broad
20 question, I... the, the, the company has ever taken
21 disciplinary action against the... [cross-talk]

22 COUNCIL MEMBER VACCA: No during, during
23 the strike... during the strike period I'm asking?

24 ADAM FALK: Not that I know of.

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 107

2 COUNCIL MEMBER VACCA: Okay, now the
3 repeat call system that you use for technicians can
4 you describe that?

5 ADAM FALK: No.

6 COUNCIL MEMBER VACCA: No, okay. Well
7 that was my last question and if you can't describe
8 it I'll have to learn from other witnesses, thank
9 you.

10 CHAIRPERSON RICHARDS: Thank you, we'll
11 go to Chair Greenfield followed by Torres, Crowley,
12 Grodenchik, Lancman, Reynoso, and Miller.

13 COUNCIL MEMBER GREENFIELD: Thank you Mr.
14 Chairman. Just a few... just a few brief questions.
15 According to the NLRB the contract between Local
16 Three and Time Warner expired I believe it was in
17 March 31st, 2013, is that correct?

18 ADAM FALK: Yes.

19 COUNCIL MEMBER GREENFIELD: Charter
20 acquired Time Warner Cable when?

21 ADAM FALK: May of 2016, May 18th was the
22 closing.

23 COUNCIL MEMBER GREENFIELD: Okay, when,
24 when did you make a new contract proposal so that...

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 108

2 you're... you've owned the company now for around a
3 year when did you make a new contract proposal?

4 ADAM FALK: February of 2017.

5 COUNCIL MEMBER GREENFIELD: Okay, so
6 that's a pretty significant lag from the time that
7 you took over the company until you made the contract
8 proposal why is that?

9 ADAM FALK: Well we had conversations as
10 I understand in the fall of 2016 and those
11 conversations continued into the winter of 2017 and a
12 formal contract proposal was made on February 12th I
13 believe 2017. It, it, it was... we, we were operating
14 under the contract that was ratified by the union
15 members that we believe expired on May... I'm sorry, on
16 March 31st of 2017 so making a contract proposal I
17 think in the February time frame appeared to be
18 reasonable and, and it, it, it... you know it came
19 after the discussions I said that took place in the
20 fall of 2016.

21 COUNCIL MEMBER GREENFIELD: And it seems...
22 it seems like a long time but let me... let me move on
23 to just a couple of other quick points. What's going
24 to be the cost in the loss benefits under your
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 109

2 proposal to the employees, have you priced that out
3 as to what that cost will be?

4 ADAM FALK: I haven't priced that out and
5 again that is a matter of collective bargaining and
6 something that would be discussed and spoke to at the
7 bargaining table.

8 COUNCIL MEMBER GREENFIELD: Oh I
9 understand that but there is a proposal already so
10 I'm not asking you to climb into something that's
11 currently being bargained considering that there are
12 no bargains happening right now I'm just curious as
13 to that cost, did you peg and say okay we ran the
14 numbers, we're going to cut the benefits by cutting
15 the benefits the cost to the typical employee is
16 going to be X, did you value that cost? I mean I'm
17 sure you did value that cost because otherwise why
18 would you propose cuts or... wasn't going to save you
19 any money.

20 CAMILLE JOSEPH: If I could answer that I
21 think, you know I think what Adam is touching on is
22 that line by line I don't think we're in a position
23 to go through all the tenets of the proposal but
24 generally speaking, you know our... in the current
25 proposal as it stands we do... we do propose that we no

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 110

2 longer contribute to the JIB to compensate for that,
3 that, you know we increased the wages by up to 55
4 percent so the way that we kind of balanced or
5 thought through this planning based on what we know
6 ahead of us there is no kind of incremental loss to
7 the, the employee to the worker based on the
8 increases and the other benefits that, that we're
9 offering but if you're looking for a line by line
10 assessment we'd have to... [cross-talk]

11 COUNCIL MEMBER GREENFIELD: I'm not
12 looking for... [cross-talk]

13 CAMILLE JOSEPH: ...all come back to you..
14 [cross-talk]

15 COUNCIL MEMBER GREENFIELD: ...a line by
16 line assessment, it's difficult for me to do an
17 apples to apples comparison if I don't know what the
18 costs are of the benefits loss versus the increase in
19 the wages, right so if I can have those two numbers
20 and you could send that to us or give it to us it
21 makes it easier for us to assess and say okay you're
22 losing X... [cross-talk]

23 CAMILLE JOSEPH: Sure... [cross-talk]

24 COUNCIL MEMBER GREENFIELD: ...in benefits
25 let's call that a dollar and maybe you're getting 90

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 111

2 cents more in wages which may be 55 percent or it may
3 not be, it's not about the percentages and the wages...
4 [cross-talk]

5 CAMILLE JOSEPH: Of course... [cross-talk]

6 COUNCIL MEMBER GREENFIELD: ...it's about
7 are the net, are the employees better off or worse
8 off and that's really what the question that we're
9 asking is.

10 CAMILLE JOSEPH: One thing that we've
11 raised repeatedly and I think that this speaks to
12 kind of our view of the process and again a lot of
13 the test that we left at the negotiation table for
14 those kind of better versed, you know I believe that
15 we're basing our assessments based on the publicly
16 afforded documents that Local Three has tendered to
17 our company, you know a lot of the specific
18 dispersions... disbursements of funding through their
19 current plan still, you know remain... we have not seen
20 all of it, it still remains generally kind of... I
21 won't say a mystery but there has not been 100
22 percent transparency so the apples to oranges
23 comparison that you're requesting I would say a lot
24 that we'll have to do with the follow up with Local
25 Three as far as how their plan currently services or

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 112

2 serves their employee base line by line but again a
3 lot of this... I mean that's the function of a
4 collective bargaining process, right so that Local
5 Three can come forward and go through line by line
6 the items that they are willing to bargain and not
7 bargain and we're afforded the same opportunity so I
8 think with all due respect based on what we've, you
9 know shared here thus far we do believe as in... as in
10 line with all of our employees that we're offering
11 the best benefits and the best salary and the best...
12 you know to afford the best status of living for our,
13 our, our employees but I think that what you're
14 getting at is something that in greater detail really
15 needs to be negotiated at the table.

16 COUNCIL MEMBER GREENFIELD: So, I just
17 want to be clear I don't want to... I don't want to
18 beat the dead horse as they say I just want to be
19 clear, I'm, I'm not looking to negotiate on anyone's
20 behalf nor am I looking for any confidential
21 information but if you come in here which you did and
22 you said they're better off with the pay raise
23 instead of the benefits its certainly reasonable for
24 us to say okay, if you believe that they're better
25 off with the pay raise instead of the benefits then

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 113

2 tell me how much are the benefits that they're losing
3 worth versus the pay raise so that we can have an
4 apples to apples comparison. So, I just want to be
5 clear about that, this is not a prejudgment or an
6 attempt at a negotiation it's just simply a question
7 of can we get the answers to something that your
8 folks have asserted, right which as you said they're
9 going to be better off with this pay raise as opposed
10 to the benefits that we're cutting and I'm saying
11 okay, I'm willing to believe that just give me the
12 numbers if you don't have the numbers then I don't
13 think it's reasonable for us as an oversight body
14 just to go on face so if you can get us those numbers
15 because you must have them because there are
16 negotiations just to back up the statement that you
17 made not something that we've said that would be
18 helpful to us just so that we can understand as the
19 regulating body that oversees this so that's, that's
20 all. So... and I don't want to go into back and forth
21 if you can just forward us those numbers to back up
22 the assertion that you made that says that they're
23 better off with a pay raise than they are with loss
24 of benefits that's helpful, simple as that. The next
25 question I have and I'll, I'll wrap it up with this

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 114

2 question is the... I noticed that the, the Attorney
3 General filed a, a lawsuit based on download speeds
4 just a few weeks ago and I'm curious about a response
5 that, that, that Charter made, I'm, I'm reading from
6 an article in the New York Post, Charter said we're
7 disappointed that the New York Attorney General chose
8 to file this lawsuit regarding Time Warner Cable's
9 broadband, broadband speed advertisement that
10 occurred prior to Charter's merger so the implication
11 from this statement is that this isn't Charter's
12 fault its Time Warner's fault and that could be the
13 case that's fine. So, is essentially the argument now
14 that Charter is now up to speed literally with the
15 publicly advertised speeds, is that what Charter is
16 saying if so that's great news and I'm happy to hear
17 that so I'm just curious as, as to whether that's in
18 fact the case or not, has Charter now hit their
19 stride in terms of the speed that are promised to
20 customers?

21 ADAM FALK: Since Charter began providing
22 service in May of 2016 our primary focus has been on
23 improving the customer experience. Time Warner Cable
24 as far as we're concerned did nothing wrong... did
25 nothing illegal and the, the elements of the lawsuit

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2 are baseless with that being said it is a new
3 management team and Charter has approached our
4 customer service in a different way starting first by
5 increasing the base broadband speeds that we made
6 available to our customers here in New York City so..
7 in November for example we launched our Spectrum
8 pricing and packaging here at New York City and now
9 the lowest tier of broadband service that we sell is
10 up to 100 megabits per second so.. [cross-talk]

11 COUNCIL MEMBER GREENFIELD: So, I just
12 want to be clear and I, I think we may be talking
13 apples and oranges I just want to be clear. The
14 response... when the Attorney General filed the lawsuit
15 the response that you told the Post wasn't that
16 response which is that Time Warner didn't do anything
17 wrong if anything it was the opposite response which
18 was we're not responsible for what Time Warner did
19 and we're only responsible for what Charter's doing
20 and I'm okay with that so I just want to be clear,
21 are you now saying that a customer whether they be
22 residential or commercial when they purchase a
23 download speed that you're guaranteeing that they're
24 getting the download and upload speeds that they were
25 originally purchasing, if, if that's what you're

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 116

2 saying then I'm very pleased I'm just trying to
3 understand that point of clarification based on a
4 comment that you publicly made to the New York Post
5 pushing back on the Attorney General's lawsuit,
6 that's all.

7 ADAM FALK: Yeah and what I'm saying is
8 that we employ different practices than Time Warner
9 Cable... [cross-talk]

10 COUNCIL MEMBER GREENFIELD: Okay, so do
11 you guarantee those speeds now, are you saying that
12 customers can spot check the speeds and they will
13 receive those speeds that they signed up for both on
14 the uploads and the downloads?

15 ADAM FALK: The, the, the FCC has a Sam..
16 it's a program called SamKnows that measures
17 broadband speeds. We participate in our.. in the
18 SamKnows study each year and in 2016 I think the, the
19 conclusion that was reached in the SamKnows report is
20 that we're delivering more than 100 percent of the
21 broadband speeds that we advertise.

22 COUNCIL MEMBER GREENFIELD: Okay, so if
23 I'm... final point just on this point if I'm a customer
24 and I go to anyone of the online tools that are
25 available and I see that either my upload speed or my

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 117

2 download speed isn't up to par, right because any
3 customer can do this, you've got... you can go online
4 and in 30 seconds it can check your download or
5 upload speed, are you guaranteeing that, are you
6 going to provide some sort of refund, I mean what are
7 you going to do to those customers that send you
8 snapshot that says look my upload or download speed
9 is not at 100 percent which is what you're saying it
10 is?

11 ADAM FALK: It, it's not a simple
12 question because there are variable factors that,
13 that impact your broadband speeds including the
14 quality of the... of, of your own equipment and the
15 computer that you're using so I can't give you a, a
16 full answer what I can tell you is that we have put
17 in place practices to ensure that the issuance of
18 upgraded modems to existing customers who initiated
19 or upgraded their tier of broadband service is
20 supported by their modems, we have direct shipped
21 nearly 33,000 new modems to customers, we have
22 provided credits to customers related to legacy Time
23 Warner Cable and modem... [cross-talk]

24 COUNCIL MEMBER GREENFIELD: So, I, I...
25 [cross-talk]

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 118

2 ADAM FALK: ...speeds here... [cross-talk]

3 COUNCIL MEMBER GREENFIELD: ...I apologize
4 for... [cross-talk]

5 ADAM FALK: ...and all of those things have
6 been put... [cross-talk]

7 COUNCIL MEMBER GREENFIELD: ...we're
8 focusing on this one question I just want for those
9 people who are watching at home, they're watching at
10 home maybe even watching online now you're getting
11 the buffering is coming you're not getting the speed
12 that you think you should get what should you do if
13 you are a customer of Charter, should you call and
14 say hey, please come down here, are you going to
15 replace their modem, are you going to check the
16 speeds, are you going to say oh what kind of
17 operating software are you doing because this is a
18 very common complaint that we hear from our
19 constituents, I signed up for something I don't think
20 I'm getting the speeds so do you have a, a practice
21 in place because that's what you told the Post a few
22 weeks ago so is that in fact the case they can just
23 call Charter and you'll say oh sorry maybe you have
24 an old modem we'll come give you a new one or sorry
25 maybe we'll up... we'll up the speeds or sorry, it's

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 119

2 not our fault it's your fault, I mean is there.. is
3 there something in place where customers can now do
4 that?

5 ADAM FALK: If, if you're having a
6 problem with your service you should always start by..
7 first by calling the company, absolutely. I think
8 that's... [cross-talk]

9 COUNCIL MEMBER GREENFIELD: Okay, so
10 anyone watching at home who has a speed problem, test
11 your speed and call the company if you're not happy.
12 I appreciate that, thank you very much.

13 CHAIRPERSON RICHARDS: Thank you Chair
14 Greenfield. Just before we move on to Council Member
15 Torres I wanted to stick to... so New York One was
16 founded as a gift to New York City to provide 24-hour
17 news coverage of politics, news and all the other
18 great coverage they give 24 hours it was never
19 intended to be a profitable organization, news
20 organization so what is Spectrum's position on the
21 profit mandate of Spectrum news now?

22 ADAM FALK: The profit mandate, I, I, I..
23 [cross-talk]

24 CHAIRPERSON RICHARDS: So, you, you spoke
25 of Time Warner I believe in the.. I'm sorry, New York

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 120

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One being more profitable I think I heard you say that so can you speak to when Time Warner originally merged, you know the agreement was for this particular company to be founded as a gift to New Yorkers for 24-hour news does Spectrum see it that way still or, or you're viewing it more from a profit standpoint now?

ADAM FALK: I mean I didn't say anything about profitability with regard to New York One or Noticias I... all I said was that it is the gold... or Camille said it... that it is the gold standard for... [cross-talk]

CHAIRPERSON RICHARDS: Can you just say... speak a little louder, sorry?

ADAM FALK: All, all I said was that it is the gold standard for local news in, in New York City, it was... it was, you know sort of revolutionary when it was founded... [cross-talk]

CHAIRPERSON RICHARDS: Uh-huh, uh-huh... [cross-talk]

ADAM FALK: ...it continues to win awards and have great success today so it's, it's something that we're very proud of, it's, it's, it's

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 121

2 experiencing its 25-year anniversary and I think we
3 were just... [cross-talk]

4 CHAIRPERSON RICHARDS: Uh-huh... [cross-
5 talk]

6 ADAM FALK: ...highlighting that this is an
7 asset that we bring not directly related to our
8 franchise in any way, it's not a... an obligation or
9 anything that we're required to do it's, it's a
10 public service that we provide and.. [cross-talk]

11 CHAIRPERSON RICHARDS: Still treating it
12 as a public service?

13 ADAM FALK: Well it, it, it is a business
14 but it, it is also a public service.

15 CHAIRPERSON RICHARDS: Alright because I
16 would argue many of us have Spectrum because of New
17 York One at least most politicians, right. So, I
18 would just hope that we're going to continue to treat
19 Spectrum as the gift that it was presented to New
20 York City as, as we move forward. I'll move on to
21 Council Member Torres.

22 COUNCIL MEMBER TORRES: Thank you and
23 since I'm subject to a clock I'm going to go quickly.
24 On February 12th you put forward a proposal reducing
25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 122

2 the company's contribution to the pension fund and
3 what was the extent of that proposed reduction?

4 ADAM FALK: The... well I'm, I'm not here
5 to go through line by line the elements of a
6 proposal... [cross-talk]

7 COUNCIL MEMBER TORRES: But, but I'm,
8 I'm... [cross-talk]

9 ADAM FALK: I'm not equipped... [cross-
10 talk]

11 COUNCIL MEMBER TORRES: ...actually here to
12 find... [cross-talk]

13 ADAM FALK: ...I'm not... [cross-talk]

14 COUNCIL MEMBER TORRES: ...answers... I will
15 tell you right now your franchise agreement is coming
16 before the city council this is relevant to whether
17 I'm going to vote for that agreement so the more
18 forthcoming you are I think the more it will sit well
19 with me.

20 ADAM FALK: Yeah, I, I, I intend to be
21 forthcoming Councilman I just don't know the... I, I
22 can't go line by line with you... [cross-talk]

23 COUNCIL MEMBER TORRES: I'm not asking
24 line by line I'm specifically asking about the
25 pension fund in the original proposal.

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 123

2 ADAM FALK: I, I don't know the answer to
3 that.

4 COUNCIL MEMBER TORRES: Okay, does anyone
5 in this table know the answer to that question, is it
6 that you don't know the answer to that question or
7 you refuse to answer the question?

8 CAMILLE JOSEPH: It's that we don't know,
9 we're not aware of the number, we... but out of respect
10 to you we wouldn't want to miss-qualify an amount.

11 COUNCIL MEMBER TORRES: Your latest
12 proposal does not reduce the contribution, it
13 withdraws it entirely, is that... [cross-talk]

14 CAMILLE JOSEPH: That is correct.

15 COUNCIL MEMBER TORRES: Okay, so if, if
16 Local Three was vehemently opposed to a reduction...
17 [cross-talk]

18 CAMILLE JOSEPH: Sure... [cross-talk]

19 COUNCIL MEMBER TORRES: ...what makes you
20 think that they would support a complete withdrawal,
21 it, it would seem to me that part of what it means to
22 negotiate in good faith is to meet me halfway but
23 instead you went in the opposite direction so how is
24 that an exercise of good faith?

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 124

2 ADAM FALK: Well we don't see it as
3 having gone in the opposite direction, we actually..
4 [cross-talk]

5 COUNCIL MEMBER TORRES: You did, they
6 vehemently opposed a reduction and instead of
7 reducing it less or not reducing it at all you, you..
8 you're withdrawing it completely from.. [cross-talk]

9 ADAM FALK: We, we increased our wage
10 proposal.

11 COUNCIL MEMBER TORRES: But.. [cross-talk]

12 CAMILLE JOSEPH: I mean from the very
13 beginning.. [cross-talk]

14 COUNCIL MEMBER TORRES: ...so, so you..
15 [cross-talk]

16 CAMILLE JOSEPH: ..Charter remains
17 committed, right to ensuring the best possible
18 package for its workers, for its employees since we
19 gave that first proposal it became.. we became aware
20 that during the last financial disclosure that the
21 union shared with us since the last bargaining
22 session on March 28th... March 26th that the liabilities
23 and the pension associated with the fund increased by
24 2.2 billion dollars.. [cross-talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 125

2 COUNCIL MEMBER TORRES: I, I thought you...

3 [cross-talk]

4 CAMILLE JOSEPH: ...and that... [cross-talk]

5 COUNCIL MEMBER TORRES: ...were not at
6 liberty to reveal information about collective...

7 [cross-talk]

8 CAMILLE JOSEPH: No, that was... that was
9 information that, that's, that's not... [cross-talk]

10 COUNCIL MEMBER TORRES: Yeah... [cross-
11 talk]

12 CAMILLE JOSEPH: ...that's not a part of
13 the lined items in the proposal but is part of the
14 actuarial reports, the, the union's own documents...

15 [cross-talk]

16 COUNCIL MEMBER TORRES: Your, your
17 position is that you're empowering the workers,
18 right, that you would rather contribute toward higher
19 wages rather than the pension fund but the workers
20 through their elected representatives in the union
21 have said otherwise, have said we want long term
22 retirement security that is our priority. So, if
23 you're concerned about the workers why not defer to
24 their determination of what's in their best interest?

25 ADAM FALK: Council Member if I can...

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 126

2 COUNCIL MEMBER TORRES: What... it has no
3 effect on your bottom line, your CEO's salary is the
4 same so why not give deference to their determination
5 of what's in their best interest, I think they know
6 more about what's in their best interest than you do?

7 HARLAN SILVERSTEIN: There, there was no...
8 there was no effect on the bottom line in the... in the
9 company's proposal on March 26th because the... [cross-
10 talk]

11 COUNCIL MEMBER TORRES: I'm asking about
12 your refusal to defer to their determination of
13 what's in their best interest.

14 HARLAN SILVERSTEIN: The, the company
15 makes its best business judgement, its best judgement
16 about what the optimum contract is based on its
17 consideration of what is in the best interest of its
18 workers and in serving its customers.

19 COUNCIL MEMBER TORRES: And, and I'm
20 pressed for time so I will ask... [cross-talk]

21 HARLAN SILVERSTEIN: It's, it's made the
22 judgement that higher wages is not only in the
23 interest of the workers but is in the interest of its
24 customers because it will enhance the company's
25 ability to retain... [cross-talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 127

2 COUNCIL MEMBER TORRES: And, and... [cross-
3 talk]

4 HARLAN SILVERSTEIN: ...and attract...
5 [cross-talk]

6 COUNCIL MEMBER TORRES: ...and the workers
7 disagree... [cross-talk]

8 HARLAN SILVERSTEIN: ...that's what...
9 [cross-talk]

10 COUNCIL MEMBER TORRES: ...I just want to...
11 [cross-talk]

12 HARLAN SILVERSTEIN: ...that, that's...
13 [cross-talk]

14 COUNCIL MEMBER TORRES: ...when you're
15 making these determinations are you mindful of the
16 impact that your actions will have on the union?

17 HARLAN SILVERSTEIN: The... [cross-talk]

18 ADAM FALK: Yes... [cross-talk]

19 CAMILLE JOSEPH: Of course...

20 HARLAN SILVERSTEIN: Of course.

21 COUNCIL MEMBER TORRES: So, do you
22 believe that withdrawing completely from the pension
23 fund does that have the effect of strengthening the
24 union or weakening the union?

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 128

2 HARLAN SILVERSTEIN: It would... it would
3 have no effect on the pension fund because if the
4 company withdrew it would pay its share,
5 proportionate share of the unfunded vested liability
6 to ensure that the people who have vested pensions
7 would receive them.

8 COUNCIL MEMBER TORRES: So, your position
9 is that your withdrawal from the pension fund has no
10 effect on the union, so they're just diluted they're...
11 [cross-talk]

12 HARLAN SILVERSTEIN: The... that's up to
13 the union to decide and, and take a position... [cross-
14 talk]

15 COUNCIL MEMBER TORRES: It's not a matter
16 of decision... it's not subjective, it's either...
17 [cross-talk]

18 HARLAN SILVERSTEIN: Our, our... [cross-
19 talk]

20 COUNCIL MEMBER TORRES: ...objectively true
21 or... [cross-talk]

22 HARLAN SILVERSTEIN: Our, our... [cross-
23 talk]

24 COUNCIL MEMBER TORRES: ...objectively
25 false... [cross-talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 129

1 HARLAN SILVERSTEIN: ...our position is
2 that it has no effect on the pension fund for the
3 company to withdraw.
4

5 COUNCIL MEMBER TORRES: Maybe, maybe
6 Charter's the exception but in most... in most
7 situations an employer withdrawing from a pension
8 fund has the effect of weakening a union, it could be
9 that you are the exception to that universal rule but
10 in most cases it has the effect of... and I'm concerned
11 that your actions are giving the impression of union
12 busting.

13 HARLAN SILVERSTEIN: Well that... I, I
14 don't think that anyone can realistically make that
15 claim given the wage increases that the company has
16 put on the table, they're extraordinary wage
17 increases and when the parties went to the federal
18 mediation and conciliation service that was
19 immediately recognized... [cross-talk]

20 COUNCIL MEMBER TORRES: I, I, I will say
21 that your lack of... [cross-talk]

22 HARLAN SILVERSTEIN: ...by the mediator...
23 [cross-talk]

24

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 130

1 COUNCIL MEMBER TORRES: ...forthrightness
2 is a strike against you in my mind so... my time is
3 expired.
4

5 CHAIRPERSON RICHARDS: Alright, thank
6 you, we're going to go to Council Member Crowley
7 followed by Grodenchik, Lancman, Reynoso, Miller.

8 COUNCIL MEMBER CROWLEY: Thank you
9 Chairman. Just to get this straight I'm a little
10 confused with how long the rank and file have been
11 without a contract, I believe the administration
12 DoITT testified that it, it's been greater than two
13 years, do you disagree with that?

14 HARLAN SILVERSTEIN: I... [cross-talk]

15 ADAM FALK: There, there was... [cross-
16 talk]

17 HARLAN SILVERSTEIN: It's... [cross-talk]

18 ADAM FALK: I'm sorry, do you want...

19 HARLAN SILVERSTEIN: it's, it's a... it's a
20 fairly complicated issue, the parties... [cross-talk]

21 COUNCIL MEMBER CROWLEY: It's not really
22 that... [cross-talk]

23 HARLAN SILVERSTEIN: It, it... [cross-talk]

24 COUNCIL MEMBER CROWLEY: ...complicated...
25 [cross-talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 131

2 HARLAN SILVERSTEIN: It is if you'd let
3 me answer. The parties entered a memorandum of
4 agreement in 2013 they signed it that provided for
5 all the terms of a collective bargaining agreement to
6 cover the next four years until March 31st, 2017. The
7 only thing that that agreement was subject to was
8 ratification by the bargaining unit, the bargaining
9 unit ratified it that agreement included many terms
10 and conditions including wage increases and other
11 terms beneficial to employees. The company has
12 implemented and scrupulously followed that collective
13 bargaining agreement for the last four years. Now...

14 [cross-talk]

15 COUNCIL MEMBER CROWLEY: And why did
16 DoITT testify differently and why is it... [cross-talk]

17 HARLAN SILVERSTEIN: I, I... [cross-talk]

18 COUNCIL MEMBER CROWLEY: ...that the, the
19 union... [cross-talk]

20 HARLAN SILVERSTEIN: I... [cross-talk]

21 COUNCIL MEMBER CROWLEY: ...and the rank
22 and file are saying that they've been years without a
23 contract... [cross-talk]

24 HARLAN SILVERSTEIN: I can't... I can't
25 answer why anyone else testifies to something but

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 132

1 what happened was at some point when the parties were
2 converting that MOA into a formal CBA a disagreement
3 arose as to whether certain writers not major terms
4 of that agreement should be attached to it... [cross-
5 talk]

6
7 COUNCIL MEMBER CROWLEY: So, to... [cross-
8 talk]

9 HARLAN SILVERSTEIN: ...and there was a
10 dispute over that that wound its way for several
11 years of litigation at the National Labor Relations
12 Board.

13 COUNCIL MEMBER CROWLEY: Such as pension
14 cost and health care, such as supporting... [cross-
15 talk]

16 HARLAN SILVERSTEIN: No... [cross-talk]

17 COUNCIL MEMBER CROWLEY: ...the pension
18 plan... [cross-talk]

19 HARLAN SILVERSTEIN: ...no, no... [cross-
20 talk]

21 COUNCIL MEMBER CROWLEY: ...that was agreed
22 to... [cross-talk]

23 HARLAN SILVERSTEIN: ...no, those were...
24 [cross-talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 133

2 COUNCIL MEMBER CROWLEY: ...and health...

3 [cross-talk]

4 HARLAN SILVERSTEIN: ...those were not in
5 the writers, no...

6 COUNCIL MEMBER CROWLEY: So, what was it
7 that brought you to... [cross-talk]

8 HARLAN SILVERSTEIN: ...the, the, the...

9 [cross-talk]

10 COUNCIL MEMBER CROWLEY: ...the National
11 Labor... [cross-talk]

12 HARLAN SILVERSTEIN: ...company... [cross-
13 talk]

14 COUNCIL MEMBER CROWLEY: ...Board... [cross-
15 talk]

16 HARLAN SILVERSTEIN: ...the company... the
17 company has continued to meet its obligations to the
18 JIB.

19 COUNCIL MEMBER CROWLEY: But what was...
20 [cross-talk]

21 HARLAN SILVERSTEIN: It's made... [cross-
22 talk]

23 COUNCIL MEMBER CROWLEY: ...what was the
24 reason you went to the NLRB?

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 134

2 HARLAN SILVERSTEIN: Because the company
3 believed that the writers that the union wanted to
4 have attached to the CBA should not properly be part
5 of it. So, the company went to the appropriate
6 agency, the National Labor Relations Board and filed
7 a charge and said the union is not signing the formal
8 CBA and the Regional Director of New York agreed with
9 the company and issued a complaint against the union
10 that then had to go to trial and eventually to the
11 NLRB in Washington.

12 COUNCIL MEMBER CROWLEY: And where is it
13 now?

14 HARLAN SILVERSTEIN: The NLRB in
15 Washington found that the parties had no meeting of
16 the minds on these writers so that indicated that the
17 parties had to negotiate and the company has stood
18 ready to negotiate ever since and it is still ready...

19 [cross-talk]

20 COUNCIL MEMBER CROWLEY: From what I...

21 [cross-talk]

22 HARLAN SILVERSTEIN: ...to negotiate...

23 [cross-talk]

24 COUNCIL MEMBER CROWLEY: ...understand the
25 workers have been on strike for over two months and

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY

135

1 it was only last week, you know conveniently days
2 before this council hearing that you reached out to
3 try to start to negotiate.
4

5 HARLAN SILVERSTEIN: Not correct, not
6 correct. The, the... [cross-talk]

7 ADAM FALK: Well we sent... [cross-talk]

8 HARLAN SILVERSTEIN: ...the company...
9 [cross-talk]

10 ADAM FALK: ...we... [cross-talk]

11 HARLAN SILVERSTEIN: ...has been
12 negotiating since February, the company's put three
13 different proposals on the table, the union put one
14 proposal on the table on March 26th that was the
15 first... a question was asked earlier about when would
16 the company start making a proposal, the union did
17 not make a proposal for a new agreement until March
18 26th and it went on strike two days later.

19 COUNCIL MEMBER CROWLEY: Did you
20 counteract that proposal?

21 ADAM FALK: Yes.

22 HARLAN SILVERSTEIN: Yes.

23 COUNCIL MEMBER CROWLEY: When, that day
24 before they went on strike?

25 HARLAN SILVERSTEIN: Uh-huh... [cross-talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 136

2 ADAM FALK: Yes... [cross-talk]

3 HARLAN SILVERSTEIN: It was a lengthy
4 proposal and the, the company negotiator responded to
5 it in the session and the union went on strike a
6 couple... [cross-talk]

7 COUNCIL MEMBER CROWLEY: And were you
8 asking... [cross-talk]

9 HARLAN SILVERSTEIN: ...of days later...
10 [cross-talk]

11 COUNCIL MEMBER CROWLEY: ...them to do more
12 with less, were you saying in your negotiations that
13 you wanted to reduce their pension to even... [cross-
14 talk]

15 HARLAN SILVERSTEIN: The, the, the
16 company... [cross-talk]

17 COUNCIL MEMBER CROWLEY: ...discontinue
18 paying into their pension?

19 HARLAN SILVERSTEIN: Not at that time,
20 no. The company was proposing... [cross-talk]

21 COUNCIL MEMBER CROWLEY: And reduce...
22 [cross-talk]

23 HARLAN SILVERSTEIN: ...to make less...
24 [cross-talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 137

2 COUNCIL MEMBER CROWLEY: ...hospitalization
3 and health care coverage?

4 HARLAN SILVERSTEIN: The, the, the
5 company had made the judgement that it was better for
6 the employees and the company... and the company to pay
7 very considerably higher wages... [cross-talk]

8 COUNCIL MEMBER CROWLEY: Right... [cross-
9 talk]

10 HARLAN SILVERSTEIN: That's... that was
11 the... [cross-talk]

12 COUNCIL MEMBER CROWLEY: So... [cross-talk]

13 HARLAN SILVERSTEIN: ...company's
14 judgement.

15 COUNCIL MEMBER CROWLEY: If it... if it was
16 a better contract the workforce would have agreed to
17 it even earlier today the Mayor said it was
18 unacceptable for Charter workers to be without a
19 contract and that the vast majority of city workers
20 have had a new contract and we're giving you the
21 right to do business in the city and we expect you to
22 extend the rights to the workforce to have a fair
23 negotiated contract. It is in the franchise
24 agreement.

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 138

2 HARLAN SILVERSTEIN: I can... I can tell
3 you that the company is committed to have a fair
4 collective bargaining agreement, it is committed to
5 collective bargaining and as Miss Joseph said a
6 little bit earlier the company is ready whenever the
7 union decides it's ready to return to the bargaining
8 table and to do whatever is necessary to reach a
9 contract, that's the company's obligation and it
10 believes in that and its committed to that.

11 COUNCIL MEMBER CROWLEY: Has your company
12 made promises to my constituents that they would
13 receive better services and, and when in fact you
14 knew that you couldn't provide those services, they
15 were unobtainable due to the equipment and the
16 infrastructure?

17 HARLAN SILVERSTEIN: No, not to my
18 knowledge.

19 COUNCIL MEMBER CROWLEY: But the State
20 Attorney General is saying differently for five
21 million New Yorkers.

22 HARLAN SILVERSTEIN: That's a lawsuit
23 that's currently pending and, and will be litigated.

24 COUNCIL MEMBER CROWLEY: Was your
25 workforce treated unfairly due to having to install

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 139

2 defective modems and you know I heard that New
3 Yorkers of course were complaining about their
4 service because the equipment wasn't working, did
5 your company take it out on the workforce when those
6 complaints were registering in?

7 HARLAN SILVERSTEIN: No.

8 ADAM FALK: Absolutely not.

9 COUNCIL MEMBER CROWLEY: Okay, I, I've
10 run out of time.

11 CHAIRPERSON RICHARDS: Thank you, we're
12 going to go to Council Members Grodenchik followed by
13 Lancman then Reynoso.

14 COUNCIL MEMBER GRODENCHIK: Thank you Mr.
15 Chair. Mr. Falk for the record can you tell me what
16 you do for Spectrum because you listed Miss Joseph's
17 occupation and we know that Mr. Silverstein is the
18 outside council?

19 ADAM FALK: Senior Vice President State
20 Government... State Government Affairs for Charter.

21 COUNCIL MEMBER GRODENCHIK: Okay, thank
22 you very much for that. I want to follow up on what
23 my colleagues, Council Member Torres and Council
24 Member Crowley it is disappointing to me to put it
25 mildly that a franchisee of the city of New York

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 140

1
2 you're not building widgets, you're not... you know
3 this is not Ford versus GM versus, versus Fiat versus
4 Volvo versus etcetera, etcetera, etcetera. In many
5 cases people that want to use... want to get cable TV
6 have nowhere else to turn so you kind of got a semi-
7 monopoly in the city of New York in the neighborhoods
8 that you serve, some neighborhoods like mine you do
9 have other options but that's not always true and it,
10 it, it bothers me that, that you seem to be seeking
11 to diminish the benefits of the members of Local
12 Three who work for Charter and are currently on
13 strike and can you... can you... you know Miss Joseph
14 kept talking about we want the best, we want the best
15 but it's obvious that they're not being offered the
16 best in their opinion, we'll hear from them in a
17 little while because they've gone eight weeks
18 without, you know getting their benefits, they've
19 gone eight weeks without money, that's a great cost
20 to families, this is not a cheap town to live in as
21 we know, we can see it all the time. So, you keep
22 saying the best, the best, the best but is it
23 possible that it's not the best?

24

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 141

2 HARLAN SILVERSTEIN: Sure. Look, there's,
3 there's a disagreement between the union and the...

4 [cross-talk]

5 COUNCIL MEMBER GRODENCHIK: I appreciate...

6 [cross-talk]

7 HARLAN SILVERSTEIN: ...company as... [cross-
8 talk]

9 COUNCIL MEMBER GRODENCHIK: ...that and I
10 thank you... [cross-talk]

11 HARLAN SILVERSTEIN: ...as to... [cross-talk]

12 COUNCIL MEMBER GRODENCHIK: ...for, for
13 stating what was very obvious to me what... [cross-
14 talk]

15 HARLAN SILVERSTEIN: ...but that... [cross-
16 talk]

17 COUNCIL MEMBER GRODENCHIK: ...has not
18 been... [cross-talk]

19 HARLAN SILVERSTEIN: ...disagreement...
20 [cross-talk]

21 COUNCIL MEMBER GRODENCHIK: ...said here
22 before... [cross-talk]

23 HARLAN SILVERSTEIN: ...can't be resolved
24 in this hearing it has to be resolved in collective...
25 [cross-talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 142

2 COUNCIL MEMBER GRODENCHIK: ...I'm not...

3 [cross-talk]

4 HARLAN SILVERSTEIN: ...bargaining... [cross-
5 talk]

6 COUNCIL MEMBER GRODENCHIK: ...I'm not
7 looking to resolve in this hearing... [cross-talk]

8 HARLAN SILVERSTEIN: ...and... [cross-talk]

9 COUNCIL MEMBER GRODENCHIK: ...we're just
10 trying to get some basic facts... [cross-talk]

11 HARLAN SILVERSTEIN: ...and... [cross-talk]

12 COUNCIL MEMBER GRODENCHIK: ...here...
13 [cross-talk]

14 HARLAN SILVERSTEIN: ...and you also heard
15 it's not only a question of what the company believes
16 is the appropriate allocation of resources for the
17 employees and what's in their best interest and the
18 company's best interest, the company has also
19 developed serious concerns about the long-term
20 viability of the funds you've heard that and, and
21 that... [cross-talk]

22 COUNCIL MEMBER GRODENCHIK: Are the... are
23 the funds any way deficient at this time, are there
24 problems with the funds?

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY

143

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HARLAN SILVERSTEIN: The, the, the..

[cross-talk]

COUNCIL MEMBER GRODENCHIK: You're shaking your head yes, I don't know who wants to answer this.

HARLAN SILVERSTEIN: The, the company has reviewed the actuarial evaluations that the fund provided... [cross-talk]

COUNCIL MEMBER GRODENCHIK: Has an independent auditor evaluated this.. [cross-talk]

HARLAN SILVERSTEIN: And, and, and consulted with very experienced council and the company is concerned about the long-term viability of the funds and those, those things are not really for this hearing they're for the bargaining.. [cross-talk]

COUNCIL MEMBER GRODENCHIK: I'm concerned about a... [cross-talk]

HARLAN SILVERSTEIN: ...table.. [cross-talk]

COUNCIL MEMBER GRODENCHIK: ...lot of things because my, my constituents are all taxpayers and they, they get benefits from the city, we all worry about certain things but I, I can't expect the men and women who are on strike to look down the road

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 144

2 ten or 20 years they don't have that luxury.. [cross-
3 talk]

4 HARLAN SILVERSTEIN: Okay, but look..
5 [cross-talk]

6 COUNCIL MEMBER GRODENCHIK: ...do you
7 understand that... [cross-talk]

8 HARLAN SILVERSTEIN: ...we are... we do
9 understand that and, and we, we are looking at the
10 long term and the company believes that this is a
11 better alternative and that the long-term viability
12 of these funds is in question as to whether they will
13 actually deliver down the line 10, 20, 30 years from
14 now, the pension benefits and the medical benefits
15 for retirement that, that are promised.

16 COUNCIL MEMBER GRODENCHIK: But isn't
17 that the choice that the workers make and, and they,
18 they are represented by a very full disclosure, I
19 grew up across the street from Electchester, they're
20 represented by a very able union that represents
21 about 30,000 people in this city?

22 HARLAN SILVERSTEIN: It's, it's a choice
23 that the company and the union have to make together
24 because the company is paying for it and has to make
25 a judgement about what it thinks is in its best

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 145

2 interest and the best interest of the employees so
3 that's a... it's not for the union to decide, it's not
4 for the company to decide, it's for the parties to
5 come together in a collective bargaining and solve
6 the problem.

7 ADAM FALK: And, and all we can look at
8 is the publicly available data that's provided to us.
9 We have asked repeatedly for information from the
10 union beyond the publicly available data and
11 unfortunately, they have been unwilling to provide
12 it, I mean when we look at... [cross-talk]

13 COUNCIL MEMBER GRODENCHIK: I'll ask them
14 that in a few... I'll ask them that when they... when
15 they testify. I have a... I don't have much time left
16 Mr. Falk I do want to know you were very willing to
17 state the accomplishments that Charter has undertaken
18 since... or has accomplished that's what you've told us
19 since they've taken over this franchise agreement was
20 most of this covered or all of it covered by the
21 franchise agreement, are you doing anything above and
22 beyond the call of duty here, I'd, I'd be curious to
23 know how much of that is cut into your bottom line
24 and how much of that is what's mandated by the city
25 of New York?

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 146

2 ADAM FALK: Much of it's not mandated by
3 the franchise, I mean I... [cross-talk]

4 COUNCIL MEMBER GRODENCHIK: And you... and
5 I don't expect you to answer in my next 11 seconds,
6 can you provide us with... to the Chair of these two
7 committees so that I can see what is provided for in
8 the franchise agreement and what you've done
9 separately, is that a yes?

10 ADAM FALK: Yes.

11 COUNCIL MEMBER GRODENCHIK: Thank you
12 very much, thank you Mr. Chairman.

13 CHAIRPERSON RICHARDS: Thank you, we're
14 going to now go to Council Member Grodenchik followed
15 by Lancman... oh wait, sorry, Lancman, Reynoso, Miller.

16 COUNCIL MEMBER LANCMAN: Thank you again
17 Mr. Chairman, good afternoon. I don't know if you
18 were here earlier, I think you were but I mentioned
19 that I represent the neighborhood of Electchester in
20 the location where Local Three's headquarters are and
21 represent dozens if not hundreds of families who are
22 on strike. There's a certain quality to this... to this
23 hearing and, and, and to this testimony. The idea
24 that you would show up, that Spectrum/Charter would
25 show up at a, a negotiation session and take the

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 147

2 position that before we had offered to reduce our
3 contributions to your pension and benefits whatever X
4 percent, X dollars but now our position is we're
5 going to give you nothing, not a negotiation, it's a
6 statement and that statement is two words which I
7 cannot repeat in public at this council meeting but
8 we all know what that statement is. You were swimming
9 against some very, very powerful currents, there's a
10 reason that your franchise agreement includes a
11 provision requiring you to recognize and negotiate in
12 good faith with your workers because that is an
13 extremely important New York value, there's a reason
14 that you are barred except in certain extreme
15 circumstances from hiring contractors from outside of
16 the city because that is a very, very important New
17 York value. On the other hand, there are some very,
18 very dangerous currents that you are swimming in that
19 is the trend of major corporations to try to
20 undermine and disinvest in their employee's pensions
21 and security and benefits. Now I understand that to a
22 certain extent this, this is somewhat of a... of a
23 show, right there's limited information that you can
24 provide to us some of which you've provided is, is
25 contradicted by information that I have. For example

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 148

2 I was told and I may be incorrect but I was told that
3 it was the mediator not Local Three that cancelled
4 the two additional sessions, I may be incorrect, I
5 wouldn't be the least bit surprised having been
6 involved in many mediations as an attorney myself
7 when one side shows up with not a negotiating
8 position but a statement that the mediator looks at
9 everybody and says okay, we're not going to waste
10 anybody's time here but at some point very, very soon
11 we're going to have the tools at our disposal to try
12 to push Charter to negotiate in good faith with its
13 workforce and I think those tools are going to come
14 soon and your response to DoITT's request for
15 information if not as soon as that and it's not
16 resolved by then those tools are going to come in as
17 the lead up to 2020 when there's a new franchise
18 agreement that's going to be offered and I just don't
19 want there to be any illusion or, or, or
20 misunderstanding I can only speak for myself but I'm
21 here all morning, I'm listening to my colleagues, no
22 one's buying it, no one's buying that this union
23 which for 40 years or so has, has worked with Time
24 Warner and, and if I'm not mistaken has not struck
25 once is all of a sudden lost its mind and become this

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 149

2 radical irresponsible workforce, we know these folks,
3 we represent these folks, they are a proud and
4 independent and tough union but they're not hotheads,
5 they're not irrational and the fact that they have
6 gone to the... to the... to the extreme of striking and
7 having guys and, and men and women out of work we're
8 just not buying it. So, I guess you got to get
9 through today, get through today, this afternoon get
10 on the phone with the mediator or whoever you have
11 to, get into a bargaining room, negotiate in good
12 faith, I'm sure you will get to a resolution, it's
13 not going to be everything you want, it's not going
14 to be everything they want, we all... we all know and
15 understand that but I for one cannot believe that
16 there's not room within what the union thinks is
17 important for its workers and what you think is
18 important for the... for the long term health of the
19 company to reach a good faith resolution that isn't
20 based or premised or starts with a two word statement
21 to the people who work so hard to make the company
22 what it is. Thank you.

23 CHAIRPERSON RICHARDS: Thank you, we're
24 going to go now to Council Member Reynoso followed by
25 Miller and then Torres.

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 150

2 COUNCIL MEMBER REYNOSO: I wanted to ask
3 a question about the net neutrality conversation you
4 were having originally can you just speak to your
5 statement, you, you have a statement written
6 somewhere that speaks to net neutrality. When we
7 asked you net neutrality what is it that you
8 traditionally said or have said so far?

9 ADAM FALK: Well what I said was that we
10 don't have data caps, we don't employ usage based
11 pricing, we don't have long term contracts, we don't
12 have modem fees, we have enhanced the speed of our
13 broadband service... [cross-talk]

14 COUNCIL MEMBER REYNOSO: This is net
15 neutrality.

16 ADAM FALK: Oh, well these are all
17 related to net neutrality and then in addition to
18 that I said that we don't block... [cross-talk]

19 COUNCIL MEMBER REYNOSO: But... [cross-
20 talk]

21 ADAM FALK: ...or interfere... [cross-talk]

22 COUNCIL MEMBER REYNOSO: ...you don't block
23 so are you legally about... allowed to block, are you
24 legally allowed to block...

25 ADAM FALK: Internet content?

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 151

2 COUNCIL MEMBER REYNOSO: Yes.

3 ADAM FALK: Under the current rules, no.

4 COUNCIL MEMBER REYNOSO: Exactly, so, so...
5 alright, so don't say you don't block you can't
6 block, I want to be perfectly clear with you that's
7 what net neutrality is about is these things that you
8 say you want to do in, in regard to what the
9 principals of net neutrality are but you're mandated
10 to do, right like let's be perfectly clear you're not
11 doing this because you want to do it you're doing
12 this because you have to do it.

13 ADAM FALK: Well we, we were providing
14 internet service before the, the Wheeler FCC... [cross-
15 talk]

16 COUNCIL MEMBER REYNOSO: And make sure...
17 [cross-talk]

18 ADAM FALK: imposed... [cross-talk]

19 COUNCIL MEMBER REYNOSO: ...you stay on...
20 you know close to the mic.

21 ADAM FALK: Oh I'm sorry. We, we were
22 providing broadband internet access services prior to
23 the decision that established this and I... what I'm
24 saying is that our practices before that and our
25 practices... [cross-talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 152

2 COUNCIL MEMBER REYNOSO: Didn't change...

3 [cross-talk]

4 ADAM FALK: ...after haven't changed...

5 [cross-talk]

6 COUNCIL MEMBER REYNOSO: So for me it's
7 inconsequential what title one or two it doesn't
8 really matter because whatever restrictions are
9 applied to you under the current model has not
10 changed the way it was in the previous model but in
11 this one case there's a security within the work that
12 we do as elected officials that you won't... if you
13 ever change your mind you won't be able to do that,
14 that... you would be able to be consistent with your
15 policy to allow for net neutrality, I want to be
16 clear that that is our protection, right that, that,
17 that title two that you want... I think you want to go
18 to title two, I... I'm, I'm... you want to... you want to...
19 you want to leave title two. Title two is our
20 protection, right, I just want to make sure that when
21 you change your mind and, and I actually want to
22 speak to that not only because of net neutrality
23 issue which I want to make sure we have safeguards
24 for but if this hearing today is any example of
25 policies within your company and its ability to

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 153

2 change its policy especially when it comes to
3 negotiating with Local Three it is a concern to us
4 that you would want to switch from title two to title
5 one. We need to make sure that we as a city council
6 allow for those protections to be in place like these
7 franchise agreements that I think we fail... we failed
8 on actually and hope that in 2020 the council can
9 strengthen, policies change, you used to pay for
10 pensions or pay into the pension now you don't want
11 to, that's a change that you've made but we want to
12 make sure that we ensure protections. So, what I
13 guess I'm saying here is I don't necessarily think
14 you understand what negotiations are, you give and
15 take, there's a give and a take so far, you've
16 absolutely... you... all you've done is take when it
17 comes to the pension portion of these contracts. If,
18 if again the increases in wages are so high that you
19 think that they're actually more beneficial to the
20 workers then again it should be inconsequential for
21 you to move some of that money into the pension
22 instead of necessarily into the raises. Alright, for
23 you it's even, it's, it's balanced, it is... it is
24 literally net neutral, right but you are choosing one
25 policy over another and they disagree with that. If

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 154

2 you continue to come to them with exact same policy
3 position that you're taking now which is we don't
4 want you to have pensions we want to increase your
5 wages you're not going to make any progress in the
6 negotiation, you give and take. So, we just want you
7 here to understand that our position is we don't
8 think you're negotiating in good faith and the fact
9 that you think you are is a huge concern to us
10 because you're not budging, you're not moving so we
11 need you to do it in good faith and meet in the
12 middle that's all we're saying.

13 ADAM FALK: Well we've put proposals on
14 the table, we've responded to their proposals. the
15 last proposal we put on the table as I said wasn't
16 responded to, we're happy to get back to the
17 bargaining... [cross-talk]

18 COUNCIL MEMBER REYNOSO: There wasn't...

19 ADAM FALK: ...table... [cross-talk]

20 COUNCIL MEMBER REYNOSO: ...because you... I
21 don't think you're listening to them, right I think
22 that the issue here is that they clearly stated that
23 the pension, the long term security of the individual
24 worker is extremely important, if... and if anything
25 it's a top priority, when you don't make it a

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 155

1 priority for yourself then there's a disagreement and
2 when there's a disagreement you can't make... you can't
3 move forward, when are you going to move to be more
4 in line with their priority and not necessarily yours
5 which are very bottom lined based, right for you it's
6 about money but I mean it is about their livelihood.
7 So, there needs to be a balance there and I don't
8 think you guys see that, I think that you're taking a
9 very black and white position that the, the long-term
10 security of the company is more important than the
11 long-term security of a person.

13 ADAM FALK: I mean I, I, I disagree with
14 those characterizations and, and... but I understand
15 and respect that you're entitled to your... [cross-
16 talk]

17 COUNCIL MEMBER REYNOSO: I understand..
18 [cross-talk]

19 ADAM FALK: ...your, your, your view and..
20 [cross-talk]

21 COUNCIL MEMBER REYNOSO: I think you
22 don't... [cross-talk]

23 ADAM FALK: ...decision on... [cross-talk]

24 COUNCIL MEMBER REYNOSO: I don't think
25 large companies especially like yours are interested

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 156

1 in the long-term investment of human capital anymore
2 and I think that this is an... a, a reflection of that,
3 it's, it's going to become a larger problem, a long-
4 term problem that we're going to have to address as
5 legislators but human capital is losing more and more
6 value in these types of organizations and
7 unfortunately today with the testimony that we're
8 hearing from you it's, it's been consistent.

10 CAMILLE JOSEPH: Well... [cross-talk]

11 ADAM FALK: I think actually human
12 capital is, is, is what we need, right, I mean we
13 can't... we can't service our customers without a
14 strong employee workforce to do it and I think we
15 recognize that we just have a difference of opinion
16 as to how to get there and we think we are taking
17 into consideration both pension and benefit for our
18 employees and we think in the long term that that's a
19 better solution for them.

20 CAMILLE JOSEPH: And I, I was just going
21 to add that, you know we came today in good faith, I
22 mean in compliance with the, the theme of the hearing
23 which was the oversight of our franchise deal and as
24 you heard earlier today as testified by DoITT it
25 seems as though there is no proof that we have not

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 157

2 been compliant yet and so as you continue to ask
3 questions we want to share as much information as
4 possible but the fact of the matter is, is that we,
5 we are not in a position to negotiate the tenets of
6 the contract at this hearing but we welcome this
7 discussion at the negotiation table.

8 CHAIRPERSON RICHARDS: We're going to go
9 to Council... [cross-talk]

10 COUNCIL MEMBER REYNOSO: Thank you...
11 [cross-talk]

12 CHAIRPERSON RICHARDS: ...Member Miller
13 followed by Torres.

14 COUNCIL MEMBER MILLER: Thank you Chair
15 Richards. So, this is the round that we... it... this is
16 the lot of conversation about collective bargaining
17 here and, and, and is there anybody on, on the panel
18 here from Labor Relations that represents Labor
19 Relations on turn that...

20 ADAM FALK: Well... [cross-talk]

21 HARLAN SILVERSTEIN: Our, our firm is
22 outside Labor Relations Council to the company.

23 COUNCIL MEMBER MILLER: Oh, do you... Okay,
24 so... maybe they should be here. So, I, I do want to
25 talk to you about your, your business model and, and

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 158

1
2 it appears that you've applied in National Business
3 Model here in New York City and, and certainly the
4 Labor Relation dynamics here in New York City differ
5 from just about anywhere else in the country, out of
6 the 90,000 workers that you employ how many are
7 unionized workers?

8 ADAM FALK: I, I don't know the exact
9 number, I know that there, there are union employees
10 in, in California, there are union employees in
11 Hawaii, there are union employees here in New York
12 City...

13 COUNCIL MEMBER MILLER: Do you know the
14 percentage?

15 ADAM FALK: I do... [cross-talk]

16 COUNCIL MEMBER MILLER: So, the vast
17 percentage are in California and New York, right?

18 ADAM FALK: And Hawaii.

19 COUNCIL MEMBER MILLER: And Hawaii?

20 ADAM FALK: Yes, sir.

21 COUNCIL MEMBER MILLER: Okay, and how
22 many states are you in?

23 ADAM FALK: 41.

24 COUNCIL MEMBER MILLER: 41?

25 ADAM FALK: Uh-huh.

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 159

2 COUNCIL MEMBER MILLER: Three of 41
3 states, so does the... does the benefit package, does
4 the compensation package... the packages differ from
5 those unionized states from the non-union states?

6 ADAM FALK: You mean in terms of what
7 we're offering or in terms... [cross-talk]

8 COUNCIL MEMBER MILLER: That is correct.

9 ADAM FALK: No.

10 COUNCIL MEMBER MILLER: No, so is there
11 somewhere where you offer pensions and other places
12 where you offer 401 according to the collective...
13 [cross-talk]

14 ADAM FALK: I, I'm sorry... [cross-talk]

15 COUNCIL MEMBER MILLER: ...bargaining
16 agreement?

17 ADAM FALK: Are you talking about the,
18 the, the unionized workforce versus the non-unionized
19 workforce, are you comparing the, the... [cross-talk]

20 COUNCIL MEMBER MILLER: I'm, I'm talking
21 about the entire workforce and at... and, and so the
22 first is... [cross-talk]

23 ADAM FALK: Well we have collective...
24 [cross-talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 160

2 COUNCIL MEMBER MILLER: ...the unionized...

3 [cross-talk]

4 ADAM FALK: ...bargaining... [cross-talk]

5 COUNCIL MEMBER MILLER: ...workforce...

6 [cross-talk]

7 ADAM FALK: ...yeah... [cross-talk]

8 COUNCIL MEMBER MILLER: ...but the

9 unionized workforce compared to the non-unionized

10 workforce and then do you have... do you have... do you

11 operate in, in right to work states?

12 ADAM FALK: Yes.

13 COUNCIL MEMBER MILLER: Do they have the

14 same benefits as they do here in New York City?

15 ADAM FALK: They have the same benefits

16 that... [cross-talk]

17 COUNCIL MEMBER MILLER: Do they have the

18 same level of benefits?

19 ADAM FALK: That we have here in New York

20 City for our non-unionized workers?

21 COUNCIL MEMBER MILLER: Uh-huh.

22 ADAM FALK: Yes, we, we have a... we have

23 a... uniform benefits for our employees that are not

24 covered by collective bargaining agreements.

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 161

2 COUNCIL MEMBER MILLER: But the employ..
3 employees here are covered by collective bargaining?

4 ADAM FALK: Right, our employees that are
5 covered by collective bargaining agreements have
6 different benefits than the benefits of our non-
7 unionized employees.

8 COUNCIL MEMBER MILLER: Okay, so... but the
9 ones that are here in New York that aren't covered by
10 a collective bargaining agreement have like benefits
11 to everyone else throughout the country that aren't?

12 ADAM FALK: Correct.

13 COUNCIL MEMBER MILLER: Correct, so there
14 are no pensions involved in your non-represented
15 employees here in this state... in, in New York State?

16 ADAM FALK: Well we, we have... we have... we
17 have a 401K with an... [cross-talk]

18 COUNCIL MEMBER MILLER: Are there any..

19 ADAM FALK: Is that what you're talking
20 about...

21 COUNCIL MEMBER MILLER: So, so on like..

22 [cross-talk]

23 ADAM FALK: ...benefit pension... [cross-
24 talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 162

2 COUNCIL MEMBER MILLER: ...let me just say
3 this, I'm going to give you a little historical
4 background like my colleagues I'm a former president
5 business agent of a union, of an international union
6 so there is some intricacies about collective
7 bargaining that I have a level of expertise on so I
8 would... I just ask that we respect that and we be able
9 to move this along and not insult anybody's
10 intelligence over here. So, are there employees
11 throughout... I'm, I'm trying... we're trying to
12 establish whether or not you are attempting to
13 implement a business... national business model here in
14 New York City.

15 ADAM FALK: I, I would... first of all I
16 would never intentionally try to... [cross-talk]

17 COUNCIL MEMBER MILLER: That's okay...
18 [cross-talk]

19 ADAM FALK: ...upset your intelligence...
20 [cross-talk]

21 COUNCIL MEMBER MILLER: ...that's, that's
22 okay I... [cross-talk]

23 ADAM FALK: ...in that way... [cross-talk]

24 COUNCIL MEMBER MILLER: ...just... I, I just
25 want answers to the question we are limited on time.

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 163

2 ADAM FALK: Yeah, there, there are
3 elements of the proposal that we have on the table
4 before Local Three that include putting them into the
5 same medical and pension benefits... [cross-talk]

6 COUNCIL MEMBER MILLER: Is there a reason
7 why that you... that you want them out of... is, is it
8 just more profitable or is there a real viable reason
9 why you want them out of the medical and pension
10 system?

11 ADAM FALK: We, we have a concern about
12 the long-term health of both the existing JIB medical
13 plan and pension plans and we've articulated that to
14 the union... [cross-talk]

15 COUNCIL MEMBER MILLER: You have a...
16 [cross-talk]

17 ADAM FALK: ...we've asked... [cross-talk]

18 COUNCIL MEMBER MILLER: ...concern... [cross-
19 talk]

20 ADAM FALK: ...we've asked for additional
21 information and haven't received it...

22 COUNCIL MEMBER MILLER: I'm, I'm sure the
23 union has a concern about it as well but just because
24 you have a concern doesn't mean that you pull out,
25 I'm sure you have your actuaries and all that in, in

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 164

2 place and, and you... and, and is there a justification
3 that in five years that it will no longer be solvent,
4 in ten years it will no longer be solvent, can you
5 say as a matter of fact that we're going to uproot
6 people's lives and tradition here in New York City
7 because you have a concern or do you have factually...
8 are you able to say that this pension system won't
9 exist or is this just your national model?

10 ADAM FALK: No, no I, I can't tell you... I
11 can't tell you with certainty whether it will exist
12 or not what I can tell you is that the facts that we
13 see from looking at their own financial statements
14 and actuarial reports suggests that there are deep
15 issues with the medical plan. For example, it has
16 increased two billion dollars in liabilities over one
17 year from 4.2 to 6.2 billion in liabilities while its
18 assets have reduced from 600 million to 590 million,
19 we're concerned that that will impact the long-term
20 viability of the medical plan under the JIB and so
21 we, we are interested in A, putting more money in the
22 pockets of our employees and B, bringing them into a
23 medical plan that will be able to... [cross-talk]

24 COUNCIL MEMBER MILLER: So, as we...
25 [cross-talk]

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 165

2 ADAM FALK: ...sustain them long term...

3 [cross-talk]

4 COUNCIL MEMBER MILLER: ...as we move

5 forward let me suggest that in, in, in negotiations

6 kind of allowing workers to decide what's important

7 to them whether it's benefits or more money in their

8 pocket and, and, and not you decide what the

9 unintended consequences are going to be on entering

10 into a different plan from where they are there. I, I

11 think that's probably a sticking point and we would

12 certainly whatever services that we could provide to,

13 to... as a council and me particular to, to help

14 mediate we would certainly be available to do so but

15 I think it would be both sides and, and I'm sorry

16 Chair I, I need to say this and I'm going to end on

17 this that there are no less than ten folks in this

18 room now that come from the district that we

19 represent, that's an impact on communities and

20 families in our community this has... they got to get

21 back to work, this has to come to an end, it has to

22 come to an end immediately so I would suggest that

23 both sides come to the table in good faith and do

24 what they need to do because there's an impact and

25 there... and, and, and so there was a conversation at a

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 166

2 barbeque yesterday about this and how long are the
3 city and communities in the city of New York are
4 going to support a corporation that puts people out
5 of work, you should think about that because there
6 are options here in the city of New York. Thank you
7 for your time Mr. Chair.

8 CHAIRPERSON RICHARDS: Thank you Council
9 Member Miller, we're going to go to Council Member
10 Ritchie Torres before we go to him so you, you
11 mentioned... so just to go back to something Council
12 Member Miller said so in all 41 states you have... all
13 your workers receive pensions?

14 ADAM FALK: When you say pensions do you
15 mean 401K pensions, correct?

16 CHAIRPERSON RICHARDS: Well no, pensions
17 not 401K. So, I think the question that you may get
18 at is what is the differentiation between, you know
19 the states that have pensions opposed to 401K?

20 ADAM FALK: Our, our benefits are the
21 same for our employees throughout our... [cross-talk]

22 CHAIRPERSON RICHARDS: So... [cross-talk]

23 ADAM FALK: ...service area the only
24 exception to that is employees that are covered by a
25 collective bargaining agreement and to my knowledge

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 167

2 the places where we have employees covered by
3 collective bargaining are in portions... small portions
4 of California and in Hawaii... [cross-talk]

5 CHAIRPERSON RICHARDS: So out of those 41
6 states how many have collective bargaining agreements
7 only four?

8 ADAM FALK: To, to my knowledge we have
9 them in California, in Hawaii, and in New York. I
10 don't know of any other states in which we have
11 unionized employees.

12 CHAIRPERSON RICHARDS: And I think what,
13 what we're getting at is, you know pension guarantees
14 security, 401K doesn't so I think that that's
15 something that, you know we're concerned about moving
16 forward as well. Alright, we're going to go to
17 Council Member Torres, Ritchie Torres.

18 COUNCIL MEMBER TORRES: I, I mean I share
19 the frustration, I have found your testimony to be
20 quite frustrating but what, what I find most
21 remarkable is your belief that disinvesting from the
22 pension fund from the retirement security of your
23 employees is actually better for the workers, I mean
24 that, that, that's an alternative fact in my opinion
25 and it would seem to me and I'm no expert on pension

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1 funds but if, if you have concerns about the long
2 term stability of the pension fund reducing your
3 contribution or withdrawing from it completely will
4 only make it less stable not more, that seems to be...
5 is that... that would be my assessment. Is, is there a...
6 is there some kind of standard, some kind of
7 statutory standard that one could use to judge the
8 long-term health of a pension fund?
9

10 ADAM FALK: I don't know of a statutory...

11 [cross-talk]

12 COUNCIL MEMBER TORRES: I've heard of an
13 80 percent rule, is that something...

14 ADAM FALK: I have heard of that, yes.

15 COUNCIL MEMBER TORRES: And, and my
16 understanding is that when you proposed reducing your
17 contribution to the pension fund back in February
18 12th the pension fund actually met the statutory
19 requirement of 80 percent.

20 ADAM FALK: It depends how you look...

21 [cross-talk]

22 COUNCIL MEMBER TORRES: So, so... well I
23 mean it met the statutory requirement of 80 percent
24 which is the legal requirement, it's the accepted
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 169

2 requirement and you still decided to disinvest from
3 that pension fund.

4 ADAM FALK: Look, the facts are that the
5 unfunded... [cross-talk]

6 COUNCIL MEMBER TORRES: That is the fact,
7 do you... do you dispute... [cross-talk]

8 ADAM FALK: ...the unfunded... [cross-talk]

9 COUNCIL MEMBER TORRES: ...that fact?

10 ADAM FALK: Yes, the unfunded present
11 value of... [cross-talk]

12 COUNCIL MEMBER TORRES: Not the present...
13 [cross-talk]

14 ADAM FALK: ...the pension... [cross-talk]

15 COUNCIL MEMBER TORRES: ...the... on February
16 12th... [cross-talk]

17 ADAM FALK: ...yeah... [cross-talk]

18 COUNCIL MEMBER TORRES: ...when you put
19 forward your original proposal did it meet the legal
20 threshold for you to present to your knowledge?

21 ADAM FALK: Of course I don't know if... I
22 don't know whether 80 percent is a legal threshold or
23 not, I know that it's based upon an interest
24 calculation of 7.25 percent and the last time that
25 there was a report on what the interest earned on

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1 the, the, the pension assets were it was in 2014 in
2 which it earned 0.01 percent so at... just using the,
3 the, the treasury rate which is the rate that is used
4 for other employer pensions the, the... and this is in
5 the... in, in the actuaries report, you can look it up,
6 the current liabilities suggest that the... [cross-
7 talk]

8
9 COUNCIL MEMBER TORRES: But, but this 80...
10 [cross-talk]

11 ADAM FALK: ...pension is 47... [cross-talk]

12 COUNCIL MEMBER TORRES: ...percent number
13 you've never heard of that requirement before?

14 CAMILLE JOSEPH: I don't... I don't want to
15 be disingenuous here, the 80 percent requirement
16 you're talking about is the... is the... I think the
17 level in which the, the funds demonstrate that it can
18 be viable and remain in the green that is at the...
19 that is... that is... that is the kind of the smallest
20 amount it can be to technically be in the green what
21 we're to convey here... [cross-talk]

22 COUNCIL MEMBER TORRES: Okay, so that's
23 a... [cross-talk]

24 CAMILLE JOSEPH: ...is that... [cross-talk]

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 171

2 COUNCIL MEMBER TORRES: ...that's a metric
3 that one would use to assess the viability of a
4 pension... [cross-talk]

5 CAMILLE JOSEPH: Correct... I don't...
6 [cross-talk]

7 COUNCIL MEMBER TORRES: ...plan... [cross-
8 talk]

9 CAMILLE JOSEPH: ...know... I don't... and to
10 be fair... [cross-talk]

11 COUNCIL MEMBER TORRES: And, and... [cross-
12 talk]

13 CAMILLE JOSEPH: ...I don't know how... it's
14 the legal metric, I'm saying that that is a metric
15 that I have shared... [cross-talk]

16 COUNCIL MEMBER TORRES: Okay, so it's not
17 something... [cross-talk]

18 CAMILLE JOSEPH: ...I have shared... [cross-
19 talk]

20 COUNCIL MEMBER TORRES: ...it's not a
21 number that Ritchie Torres flicked out of thin air?

22 CAMILLE JOSEPH: No, no I, I'm... [cross-
23 talk]

24 COUNCIL MEMBER TORRES: ...it's, it's a
25 number... [cross-talk]

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 172

2 CAMILLE JOSEPH: ...I'm confirming that
3 I've shared that... [cross-talk]

4 COUNCIL MEMBER TORRES: ...that's an
5 accepted measure... [cross-talk]

6 CAMILLE JOSEPH: ...number with you sir...
7 correct, correct.

8 ADAM FALK: But, but your... [cross-talk]

9 COUNCIL MEMBER TORRES: And, and... hold
10 on, did, did the... did the pension fund meet the 80
11 percent requirement back in February 12th when you
12 put forward your original proposal, yes or no, it's a
13 yes or no question?

14 ADAM FALK: Under one metric it did,
15 under the current liability... [cross-talk]

16 COUNCIL MEMBER TORRES: Under the metric
17 that I'm... the question... my question is about the 80
18 percent metric...

19 ADAM FALK: We... [cross-talk]

20 COUNCIL MEMBER TORRES: ...did it meet that
21 requirement yes or no, it's a simple question?

22 HARLAN SILVERSTEIN: It's, it's not a
23 simple question because it's not up to one metric for
24 the company to decide... [cross-talk]

25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 173

2 COUNCIL MEMBER TORRES: I'm only asking
3 about that metric... [cross-talk]

4 HARLAN SILVERSTEIN: It is...

5 COUNCIL MEMBER TORRES: Did it meet that
6 requirement yes or no?

7 ADAM FALK: Well let me... can I read
8 something from the... from the report and then you can
9 decide, it says Erisa also requires the disclosure...
10 [cross-talk]

11 COUNCIL MEMBER TORRES: I'm sorry, you're
12 not here to answer our question you want to answer
13 I'm asking you a question...

14 ADAM FALK: Uh-huh...

15 COUNCIL MEMBER TORRES: Did it meet the
16 80 percent requirement yes or no?

17 ADAM FALK: Under one of the metrics it
18 did, under another... [cross-talk]

19 COUNCIL MEMBER TORRES: Okay, thank you
20 very much... [cross-talk]

21 ADAM FALK: ...current liabilities it
22 didn't.

23 CHAIRPERSON RICHARDS: Alright, thank you
24 Council Member Torres. Alright, we're going to
25 conclude this panel and, and move on. It is my hope

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 174

2 that you will return and both parties will return to
3 the table to iron out a deal that's best for the
4 workers, you know this is about long term security I
5 think Council Member Miller hit it right on the head,
6 you know this is about ensuring long term
7 sustainability for families as they begin to retire,
8 these workers have put their lives into this company,
9 you know when I call they come in and they do a good
10 job, they do a good job. So, it is my hope that as we
11 move forward that we really are taking the long-term
12 viability of both their health care and pension into
13 serious concern, their vacation days all of the
14 things that they have raised because they have put it
15 all on the line for this company. It is also my hope
16 that and, and I hope that when this acquisition was
17 put into place that it wasn't the thought process of
18 Spectrum to become more profitable at the expense of
19 these workers long term viability when it comes to
20 their pensions and health cares as well. So, I, I
21 hope that even as the CEO does well that the workers
22 also are able to do well as we move forward so this
23 won't obviously be the last time the council and this
24 committee digs into this, I hope we can come to a
25 solid resolution very soon, yesterday. These workers

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1
2 have been out of work for some time now, we want to
3 get them back to being able to provide for their
4 families, I don't know anyone who wants to take off
5 work and not get paid but it is my hope that we can
6 return back to negotiations in a good faith effort on
7 both sides but not at the expense of these workers
8 who've given their lives for this company. So, with
9 that being said we are now going to go to the next
10 panel. I want to thank Spectrum for coming in, we
11 look forward to continuing conversations with you as
12 negotiations happen, we're interested definitely in
13 the modem speeds as we move forward as well ensuring
14 that low income residents have access to your product
15 as well and I think you've made some progress there
16 but we still have some ways to go to ensure that more
17 information is being disseminated to this committee.
18 With that being said I'm going to go to Chairman
19 Vacca for closing remarks as you exit and then we
20 will move on to the next panel.

21 COUNCIL MEMBER VACCA: I'll waive my
22 closing remarks so that we can move on to the next
23 panel.

24 CHAIRPERSON RICHARDS: Okay. Thank you...
25 [cross-talk]

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 176

2 COUNCIL MEMBER VACCA: Thank you for the
3 opportunity... [cross-talk]

4 CAMILLE JOSEPH: Thank you for your time...
5 [cross-talk]

6 CHAIRPERSON RICHARDS: Thank you.

7 ADAM FALK: Thank you very much.

8 CHAIRPERSON RICHARDS: Alright, we're
9 going to go to Local Three now and we'll hear from...
10 did I get this right? Okay, so we're going to call
11 Lance Van Arsdale, the Assistant Business Manager;
12 next Alberto, Alberto Alonso, Kerega Bennett, Ryan
13 Logan, Alberto Pizarro. Alright, you may begin, state
14 your name for the record and you may begin sir.

15 LANCE VAN ARSDALE: Lance Van Arsdale..

16 CHAIRPERSON RICHARDS: Please hit your
17 button.

18 LANCE VAN ARSDALE: Lance Van Arsdale,
19 Assistant Business Manager of Local Three IBEW.
20 Honorable Council Members, thank you for setting the
21 time aside to address the future of the broadband
22 infrastructure for the city of New York, New York's
23 franchise agreements and violations of its current
24 franchise agreements. For eight weeks, the 1,700
25 employees of Charter Communications formally known as

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1
2 Time Warner Cable represented by the International
3 Brotherhood of Electrical Workers Local Union number
4 Three has been on an unfair labor practice strike
5 against Spectrum. Spectrum has not only engaged in
6 regressive bargaining with the union during a recent
7 federal mediation session with the Federal Mediation
8 and Conciliation Service on March 23rd at which time
9 Charter proposed eliminating the employee pensions
10 and reducing their health benefits by greater than 50
11 percent, they have also increased the cost of
12 providing cable to its customers anywhere by between
13 22 percent and 50 percent. New York State Attorney
14 General Eric, Eric Schneiderman after filing a
15 lawsuit against Charter Communications/Spectrum
16 formally known as Time Warner Cable said in quotes,
17 "the allegations in today's lawsuit confirm what
18 millions of New Yorkers have long suspected,
19 Spectrum, Time Warner Cable has been ripping you
20 off." Meanwhile Charter Communications Chief
21 Executive Officer, Thomas Rutledge was awarded a 98.5
22 million dollar pay package in 2016 after signing a
23 new employment agreement that keeps on, on the job
24 until April of 2021. Charter/Spectrum sees no problem
25 in providing 98.5 million package to its CEO per year

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 178

1
2 and paying for it by driving down and eliminating the
3 benefits for the employees and raising rates on its
4 customers. This kind of corporate greed is not what
5 makes America great, it hurts working men and women
6 struggling to provide health coverage for their
7 families and security for the future. On February
8 1st, 2017 New York State Attorney General Eric
9 Schneiderman filed a lawsuit on behalf of the
10 citizens of New York State accusing Charter/Spectrum
11 of repeated and persistent fraudulent, I'll say it
12 again fraudulent conduct, deceptive business
13 practices, false advertising and various violations
14 of general business law in New York State. The New
15 York State Attorney General's lawsuit highlights the
16 various violations of Charter/Spectrum's current
17 franchise agreement with the city of New York. in the
18 New York State Attorney, Attorney General's lawsuit
19 the Attorney General factually alleges that
20 Charter/Spectrum misled subscribers by falsely
21 promising speeds it could not deliver.
22 Charter/Spectrum leased older generation single,
23 single channel modems to subscribers, in its effort
24 to cut costs and boost profits for Charter/Spectrum
25 and did not replace defective modems.

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 179

2 Charter/Spectrum leased defective wireless routers to
3 subscribers. Charter/Spectrum did not allocate
4 sufficient resources for its network to reliably
5 deliver the proper speeds. Charter/Spectrum
6 manipulated the FCC speed tests, I'll say that again
7 Charter/Spectrum manipulated the FCC speed tests.
8 Charter/Spectrum misled subscribers by falsely
9 promising reliable access to online content broadly.
10 These factual allegations of fraud by
11 Charter/Spectrum has two effects, the first effect is
12 on the citizens of New York City who are paying
13 premium prices for substandard service. The second
14 effect is that Charter/Spectrum's employees are being
15 disciplined for Charter's deceptive practices, they
16 are also being held back from training and
17 promotional opportunities. The effect of
18 Charter/Spectrum's fraud on its customers leave a no
19 win situation for Charter/Spectrum's frontline
20 employees who interact directly with the customers.
21 Charter/Spectrum's technicians are disciplined for
22 repeat service calls, this discipline can inhibit
23 future training and promotions. When a customer
24 receives poor TV signal and cannot stream or download
25 internet content because of refurbished defective

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1 modems or antiquated backbone plant infrastructure
2 the customer places a service call. The technician
3 sent to the service call will inspect and repair if
4 needed the existing equipment. However, because the
5 repairs are only as good as the antiquated equipment
6 they are sent to service, the customer is generally
7 not happy with the service call. Too often, the
8 customer makes a second service call because of the
9 same problems, the first technician is disciplined on
10 a repeat service call, this leads to discipline
11 through Charter/Spectrum's failed human resources
12 metric system which further suppresses the
13 technician's future training and promotion.
14 Charter/Spectrum's fraud is being used to rip off its
15 customers and short change its employees. The council
16 committee will hear from members of Local Three who
17 are striking employees of Charter/Spectrum who will
18 give testimony on how bad the franchise
19 infrastructure is. In and about September 2013 Time
20 Warner Cable eliminated all general foremen job
21 duties all of whom are in their 50's and 60's. The
22 following September of 2013 Adverse Employment Action
23 taken against all the general foremen, Time Warner
24 Cable assigned the general foremen's job duties to
25

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 181

1
2 newly hired younger employees who lack the general
3 foremen's experience and aptitude. At the same time
4 as the Adverse Employment Action was taken against
5 the general foremen in 2013 Time Warner management
6 representatives made comments to various general
7 foremen's such as quote, "you don't have much time
8 left" before retiring, comments about the general
9 foremen's quote, "grey hair" and the general foremen
10 are now in the 21st century. On March 24th, 24th, 2014
11 the general foremen filed an age discrimination
12 lawsuit in the supreme court of the state of New York
13 in New York County for age based employment
14 discrimination in violation of the New York State
15 Human Rights law and the New York City Human Rights
16 law. On November 25th, 2014 Time Warner's motion to
17 dismiss this lawsuit was denied by the supreme court
18 of New York. Loss of jobs; since the merger of Time
19 Warner Cable and Charter Communications on May 18th,
20 2016, Charter Communications has closed the Executive
21 offices of Time Warner Cable at the Time Warner
22 Center 10 Columbus Circle with the loss of 200 plus
23 jobs and moved the executive offices to Stamford,
24 Connecticut. In March of 2017 Charter laid off an
25 additional 12 employees at New... at its New York One

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 182

2 News division. On May 12th, 2017 Local Three was
3 notified by Charter Communications that it's closing
4 its Drafting and Design Department and moving the
5 work to Denver, Colorado a loss of another 80 to 100
6 jobs. Approximately three years ago, three years ago
7 Time Warner Cable began using out of state
8 contractors in various departments in its system with
9 a loss of 200 high paying jobs. These are the
10 violations of the current franchise agreement.
11 Section 16 of Charter's franchise agreement, customer
12 protection standards. Section 17 of Charter's
13 franchise agreement; employment and purchasing, no
14 discrimination, local employment plan, city vendors,
15 local law requirements. The, the language in the
16 current franchise agreement began with the
17 negotiations and approximately 2008 which led to the
18 approval in September 16th, 2011. This language from
19 2008 does not address the current broadband
20 technology and bundled services; internet, telephony,
21 TV signal, and wireless. In the current franchise
22 agreement sections 13 Transfer of Franchise, 13.1
23 this whole clause in the franchise agreement was
24 bypassed and rubber stamped by a mysterious side
25 letter created by a previous mayor to merge and

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 183

2 transfer ownership of the franchise without city
3 council review. Future franchise agreements must
4 include specific timelines for infrastructure
5 maintenance and rebuilds, the last major rebuild of
6 the cable system under this franchise was done in
7 1994. The industry, industry standard should be every
8 ten years. New franchises should include equipment
9 specifications, the review for equipment, the wiring,
10 and review from the customer's premises to the nodes
11 and to the headend of the franchise provider on a
12 yearly basis. Local employment and labor standards
13 must be specified to protect the jobs of New York
14 Citizens. Since the current administration in
15 Washington DC through the FCC is giving complete
16 control, I'll say it again, is giving complete
17 control and merger opportunities to the largest
18 telecommunications companies in this country, the
19 city of New York must control and retain jurisdiction
20 of all bundled services; internet, telephony, TV
21 signal, and wireless to stop the current violations
22 of this franchise agreement and to prevent future
23 violations by even larger corporations. As I have
24 just highlighted, corporate greed has resulted in
25 substandard service and equipment, labor unrest and

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 184

2 the loss of hundreds of high paying jobs that has a
3 devastating effect on the city's tax base. All of
4 this is so another CEO can make 98.5 million dollars
5 a year. This destroys the very fabric that makes New
6 York City the greatest city in the world, the working
7 men and women that build it and maintain it. And I
8 submitted evidence of Schneiderman's lawsuit, the age
9 discrimination lawsuit and a partial list of the
10 state contractors used by Charter/Spectrum and
11 Charter/Spectrum's letter regarding them moving New
12 York City jobs out of state. Thank you.

13 CHAIRPERSON RICHARDS: Thank you.

14 ALBERTO ALONSO: Alberto Alonso, Southern
15 Manhattan Field Foreman, I cover the territory from
16 86th Street down to Battery Park City. Since the
17 inception of the Maxx Project in the summer of 2015
18 under Time Warner Cable many customers were quoted
19 speeds and made promises that were not met. My job as
20 a foreman in relation to the Maxx Project was to make
21 sure my technicians understood that specific
22 equipment needed to be installed in customer's homes.
23 The equipment specifically Docsis 3 modems would
24 ensure the customer would receive the proper speeds.
25 Initially there was a campaign to replace all older

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 185

1 modems that were not compliant with the new Maxx
2 Project for high speeds. Time Warner Cable was
3 proactive and scheduled many Maxx upgrades to replace
4 the customer's equipment. That went on for
5 approximately one year and this work was given to out
6 of state contractors by Time Warner Cable. They
7 notified customers through mail and phone calls. As
8 the time went on the effort to replace customer's
9 modems slowed and the focus was no longer on Maxx
10 upgrades. I noticed the in-house technicians were
11 finding these Maxx upgrades recoded as service calls
12 which had a negative impact on the technician's
13 performance. Customers would complain about their
14 television service and not about their internet or
15 speed. Technicians had no prior knowledge that a
16 customer's modem needed to be swapped out for a new
17 one. I noted this... I noticed this... noticed this many
18 times and eventually management responded with a
19 morning email to technicians with a list of non-
20 compliant modems in the customer's accounts the day
21 after. The foreman complained that it was not the
22 techs fault, there was no indication of this request
23 on their account prior to service calls. Techs do not
24 have the ability to access customer's accounts or
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 186

2 speeds that they subscribe to. The only instruction
3 by management was to ask customers proactively how
4 well the services are working. Mostly customers had
5 no complaints when they actually had a non-compliant
6 modem after proactively contacting customer care
7 about customer services. Many techs did not replace
8 modems until management began generating emails of
9 scheduled service calls with older modems before
10 technicians went to a home. I noticed the first
11 quarter of 2016 that at least 10 to 15 accounts were
12 on a morning email daily. More people were affected
13 who logged the complaint through the course of the
14 day but since they did not call the night before to
15 prepare this email many techs, techs did not replace
16 modems. There are customers to this day that still do
17 not have the correct modem for the speeds they
18 subscribe to. Emails of countless customers with
19 inadequate modems are generated daily.

20 Spectrum/Charter is waiting for the customer to call
21 and make an appointment and disciplining the tech for
22 failing to replace the modem even though the tech has
23 no control over the situation.

24 KAREGA BENNETT: Karega Bennett,
25 Residential Tech Opps, Queens. A common complaint

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187

1
2 that technicians encounter regularly is Wi-Fi
3 coverage. When a customer states that their Wi-Fi
4 coverage does not reach the entire home the only
5 option that the technician has is either customer
6 education or modem relocation neither of which are a
7 real solution to the Wi-Fi issues. Customer
8 education; in most cases the customer's not fully,
9 fully aware of the limitation of the modem that are
10 issued by the company or the modem they were allowed
11 to purchase from the Time Warner Cable's purchase
12 your own modem program. There are two different
13 modems... there... being that there were two different
14 Wi-Fi bands, 2.4 and 5, 5 gigahertz each Wi-Fi band
15 has its own strength and weakness. If a device is
16 connected to 2.4 gigahertz network they will receive
17 a slower connection but that band has a wider
18 coverage. If a device is connected to the 5G network
19 they will receive a faster speed but that Wi-Fi range
20 is smaller. Depending on the wireless card of the
21 customer's device the subscriber may... the describer
22 of the device may or may not connect to both
23 networks. If the device has an older network card
24 that device will not see the 5-gigahertz network
25 which will not give them faster speed so they are

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1
2 stuck connecting to the slower Wi-Fi band. The
3 technician is issued a Wi-Fi analyzer and accompanied
4 to the I-pad not laptop, I-pad which measures just
5 Wi-Fi signal, signal strength and the different
6 channels. The, the technician is tasked with
7 informing the customers of the limits of the Wi-Fi
8 coverage. Option two is modem relocation. When the
9 technician determines the current location of the
10 modem is not suitable for prime Wi-Fi coverage most
11 technicians offer to move the modem to a better
12 location. The company charges a fee for modem
13 relocation to which most customers are unaware and in
14 most cases, are extremely against so technicians
15 usually use DoITT for the sense of appeasing their
16 customers because the... because the customer is rating
17 the technician via C-sat cards. Technicians are
18 mainly issued different model modems with varying
19 ranges each model has its own strength and its own
20 weakness i-e Wi-Fi dependability, phone issues. Being
21 that each home is constructed differently and in the
22 case NYCHA buildings moving one modem... moving a modem
23 from one room to another may or may not improve the
24 Wi-Fi coverage, the further the device is away from
25 the modem the weaker the signal and the slower the

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1 connection. Customers are routinely told by customer
2 service upgrading their speed will improve... will
3 improve the Wi-Fi coverage. I work in the... I work in
4 Far Rockaway Queens and I encounter speed issues in
5 the NYCHA homes daily. In these buildings the walls
6 are thick, the size, the layout, the density of these
7 homes makes proper Wi-Fi coverage a challenge. If an
8 apartment is larger than the size of a studio the
9 need for a Wi-Fi extender becomes more apparent. The
10 weak wireless range of these modems... of the modems
11 issued to me never really cover it. I end up having
12 to inform the customers if they want proper Wi-Fi
13 coverage in all rooms they have to get a Wi-Fi
14 extender. Again, we are not... we are not giving Wi-Fi
15 extenders and most customers aren't really proficient
16 in setting up a Wi-Fi extender on their own and we're
17 not allowed to set up an extender if they purchase
18 it. In the case of new installations technicians will
19 use a combination of customer education and
20 professional, professional input to advise the
21 customer on the prime location... prime location before
22 any work is done. The customer is then tasked with
23 deciding which room will and will not receive ample
24 Wi-Fi coverage. The combination of Wi-Fi
25

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 190

1 interference, high utilization and dense home
2 construction and the weak wireless ranges of the
3 modems equals poor coverage for most homes. To truly
4 achieve wire... to truly achieve decent Wi-Fi coverage
5 in most homes there needs to be a Wi-Fi extender
6 being that the company does not provide this to the
7 customers nor do they allow the tech to service those
8 which, which a customer decides to purchase it seems
9 kind of predatory to tell the customers upgrade your
10 package and that'll give you a better service and
11 most times that's false.

12
13 CHAIRPERSON RICHARDS: Thank you.

14 RYAN LOGAN: Good afternoon, my name is
15 Ryan Logan I'm a Plant Technician, College Point.
16 Alright, so over the years the in-house plant
17 technicians have... who have been working with
18 Charter/Spectrum have brought to the management... to
19 the attention of the management the complications
20 that would lead to a number of problems throughout
21 the Time Warner/Spectrum footprint. Time Warner
22 Cable/Spectrum has gotten rid of the signal security
23 and cumulative leakage index departments. While
24 they're upgrading the system, while they were
25 switching to... from analogue to digital. As they think

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 191

2 that this... during that upgrade they think that the R-
3 signals would be illegally access... accessed. Time
4 Warner Cable/Spectrum dissolved the signal security
5 and CLI departments who were responsible for fixing
6 breaks and physical impairments in the cable
7 infrastructure that would lead to egress or what we
8 call a leak. Now this is foreign signals entering the
9 Time Warner Cable's system. Now that would basically
10 lead to a, what we would call a return noise... I'm
11 sorry. Alright, this would lead to macro blocking on
12 the customer's television set and severe impairments
13 in the customer's internet signals... I'm sorry,
14 service. Now the return noise problems were handled
15 by outside contractors who what we've found out is
16 that they were masking the, the... basically what they
17 were doing was they were hiding the problems by
18 padding up the Time Warner Cable/Spectrum's
19 amplifiers. What I mean by that is that they use high
20 numbered balancing pads that would basically bring
21 down the so called... the... I mean the noise level and
22 it will look good on the... on the... on the measuring,
23 measuring devices that we have and then it would
24 basically throw off the modems and send basically the
25 modem bad signals. Now these contractors were out of

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 192

1 state contractors who didn't know how to even balance
2 our equipment. Now the plant maintenance department
3 who was already tasked with handling RF impairments
4 and network signal balancing in the cable system have
5 now the extra workload of repairing leaks while
6 repairing existing problems existing in the Time
7 Warner Cable/Spectrum's outside network. The signal
8 security department that was dissolved was already
9 tasked with disconnecting unused drops that often
10 causes leakage and return noise problems. These
11 responsibilities have now been shifted to the
12 residential technicians while further decreasing
13 these technician's ability to measure leaks by taking
14 away the tools and the technology once... they once had
15 for tracing the leaks.

17 ALBERTO PIZARRO: Good afternoon Council
18 Members. My name is Alberto Pizarro from the Bronx.
19 I've worked in the Far Rockaway Section for seven
20 years out of... out of the nine years that I've been
21 employed by Time Warner/Spectrum/Charter whatever you
22 want to call it today troubleshooting subscribers
23 that live in the Projects. Let's talk about the
24 Hammels, the Projects in the Far Rockaway Section.
25 These Project Buildings have outside taps that's an

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY

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1 equipment that produces Charter's signal which
2 technician's services with squirrel... [cross-talk]

3
4 CHAIRPERSON RICHARDS: Do you want to
5 switch... [cross-talk]

6 ALBERTO PIZARRO: ...nesting... [cross-talk]

7 CHAIRPERSON RICHARDS: ...seats too that's
8 fine so that you can have access to the mic... [cross-
9 talk]

10 ALBERTO PIZARRO: Thank you... [cross-talk]

11 CHAIRPERSON RICHARDS: ...better... [cross-
12 talk]

13 ALBERTO PIZARRO: Thank you. Alright, so
14 these boxes have squirrel nesting and pigeon nesting
15 inside with feces that... the, the... their, their
16 younglings and everything inside these lock boxes and
17 we have to work in them. So, I worked with the
18 Spectrum and Charter going on nine years and there
19 hasn't been any improvement throughout my time at the
20 job with the cable lines being intertwined on the
21 outside of the lock boxes, the cable lines being
22 chewed up by squirrels inside the boxes in locations
23 that I have to do my work. The cable lines have to be
24 completely replaced. Other times the, the squirrels
25 won't even allow me to enter the nesting ground so

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 194

1 when I'm actually going to work the squirrel is there
2 and I can't even get to work and I'm on the ladder
3 there and sometimes they jump right out... right out at
4 me. At times, I have to take photos of the conditions
5 because it was too dangerous to conduct the work that
6 I needed. I have to show proof that the conditions
7 are bad and I find myself going back to the jobs
8 after a few months. The customers already know me by
9 name and say Alberto will be coming back here for the
10 same problem again. This effects my repeat rate with
11 the company and the company never addresses these
12 issues. These buildings that I have listed are
13 plagued with chronic service problems which include
14 macro blocking, that's picture freezing, slow
15 internet browsing, poor and interrupted phone service
16 or no cable service at all. The customer's irate,
17 they're already upset, I've been there maybe 10 or 15
18 times, same customer, same problems and, and the
19 solutions are the... you know the same... the same thing,
20 I got to put a new drop, I got to put a new line on
21 there but I got to come back a month or two months
22 later to replace it. To completely eliminate these
23 problems and other service related problems these
24 buildings should be rewired internally. This is
25

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 195

1 something I always note on my work release forms to,
2 to the company letting them know they should put it
3 inside the building. The company neglects to
4 update/rewire these buildings which have the adverse
5 effect on my ability to perform my job properly, in
6 turn myself and other techs are receiving
7 disciplinary action, actions which would add up to
8 terminate us for the company at... you know and we're...
9 and we're well aware that they're not addressing
10 these issues yet we're getting disciplined for these
11 problems that are not our problems.

13 CHAIRPERSON RICHARDS: Thank you and I'll
14 just stay there because I remember that issue and we
15 had... until... I don't know if it was... under Time Warner
16 at least that the situation was corrected so who did
17 you report that to?

18 ALBERTO PIZARRO: We, we do a, a work
19 form every time we do our jobs we have to list down
20 the signals of the job... [cross-talk]

21 CHAIRPERSON RICHARDS: Uh-huh... [cross-
22 talk]

23 ALBERTO PIZARRO: ...the time that we got
24 there, the time that we got there, the time that we
25 left and any problems that occurred.

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 196

2 CHAIRPERSON RICHARDS: And in your...

3 [cross-talk]

4 ALBERTO PIZARRO: ...and, and... [cross-talk]

5 CHAIRPERSON RICHARDS: ...picture... and...

6 wait, hold on your pictures show Beach 40's... 40th

7 houses... [cross-talk]

8 ALBERTO PIZARRO: Right, correct... [cross-

9 talk]

10 CHAIRPERSON RICHARDS: So, so it's

11 Hammels or... [cross-talk]

12 ALBERTO PIZARRO: Correct... [cross-talk]

13 CHAIRPERSON RICHARDS: So 40's, okay.

14 Alright and you make that work order to Time Warner?

15 ALBERTO PIZARRO: Correct.

16 CHAIRPERSON RICHARDS: I mean to Spectrum

17 now.

18 ALBERTO PIZARRO: Just... right.

19 CHAIRPERSON RICHARDS: Okay. Alright.

20 Okay, I'm going to move on to... so can you speak to

21 where are negotiations at with... [cross-talk]

22 LANCE VAN ARSDALE: Well as, as, as I

23 said the federal mediator the last session that we

24 had Charter proceeded to do regressive bargaining the

25 proposal before that they, they proposed to

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 197

2 contribute partially into, into our pension and
3 medical plan and on our last session with the
4 mediator I think one of the councilmen put it
5 appropriately they stuck the finger up at us and they
6 proposed not to contribute at all into the pension
7 and medical plan.

8 CHAIRPERSON RICHARDS: So, Spectrum would
9 not contribute at all into the... [cross-talk]

10 LANCE VAN ARSDALE: Yes.

11 CHAIRPERSON RICHARDS: So, that's what
12 prompted you to walk away from the table?

13 LANCE VAN ARSDALE: Well no, what
14 happened is in federal mediation the mediator tries
15 to get the parties together and he came into our
16 caucus room and he, he, he said this is what it is
17 and we requested that he go back to Charter and find
18 out what's their three main issues, he came back and
19 said they just laid it out to you and the mediator
20 suggested well if we're not going to go off that
21 point I don't see any need to be here tomorrow and
22 the day after and, and we agreed with him because as
23 the Councilman appropriately stated we took it like
24 they gave us the finger.

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 198

2 CHAIRPERSON RICHARDS: And then on your
3 website Spectrum and Time Warner, it says Spectrum
4 and Time Warner haven't negotiated with the union in
5 two years so why is the union striking now exactly?

6 LANCE VAN ARSDALE: What, what, what
7 happened was the National Labor Relations Board ruled
8 two years ago that there wasn't a contract and we..
9 [cross-talk]

10 CHAIRPERSON RICHARDS: So there were
11 changes to I believe to MOU or something?

12 LANCE VAN ARSDALE: Right, right there
13 was... [cross-talk]

14 CHAIRPERSON RICHARDS: Okay... [cross-talk]

15 LANCE VAN ARSDALE: ...there was a, a...
16 they, they, they proposed to take language out of the
17 final draft agreement that always existed and the
18 Labor Board ruled that there was no meeting of the
19 minds, there was no contract at that point the union
20 tried to sit down and negotiate a new contract with
21 them and they took the, the position that there was a
22 contract even though that the Labor Board ruled that
23 there wasn't and they... [cross-talk]

24 CHAIRPERSON RICHARDS: Uh-huh... [cross-
25 talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 199

2 LANCE VAN ARSDALE: ...started litigation
3 at the Labor Board and they spun it out in the courts
4 and then when we received their last proposal..
5 [cross-talk]

6 CHAIRPERSON RICHARDS: Which was when?

7 LANCE VAN ARSDALE: On February 6th I
8 believe, that proposal they, they, they proposed to
9 contribute partially into the pension plan which is
10 not part of the trust agreement to be able to do that
11 and, and they've been... they've been regressively
12 bargaining all the way through and then when we sat
13 down with the mediator that's when they proposed to,
14 to, to not contribute at all into the pension plan
15 and that's when we went on strike.

16 CHAIRPERSON RICHARDS: So, it went from
17 partially to nothing, to no contribution at... [cross-
18 talk]

19 LANCE VAN ARSDALE: Yes... [cross-talk]

20 CHAIRPERSON RICHARDS: ...all and where
21 does that negotiation stand now, are you sitting back
22 down with them?

23 LANCE VAN ARSDALE: No, we're... [cross-
24 talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 200

2 CHAIRPERSON RICHARDS: ...when do you
3 intend... [cross-talk]

4 LANCE VAN ARSDALE: ...wait... we're, we're
5 waiting for them to, to, to come back to the table
6 and say that we're not going to do smoking mirrors
7 and, and not pay into the pension plan and give you
8 wages and, and where it's a... it's a neutral effect on
9 the, the company but in a... the effect on the
10 employees is great because what it does is by not
11 contributing into the pension plan you're taking away
12 their rights to full retiree medical, to be able to
13 retire in dignity and medical for their families.

14 CHAIRPERSON RICHARDS: I'm going to go to
15 Barry Grodenchik because he has to go back
16 downstairs, we all are like all over the place today.

17 COUNCIL MEMBER GRODENCHIK: Busy
18 afternoon... [cross-talk]

19 CHAIRPERSON RICHARDS: yes.

20 COUNCIL MEMBER GRODENCHIK: Thank you Mr.
21 Chairman. Okay, thank you Mr... the other Mr. Chairman
22 he's downstairs where I'm going. I want to thank you
23 for being so patient this afternoon and coming in and
24 testifying. Mr. Van Arsdale you've been in, in this
25 line of work for a long time I suspect?

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 201

2 LANCE VAN ARSDALE: 30 years.

3 COUNCIL MEMBER GRODENCHIK: Alright, so
4 you're a youngster at Local Three. Is it your
5 opinion, your professional opinion that the services
6 offered by Charter are deficient to the services that
7 you might receive in Nassau or Suffolk, Westchester,
8 or Northern New Jersey?

9 LANCE VAN ARSDALE: Yes.

10 COUNCIL MEMBER GRODENCHIK: Okay, so
11 we're not getting... the rate payers here in New York
12 City aren't really getting the top performing cable
13 service?

14 LANCE VAN ARSDALE: As, as I stated in my
15 testimony the, the last time that they did a major
16 build on the system was in the 90's so you're dealing
17 with antiquated cable, antiquated equipment, they did
18 a, a, a... an equipment swap called the Maxx Project
19 and, and all that did is... was change the equipment
20 around and, and, and mask the deficiencies in the
21 wiring and, and what happens over time the insulation
22 starts to fall apart as, as, as was stated the wiring
23 in the NYCHA Projects are still on the outside of the
24 building... [cross-talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 202

2 COUNCIL MEMBER GRODENCHIK: I know..

3 [cross-talk]

4 LANCE VAN ARSDALE: ...they, they should
5 have been installed inside the buildings years ago
6 so, so they've not invested in the infrastructure of
7 the city at all.

8 COUNCIL MEMBER GRODENCHIK: Okay. Is it
9 fair to say that you feel that Charter is trying kill
10 off your pension plan?

11 LANCE VAN ARSDALE: What, what... yes, they
12 are and, and what it leads to is as, as, as more and
13 more employees withdraw from a pension plan, a
14 multiemployer pension plans it leaves deficiencies
15 for funding for the future. We, we... our pension plan
16 covers our 30,000 members but in total it covers
17 90,000 people that's our members, the spouses, the
18 siblings, and the retirees in total. We have
19 agreements with all the 500 corporations from small
20 electrical contractors to Johnson Controls,
21 Honeywell, Siemens Medical and other general electric
22 and other large corporations, nobody has proposed to
23 pull out of our pension plan. Our pension plan is a
24 multiemployer plan and its known... what is known as
25 the green zone, it's in the green zone that means the

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 203

2 projection going forward for the next 20 years is
3 that we, we will be funded. The unique part of our
4 pension plans it was started in 1946, it's a plan
5 that the money comes into the pension plan and then
6 it gets allocated between the pension and the medical
7 and we've always able to maintain. Charter's
8 testimony on unfunded speaks to the medical plan, the
9 medical plan covers the retiree's medical and the
10 actuaries look at it differently. When they do that
11 they do a calculation that if everybody retired all
12 at once... [cross-talk]

13 COUNCIL MEMBER GRODENCHIK: Right...

14 [cross-talk]

15 LANCE VAN ARSDALE: ...and you had to cover
16 medical this is what it would cost, it's not anything
17 that's guaranteed, it's not anything that's, that's
18 covered under, under the, the, the government
19 insurance plan for pension plans, it's medical, it's
20 not a pension, our pension plan is funded, it's in
21 the green zone and it's projected to last for the
22 next 20 years and probably another 20 years after
23 that.

24 COUNCIL MEMBER GRODENCHIK: The average
25 time that your workers are on the job, the members of

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 204

2 Local Three can you speak to how long the average
3 employee of Charter that is represented by Local
4 Three doing that work when, when they are working how
5 long would you estimate the average person's been on
6 the job?

7 LANCE VAN ARSDALE: When, when they
8 retire or... [cross-talk]

9 COUNCIL MEMBER GRODENCHIK: No, like you
10 know the, the men and women in this room, I know...
11 people tend to stay at Local Three a long... [cross-
12 talk]

13 LANCE VAN ARSDALE: We, we, we... [cross-
14 talk]

15 COUNCIL MEMBER GRODENCHIK: ...time...
16 [cross-talk]

17 LANCE VAN ARSDALE: ...we have a... we have
18 employees, I mean out of the, the 1,700 I would say
19 the average is at, at, at least 15 years and is, is,
20 is... we had... out of probably Charters all of their
21 systems around the country we probably have the
22 smallest turnover and the most experienced
23 technicians in the country right here in New York.

24 COUNCIL MEMBER GRODENCHIK: As you might
25 of heard I am concerned that by bringing in other

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 205

2 workers who have... may not be as familiar with New
3 York City and also I worry about security situations
4 going into people's homes, we tend to trust when,
5 when, when people's come into our house to do work we
6 tend to trust them and that's something that concerns
7 me greatly and I expressed that to the folks from
8 Charter and I, I know that we haven't had those
9 issues with the Local Three employees. So, I
10 appreciate that. I want to thank you for being here
11 today, I want to thank all the members of Local who...
12 Three who turned out, we're going to watch this very,
13 very carefully and make sure that they honor the
14 agreements that they signed with the city of New
15 York. Thank you Mr. Chair.

16 CHAIRPERSON RICHARDS: Thank you Barry.

17 Can we go into... so there are a lot of alleged
18 complaints and I'm interested in knowing did you
19 report these to the PSC if so what's the status, was
20 there any investigation launched by the PSC...

21 LANCE VAN ARSDALE: Councilman that's
22 Thursday's meeting.

23 CHAIRPERSON RICHARDS: Thursday's
24 meeting?

25 LANCE VAN ARSDALE: Yes.

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 206

2 CHAIRPERSON RICHARDS: Okay. And then
3 also have you heard from DoITT recently on... [cross-
4 talk]

5 LANCE VAN ARSDALE: We, we, we... [cross-
6 talk]

7 CHAIRPERSON RICHARDS: ...any requests?

8 LANCE VAN ARSDALE: We received a, a, a
9 copy of their information request from Charter. My
10 observations of, of the process with the franchise
11 agreement as, as I stated in, in, in my testimony the
12 last time that this franchise was negotiated was back
13 in 2008 and, and the internet was not what it is now.
14 The, the broadband requirements that are needed for,
15 for everything that we do in this city whether it's
16 the universities, the hospitals, our kids homework
17 it's all over the internet now and, and the franchise
18 that was negotiated was good for when it was just TV
19 signal and AOL dial up but we're not in that world
20 today and Trump and the FCC is giving away the
21 internet to these large corporations and I look
22 forward and Local Three looks forward to working with
23 the city council to work on the next franchise
24 agreement to make sure that we maintain our status as
25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 207

2 the best city in the world when it comes to broadband
3 technology.

4 CHAIRPERSON RICHARDS: There are some
5 allegations of wire cutting, there's been an increase
6 in that, any thoughts on that?

7 LANCE VAN ARSDALE: Well the, the one
8 thought I have and, and we, we, we could.. we could
9 get you affidavits from our plant foreman on, on a..
10 on a good day, a good week in New York City when
11 there's no strike whatsoever in, in the.. in the
12 borough of Manhattan in a weeks' time there's 20
13 cable cuts and that could be a plumber running a pipe
14 up in a hallway and a cable's in his way and he cuts
15 it or, or a superintendent of a building that was
16 just told by Charter, hey you're going to have to pay
17 for your cable now and he cuts it. So, like I said we
18 can get affidavits on that on a good sunny day in New
19 York without a strike there's 20 cable cuts in the
20 borough of Manhattan per week.

21 CHAIRPERSON RICHARDS: Can you speak to..
22 so there's also allegations that there are a lot of
23 out of time.. out of town workers, contractors?

24 LANCE VAN ARSDALE: In, in the.. [cross-
25 talk]

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 208

2 CHAIRPERSON RICHARDS: ...and... [cross-talk]

3 LANCE VAN ARSDALE: ...in the evidence
4 that... [cross-talk]

5 CHAIRPERSON RICHARDS: ...and what
6 significant evidence do you have?

7 LANCE VAN ARSDALE: Yeah, yeah well in
8 the evidence that we submitted to you, you can see
9 the plates on the trucks on various streets of the
10 city from Florida, Michigan, Texas...

11 CHAIRPERSON RICHARDS: Do you believe
12 Spectrum has done their best because the franchise
13 agreement I believe says best efforts so... it's not
14 that they can't do that but do you believe they've
15 extended their best efforts to get local... [cross-
16 talk]

17 LANCE VAN ARSDALE: I, I think... [cross-
18 talk]

19 CHAIRPERSON RICHARDS: ...contractors...
20 [cross-talk]

21 LANCE VAN ARSDALE: ...I think Charter is
22 trying to do their best efforts to break the union.

23 CHAIRPERSON RICHARDS: Okay. Okay, I'm
24 going to go to Council Member Lancman now for
25 questions and I'll come back for round two, I do have

SUBCOMMITTEE ON ZONING AND FRANCHISES

JOINTLY WITH COMMITTEE ON TECHNOLOGY 209

1 to step out for a moment and he will chair, Council
2 Member Lancman.
3

4 COUNCIL MEMBER LANCMAN: Good afternoon.

5 I had to step out for a bit because there was a lot
6 going on in the building today but do you have an
7 estimation of how many of the replacement workers are
8 from contractors that are... that are within the city
9 and how many are out? I think the testimony from one
10 of the Spectrum/Charter witnesses was that there were
11 nine subcontractors that are from the city and four
12 that are... that are not from the city, they didn't
13 break it down by how many employees each, do you have
14 any estimation of that?

15 LANCE VAN ARSDALE: We've, we've spotted
16 maybe 50 trucks from out of state in the city and,
17 and that's, that's spot checks, that's, that's,
18 that's our members on the picket lines or, or, or you
19 know out on the streets in the city. Charter knows
20 what they're doing and who they're hiring, we've,
21 we've got reports that they, they were on different
22 job posting, on Craigslist and, and different places.
23 We have a, a report and... where one of the
24 subcontractors posted on social media that he's... that
25 he's carrying, carrying a gun and, and Charter

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 210

2 responded back that oh he, he, he applied here but he
3 doesn't work in our system but we know that this guy
4 is running around working and, and I, I, I gather to
5 say that I doubt that there's any background checks
6 going on whatsoever with these people that are going
7 into the citizen's houses.

8 COUNCIL MEMBER LANCMAN: Well one of the
9 things that, that you can do to help us force DoITT,
10 the city to hold Spectrum/Charter to, to its.. to its
11 franchise agreement is to share all of that
12 information with them if you haven't already and, and
13 by all means share it with them by the time that they
14 have asked for Charter/Spectrum to submit the
15 information that they have requested. The, the
16 mediation that was held, I guess it was on the 23rd?

17 LANCE VAN ARSDALE: Right.

18 COUNCIL MEMBER LANCMAN: ...that was the
19 one where Charter showed up and said now we've got a
20 better idea we're going to contribute nothing to your
21 pensions and, and.. [cross-talk]

22 LANCE VAN ARSDALE: Yes...

23 COUNCIL MEMBER LANCMAN: Yeah...

24 LANCE VAN ARSDALE: Yes.

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 211

2 COUNCIL MEMBER LANCMAN: There's just
3 been some dispute I just want to settle it for the...
4 for the record, was that something... you, you had
5 participated in that session, right?

6 LANCE VAN ARSDALE: Excuse me?

7 COUNCIL MEMBER LANCMAN: Had you
8 participated in that... [cross-talk]

9 LANCE VAN ARSDALE: Yes, I was there,
10 yes.

11 COUNCIL MEMBER LANCMAN: Was it Local
12 Three that stormed out of the, the, the session and,
13 and cancelled the other two mediation sessions or was
14 that the... [cross-talk]

15 LANCE VAN ARSDALE: No. No, what, what
16 happened was the mediator asked us to sit in the same
17 room that Charter had a new proposal when they put
18 the proposal out that they refused to contribute to
19 the pension plan and the medical plan we took a
20 caucus and then the mediator came in and we asked the
21 mediator to go back to them to find out what's their
22 three top issues and the mediator came back and said
23 they just laid it out to you and the mediator
24 suggested it doesn't pay to do tomorrow and the day

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 212

2 after in negotiations if we're at this point so
3 that's what happened.

4 COUNCIL MEMBER LANCMAN: Well that's... you
5 know that's very unfortunate but I think you heard
6 from, from myself and, and the other members of the
7 council, you know how important it is that, that this
8 gets done and, and done the right way for your
9 members and, and so many of my constituents. Again, I
10 would just emphasize that as I said earlier to, to
11 DoITT as, as they receive the information that they
12 have requested from, from Spectrum and they evaluate
13 whether or not Spectrum is in violation of its
14 franchise agreement I do intend to press them very
15 aggressively to require Spectrum and Charter that... to
16 adhere to that agreement and anything that you can do
17 in terms of providing information that will help us
18 put that pressure on DoITT, I know that I would
19 appreciate very, very much.

20 LANCE VAN ARSDALE: We, we, we look
21 forward to working with the council on, on resolving
22 this current issue but also going forward when the
23 city starts to negotiate a new franchise agreement so
24 we never ever get in this boat again with crappy
25 equipment and labor unrest.

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 213

2 COUNCIL MEMBER LANCMAN: Thank you.

3 CHAIRPERSON RICHARDS: Thank you Council
4 Member Lancman. Okay, thank you so much for your
5 testimony, we look forward to hearing more from you,
6 we hope once again I think as Council Member Lancman
7 said that everyone negotiates in good faith and we
8 look forward to continuing the work with, with Local
9 Three and Spectrum until we achieve that, that goal.
10 So, thank you so much for your testimony.

11 LANCE VAN ARSDALE: Thank you.

12 CHAIRPERSON RICHARDS: Alright, we'll
13 call the next panel. Lord, I think I got this right,
14 Dowdell of National Action Network; Jeff Brault,
15 Manhattan Chamber of Commerce, AU Hogan, Baisley Park
16 Houses, Life Camp too, and Gigi Verkaik, Verkaik,
17 Stanley Isaac Center and we'll ask everyone to keep
18 it quite because we still are going. And Sergeant
19 we're going to put them on a clock, Sargent, we're
20 going to put them... hey you, you clean up nice.

21 AU HOGAN: Thank you man, how you doing
22 Council Member?

23 CHAIRPERSON RICHARDS: Alright, you're
24 going to have two minutes and if you'll state your
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 214

2 name for the record and who you're representing and
3 then you may proceed.

4 LORD DOWDELL: Good afternoon Mr.
5 Chairman. My name is Lord Dowdell and I am the
6 Chairman of the National Action Network Harlem
7 Chapter Technology Committee.

8 CHAIRPERSON RICHARDS: No Gigi here,
9 right, is Gigi here? Stanley Isaac Center, Gigi?
10 Okay, you may proceed.

11 LORD DOWDELL: Uh-huh.

12 CHAIRPERSON RICHARDS: Okay.

13 CHAIRPERSON RICHARDS: Did you say your
14 name?

15 LORD DOWDELL: Mr. Chairman I would just
16 like to describe the mission of the technology
17 committee. Our technology committee at the National
18 Action Network work in partnership with community
19 based organizations and the private sector to help
20 close the digital... [cross-talk]

21 CHAIRPERSON RICHARDS: I Ask everyone to
22 exit quietly please, if you can exit quietly, thank
23 you. Sorry, you may continue.

24 LORD DOWDELL: Okay. On behalf of the
25 National Action Network, a civil rights organization

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 215

2 founded in 1991 with chapters all over the country, I
3 am giving this testimony in support of Charter
4 Communications Incorporated. Charter has been a
5 tremendous partner to our organization across the
6 country and in New York City as well as an exemplary
7 corporate citizen. In January of this year, Charter
8 joined the National Action Network to unveil a new
9 Spectrum Learning Lab in Harlem. The Learning Lab
10 focuses on critical initiatives in the areas of
11 workforce development and youth engagement in the
12 community. The company generously dedicated support
13 for the Learning Lab to cover technological costs,
14 such as broadband internet and computer equipment.
15 Charter's eager collaboration with us on this project
16 underscores their commitment to advancing educational
17 opportunities for our city's youth and the training
18 of next generation of New Yorkers for jobs of the
19 future. In fact, via the technology committee, the
20 National Action Network has taken steps to launch
21 Spectrum... the Spectrum Learning Lab as a certified
22 Cisco Academy to offer free training in routing,
23 switching, networking, and cybersecurity. These are
24 in demand high paying jobs that employers currently
25 cannot fill. Charter has offered high speed low cost

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 216

2 broadband to low income families and seniors living
3 in Charter's New York City footprint. Thanks to
4 Charter's commitment to helping low income families
5 and seniors they will help close the digital
6 inequality gap that exists in the city and will also
7 serve as a vital educational and career resource for
8 low income New York City residents.

9 CHAIRPERSON RICHARDS: Thank you.

10 LORD DOWDELL: One of the key planks of
11 our organization's... [cross-talk]

12 CHAIRPERSON RICHARDS: I'm going to ask
13 you to wrap up.

14 LORD DOWDELL: I'm sorry.

15 CHAIRPERSON RICHARDS: Yeah, because we
16 have... [cross-talk]

17 LORD DOWDELL: Okay, one of the key
18 planks of... planks of our organization's core is
19 corporate responsibility. We believe good corporate
20 citizens can partner with public officials and local
21 leaders to enrich communities, enhance civic life,
22 and promote human flourishing. Based on this track
23 record, we believe that Charter is an exemplary
24 corporate citizen and we know that Charter will
25 continue to serve New York City in exemplary fashion.

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 217

2 Thank you very much for this opportunity to give this
3 testimony in support of Charter.

4 CHAIRPERSON RICHARDS: Thank you.

5 JEFF BRAULT: Good afternoon, my name is
6 Jeff Brault, I am with the Manhattan Chamber of
7 Commerce speaking on behalf of our President and CEO
8 Jessica Walker. The Manhattan Chamber of Commerce is
9 a community of businesses including startup firms,
10 solo entrepreneurs, small businesses and large
11 companies that help one another succeed. Our
12 collective success results in job growth in New York
13 City, stabilizes neighborhoods, generates tax revenue
14 and drives broad economic prosperity throughout the
15 region. Charter Communications has been a partner and
16 friend as we work to fulfill our important mission.
17 Today I want to highlight a few of the ways they are
18 helping. First, Charter's expanding access to high
19 speed internet. Charter understands how important
20 access to broadband is for all Americans and is
21 working to connect its customers to the online
22 resources and info they need to be successful in
23 today's increasingly digital economy. Spectrum
24 Internet Assist will provide eligible New York
25 families and seniors with high speed broadband.

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 218

1 Charter/Spectrum Internet Assist will also help
2 ensure K through 12 students of eligible low-income
3 families have a chance to get ahead and low-income
4 seniors on Supplemental Security Income can stay
5 engaged in an increasingly digital culture. Charter
6 is also creating digital literacy opportunities
7 through, through their Spectrum Learning Labs which
8 you heard about a short while ago. With the opening
9 of the 25th Learning Lab in January, such labs are
10 open throughout Charter's footprint with a total of
11 40 expected by 2020. Charter recently entered into a
12 Memorandum of Understanding or MOU with national
13 civic organizations to create a Diversity and
14 Inclusion Council. This council is comprised of
15 accomplished leaders, each highly respected in, in
16 their communities, who will provide strategic advice
17 and counsel to Charter regarding its strategy to
18 enhance diversity and inclusion across the company.
19 This includes objectives agreed to in the Memorandum
20 of... Memorandum of Understanding entered into with
21 national civic organizations in the areas of
22 corporate governance, workforce, procurement and
23 programming. The MOU identifies specific diversity
24 initiatives and establishes a plan of action to guide
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 219

2 the collaborative efforts of New Charter and a wide
3 array of diverse civic and leadership organizations.
4 As part of the MOU, Charter has committed to a number
5 of concrete actions, including appointing one African
6 American, one Asian American or Pacific Islander and
7 one Latino American to its newly formed board of
8 directors within two years of the close of the
9 transaction. New Charter will also appoint a Chief
10 Diversity Officer who will lead the company's
11 diversity and inclusion efforts. It is with all this
12 in mind that the Manhattan Chamber of Commerce is
13 proud to have Charter Communications as a partner and
14 friend as we work to fulfill our mission.

15 CHAIRPERSON RICHARDS: And Mr. AU Hogan.

16 AU HOGAN: Good afternoon Council Member
17 and audience. After sitting here this morning through
18 this afternoon I'd just like to say that I would be
19 remiss if I didn't say that in good faith we must
20 secure our trust and in righteous spirit we must
21 deliver it in on both sides that I know there will be
22 a resolution. My name is AU Hogan and I'm the
23 President of Baisley Park Houses and I'm also the
24 Chief of Streets for Life Camp Inc. a cure of
25 violence organizations whose major goal is to stop

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JOINTLY WITH COMMITTEE ON TECHNOLOGY 220

1 people from shooting people we do this by hiring
2 credible messengers which in fact we are master
3 mediators both Life Camp and Baisley Houses have long
4 advocated for incorporating technology into education
5 to prepare young people for the jobs of the future
6 and to give programs for the summer when they are out
7 on break and provide programs such as the citywide
8 gun violence awareness month this Saturday, June 3rd.
9 I'm here today in support of Charter Communications
10 as they have made great strides towards bringing the
11 digital divide of New York City and New York State in
12 supporting events that will help keep young people
13 off the street and keep them alive which means
14 everything to me and my community. Keeping young
15 people alive means everything to me. Namely Spectrum
16 Internet Assist Program recently announced offers low
17 income families and seniors a chance to help close
18 the digital inequality gap that exists in the city
19 and throughout the country. The Spectrum Learning
20 Centers that are opening up around the city provides
21 vital technological resources to our city's
22 underserved youth. Charter has shown its commitment
23 to technology early education not just in word but
24 indeed. I in no way mean to take away from the
25

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 221

2 seriousness of this moment and I know as I said
3 previously there will be a resolution to this moment
4 in regard to how far or impossible it seems but do
5 the right thing I say this to both sides so if you do
6 there will be a swift respectful and profitable
7 decision for both sides. Thank you.

8 CHAIRPERSON RICHARDS: Thank you AU and
9 thank you for the work that you do maybe, maybe you
10 need to get in there and mediation maybe we'll get
11 it... [cross-talk]

12 AU HOGAN: Yes... [cross-talk]

13 CHAIRPERSON RICHARDS: ...resolved.

14 AU HOGAN: Yes, it would help them. this
15 is... this is nothing Chairperson we... this is light
16 stuff and I, I wish we could be brought into this...
17 you know because people need to be working also there
18 needs to be some fairness to this.

19 CHAIRPERSON RICHARDS: So, you... and so
20 just, just on that subject so are you confident that
21 Spectrum is, is meeting its franchise agreement on,
22 on providing low income residents across New York
23 City at least, you know access to the internet in, in
24 that 14.99 package?

25 AU HOGAN: Yes.

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 222

2 CHAIRPERSON RICHARDS: Are you positive?

3 AU HOGAN: Yes.

4 CHAIRPERSON RICHARDS: So, on Baisley
5 Houses you're positive?

6 AU HOGAN: Yes, well you know definitely
7 I heard a lot of testimony to the fact about the
8 boxes being outside and stuff like that there needs
9 to be a lot of stuff corrected and stuff like that,
10 you know... [cross-talk]

11 CHAIRPERSON RICHARDS: Uh-huh... [cross-
12 talk]

13 AU HOGAN: ...I mean I think a resolutions
14 never come unless it's either challenged or
15 confronted and it's good that I was here to sit here
16 to see that there are masses of problems, I have both
17 my niece and nephew who are in the IBW union and I
18 seen them this morning, eight o'clock this morning
19 and you know... and so it brought a personal thing to
20 me, you know that... you know they... Charter
21 Communications does do good, good work but there's so
22 much room for improvement.

23 CHAIRPERSON RICHARDS: Exactly because we
24 want to make sure they have access to what, a pension
25 and some healthcare?

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 223

2 AU HOGAN: That's right, pension... [cross-
3 talk]

4 CHAIRPERSON RICHARDS: That's important
5 to you, right?

6 AU HOGAN: Yes, sir.

7 CHAIRPERSON RICHARDS: Alright. Alright,
8 thank you, thank you all for your testimony, thank
9 you... [cross-talk]

10 AU HOGAN: Thank you Council Member.

11 CHAIRPERSON RICHARDS: Alright, we're
12 going to go to the next panel; Tatiana Cabezas, Jesus
13 De La Cruz, David Lopez and we're going to have two
14 minutes on the clock each and I'll say this again
15 David Lopez Jesus De La Cruz, Tatiana Cabezas, Local
16 Three. And you may begin just state your name for the
17 record and who you're representing.

18 DAVID LOPEZ: Alright, I'll start it.
19 I've been an employee for Spectrum or Charter for 27
20 years and I've laid the groundwork for what this
21 company is now. Next week I'm going to have no money
22 to pay my rent. Charter who pays their CEO 98 million
23 dollars and came out of bankruptcy about seven years
24 ago wants us to take our pensions and put it into
25 their 401K with the caveat in their negotiations that

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 224

2 they can change it at will so at any time with their
3 plan they can change our pension and our retirement
4 money. Their clarity question as far as us being
5 clear as the pension we asked them a question about
6 the wages that they were paying the engineers in
7 Texas, this was three years ago, they still haven't
8 furnished that information. So, if they want clarity
9 why don't they furnish their clarity as far as a
10 franchise agreement that they were breaking over
11 three years ago. They were... they had employees in
12 Texas doing our engineering work. As far as the DOT...
13 DOIT testifying about 300 megabytes at the node I
14 can't get that at the point of origin so I don't know
15 how they got 300 megabytes at the node. So, where it
16 comes out of if I can't get 300 you can't get it when
17 you're outside that's just impossible. And as far as
18 the female rep from Charter saying that they're
19 opening up a payment center at the George Washington
20 Bridge, yeah that's to accommodate the fact that a
21 few years ago they closed a union payment center so
22 they're just reopening something that they closed a
23 few years in a union busting tactic they got rid of
24 that shop, moved it to 96th Street... [cross-talk]

25 CHAIRPERSON RICHARDS: Time Warner did?

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 225

2 DAVID LOPEZ: Yes.

3 CHAIRPERSON RICHARDS: Okay.

4 DAVID LOPEZ: But still they're saying..
5 they're taking credits for things that they want and
6 not credit for things that they don't want. That..
7 this George Washington Bridge Payment Center they
8 took credit for today, this was in talks for over
9 three years so I don't understand how they want to
10 take credit for some things but not others. Alright,
11 my time is up and I'll let the other people talk.

12 CHAIRPERSON RICHARDS: Thank you.

13 CHAIRPERSON RICHARDS: Thank you.

14 JESUS DE LA CRUZ: Ladies and gentlemen
15 of the committee, my name is Jesus De La Cruz, I've
16 been with the company for 12 years, I've been in the
17 union over 11 years. I, I have to agree with my
18 brother over here, my union brother this company
19 takes credit for what we do, we are the brains of
20 the... of, of this company, we're the forefront, we're
21 the ones who innovate, create, and resolve everything
22 that's out there but they take the credit and they
23 only push for profits, that's it. We're human beings
24 but to them we're just numbers which is unfair and
25 yet they have the nerve to get people from out of

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 226

2 state especially ones that state quote, unquote, "I
3 have a permit to carry my piece from Texas" which
4 puts family members who have Spectrum in their homes
5 at jeopardy, you know maybe yours for some idiot to
6 walk into the house with a loaded gun, god forbid,
7 you know that's not... that's not cool and as far as
8 some of the things that the National Action Network
9 has stated, you know its good things but what would
10 it... how would it look if, if a brother from Harlem
11 lost his job to Spectrum just because of a situation
12 with pensions and, and medical, you know you talk
13 about innovating Harlem but then you have people
14 losing their jobs who work for this company that live
15 in Harlem, it's tough for us, yeah. Right now, I'm
16 pretty much have two months mortgage payments that's
17 it, you know and maybe one months of bills that I
18 have to pay for, for this nonsense but I'm standing
19 strong and this is what I have to do, we all are
20 standing strong and in the face of diversity I'm
21 going to stand at it no matter what and what they're
22 doing is very unfair. They talk about contradicting
23 things, no, straightforward and for my last 11
24 seconds what I want to say is if DoITT was here I
25 would tell them right now we have the evidence, we

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 227

2 collected it for two months if they want to talk to
3 us we can give it to them that they are violating
4 the, the, the contract, they are. Thank you very
5 much.

6 CHAIRPERSON RICHARDS: Thank you for your
7 testimony.

8 TATIANA CABEZAS: Hello... [cross-talk]

9 CHAIRPERSON RICHARDS: Press your button.

10 TATIANA CABEZAS: Press the button?

11 CHAIRPERSON RICHARDS: Yes, please.

12 TATIANA CABEZAS: That don't count
13 towards my time.

14 CHAIRPERSON RICHARDS: Yes, it does.

15 TATIANA CABEZAS: Alright, so again I'm
16 Tatiana, how are you. I work for Spectrum for a good
17 ten years now, Local Three member proud. First off, I
18 must say shame on Spectrum we're at eight weeks in
19 and... on a strike, no type of help from the media
20 therefor we're, you know resorting for social media
21 to get some type of coverage. The proposals in which
22 they're actually proposing for us its basically
23 taking away everything that we have and telling us
24 that we have to take it, that's a slap in the face.
25 They have something that they're implementing towards

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JOINTLY WITH COMMITTEE ON TECHNOLOGY

228

1
2 us which is called OIC, this metric system is
3 penalizing us the technicians for working with
4 whatever they give us and trying to make do with the
5 shoddy equipment that they give us to work with. They
6 have a bad infrastructure, they're giving us bad
7 equipment, we're going into customer's homes and
8 having to lie to them and tell them well you know
9 unfortunately there's probably an issue outside of
10 the house which we do know that there's an issue
11 outside the house because they're not in... putting any
12 money toward the infrastructure so therefor we have
13 to tell these to these customers. We have to tell
14 them also when their Wi-Fi isn't working that the
15 reason why their Wi-Fi isn't working is because Wi-Fi
16 is not guaranteed. When we're stating these to the...
17 to the customers the customers get irate and towards
18 us and towards the company and the metric system
19 bases us on customer satisfaction, this customer's
20 satisfaction is what bases our bonuses on and so
21 forth which they're making us work for our bonuses.
22 To me frankly they can keep their bonus, I don't want
23 to be penalized for something that they're doing
24 wrong, you understand? Now this OIC metric system is
25 also being used to determine whether a technician can

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 229

2 progress or not which again goes against unfair labor
3 practice. So, the OIC metric system is not fair for
4 the technicians in general, it doesn't let us
5 progress.

6 CHAIRPERSON RICHARDS: Thank you so much.

7 TATIANA CABEZAS: No problem.

8 DAVID LOPEZ: I have just one small thing
9 I want to bring up. When they were talking about
10 increases up to 55 percent I want you to know what
11 that was based on. First key... [cross-talk]

12 CHAIRPERSON RICHARDS: Increases on...
13 [cross-talk]

14 DAVID LOPEZ: ...word is... [cross-talk]

15 CHAIRPERSON RICHARDS: ...salary are you
16 saying or... [cross-talk]

17 DAVID LOPEZ: ...yeah, when, when they were
18 touting that they were giving 55 percent as far as an
19 increase, it's set... first they were very key on the
20 word up to and it's based on the fact that they're
21 paying tech trainees ten dollars an hour coming in,
22 up to 55 percent now is going to encompass that in
23 2018 New York City minimum wage is going to be 15
24 dollars an hour there goes your 50 percent straight
25 off the bat, they're not covering that, they're

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 230

2 saying that it's 55 percent but 50 percent of that
3 increase they are forced to by law to give it to
4 those tech trainees that come in at ten dollars an
5 hour. They're very deceptive people, do not trust a
6 word they say.

7 TATIANA CABEZAS: Spectrum lies.

8 CHAIRPERSON RICHARDS: Thank you, thank
9 you all for your testimony, thank you. alright, we're
10 going to go to our last panel now; Melissa Chapman,
11 Brooklyn Chamber of Commerce, Courtney Bennett, the
12 Greater Harlem Chamber of Commerce, Jessica Orozco,
13 Guttlein, Guttlein Hispanic Federation, and Marissa I
14 believe it says Chapman Brooklyn Chamber of Commerce.
15 Alright, are they here? Alright, Jessica Orozco,
16 Melissa Courtney... oh there's two Melissa's... oh two
17 Melissa's, okay. Are you Melissa?

18 MELISSA CHAPMAN: I'm Melissa.

19 CHAIRPERSON RICHARDS: Okay. Alright, you
20 may begin, you put in a double slip you thought that
21 was going to get you faster.

22 MELISSA CHAPMAN: No, there... [cross-talk]

23 CHAIRPERSON RICHARDS: I'm messing with
24 you... [cross-talk]

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 231

2 MELISSA CHAPMAN: ...there was a little mix
3 up... [cross-talk]

4 CHAIRPERSON RICHARDS: Right... [cross-
5 talk]

6 MELISSA CHAPMAN: ...but... thanks for
7 holding this hearing, good afternoon to you and the
8 rest of the committees and members and guests. I'm
9 commenting on behalf of Andrew Hoan, who is the
10 President and CEO of the Brooklyn Chamber of
11 Commerce. With over 2,100 active members, the
12 Brooklyn Chamber is the largest chamber of commerce
13 in New York. We promote economic development across
14 the borough of Brooklyn as well as advocate on behalf
15 of our member businesses. We're in support of the
16 franchise agreement because of its beneficial service
17 updates included in the provision, such as a
18 commitment to provide high speed internet.
19 accessibility, reliability and affordability are key
20 pillars in ensuring that both entrepreneurs and
21 residents have the necessary tools needed to be
22 successful in today's technologically savvy world. To
23 this end, Charter Communications plans to provide
24 Spectrum Internet Assist, which you heard of earlier
25 to eligible New York families and seniors. Their

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1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 232

2 commitment to improving quality of life also extends
3 to families in need, including veterans through their
4 partnership with Rebuilding Together, a nationwide
5 organization that provides critical home repairs to
6 hardworking families. The Brooklyn Chamber
7 particularly applauds the efforts being made to work
8 with veterans since it aligns with our own efforts to
9 create opportunities for this group of citizens by
10 providing a path to entrepreneurship. As a champion
11 for diversity and inclusion, the Brooklyn Chamber
12 remains optimistic about Charter Communications
13 Memorandum of Understanding with national civic
14 organizations to create a Diversity and Inclusion
15 Counsel. We believe that this counsel will bring
16 together stake holders from varied backgrounds, which
17 will be beneficial in helping Charter Communications
18 to make informed decisions about issues that impact
19 both subscribers and workers. It is our hope that
20 Charter Communications, the administration, and this
21 council can work together to provide the framework
22 needed to enhance our city's technological
23 infrastructure, thus helping to attract and retain
24 investment in the long run. Thanks for the
25 opportunity to comment today.

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 233

2 CHAIRPERSON RICHARDS: Thank you so much
3 for your testimony and this will conclude our hearing
4 today. I just want to thank a few people who've made
5 this day possible Dillon Casey, Jeffrey Capanna, I
6 hope I said your name... your last name right, I got it
7 right, okay; John Selsa, Malaika Jabali, Patrick
8 Mulville, John Russel. I want to thank my colleagues
9 who came out, I want to thank Local Three and
10 Charter, we hope that this... these negotiations begin
11 up again and we can reach a conclusion in ensuring
12 that even as Charter's grows out that our workers
13 also have that security that they've worked for and
14 deserve and are treated with the respect and dignity
15 that all workers should be treated with in this city
16 and across this country. So, we look forward to
17 continuing to hear from DoITT, we'll be watching the
18 PSC closely and what happens with the Federal monitor
19 as we move forward and it is my hope that we come to
20 a resolution to ensure that our workers could get
21 back to work and be able to provide for their
22 families asap. So, thank you all for coming out,
23 thank you for staying here so late, you can clap now,
24 we'll let you clap so thank you for coming out today.

25

SUBCOMMITTEE ON ZONING AND FRANCHISES

1 JOINTLY WITH COMMITTEE ON TECHNOLOGY 234

2 With that being said, we need a drink.. I mean I'm
3 playing... this hearing is now recessed, thank you.

4 [gavel]

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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

June 26, 2017