

**Testimony of Michael Pastor,
General Counsel, New York City Department of Information Technology &
Telecommunications before the New York City Council Subcommittee on
Zoning and Franchises and the Committee on Technology concerning the
Charter Communications Franchise Agreement
Tuesday, May 30, 2017**

Good Morning Chair Richards, Chair Vacca, Chair Greenfield, and members of the Subcommittee on Zoning and Franchises and the Committee on Technology. My name is Michael Pastor, and I am the General Counsel for the Department of Information Technology and Telecommunications, known commonly as DoITT. With me today is Stanley Shor, the Assistant Commissioner for Franchise Administration for DoITT. Thank for you for the opportunity to testify today on the City's cable television franchise agreement with Charter Communications, also known as Spectrum. Spectrum is the brand name for the company formed as a result of a merger between Time Warner Cable and Charter Communications. This entity will be referred to as Charter Communications throughout the rest of my prepared testimony today.

In light of the ongoing strike by Charter Communications workers represented by the International Brotherhood of Electrical Workers (IBEW) Local 3, DoITT and the Mayor's Office have been in communication with both Charter Communications and the union to understand all concerns. The de Blasio Administration strongly believes in collective bargaining, and a respectful and collaborative process that is fair to hardworking New Yorkers. This is the approach that helped the administration bring 99% of the City's workforce under contract. It is unacceptable that Charter workers have been without a contract themselves. The administration supports the union's right to organize, and we urge Charter to offer a fair contract now to their local employees.

With that, I'd like to detail DoITT's franchise relationship with Charter.

Pursuant to authority found in the New York City Charter, DoITT negotiates and administers telecommunications franchises with private companies, such as cable television providers, that use the City's streets and sidewalks to provide public services. Our franchise agreements govern the installation and maintenance of wire, cable, optical fiber, conduit, antennae, and other structures on, over, and under City streets to transmit video, voice, and data services. Today I am here to specifically address DoITT's franchise with Charter Communications, which provides cable television service in Staten Island, Manhattan, Queens, and Western Brooklyn, and will expire on July 18, 2020,

A key purpose of franchise agreements is to ensure that consumers receive reliable service from telecommunications companies. To this end, the Charter franchise agreement sets out customer

service standards, including four-hour appointment windows for service calls and installation; availability of customer service representatives to take service, billing and complaint calls; credits for service outages; and notices to customers of rate and programming changes. Additionally, all cable TV franchisees are required to submit customer “report card” data to DoITT each year. This report allows current and prospective cable customers the opportunity to compare services offered and operating performance.

Of particular interest to the present committees is Article 17 of the agreement, which is the sole section relating to employment and purchasing. This article lays out the following requirements of Charter Communications:

1. The company must recognize the right of its employees to bargain collectively through representatives of their own choosing in accordance with applicable law.
2. The company must comply with all applicable federal, state, and local employment discrimination laws and requirements.
3. The company must develop, maintain, implement and disclose to the City a plan, consistent with collective bargaining agreements, for the recruitment, education, training, and employment of residents of the City.
4. To the extent feasible and consistent with applicable law, and with due regard to price and quality considerations, the company must utilize vendors located in the City in connection with deployment of cable service.
5. Finally, the company must comply with EEO requirements throughout the term of the agreement.

I would like to again emphasize that the franchise agreement acknowledges the right of workers to bargain collectively, and we support a fair resolution between the IBEW Local 3 and Charter Communications. Both DoITT and the Mayor’s Office have been diligently monitoring the ongoing strike, and we have been gathering information from both entities to ensure that we have a full picture as we evaluate our powers under the franchise agreement.

At this moment, the City has no evidence that Charter Communications is violating any provisions of its franchise agreement on its local hiring plan or use of local vendors. However, based on concerns expressed by IBEW Local 3, DoITT sent a letter to Charter Communications to gather more information on alleged violations of Article 17. This letter, dated May 17, 2017, asked Charter Communications to provide the following to DoITT within 15 days of receipt:

1. All contracts held by Charter Communications to obtain temporary workers for the provision of cable television services in New York City;
2. Information on any charges or findings against Charter Communications by the National Labor Relations Board regarding employees providing cable services; and
3. Information on any formal findings against Charter Communications by the Equal Employment Opportunity Commission regarding employees providing cable services.

We await Charter Communications's response to this letter, and will share the response with the committees upon receipt. This concludes my prepared testimony, and I will now gladly answer Council Members' questions.

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