

STATE OF NEW YORK : COUNTY OF WESTCHESTER
VILLAGE OF HASTINGS-ON-HUDSON BOARD OF TRUSTEES

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IN THE MATTER OF THE PUBLIC HEARING
To Consider a Proposed Initial Franchise Agreement
for Cable Television Service in Hastings-On-Hudson
with Verizon New York Inc.

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June 1, 2010
7:30 p.m.
Hastings-On-Hudson Village Hall
7 Maple Avenue
Hastings-On-Hudson, New York

B E F O R E:

PETER SWIDERSKI,	Mayor
NICOLA ARMACOST,	Trustee
BRUCE JENNINGS,	Trustee
MEG WALKER,	Trustee
JEREMIAH QUINLAN,	Trustee
SUSAN MAGGIOTTO,	Village Clerk/Deputy Manager
MARIANNE STECICH,	Village Attorney

A P P E A R A N C E S:

(For Verizon)
PAMELA N. GOLDSTEIN, Verizon's Outside Counsel
CATHERINE GASTEYER, External Affairs Director
LINC JANUS, Franchise Manager

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2 MAYOR SWIDERSKI: All right.

3 Tonight, we start with Public

4 Hearing.

5 Call to order the Board of

6 Trustees Public Hearing of June 1st,

7 2010, and the agenda --

8 Oh, roll call.

9 CLERK MAGGIOTTO: Mayor

10 Swiderski?

11 MAYOR SWIDERSKI: Here.

12 CLERK MAGGIOTTO: Trustee

13 Jennings?

14 TRUSTEE JENNINGS: Here.

15 CLERK MAGGIOTTO: Trustee

16 Quinlan?

17 TRUSTEE QUINLAN: Here.

18 CLERK MAGGIOTTO: Trustee

19 Walker?

20 TRUSTEE WALKER: Here.

21 CLERK MAGGIOTTO: Trustee

22 Armacost?

23 TRUSTEE ARMACOST: Here.

24 CLERK MAGGIOTTO: Attorney

25 Stecich?

3

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2 MS. STECICH: Here.

3 MAYOR SWIDERSKI: And the agenda

4 here is to consider a proposal of an

5 Initial Franchise Agreement for Cable

6 Television Service in Hastings-On-Hudson

7 with Verizon New York, Inc.

8 Rather than just have an

9 opportunity for the public to ask

10 questions, I wanted to kick it off by

11 giving Verizon a couple of minutes to

12 describe the Agreement, and then I

13 will do so, as well, for a few

14 minutes, and then we'll open the floor

15 for questions and comments. So, if we

16 could.

17 MS. GASTEYER: Hi. Can you hear

18 me?

19 Good evening. My name is

20 Catherine Gasteyer and I'm the Verizon

21 External Affairs Director for

22 Westchester County, and, in a second,
23 I'll introduce Linc Janus. He will,
24 actually, do as the Mayor said and
25 describe a little bit about the

4

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2 Agreement, but I just wanted to, first
3 of all, say thank you to the Mayor and
4 the Board of Trustees. It's a real
5 milestone that we've reached. We've
6 come to this point, together, and we
7 want to say thank you for that.

8 As Mayor Swiderski noted, the
9 Village and Verizon have come
10 together, tonight, on terms for a
11 final Franchise Agreement that's ready
12 for your consideration.

13 We believe it's a fair and
14 reasonable Agreement. It's good for,
15 both, the Village and for the
16 residents.

17 For the first time, residents
18 will be able to recognize the benefits
19 of cable choice and competition.

20 We're pleased and we're very

21 appreciative of the Mayor and the
22 Board that brought us to this point
23 and, sincerely, hope that you approve
24 this Franchise without delay.

25 Everyone wins when cable TV

5

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2 markets are competitive. Customers
3 have choice, there are new
4 developments and new technology
5 milestones that are reached, and
6 that's just two examples. It,
7 obviously, makes for a stronger
8 marketplace.

9 So, again, we thank you for this
10 opportunity to work with you to help
11 us deliver a contract to the Board.

12 We, also, want to acknowledge
13 Mayor Swiderski and other leaders here
14 in the Village for their patience,
15 their perseverance and leadership
16 throughout the negotiating process.

17 The collaborative spirit that you
18 demonstrated was most beneficial in
19 reaching this Agreement, and we thank

20 you for helping us get across this
21 finish line.

22 Our employees are eager to
23 deliver franchise or FiOS TV to the
24 Village and we know the customers will
25 be pleased with the product, and we're

6

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2 going to work very hard to retain
3 their loyalty.

4 So, thank you, again.

5 Right now, I'd like to introduce
6 Linc Janus, our Franchise Service
7 Manager and Franchise Negotiator.

8 MR. JANUS: Thank you, Catherine.

9 As Catherine said, my name is
10 Linc Janus.

11 Mr. Mayor, Members of the Board
12 of Trustees, I work for Verizon as a
13 Business Lead and as a Franchise
14 Service Manager. In that capacity, I,
15 actually, administer the agreements
16 that Verizon has in many parts of New
17 York, and if you confirm and vote for
18 the Agreement, tonight, and it's

19 confirmed by the Public Service
20 Commission, I will be your Contract
21 Administrator, your go-to person for
22 any questions you have about the
23 Agreement.

24 With your indulgence, I'd, also,
25 like to thank the Mayor, Trustee

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2 Quinlan and others who participated in
3 the negotiations and acknowledge the
4 timing then that you spent on them.

5 And, with your indulgence, I'd, also,
6 like to summarize the Agreement,
7 tonight, just very briefly.

8 Catherine has noted under this
9 Agreement that Hastings-On-Hudson
10 residents will enjoy real cable choice
11 for the first time. That choice,
12 Verizon's FiOS TV, will be delivered
13 to customers over the most-advanced
14 network that's available in the
15 country, today. And, by that, I meant
16 Verizon, right now, is building an
17 all-fiber-optic network right past

18 people's homes in the areas where we
19 have franchise agreements. That
20 network delivers some of the fastest,
21 broadband speeds that are available,
22 today, and it has capacity for over
23 300 channels and we believe capacity
24 for future applications of tomorrow.

25 This is, probably, one of the

8

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2 reasons why our network has been
3 ranked Number 1 by a number of
4 independent consumer surveys.

5 In addition, there are many
6 benefits that will accrue to the
7 Village, itself, under the proposed
8 Agreement.

9 Adopting the Agreement will
10 provide the Village with distribution
11 to its residents of the dedicated
12 public access channel that originates
13 in the Town of Greenburgh. It will,
14 also, provide a dedicated
15 Government/Education access channel
16 that will originate at the James

17 Harmon Community Center, and, in
18 addition, it provides for two
19 education access auxiliary
20 connections. This is a kind of a
21 mouthful, but I hope you're able to
22 follow.

23 There's two connections, those
24 auxiliary connections that feed in to
25 the community center, one originates

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2 at the high school and the other
3 originates at the campus of the
4 elementary and middle school.

5 Subject to the P.E.G., which
6 stands for, by the way, Public
7 Education and Government, so I'm just
8 going to call it P.E.G. with your
9 indulgence, use a little acronym here.

10 Subject to the P.E.G. competitive
11 neutrality provision in the Agreement,
12 the proposed Agreement provides the
13 Village with an annual Public
14 Education and Government grant of
15 .55 cent per Verizon subscriber per

16 month, and, with respect to this
17 grant, Verizon will make an advanced
18 payment to the Village of \$25,000.00,
19 and then it will credit this being
20 against the .55 cents per month per
21 subscriber payment, and, once that
22 amount is recouped, we'll begin making
23 the annual payment that's reflected by
24 that .55 cents.

25 Subject to the same competitive

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2 neutrality provision, Verizon will,
3 also, pay a one-time P.E.G. assignment,
4 channel assignment grant of \$2,500.00
5 if Verizon makes a P.E.G. channel
6 assignment change as described in the
7 Agreement.

8 In addition, the proposed
9 Agreement offers the Village free
10 basic cable TV at 14 locations that we
11 negotiated.

12 The Agreement, also, offers a
13 5 percent franchise fee, as well as
14 what we call in the industry a

15 Section 626 waiver.

16 Under this important 626 waiver,
17 Verizon promises in the Agreement not
18 to use franchise-fee payments as an
19 offset against what we call Special
20 Franchise Taxes that we pay to the
21 Village. Again, subject to the
22 level-playing-field requirement.

23 Thank you, again, tonight, for
24 your hard efforts in negotiating the
25 Agreement with us, for your

11

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2 consideration of the Agreement, and we
3 look forward to providing a choice of
4 cable TV TV providers.

5 Thanks.

6 MAYOR SWIDERSKI: Thank you.

7 I, also, wanted to acknowledge
8 the presence of John Figliozzi whose
9 come down from Albany. He's with the
10 Public Service Commission and is a
11 representative who has provided a lot
12 of information and help as we went in
13 our way through this process, and he's
14 here to answer questions if the public

15 has any.

16 In addition to the description of
17 the Franchise that was already offered
18 by Linc, I wanted to touch on a couple
19 of other points.

20 One of the things that we are
21 required to do when we evaluate a
22 franchise side-by-side with other
23 existing franchises is whether that
24 franchise sets a level playing field
25 for the companies in town offering

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2 that service. We can't tilt the
3 competitiveness of one player versus
4 another by imposing fees or somehow
5 structuring the deal so that one
6 player is disadvantaged versus
7 another, and this concept is called "a
8 level playing field," and I wanted to
9 touch on why we believe that this
10 Agreement offers that in relation to
11 the existing agreement with
12 Cablevision.

13 Right now, both of the Franchise

14 Agreements will require both parties
15 to pay a 5 percent franchise tax.
16 Cablevision, currently, pays a lump
17 sum of \$13,645.00, annually, in these
18 P.E.G. fees to the Village and, given
19 the subscriber base in the Village,
20 this comes to .38 cents a subscriber
21 per month if they were to pay in that
22 fashion.

23 Verizon is not offering a lump
24 sum per year but, rather, a monthly
25 rate, and that monthly rate is

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2 .55 cents a subscriber. However, as
3 Verizon achieves some market
4 penetration, they will continue to pay
5 .55 cents a month, but that lump sum
6 that Cablevision is paying will be
7 divided out among fewer customers and
8 some of them bleed off to Verizon, and
9 assuming that Verizon enjoys a
10 25 percent market penetration rate,
11 that will come to the equivalent for
12 Cablevision of .51 cents a month per
13 subscriber, which we believe is,

14 essentially, equivalent to the
15 .55 cents that Verizon is offering.

16 We derived the 25 percent market
17 penetration based on what we were able
18 to, frankly, get off Internet research
19 of what Verizon has reported in its
20 own annual reports as well as what
21 other various publications specialize
22 in this field report the success of
23 Verizon's penetration in markets to
24 date.

25 So, 25 percent seemed a good
14

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2 bogey and that's the number we've used
3 in our calculations.

4 Furthermore, the full value of
5 that Cablevision contract over 15
6 years to Hastings in terms of P.E.G.
7 payments is \$253,000.00.

8 The full value - value of
9 Verizon, assuming, again, 25 percent
10 penetration rate, will be 89,000.
11 This 89,000 as a proportionate share
12 of the total P.E.G. payments that

13 Hastings would be receiving, you know,
14 both, Verizon and Cablevision's
15 combined, would impact the 25 percent.
16 In line with the 25 percent
17 penetration rate and so, therefore,
18 from playing-field perspective, we
19 believe equal.

20 Verizon has waived their right to
21 offset their franchise taxes against
22 taxes they, currently, pay in
23 Hastings. This is, also, a right that
24 Cablevision has waived in the
25 community.

15

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2 Verizon, however, pays
3 substantially more in taxes at the
4 moment, \$30,000.00 a year, and
5 Cablevision pays closer to 3,000.

6 So, while waiving this right does
7 not put money in our pocket, it
8 ensures that should either player
9 change their mind and decide to offset
10 those monies, less money will fly out
11 of our pocket, and the right that
12 Verizon has given up has to be

13 incorporated in the determination as
14 far as we're concerned of a level
15 playing field. It's a \$30,000.00
16 right they've given up and that's
17 worth something.

18 We offset this against the fact
19 that Cablevision paid, up-front, a
20 single payment of \$62,000.00 toward
21 P.E.G. for the Village, something that
22 Verizon is not matching
23 dollar-for-dollar. But, overall,
24 moving forward, we believe that the
25 two Franchisees are, essentially, on a

16

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2 level playing field. They'll both pay
3 the same amount of franchise tax and,
4 on a per subscriber basis, also, pay
5 on a monthly subscriber basis, the
6 same amount of money.

7 So, we believe it fulfills the
8 requirement of a level playing field,
9 it leaves the two competitively
10 neutral in regards to each other, and,
11 as a result, it eliminates a

12 requirement we have for how to
13 evaluate this.

14 The advantages of a competitive
15 franchise in Hastings don't need
16 further enumeration. We have,
17 certainly, had numerous requests from
18 people seeking that.

19 There's an advantage to
20 competition, there's an advantage to
21 choice and there's an advantage to
22 being able to switch if you're
23 irritated with your current provider,
24 and this will provide that.

25 With those comments made, I'd

17

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2 like to turn the mic over to the
3 public. If anyone has questions or
4 comments, please approach, come on in
5 and speak up.

6 Please.

7 MR. HOCH: Good evening,
8 Mr. Mayor, Honorable Members of the
9 Board. My name is Robert Hoch and I'm
10 the Director of Government Affairs for
11 Cablevision and I'm a resident of the

12 City of White Plains.

13 I'd like to thank you, this
14 evening, for the opportunity to speak
15 about the proposed Verizon Franchise
16 before you.

17 I'm really here to speak,
18 tonight, about how this effects the
19 Agreement between the Village and
20 Cablevision and, also, to describe
21 some of the differences between the
22 two documents.

23 Level playing field has been
24 mentioned, I'm going to talk a little
25 bit about that, and competitive

18

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2 neutrality.

3 But level playing field allows
4 for the documents to vary in certain
5 ways. They don't have to look,
6 exactly, alike. They don't look,
7 exactly, alike, and I just want to go,
8 touch on a couple of important places
9 in which they differ.

10 The first are two sections in the

11 Definitions Section of the Franchise.
12 One deals with the definition of gross
13 revenue and the other deals with the
14 definition of a noncable service, and
15 both of these have potential impacts
16 on how much revenue you get through
17 franchise fees compared to Cablevision.

18 Firstly, in the Gross Revenue
19 Section -- I'm sorry, because I have a
20 couple of documents here with me.

21 There are distinctions made
22 between what's cable services and
23 what's noncable services, which is
24 important because noncable services,
25 you do not collect any revenue on.

19

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2 Both companies provide noncable
3 services. An example would be
4 Internet or voice.

5 Cable services, classic
6 television cable services have been
7 expanded, actually, a little bit to
8 things like Pay-Per-View, which you
9 get revenue from, Home Shopping, you
10 would get revenue, advertising and

11 such.

12 However, there's an additional
13 line in the gross -- the exceptions to
14 gross revenue which is not included in
15 the Cablevision Franchise, and, in
16 those exceptions, it says - there's a
17 line about any other revenues should
18 be to provide a franchisee the
19 noncable service in accordance with
20 F.C.C. or New York Public Service
21 Commission Rules, Regulations,
22 Standards or Orders as may be amended
23 from time to time.

24 Point this out: This is an
25 additional category, falls on that
20

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2 borderline between what's a cable
3 service and what's not a cable
4 service, and, particularly,
5 perspective, down the road as new
6 technologies develop and new services
7 are offered, and I'm not, completely,
8 familiar with all the products that
9 are offered on their system, but here

10 is a loophole that is created as - as
11 new technologies develop and new modes
12 of products are delivered over your
13 television for Verizon to then go to
14 the Public Service Commission and the
15 F.C.C. and say that this is - this is
16 a cable service and not a cable
17 service and lobby, in essence, to
18 remove that service from those items
19 in which you are eligible to receive
20 franchise-fee payments from.

21 Another important change is in
22 Section 1.31 of the Verizon Franchise.
23 It's the definition of noncable
24 services.

25 In the equivalent Cablevision
21

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2 Agreement, our definition of noncable
3 services is anything that's not a
4 cable service, which is, if you think
5 about it, the definition really isn't
6 - isn't necessary. If you look in the
7 plain language, if it's a noncable
8 service, it's not a cable service and,
9 therefore, it's not subject to you

10 receiving revenue from it.

11 However, the Verizon definition
12 differs. Noncable service is designed
13 as any service that does not
14 constitute the provision of video
15 programming. Video programming is a
16 much narrower definition. Video
17 programming is a traditional you turn
18 on the channel, you watch it and
19 that's the programming that the
20 programmer sends you.

21 So, what they have done is
22 they've created a much smaller
23 universe with this definition for
24 those services with which you are
25 eligible to receive franchise fees on,

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2 because they are not counting it as
3 revenue from the cable service. It is
4 different from the Cablevision
5 definition. It has an impact, again,
6 in the future if its new products are
7 rolled out, and it's two ways in which
8 the Agreements differ and have a

9 potential impact to treat you
10 differently, and in the pocketbook, as
11 well.

12 Another difference deals with
13 acts of God referred to as the
14 force-majeure clause. There is a
15 little more expansive definition for
16 it in the Verizon document. If they
17 are to not comply with the terms of
18 the franchise, there is a provision
19 here that, basically, says, well, you
20 know, we didn't, intentionally, not
21 mean to comply and, therefore, we
22 should not be subject to - to any
23 repercussions for that. Somewhat
24 arbitrary. Who is the arbiter of
25 whether or not it's an intentional

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2 mistake or not? The bottom line is,
3 you know, the impact that it has on
4 you. It's a much -- It's a more
5 expansive definition of acts of God
6 and a loophole for compliance.

7 So, those are just two ways in
8 which the Agreements differ.

9 The main thing I am here to speak
10 about, tonight, is, yes, though, is
11 the P.E.G. support.

12 The Verizon proposal is a
13 \$25,000.00 loan, basically, to you, to
14 the Village, for which Verizon will
15 then collect .55 cents per subscriber
16 for themselves.

17 I - I disagree with the
18 projection of the Village in this
19 document. This summary is the first
20 I've seen, it was about 10 minutes
21 ago, but, in hearing the description,
22 this would presuppose that Verizon has
23 25 percent of the market from Day 1.
24 I mean that's the only way you could
25 reach these numbers. And I think that

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2 the projection in Westchester County,
3 I would even say the Lower Hudson
4 Valley that Verizon would realize that
5 type of revenue in that subscribership
6 within that short period of time is
7 unrealistic. I would offer to you

8 that -- I don't believe that they will
9 meet the \$25,000.00 mark within the
10 15-year period. I think they might.
11 They might hit it. I think anything
12 else would be, you know, minimal.
13 And, although, they have national
14 penetration numbers on the Internet, I
15 think that's real guesswork.

16 Verizon has not been very
17 forthcoming about what their
18 subscribership is here in the New York
19 Metro Area. There's a much more
20 competitive market. I do not believe
21 that they have hit their targets in
22 terms of penetration. I suggest you
23 ask them what their penetration has
24 been. They have been in Westchester
25 and Rockland, at least, I believe

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2 since late 2005. So, there's now four
3 and a half years of competition in
4 this area. To go and say, you know,
5 look, how many subscribers do you have
6 in Westchester County, what can we,
7 realistically, judge this on? Not

8 based on, you know, what they're
9 receiving in Texas where they're, you
10 know, going into some communities that
11 might not have very sophisticated
12 cable systems built out. If they
13 won't tell you how much their
14 penetration is, ask your colleagues in
15 Greenburgh or any of the neighboring
16 villages where they are, and I'm sure
17 they'll be able to give you a
18 realistic idea of what their market
19 penetration is and I think it will
20 reveal that it is, extremely, unlikely
21 that they will meet - meet your goals,
22 let alone come up with the full amount
23 over the term of the Franchise.

24 Cablevision, as you mentioned,
25 has a current obligation to pay just

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2 under \$62,000.00, up-front, which we
3 did, and, last year, made an
4 additional payment of \$13,645.00.
5 That's a 14-year commitment at that
6 annual amount for a total of,

7 approximately, \$253,000.00.
8 This Franchise, if you look at
9 it, looks in a lot of ways like a
10 Verizon Franchise, and that is because
11 it is, in fact, based on the document
12 that Verizon submitted to you, I
13 believe in 2005 or 2006, which,
14 initially, had an up-front P.E.G.
15 grant of, exactly, \$61,983.00.

16 This, our document was designed
17 as a match, and if there was an equal
18 match between the two documents, which
19 is what we had believed we had
20 negotiated with the community at that
21 time, the Village would have realized
22 over a half a million dollars in
23 P.E.G. support for what is a very
24 robust access program.

25 In fact, the issue of P.E.G.

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2 support held up our negotiation for a
3 period of years, if I'm not mistaken.
4 There was considerable debate and
5 discussion over what was going to be
6 sufficient to support the programming

7 that Raf runs from the Harmon Center,
8 and I, also, think that Cablevision,
9 in addition to the P.E.G. dollars, did
10 certain things in the interim even
11 before we started renegotiating an
12 agreement to make sure that the Harmon
13 Center was up and running and was
14 available for access programming and
15 not just for Cablevision. I think we
16 did a lot to help create that place,
17 you know, to be available for - for
18 more than just us as a provider.

19 So, Cablevision did show a very
20 strong commitment and continued to --
21 continues to show commitment to the
22 Village in this area.

23 So, in addition, this grant, this
24 up-front grant was an outright grant.

25 This was not a loan. And the new
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2 document has no correlation to the
3 prior proposal they had before you.

4 It is un -- As I said, it's
5 unlikely that Verizon will exceed the

6 \$25,000.00 payment over the lifetime.

7 In the last two years,
8 Cablevision has paid \$75,000.00 in
9 P.E.G. support -- just under
10 \$75,000.00 in P.E.G. support, and not
11 only that, we agreed in our
12 level-playing-field provisions to not
13 look back at our money. If you did
14 negotiate a less favorable agreement
15 -- a more favorable agreement with
16 Verizon, something that was less
17 favorable to us, we agreed not to look
18 back and to ask to take that money
19 back because we believed there was
20 going to be an equal commitment.

21 So, there is an issue of fairness
22 here. Cablevision, think about it,
23 has paid three times the amount of
24 P.E.G. support in just the past two
25 years than Verizon is likely to pay

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2 over the next 15, and a lot of this,
3 they've tried to argue that they are
4 new entrants and, therefore, entitled
5 to abide, to be subsidized when it

6 comes to P.E.G. support. But the
7 Public Service Commission has said
8 they are, clearly, not a typical new
9 entrant. It's a company that's been
10 selling telecommunication services in
11 Westchester for 100 years. They're
12 Number 15 on the Fortune 500 with well
13 over a billion dollars in assets, and
14 what they're doing is, essentially,
15 paying you a very small loan with no
16 correlation to what you're receiving
17 from Cablevision.

18 It's, actually, unprecedented in
19 any of the prior franchises, and,
20 again, I would say look at your
21 neighbors up the Hudson. It's
22 unprecedented, this type of small
23 amount plus that it's not an outright
24 grant, that it's something that you
25 have to wait until a period of years

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2 before you're, actually, going to see
3 any further support.

4 I don't know how it comports with

5 level playing field. I don't know how
6 it's justified. I don't know how they
7 justify it.

8 Level playing field is flexible,
9 but there is a disparity here that is
10 beyond the point - beyond the breaking
11 point.

12 We'll give you an example. In
13 the Village of Scarsdale, Cablevision
14 and Verizon paid different amounts of
15 P.E.G. support. We both pay a fixed
16 grant. However, Cablevision --
17 Verizon, actually, pays more P.E.G.
18 support in Scarsdale than Cablevision
19 does, and the reason why the Public
20 Service Commission determined that
21 there was a level playing field
22 between parties is because Cablevision
23 provides other things in addition to
24 cash. We have access policies that
25 allow our subscribers the ability to

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2 use studios and have training and have
3 a wide range of services available to
4 them that promotes access that we

5 finance, ourselves, and which balanced
6 out the cash value of what Verizon was
7 paying in Scarsdale.

8 How is Verizon balancing out this
9 loan compared to what Cablevision is
10 paying? I don't know, I don't know
11 how they're doing it.

12 This is about market entry for
13 Verizon at any cost. They've damned
14 the benefits to the community. And,
15 again, it's something that we deem is
16 unfair to us; however, ultimately, it
17 is about fairness to the Village.

18 With equal terms, the Village
19 would realize a half million dollars
20 in P.E.G. support.

21 By accepting this Agreement,
22 Cablevision, its obligation to pay
23 P.E.G. support has come to an end.

24 After -- If you approve this
25 Agreement, we will not be paying any

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2 further P.E.G. support over the term
3 of our franchise.

4 If they meet the \$25,000.00 mark,
5 if so, the Village will realize a
6 total of, approximately, \$100,000.00
7 in P.E.G. support, which is 20 percent
8 of what you could, potentially,
9 receive if the Agreements were fair.

10 There's a sense of strong-arming
11 I think going on here by the part of
12 Verizon, and I think all you have to
13 do is look at the early Agreement and
14 compare it to this current Agreement.

15 I understand there's a level of
16 frustration in the Village that
17 residents do not have the same options
18 as are available in other places in
19 Westchester, but the blame lies,
20 squarely, with Verizon for refusing to
21 treat you, equally, with the
22 surrounding villages.

23 If I just also may, on this
24 sheet, there is something here about
25 the offset of real property tax being

33

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2 something of value.

3 Well, first of all, the offset of

4 property tax was contingent on
5 Cablevision offsetting its property
6 tax. It's been known all along that
7 Verizon pays more in real property tax
8 than we do. They own the poles. We
9 just lease, mostly, lease pole space.
10 We were asked to waive this in order
11 to give you the ability to get Verizon
12 to do the same. That \$30,000.00 value
13 would have never been there if you -
14 if the Village had not asked
15 Cablevision to agree to do so. It was
16 so little, you know, it wasn't a big
17 thing for us to do. We didn't have to
18 do it, we were happy to do it cause it
19 was negotiated for and it was going to
20 be a benefit to you.

21 So, I don't see how that is
22 something that -- how that can be
23 counted in the offset.

24 I've never seen them use the 626
25 offset in any of the hearings that

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2 I've been to. I've never heard

3 Verizon argue that that's a value that
4 plays -- that is a part of level
5 playing field.

6 In addition to the broader
7 level-playing-field provisions, there
8 are -- there's a Regulatory
9 Section 895.1F that deals with
10 competitive neutrality with P.E.G.
11 support. This is not P.E.G. support,
12 the 626 grant. It doesn't relate and
13 it really can't be calculated in
14 offsetting that amount.

15 I've gone on longer than I
16 expected. I just -- This is not a
17 fair Agreement to anybody except
18 Verizon and I urge you to reject it.
19 I urge you not to be strong-armed and
20 I'm happy to answer any questions you
21 have at this time.

22 Thank you.

23 MAYOR SWIDERSKI: Anyone on the
24 Board have questions?

25 TRUSTEE WALKER: I do have a

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2 question.

3 Regarding the first two points
4 that you made about the noncable
5 sources and the franchise tax would
6 not be paid to the Village if there
7 was an increase in revenue from
8 noncable sources, is this something
9 that Cablevision does offer?

10 I mean how is your contract
11 different than around these noncable -
12 what did you call them - noncable --

13 MS. STECICH: Noncable services.

14 TRUSTEE WALKER: -- services?

15 Noncable services.

16 MR. HOCH: I'd say the difference
17 is that there's a murkiness. There's
18 this, you know, if I could draw a
19 graph with circles inside circles,
20 there's an area that's -- You know,
21 the circles should match up. They
22 should be the same size between what
23 is cable service and what is not a

24 cable service.

25 These little items here, they
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2 create exceptions along the borders in
3 which certain things that your
4 residents would see on television,
5 would be able to, you know, something
6 interactive, something that they could
7 view over their television or gain as
8 a service would fall into one of these
9 cracks because they're not defined
10 well.

11 That video programming is a very
12 narrow definition. It's traditional
13 television programming, but think
14 about, you know, what are some of the
15 other things? There are widgets that
16 they've got. I don't know what a
17 widget is. Again, I'm not, totally,
18 familiar with their offering, but, as
19 television becomes more interactive,
20 as it develops, as it begins to do
21 more and more things, you want to be
22 sure that what your residents are
23 seeing over the television, what

24 they're paying for is being captured
25 in terms of the revenue that you're
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2 entitled to in the franchise fee, and
3 it's more -- it's the fact that
4 they're creating a murkiness on these
5 boundaries which is not in our
6 agreement. I think ours is pretty
7 clear about what is a cable service
8 and what is not a cable service.
9 They're soft.

10 TRUSTEE WALKER: And what happens
11 with the noncable services in your --
12 in our contract with you?

13 MR. HOCH: Oh --

14 TRUSTEE WALKER: They're
15 included in --

16 MR. HOCH: -- noncable services
17 are not subject to franchise fees.
18 They're not.

19 TRUSTEE WALKER: But you, at
20 least, what you're saying is it's
21 clear in your contract?

22 MR. HOCH: Correct.

23 TRUSTEE WALKER: Whereas, it's
24 not clear in Verizon's contract?

25 MR. HOCH: Yes.

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2 TRUSTEE WALKER: Okay.

3 Thank you.

4 TRUSTEE QUINLAN: I have a
5 question.

6 You said in your statement that
7 if the Village brings Verizon in, that
8 Cablevision will pay no more P.E.G.
9 payments?

10 MR. HOCH: Yes. We have a
11 provision in our franchise that it's a
12 level-playing-field provision and, in
13 essence, if, in fact, there is a more
14 favorable franchise granted with
15 regard to P.E.G. support, our
16 obligation to pay going forward would
17 cease. In light of the fact that
18 their obligation appears to be 25,000
19 and, to date, we've paid three times
20 that amount, it's quite apparent that
21 we far exceeded what they are going to
22 pay and, therefore, we will be

23 released from our obligation to pay on
24 P.E.G. support.

25 TRUSTEE QUINLAN: And if you
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2 don't -- And if we don't agree to the
3 Verizon contract, well, what will you
4 continue to pay?

5 MR. HOCH: There's our Agreement
6 obligates us to pay according to the
7 schedule in this document unless
8 somebody is granted more favorable
9 terms in P.E.G. support.

10 TRUSTEE QUINLAN: And do you know
11 how much that is? Well, why don't you
12 look?

13 MS. STECICH: 13,645.

14 MR. HOCH: 13 and change every
15 year.

16 TRUSTEE QUINLAN: Now, wouldn't
17 it be up to the Public Service
18 Commission to decide?

19 Let's say the Public Service
20 Commission decides that this is a
21 level playing field and it is a fair

22 contract between you two. Do you
23 think you still have the right to end
24 those payments?

25 MR. HOCH: I think we would
40

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2 exercise whatever rights we have
3 available in order to protect our
4 ability to operate. You know --

5 TRUSTEE QUINLAN: That's not the
6 answer.

7 MR. HOCH: I don't know how - how
8 the Public Service Commission --

9 TRUSTEE QUINLAN: Well, we don't
10 know; right?

11 Let's just assume, specific,
12 cause if they don't think it's a level
13 playing field and they don't approve
14 the contract, then there's no
15 contract. So, you continue to pay the
16 \$13,666.00, whatever it is, because
17 they won't have a contract here.

18 If they do approve, let's just
19 say they do approve it, okay, and now
20 we have Verizon and Cablevision and
21 you say you're going to stop your

22 payments and that's going to be
23 despite the fact that the Public
24 Service Commission, the people in the
25 State of New York have decided that it

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1 Proceedings

2 is fair and you are still saying
3 you're going to stand here and tell us
4 that you're going to cease paying -
5 paying when the State of New York has
6 said it's a fair and level playing
7 field; is that your statement for us,
8 tonight?

9 MR. HOCH: I want to qualify
10 this, but that there are, you know, a
11 couple of scenarios that - that
12 comport with what you've just
13 explained.

14 They may say it is fair. They
15 may say it knowing the fact that we do
16 have the ability to cease our payments
17 at that point.

18 So, you know, but if you are
19 saying that --

20 TRUSTEE QUINLAN: Would that be

21 in their written -- Would that be in
22 their written decision, though? They
23 would say -- They could say. You're
24 right. You made a good point, they
25 could say, and I don't want to go on

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2 with this, forever, but they could say
3 in their written decision that one of
4 the reasons why it is a level playing
5 field is because Cablevision could
6 stop paying their payments. Then I
7 think you should stop paying your
8 payments because they've said it.
9 That's one of the conditions. But
10 what if they don't say that?

11 MR. HOCH: We would, probably,
12 take a very hard look at what all our
13 options are after that.

14 MAYOR SWIDERSKI: But,
15 ultimately, that's not a decision you
16 can make, unilaterally. We can appeal
17 that and the arbitration is carried
18 out before the Public Services
19 Committee - Commission; right?

20 MR. HOCH: Or in the courts.

21 TRUSTEE QUINLAN: I have no
22 further questions.

23 MAYOR SWIDERSKI: Bruce?

24 TRUSTEE JENNINGS: No questions.

25 MAYOR SWIDERSKI: All right. I'm
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2 not going to ask -- All right. This
3 isn't a courtroom, so I'm not going to
4 ask Verizon to respond to some of the
5 issues you raised now. I would like
6 to give the public a chance to ask
7 questions and for you to make comments
8 and then, at the end, I will ask
9 Verizon to speak to any open issues
10 and a chance, perhaps, to offer a
11 different perspective.

12 Also, at some point, I'd
13 appreciate if John Figliozi could
14 weigh in on the P.S.C.'s approval
15 process and where we weigh in and
16 where you fit into the picture,
17 arbitrating disputes over contracts.
18 But, before cutting to that, I'd like
19 to get back to the public and give

20 anyone else a chance to speak up.

21 Please.

22 MS. O'CONNELL: Mayor Swiderski

23 and Members of the Board, my name is

24 Deirdre O'Connell and I live at

25 445 Broadway in Hastings.

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2 I'm here, tonight, to thank you

3 for working with Verizon to complete a

4 Cable Franchise Agreement, and, as a

5 Verizon employee living in the

6 Village, I ask you to vote yes on that

7 Agreement without delay.

8 We, at Verizon, are proud of our

9 FiOS services and our company. For

10 decades, Verizon has been an economic

11 and philanthropic force in New York as

12 a major employer, taxpayer, property

13 owner and corporate partner to our

14 local community.

15 I'm here, tonight, to tell you we

16 are ready to serve the residents of

17 this Village with a state-of-the-art

18 TV service.

19 I ask you to welcome Verizon's

20 entry into the cable TV marketplace in
21 Hastings-On-Hudson and let us compete
22 with Cablevision.

23 Please approve the Franchise.

24 Thank you.

25 MAYOR SWIDERSKI: Danielle.

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2 MS. GOODMAN: Good evening.

3 Danielle Goodman, 28 Ashley Road.

4 I came in, a little late. So,

5 could you explain why the court

6 reporter is here? At whose behest?

7 MAYOR SWIDERSKI: That's Verizon.

8 It was on their request. I think, the

9 last time we met, we had that request

10 and granted it.

11 MS. GOODMAN: Okay. Just I had a

12 question.

13 MAYOR SWIDERSKI: Sure.

14 MS. GOODMAN: Thank you, Mayor

15 Swiderski, for your explanation. For

16 us who don't have multiple franchise

17 agreements to compare, it was very

18 helpful. So, I thank you.

19 I came to speak on behalf of the
20 Verizon contract, in part, because of
21 the nonvideo, nontelevision services.

22 I have a 95-year-old uncle who
23 requires a Phillips Lifeline and, when
24 digital TV came in, cause he was one
25 of those rabbit-ear TV guys, he needed

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2 a TV and had to have reception.

3 So, the only game in town was
4 Cablevision, and so I thought it would
5 be a good idea to have all of his
6 services come from one provider
7 because of the cost, and I found that
8 the voice component of Cablevision,
9 after much research in an attempt to
10 make this system interact with his
11 Lifeline, that it was better to go
12 back to Verizon.

13 I had worked my way up the food
14 chain of Cablevision and I was
15 dissatisfied.

16 So, I called Verizon back and
17 they took us back, willingly, and they
18 had to come and fix the wires that got

19 cut in his apartment in order to
20 install the cable voice.

21 So, that was a better system for
22 us. I'm not making any casting as
23 aspersions, I'm just saying in this
24 specific instance. But now, because
25 of that, we've been, you know,

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2 balancing two providers for other
3 services and it would be better for
4 someone like him, more cost effective
5 to have the one provider.

6 Now, now that I've heard
7 Cablevision speak, am I to understand
8 that we're between a rock and a hard
9 spot, perhaps?

10 Did I hear, perhaps, a lawsuit
11 being threatened if the Village
12 accepts the Verizon contract?

13 Did I hear, correctly, that there
14 would be monies cut off to us at a
15 time when we really need the money?

16 We're not Scarsdale. We're
17 Hastings. We need the money, not

18 services.

19 So, now I'm very concerned.

20 So, I'm going to leave it to your
21 discretion as to what you do because
22 the thing I don't even know is, before
23 the P.S.C., do we have to hire counsel
24 to do that?

25 There are a lot of issues to
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2 balance and I leave that to your good
3 discretion.

4 I am going to go home, though,
5 and think long and hard about what
6 Cablevision said, and I'm very upset
7 and I think it's a public-relations
8 disaster for Cablevision to take this
9 point, and I'm so sorry you're between
10 a rock and a hard spot because there
11 are so many people that want a
12 competitive marketplace.

13 And just one other quick
14 question, I don't know our ability, I
15 don't know if these contracts in the
16 other places in the Rivertown are
17 cloaked with some sort of

18 confidentiality orders. I don't know
19 how easy it is for us to compare
20 apples and oranges, but should you
21 choose to go with Verizon, I think a
22 lot of us will think twice and long
23 and hard about Cablevision and,
24 hopefully, Verizon can penetrate the
25 market.

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2 Thank you.

3 MAYOR SWIDERSKI: Thank you.

4 Anyone else? Any other public

5 comments?

6 Please.

7 MR. ROSNER: Marc Rosner,

8 24 Branford Road.

9 What's the length of term of the

10 contract? May I ask?

11 MAYOR SWIDERSKI: It's 15 years.

12 MR. ROSNER: And Cablevision,

13 also, has a span of time?

14 MAYOR SWIDERSKI: Right. It

15 started, a little earlier. So --

16 MR. ROSNER: Okay.

17 MAYOR SWIDERSKI: -- it would
18 expire, a little sooner.

19 MR. ROSNER: Just because
20 Cablevision might have the opportunity
21 to withhold funds or pay less does
22 not, necessarily, mean that they must
23 do it, and I would hope both - both
24 companies would want to serve us well
25 and they'll have an opportunity when
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2 their contract comes up again to - to
3 change the terms and reach an
4 agreement that's favorable.

5 I just want to say that I've been
6 waiting for the opportunity for the
7 public to have a choice, both, in the
8 my residence and, also, I work in the
9 schools and I appreciate the
10 educational considerations and clauses
11 in the contract and it looks to me
12 like it's fair and people are going to
13 have a choice and they should. I mean
14 we shouldn't have just one service
15 provider in the town.

16 So, thank you.

17 MAYOR SWIDERSKI: Thank you.
18 Any other public comment?
19 John Figliozi, if I could ask
20 you to approach and give a sense of
21 what we face in terms of, both, your
22 approval process and then how disputes
23 like those, perhaps, that we may face
24 with Cablevision are, typically,
25 resolved?

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2 MR. FIGLIOZZI: I'll try.

3 Good evening.

4 As a representative of the Public
5 Service Commission, maybe, now you
6 understand what the Chinese mean when
7 they say may you live in interesting
8 times and refer to it as a curse. So,
9 I'm sure this process has been very
10 interesting to you, but it, obviously,
11 can be a contentious one, especially,
12 when competing providers are
13 concerned.

14 The Commission is very much
15 committed to the ability of

16 subscribers in the State to have
17 choice and there be competition and
18 services, but it's equally as
19 committed to the principle that that
20 competition should be fair and should
21 be unfettered by government
22 interference in attempting to favor
23 one party, whether intentionally or
24 unintentionally.

25 The Regulations give you the
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2 first responsibility to try to
3 determine what is a fair deal as far
4 as these two competitors are
5 concerned. You had a franchise which
6 you granted, a couple years ago, to
7 Cablevision and now you have before
8 you a Franchise from Verizon and you
9 will make your determinations and,
10 once you make those determinations and
11 if you decide to approve this
12 Agreement, Verizon will then apply to
13 the State Commission for Certificate
14 of Confirmation which will allow it to
15 operate under that Agreement.

16 We will, in that process, if
17 there are no comments or no comments
18 of substance filed before the
19 Commission, then that process,
20 probably, will take anywhere between
21 30 and 60 days. If there are comments
22 filed on the application, objections,
23 essentially, raised on the basis of
24 State Regulation or principles like
25 level playing field or competitive

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2 neutrality in our Regulations, then we
3 are duty-bound to examine those
4 comments, to hear comments that may
5 respond to those comments and, also,
6 to, obviously, take into consideration
7 - take into strong consideration the
8 determination at the local government,
9 in this case, the Village made in
10 granting this particular Agreement,
11 and then a decision would be rendered
12 as to whether the Agreement should be
13 approved, and the Agreement would be
14 approved if it's in substantial

15 compliance with federal and state laws
16 and rules. That's the standard that's
17 used.

18 Other than that, that's a
19 thumbnail sketch, but I'd be happy to
20 answer any specific questions you
21 might have as long as, obviously, it
22 doesn't prejudice the Commission in
23 its consideration if, indeed, some of
24 these issues come before it.

25 MAYOR SWIDERSKI: You were just
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2 finished describing the actual - what
3 is the term? It's not the approval of
4 the franchise, but the certification?

5 MR. FIGLIOZZI: Certification.

6 MAYOR SWIDERSKI: Is that
7 process -- As I understand it, that's
8 a process initiated by Verizon and
9 Verizon representatives carry through,
10 and is the Village, typically, at such
11 a process or is that one carried out
12 between the Franchisee and the P.S.C.?

13 MR. FIGLIOZZI: Well, typically,
14 the application is made by the

15 Franchisee and the Village, obviously,
16 can be a party to whatever proceeding
17 takes place as a result of that
18 application, but, usually, they are
19 paper proceedings. They're not -- You
20 know, we don't hold hearings,
21 generally speaking, on - on contracts.

22 So, if a point was raised, for
23 example, by a comment or that the
24 Village either strongly agreed or
25 disagreed with, the Village would be

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2 free to make its own comment to weigh
3 in on why, you know, on response to
4 that particular comment.

5 There, also, have been some rare
6 circumstances where Commission staff
7 have gone to local officials and asked
8 them how they arrived at particular
9 decisions that they might have made,
10 what processes they used, what other
11 supporting documentation they might
12 have, but that's a fairly rare thing
13 that's done there. It, primarily,

14 relies on comments that are filed and
15 then the Commission makes its
16 determination based on the relative
17 weight of those comments in its view
18 as to how those effect the compliance
19 with its Regulations.

20 MAYOR SWIDERSKI: All right.

21 TRUSTEE JENNINGS: Yes. I've
22 heard two terms - level playing field
23 and competitive neutrality. Are those
24 two different terms for the same idea
25 or are they two different principles?

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1 Proceedings

2 MR. FIGLIOZZI: They are - they
3 are similar principles but different -
4 but different in very important ways.

5 TRUSTEE JENNINGS: Could you
6 please explain?

7 MR. FIGLIOZZI: Sure, would be
8 happy to.

9 Level playing field refers to the
10 state that each franchise must be when
11 taken as a whole. It does not require
12 franchises to be word-for-word or
13 provision-to-provision same, but it's

14 a principle which says that if
15 something is given here, then
16 something needs to be given here of
17 equal or relatively equal value. All
18 right. If something is required of
19 one of the franchisees, then something
20 similar has to be required of the
21 other franchisee in order so that, at
22 the end of the day, both agreements,
23 essentially, weigh about the same with
24 respect to responsibilities and
25 rights. Okay.

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1 Proceedings

2 Competitive neutrality applies
3 only to two particular provisions
4 within the Agreement. One is
5 franchise fee and the other is support
6 for public, educational and
7 governmental access.

8 Competitive neutrality is a
9 stricter standard in the sense that a
10 provision that's in the agreement in
11 either franchise fee or P.E.G. support
12 cannot be such a burden to one or the

13 other competitor that it prevents them
14 from, effectively, competing in the
15 municipality. All right. That it
16 creates such an inequity that it is,
17 in effect, putting the thumb on the
18 scale, so to speak, and it deals with
19 those particular two areas, quite
20 frankly, because those most directly
21 are monetary or things of value that
22 are, usually, in the agreement and
23 it's, usually, a part of a franchise,
24 of any franchise agreement.

25 So, I mean I hope I've answered
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2 your question.

3 TRUSTEE JENNINGS: Yes, you did.

4 Thank you.

5 TRUSTEE WALKER: In reviewing the

6 contract for certification, could you

7 then come to the determination that it

8 isn't level playing field and turn

9 down the certification?

10 MR. FIGLIOZZI: We would be

11 duty-bound to do that. I mean we

12 cannot approve an agreement unless it,

13 substantially, complies with our Rules
14 and Regulations. However, the
15 Commission, also, has the option of
16 granting or giving conditional
17 approvals. Some provisions, as you
18 might imagine, more easily lend
19 themselves to conditional approvals,
20 but, you know, how they would rule on
21 a situation like this, I mean,
22 certainly, I don't want to speculate,
23 it would be improper for me to do so,
24 but there are number of ways the
25 Commission can address a failure in an

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1 Proceedings
2 agreement to comply with a rule, and
3 one of those, one of them, obviously,
4 is to send the agreement back and say
5 we can't approve this, another is to
6 say -- which is much more common. I
7 don't believe the Commission has sent
8 back more than a handful of agreements
9 over - over the course of its history,
10 but the more likely one, in most
11 circumstances, is to, first of all,

12 look to the agreement, itself, to see
13 if there's a remedy there or the two
14 agreements, themselves, because the
15 provisions in the agreement may give
16 some guidance as to - as to what the
17 recourse is for the parties concerned
18 and for the municipality, but it
19 would, also, be looking at, perhaps,
20 conditioning the agreement on
21 compliance with certain provisions
22 that may have been missing in the
23 agreement or not properly expressed.

24 MS. WALKER: Thank you.

25 MAYOR SWIDERSKI: So, you
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1 Proceedings

2 described the certification process.
3 Let's assume for sake of argument that
4 we sign the Agreement, you certify it,
5 it's now July 16th, the day after the
6 meeting when you certified it and
7 Cablevision then tells us they're
8 going to yank their annual payment of
9 13,000 and some odd dollars. At this
10 point in time, how does a dispute like
11 that, typically, unfold before the

12 P.S.C. and what is the difficult
13 process?

14 MR. FIGLIOZZI: Well, to the
15 extent - to the extent that's it's -
16 extent that it's speculation --

17 MAYOR SWIDERSKI: Uh-huh.

18 MR. FIGLIOZZI: -- you could
19 understand why I really don't want to
20 go there.

21 The fact of the matter is is that
22 if there's a dispute over a franchise
23 provision in the Agreement, that's -
24 that's a direct -- There are certain
25 provisions in the Agreement, all

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2 right, that the Commission will point
3 to and say if there's a dispute here,
4 come to us.

5 MAYOR SWIDERSKI: Uh-huh.

6 MR. FIGLIOZZI: There are others
7 that involve our Regulations and
8 interpretation of our Regulations and,
9 to the extent that's the case, the
10 Commission has the authority to weigh

11 in under those circumstances if it
12 involves the proper interpretation of
13 the Rules.

14 If it's matter in the agreement
15 that is something that's been
16 negotiated between the two parties in
17 which the Commission doesn't have a
18 direct interest because it doesn't
19 have a Regulation, for example, that
20 effects it, directly, in the way in
21 which its been brought up, then it's a
22 matter between the municipality and
23 its cable provider, its franchisee,
24 and either the franchise, itself, has
25 a process for dealing with some of

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1 Proceedings

2 those disputes or if it doesn't, it is
3 possible that those disputes if they
4 aren't settled would, eventually -
5 could, eventually, end up in court.
6 So, some may end up before us, but
7 some may end up in court.

8 MAYOR SWIDERSKI: But, in the
9 case of P.E.G. payments, which are
10 part and parcel of the concept of the

11 level playing field, wouldn't a
12 unilateral action on a P.E.G. payment
13 effect the competitive neutrality of
14 the two franchises and at that
15 point --

16 MR. FIGLIOZZI: Well, again,
17 we're speculating here, but, just for
18 the sake of speculative -- for the
19 sake of that, it depends on how the
20 question arises. I mean if the
21 question, if the central question
22 involved is one of competitive
23 neutrality, that's one thing. If it's
24 a -- If the central question is based
25 upon what are the rights granted to

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1 Proceedings
2 respected parties in the agreement,
3 that's a wholly different subject.
4 So, it's - it's - it's, I know, I,
5 perfectly, understand why you would
6 want some comfort in - in - in moving
7 forward and in - in a decision that,
8 you know, that has potential
9 difficulties down the road, but,

10 without knowing ahead of time what the
11 argument would be and on what it would
12 be based and on what grounds it would
13 be brought, it's - it's almost
14 impossible to give any kind of
15 rational answer to that question. I
16 hope you can understand that.

17 MAYOR SWIDERSKI: Uh-huh.

18 Any other questions?

19 Motion to bring the meeting to a
20 close?

21 MS. STECICH: That glued over
22 by --

23 MAYOR SWIDERSKI: Oh, okay.

24 Verizon. I'm sorry. I said I was
25 going to provide an opportunity to

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2 close and let you do so.

3 MR. JANUS: Hi. My name is Linc
4 Janus again.

5 I just wanted to respond I think
6 to one of the principle or issues
7 that's arisen here with respect to the
8 implication that Cablevision, by going
9 forward, it's the same as stop making

10 payments, unilaterally, under the
11 Agreement, and the Order that
12 approved, from the Public Service
13 Commission, the Cablevision Agreement
14 back in October 2008, I think really
15 addressed this issue. It spoke about,
16 Section 5.4.2 of the Cablevision
17 Agreement, which is the part of the
18 Cablevision Agreement which addresses
19 substantial equivalency. It says the
20 Village must impose substantial
21 equivalent obligations under the
22 providers. It's much more detailed
23 than that, but that's the gist of it,
24 and the Commission said, second,
25 Section 5.4.2 of the proposed

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1 Proceedings
2 Agreement is inconsistent with the
3 Commission's Rules that requires them
4 to, quote, "the provisions for
5 facilities, equipment and support for
6 P.E.G. access shall be competitively
7 neutral when compared to such
8 requirement as may be contained in

9 such other franchise," and there's a
10 citation with which number, and that's
11 the end of that quote.

12 Then the P.S.C. went on to say,
13 "Under these Rules, the Commission,
14 rather than the cable television
15 company, will exercise the authority
16 to make a determination on any issues
17 that arise under the equivalent
18 obligations provision" -- I'm sorry --
19 "under the equivalent obligations in
20 this provision."

21 So, just Linc Janus, this is
22 person of Verizon speaking here,
23 obviously, I have no authority over
24 anything other than just my
25 interpretation, but it seems to me to

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1 Proceedings
2 be fairly plain English to say that if
3 there is a dispute about whether
4 something is equivalent in the Verizon
5 Agreement in comparison to the
6 Cablevision Agreement, Verizon,
7 certainly, can't act, unilaterally,
8 cause we have a substantial

9 equivalency clause. It's very normal
10 to have these clauses in the
11 agreement, and I don't believe that my
12 friends at Cablevision can, either.

13 That's to prevent fisticuffs, I guess,
14 between competing companies.

15 You know, the Public Service
16 Commission is here to, I think,
17 determine what goes on in terms of how
18 that provision is applied.

19 So, I don't think the Village is
20 just left in a fight with Cablevision.
21 I think Cablevision, I'm sure as a
22 good citizen, will go to the Public
23 Service Commission and say, hey, the
24 Village doesn't agree with us, if they
25 carry through on their - on their line

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1 Proceedings
2 of argument tonight and they'll ask
3 the Public Service Commission to
4 intervene. That's what they have to
5 do.

6 If there's anything else you want
7 me to respond to, I can go through the

8 list. If you want me to stop now,
9 whatever you'd like, whatever would be
10 helpful to you. I don't want to
11 prolong this.

12 MAYOR SWIDERSKI: No? Yes? No?

13 No.

14 MR. JANUS: Okay. Thanks.

15 MAYOR SWIDERSKI: Thank you.

16 Once again, a motion?

17 TRUSTEE ARMACOST: There's

18 somebody that wants to speak.

19 MAYOR SWIDERSKI: Oh, I'm sorry.

20 Please.

21 MR. PERLSTEIN: Hi. I'm Bob

22 Perlstein from Terrace Drive,

23 Hastings-On-The-Hudson and I'm

24 Chairman of the Cable Committee of

25 Hastings-On-Hudson.

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2 I've been listening to the
3 presentations, tonight, and I'm just
4 left with the impression that by
5 accepting the Verizon Agreement, we
6 are, somehow, cannibalizing what was a
7 very difficult agreement which we,

8 finally, achieved with Cablevision
9 which holds, I think, great benefits
10 for the Village, financially and
11 otherwise.

12 I recognize the desire for
13 competition. I'm not sure that the
14 competition between Cablevision and
15 Verizon has, in neighboring villages
16 or elsewhere, resulted either in
17 improved service or economic benefit
18 to the citizens in terms of lower
19 fees. I think these companies kind of
20 move in lock step with each other,
21 and, when I read the Mayor's outline,
22 tonight, which I, also, saw for the
23 first time, a few minutes ago, I'm
24 just left with the impression that we
25 are somehow adjusting the facts to

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1 Proceedings
2 reach a conclusion we want to reach
3 rather than looking at the facts and
4 letting the facts take us where they
5 should go.

6 In my opinion, by no stretch of

7 the imagination, do the P.E.G.
8 provisions of these contracts meet any
9 sort of competitive-neutrality
10 requirement. Every dollar that
11 Verizon is providing is, actually, a
12 dollar that the Village citizens have
13 provided.

14 And, lastly, I think if you look
15 at the history of these negotiations,
16 several years ago, Verizon, actually,
17 offered an Agreement that came much
18 closer to fulfilling level playing
19 field and competitive neutrality
20 requirements. They then, successively,
21 pulled back these offers, and, each
22 time the Village approached them, they
23 offered a lesser accommodation to the
24 Village to the point where now they
25 have offered really very little

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1 Proceedings
2 sensing that what the Village wants is
3 competition almost at any cost, and it
4 is my personal opinion, not as
5 Chairman of the Cable Committee but as
6 a citizen of Hastings, that to accept

7 this Verizon Agreement is somewhat
8 undignified and humiliating and is
9 accommodating a large, powerful
10 corporation that could do much better.

11 If this is the price that Verizon
12 wants to charge to get into the
13 Village, I think the Board should
14 reject it.

15 Thank you for considering my
16 comments.

17 MAYOR SWIDERSKI: Thank you.

18 Any other comments?

19 I don't want to shut this down,
20 prematurely, if anyone else wants to
21 speak.

22 Please.

23 MR. CONDA: Good evening,
24 Mr. Mayor and Village Trustees. I'm
25 Mike Conda (phonetic) at 6 Division

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2 Street.

3 It's good to see the issue of
4 cable competition in Hastings is still
5 alive. We have residents that have

6 waited over five years for resolution
7 on this and I believe it is long
8 overdue to allow Verizon to compete.

9 Hastings is surrounded on all sides by
10 all communities who offer FiOS TV.

11 So, why don't we?

12 I've been a Verizon - a Verizon
13 data FiOS customer for over five years
14 -- for five years and my personal
15 experience, I can say this: It is
16 fast, I never have to worry about my
17 data transmission being slowed down
18 from heavy usage from my neighbors, as
19 I understand Cablevision customers do,
20 and it is reliable. I don't recall
21 ever losing service.

22 I've been a cable - Cablevision
23 customer at one time.

24 Forgive me. I had lung surgery
25 about two months ago and I'm still

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1 Proceedings

2 recovering from shortness of breath.

3 I've been a Cablevision customer
4 at one time, and not to cause
5 embarrassment, I could not wait to

6 leave them. It was my experience that
7 they nickel and dime, great high
8 tactics, my picture was never clear,
9 my lower channels were even weaker
10 and, finally, I was forced to upgrade
11 my equipment to switch to an unwanted
12 change of service at my own expense.
13 No longer wishing to be at their
14 mercy, I decided I've had enough and
15 left. I have been a satellite
16 customer for many years now, but, even
17 though I lose service on rare occasion
18 during a severe thunderstorm, I do not
19 miss Cablevision at all.

20 As a landlord of a multiunit
21 residential apartment building here in
22 the Village, I know, firsthand, that
23 people moving into Hastings want to
24 know if FiOS TV is available.

25 When folks are looking for a
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1 Proceedings
2 place to live, I believe they will be
3 more enticed to move here based on the
4 availability of FiOS TV.

5 I know that innovation is the key
6 to growth and success for small
7 business owners. And, when companies
8 compete, consumers win.

9 In the case of cable TV
10 competition, we all have more choices,
11 better service and access to the
12 latest technologies. At least, that's
13 my experience from friends who have,
14 actually, used their FiOS TV in their
15 towns.

16 As a consumer who does business
17 in the Village and as a Hastings
18 resident of more than 50 years, I
19 would like to have the option to
20 decide for myself and to enjoy my
21 decision and along with my family.

22 Please do not lock us out any
23 longer.

24 In closing, I'm, once again,
25 excited of the prospect of getting to

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1 Proceedings
2 choose between cable providers.

3 I thank you for your time and I
4 ask you to approve the Franchise,

5 tonight.

6 Thank you.

7 MAYOR SWIDERSKI: Thank you.

8 Anyone else? Speak now or

9 forever hold your peace.

10 All right. One more time, a

11 motion?

12 TRUSTEE ARMACOST: So moved.

13 TRUSTEE MS. WALKER: Seconded.

14 MAYOR SWIDERSKI: All right. All

15 in favor?

16 (Response of aye given.)

THE FOREGOING IS CERTIFIED to be a
true and correct transcription of the
original stenographic minutes to the best
of my ability.

Kathryn Lebeau