CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON TECHNOLOGY

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B E F O R E: PETER A. KOO, CHAIR

COUNCIL MEMBERS: ROBERT F. HOLDEN

BRAD S. LANDER ERIC A. ULRICH KALMAN YEGER FRANCISCO MOYA

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

GAIL BREWER, Former Council Member, current Manhattan Borough President

GREG SUTTON, managing Director of Access Services of the Manhattan Neighborhood Network (MNN)

ANTHONY RIDDLE, Vice-President for Community Media at Brick

AUDREY DUNCAN, Director of Training and Special Projects at Bronx Net

2	CHAIR PETER KOO: Good afternoon. We are
3	going to start the meeting. I am Councilman Peter
4	Koo and I am the Chair of the Committee on
5	Technology. At today's hearing the Committee will
6	vote on Resolution Number 620, sponsored by Council
7	Member Moya and myself at the request of the
8	Manhattan Borough President, Gail Brewer. Resolution
9	Number 620 calls on the Federal Communications
10	Commission to reject the proposed rules put forth in
11	the Second Further Notice of Proposed Rule Making 18-
12	131 and to create provisions that would strengthen
13	public, educational and governmental access
14	television. Public, educational and governmental
15	access television is an important resource for our
16	local communities and City as a whole. I
17	specifically want to highlight my local community
18	television center Queens Public Television. Queens
19	Public Television also known as QPTV is a vital
20	resource for Queens residents and cable causes the
21	most diverse programming to the most diverse
22	community in the world. They run a bulletin board to
23	highlight events when over 140 organizations in our
24	borough, provide training, production tools and
25	resources for Queens Residents and nonprofits and

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allow our residents to exercise their First Amendment rights. Our, other public stations like Bronx Net and Manhattan's MNN are also fairly established stations with local news and talk shows that have become the go-to outlets for hyperlocal boroughs specific NYC news. The FCCs proposed rules remove these dedicated streams of funding for QPTV and others and it will severely hinder their ability to cable cast the day's events, news and important community information. All of our local public education and governmental access channels will be impacted by this proposed change. We will, we should be protecting these channels as the condoers for the principals of free speech as they are the last true public television stations. They are not relying on advertising or politics. The public should have the access to broadcast channels without these stations, without these stations needing to compete for funding. I ask my colleagues to help protect these channels. At this point, I would like to invite our first panel, Council Member, oh no, Council Member, Former Council Member Gail Brewer, now is borough president of Manhattan to speak about Resolution Number 620 and I would like to command the members of

- 2 this Committee to vote in favor of the Resolution.
- 3 Thank you. And before uhm Borough President starts
- 4 we want to acknowledge the presence of our Committee
- 5 | Members, Council Member Ulrich, Council Member Holden
- 6 and Council Member Yeger. Gail, uhm Borough
- 7 President you can state your name and start now.
- 8 GAIL BREWER: Thank you very much. I am
- 9 Gail Brewer. I am the Manhattan Borough President.
- 10 I am the former Council Member and I am honored to be
- 11 here today and I want to thank you Chairman Koo and
- 12 | Council Member Moya and all the members who are here
- 13 | today. I want to thank Council Member Moya and Koo
- 14 particularly for uhm sponsoring Resolution 620 and as
- 15 | the Chair indicated the Federal Communications
- 16 | Commission uhm you know were urging. This Resolution
- 17 urges them to reject the rules put forth by the
- 18 | Second Further Notice of Proposed Rule Making 18-131.
- 19 And what that means is something that you probably
- 20 know, something new from the Trump Administration is
- 21 | that the new restrictions proposed by the FCC which
- 22 is the Federal Communications Commission would count
- 23 services this is the crux of the whole issue. It
- 24 | would count the services that New York City
- 25 negotiated for cable franchising agreements and I

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think some of us have been through those agreements, whether it is Time Warner or Verizon or other cable franchises. We negotiated these cable franchising agreements and fees which fund our public, our educational and our governmental access channels know as PEGs toward the existing 5% cap on cable franchising fees. That's the crux of it. And so, by uhm proposing these restrictions to me it is an attack on local government by the FCC headed out by Chair Pi and the Trump Administration as they look to align the pockets of cable companies as the expense of these important services that the PEGs provide and the PEGs are really important through our community. You will hear from them. But these organizations train nearly 10,000 people a year in video production and editing, graphic, sound, and lighting. provide facilities, technical support, equipment and free channel time and they give people presenting diverse communities an audience and a voice. Manhattan Neighborhood Network well, MNN but I know the others are also terrific in the five boroughs. But MNN is the largest media educator in our City serving more than 1200 media students every year. is also the single largest cable caster of original

2 content in the United States. It airs 15,000 hours from 1,000 producers. In general, the majority of 3 the PEGs funding comes from the rates negotiated in 4 5 the cable franchising agreements that I mentioned earlier. These revised rules would have a 6 7 significant impact on PEGs budget and ability to provide this very needed service in our community. 8 The new restrictions would also prevent local 9 franchising authorities from negotiating for a 10 percentage of revenue generated by the internet 11 12 services that cable corporations provide which 13 further endangers the future of PEGs as cord cutting 14 becomes more and more common. Between July and 15 September of this year, 2018, nearly 1.1 million 16 people cancelled their subscriptions with cable and 17 satellite TV providers according to Moffit Nathanson 18 a Media and Telecommunications Research Firm here in Manhattan and I think anybody, any millennial, you 19 20 are all cutting your cables, don't to that. That's my opinion. The Lifeman Research Group has reported 21 that 12% of American households have cut the cord 2.2 23 since 2013 and again I'm not surprised. So, we know that cable revenues will suffer in the future as 24 internet streaming becomes more popular. In order to 25

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2 ensure the future of PEGs we must be able to tap into the growing revenues cable corporations generate from 3 internet service which relies on the same hardware 4 5 and public property as their paid TV packages. That's what the FCC should be focusing on. 6 7 Restricting on local governments ability to regulate noncable services is not only a direct threat to the 8 future of PEGs, it also impacts the City's ability to 9 protect New Yorkers. The City must be able to pass 10 laws that provide constituents with privacy and 11 12 consumer protections that apply to internet service 13 providers. Large corporations have mishandled and 14 misused consumer data. We all read recently about 15 the data breaches at Marriott, Dunkin' Donuts and 16 Dell 500 million consumers impacted very recently. Despite the FCCs claim that these rules would reduce 17 18 barriers to entry and promote competition in my opinion they intentionally and significantly reduce 19 20 cost for incumbent cable tv operators. I firmly believe that these proposed rules will more firmly 21 2.2 entrench existing companies and dissuade competition. 23 Finally, from my perspective, there is nothing in these proposed rules which provides any measurable 24 benefit to New Yorkers and I think you will hear the

President.

2	same from the PEGs. I just want to mention that the
3	City of New York benefits tremendously from the work
4	that the PEGs have done and also from their own
5	support as a result of the franchise negotiations.
6	So, there is nothing in these proposed rules which
7	provides any benefit to New Yorkers and the rules
8	threaten to destroy one of the most important Eco
9	systems that we have of small, local, original
10	programming and information services to underserved
11	communities. So, I think you very much for your
12	sponsorship and I appreciate that this Resolution has
13	been introduced. It is not the front page of every
14	newspaper but it is something that I think is
15	important to our communities. Thank you very much.
16	CHAIR PETER KOO: Thank you Borough

GAIL BREWER: Thank you.

CHAIR PETER KOO: Now we will call the second panel, Mr. Greg Sutton, Anthony Riddle and Audrey Duncan. Okay you may start after stating your name. Anyone can start first.

GREG SUTTON: My name is Greg Sutton.

The managing director of Access Services of the

Manhattan Neighborhood Network and I thank the

2 members of the City Council for the opportunity to voice MNNs support for Resolution Number 0620-2018. 3 MNN agrees wholeheartedly that the actions proposed 4 by the Federal Communications Commission if adopted 5 would significantly harm the public access 6 7 programming serving the people of the City of New York with no offsetting public benefits. Last month, 8 MNN filed comments with the FCC in strong opposition 9 and we thank the City of New York for also filing 10 comments opposing the FCCs misguided proposals. As 11 12 this Council may be aware, MNN operates the public 13 access channels in Manhattan and is currently one of the largest cable casters of original video 14 15 programming in the United States. MNN vision is to 16 empower local voices and diverse views of New Yorkers 17 from all political, socio-economic and cultural 18 perspectives. Its programming is in multiple languages and serves the gorgeous mosaic that is in 19 20 New York City. It does so by offering media distribution services, video production facilities 2.1 2.2 and media education to Manhattan residents and 23 community-based organizations who deliver high quality and hyperlocal programming to Manhattan's 24 Cable subscribers. MNN collaborates with many other 25

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video content providers. Our next NYC cable and digital channel highlights local community groups that are changing lives and making a difference. They include the Avanelle American Dance Theatre, Big Brothers, Big Sisters of New York City, the Children's Museum of the Arts, Girls who Code, the Harlem Arts Festival, the National Alliance on Mental Illness and the New York Anti-Traffic Network but for the MNN public access channels many cable subscribers especially who are physically challenged or lack the financial means would have no access to this vital city programming. There is no other outlet that can accommodate the broad range of ethnic, religious and cultural programming that is presented on the public access channels at no cost to the producers. MNN also invests in training residents in local community organizations in all aspects of video production and provides low cost access to production equipment and facilities. MNN educates more than 1200 media students annually in courses ranging from digital editing, field camera and studio production. Many of the MNN video producers are from communities that have no access to high quality media equipment and services. MNN public access programming gives voice

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to diverse perspectives that simply cannot be found anywhere else on today's commercial cable TV channels. The FCCs proposals threaten to gut funding for public access in this city and in cities and communities across the country. The effects of its proposed ruling would be a devastating blow to diversity, inclusion and freedom of expression and the FCC proposes to do so by illegally stripping the city of the statutory authority given to it by Congress in section 621 of the Communications Act. In 1984, Congress deliberately chose to provide local franchising authorities, not the FCC with the authority to require cable TV operators to support public, educational and governmental access programming as a condition of granting the valuable privilege of holding a city cable franchise. Decades after Congress enacted the law; however, the FCC seeks to rip that authority away from the City. will not repeat here the many legal arguments raised by MNN, the City and associations and individuals across the country as to why the FCCs proposed actions would violate the Federal Communications Act. I will note; however, that the FCC essentially misinterprets the plain meaning and phrase franchise

fee to sweep in for the first time all costs of	PEG
access within the 5% statutory cap but as the F	'CC
itself has conceded, not all franchise obligati	ons
are franchise fees. Like a franchise build out	
obligation, the PEG obligations give back to the	.e
subscribers directly with valuable local progra	mming,
they add value to the cable network itself and	they
enhance the market demand for the cable operator	rs
channel line-up. The FCC turns a blind eye to	these
critical facts. Why do the FCC do this? How d	id the
FCC do this? How did it get so wrong? It's no	t
really clear. What is very clear from over 2,0	00
comments already filed with the FCC is how comp	letely
wrong it got the law and the policy with no	
offsetting benefit other than to increase the o	ash
profits of cable franchises. MNN urges this Co	uncil
to send a strong message of support for diversi	ty and
inclusion in New York City but adopting Resolut	ion
0620-2018. Thank you very much.	
CHAIR PETER KOO: Thank you. Next	
speaker.	

AUDREY DUNCAN: Hello I'm Audrey Duncan,
I'm director of training and special projects at
Bronx Net. We want to thank the City Council for

allowing us to voice our support for Resolution
number 0620-2018. Bronx Net provides public services
with current studios and network operations located
at Neiman College and our constellation site located
in the East Bronx at Mercy College. Bronx Net's
multimedia production studios in the South Bronx are
currently being constructed as part of (INAUDIBLE) in
the hub. Through Bronx Net's public access
facilities, we trained the public in media production
by providing television, studio and field production
workshops. We provide access to technology and help
students acquire valuable workforce development
skills. Graduates of our workshops utilize media
production equipment at no cost to produce programs
and share diverse ultra local content that
contributes to community development through media.
Bronx Net strongly opposes the tentative conclusion
in the FMPRM that cable related in-kind contributions
such as those that allow our programming to be viewed
on the cable system are franchise fees. Using fair
market value to determine the amount to be considered
a franchise fee will lead to arbitrary deductions and
would have adverse effects on our budget and
ultimately our ability to serve the people of the

Bronx. The programming that you find on Bronx Net
you will not find anywhere else on your cable channel
lineup. So far Bronx Net has achieved the following
results: Over 350,000 broadcasts of independent
programs have been produced by Bronx residents and in
most cases the programs were produced with equipment
and facilities provided by Bronx Net. Over 5,000
Bronx residents have been trained to produce studio
and field-based programs through our intensive eight-
week certification workshops. Over 3,000 high school
and college students have gained experience through
hands-on internships in production, management,
engineering and more. As a result, many have
acquired competitive positions at scores of national
and local media outlets. Hundreds of Bronx
organizations and hundreds more across New York City
have utilized Bronx Net signature public affairs
programs as platforms to share important information
about services, activities and issues that are
important to Bronx families and communities. Bronx
Net provides coverage of arts and culture along with
innovate local arts programming. Bronx Net also
helps local artists and organizations build support
in audiences while fueling economic engines and

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contributing to the creative economy. As times and technology change, Bronx Net works to state cutting edge as we enhance our public services in the Bronx. We are building on our strong record of providing workforce opportunities to high school and college students. Also, high school students interning at Bronx Net have demonstrated improved academic achievement and we recently started working with junior high school students, middle high school students to help them prepare for a world of possibilities since they may not have imagined. We reject the implication in the FNPRM that PEG programming is for the benefit of the local franchising authority or a third-party PEG provider rather than for the public or the cable consumer. As indicated above, Bronx Net provides valuable local programming that is not otherwise available on the cable system or in other modes of video delivery such as satellite, including programs that allow residents to remotely participate in live discussions on important community topics. Yet the Commission tentatively concludes that non-capital PEG requirements should be considered franchise fees because they are in essence taxes imposed for the

benefit of local franchising authorities or the
designated PEG providers. By contrast, the FNPRM
tentatively concludes that Bill Dot requirements are
not franchise fees because they are not contributions
to the franchising authority. PEG programming fits
squarely into the category of benefits that do not
accrue to the local franchising authority or its
designated access provider. Yet, the Commission
concludes without any discussion of the public
benefits of local programming that non-capital PEG
related provisions benefit the local franchising
authority of its designee rather than the public at
large. It is important to consider how media
literacy access to broad band and technology and
related skills are increasingly more essential for
participation in contemporary civic and economic life
and how community access organizations like Bronx Net
are anchor institutions serving a critical role in
the technological future of the Bronx and our great
city. Thank you again for this opportunity to
address he Council.

CHAIR PETER KOO: Thank you Ms. Duncan.

Now we have Mr. Anthony Riddle.

2 ANTHONY RIDDLE: Yes, thank you uhm Mr. 3 I'm Anthony Riddle, I'm the Vice-President Chair. 4 for Community Media at Brick. Brick is a downtown 5 arts organization in Brooklyn. The largest presenter of free or almost free programming and incubator of 6 7 artists including media artists here in New York. Uhm we are strongly in favor of the resolution before 8 you today and we strongly opposed the tentative 9 conclusion in the FNPRM that cable related, in-kind 10 contributions such as those that allow community 11 12 programming to be viewed in the cable system are 13 franchise fees. This is in direct contradiction to 14 the original language and congressional intent of the 15 law and contrary to decades of practice. Uhm I would 16 like to paint a little picture with some numbers for 17 you of what we do. We reach over 600,000 homes in 18 Brooklyn alone and we have four cable providers, all of them that are in the City. We uhm we have rating 19 20 that show us that we have more than 5 million views of our programs per year. The programs are produced 21 2.2 by 550 local series produces per quarter. We operate 23 five studios. We have seven locations throughout the borough outside of our main location at the Brooklyn 24 Public Libraries. We have dozens of camera packages 25

which we provide to the public for free. We train
over 5,000 students per year including young people
at 42 public schools in Brooklyn. I had to ask about
this, I couldn't quite remember but it seems like we
have 10 Emmy awards uhm here in New York. I wasn't
quite sure what the number was, because you start
forgetting after a while. But that is after dozens
of nominations in the most competitive market in the
country which casts a line to the idea that, that
public access is not a quality programming source.
Uhm our Brick TV has been included in at least a
dozen major film festivals including both Sundance
and Tribeca. Our meaningful important work for the
community is almost entirely dependent upon our
financial agreements with the cable companies.
Without them our services to the public would cease
to exist. It is not fair to allow these massively
profitable companies to determine an arbitrary free
market, fair market value for in-kind services when
the people who own this valuable public right of way
are arbitrarily prevented from charging fair market
value for the use of the right of way. I would like
to talk about a couple of programs that we have. We
have a program we are very proud of call Project

2 Redirect with the Brooklyn Das off where we work with the Das office with young offenders to give them the 3 4 opportunity not only to eliminate the felony that they have on their record but to discover who they 5 are through the use of video courses and video 6 7 equipment. We also have a program with Made in New York and SBS for the Made in New York Production 8 Training Program wherein people are taught up to a 9 10 level where they can enter the robust film making market here in New York. It is a very intense 11 12 program that requires a lot of work and there is job placement afterwards. But what is interesting is we 13 have both of these programs, Project Redirect and 14 15 Made in New York in our facility that allowed us to 16 introduce the parties in both programs so now some of 17 the students who are in the Das program are given the 18 opportunity to get job related skills through the Made in New York Program so we have sort of a, we 19 20 have a pipeline to work that comes out of the work that we do. We reject the implication and PRM that 21 2.2 PEG programming is for the benefit of local 23 franchising authority or a third-party PEG provider rather than for the public or the cable consumer. 24 Ιn fact, we provide a source for programming that is a 25

2	significant factor in the consumer choice to
3	subscribe to cable rather than competitive systems.
4	We are a primary source of local news and loyalty and
5	good will for the cable companies. The Commission
6	concludes as my colleague said, without any
7	discussion of the public benefits of local
8	programming that non-capital PEG related provisions
9	benefit the LFA or its designee rather than the
10	public at large or the cable company. Tell that to
11	the guests of adopting Teens and Tweens, a program
12	which interviews older young people in need of a
13	family and home and which has on several occasions
14	related in the adoption of those who appeared on the
15	program. We stand with the City of New York in
16	opposition to this poorly drawn and dangerous rewrite
17	of decades of Law and Practice. Thank you for
18	allowing us the chance to talk to you.
19	CHAIR PETER KOO: Thank you. Uhm. Any
20	questions? No. So, you may step down.
0.1	AUDDEV DUNCAN. Thenk were

21 AUDREY DUNCAN: Thank you.

CHAIR PETER KOO: Before we go to the vote, we have uhm Council Member Moya and Council Member Moya will give a statement before the vote.

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2 FRANCISCO MOYA: Thank you uhm Mr. 3 Chairman and thank you to my colleagues uhm for giving me this opportunity. Uhm in late September, 4 the Federal Communications uhm Commission released 5 the second notice of a Proposed Rule Making 18-131. 6 7 If enacted uhm this proposal would introduce new restrictions on local franchising authorities with 8 regards to cable franchising agreements and 9 regulation of noncable services. Ultimately the 10 proposal amounts to a little more than a meaningless 11 12 handout to cable companies while kneecapping our public, educational and governmental programming. 13 Ιt is no surprise that this FCC proposal is nothing more 14 15 than just a naked handout to corporate giants. 16 is the Trump Administrations FCC after all and an 17 administration that has allowed Net Neutrality to 18 die. Effectively selling our internet services to the highest bidder. This rule change that would 19 20 severely limit New York City's ability to negotiate cable franchise agreements to benefit our local 21 2.2 public uhm specifically with regards to local public 23 uhm access networks like the Manhattan Neighborhood Network being one of the which provides uhm public 24

education and governmental programs also known as

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Currently franchise fees for cable providers are capped at no more than 5% of the cable TVs operator's annual gross revenue. As part of the agreement, New York City negotiated cable companies count PEGs as in-kind contributions to the City. the FCC adopts this proposal, cable companies would count the dollar value of those in-kind services against a 5% cap on the franchise fee. This would reduce the revenue that would be directed to PEG channels under our current franchise agreement and it would also preclude local governments from charging uhm cable providers a percentage for revenue for noncable services. This would devastate the public access television organizations like the Manhattan Neighborhood Network and others. Uhm in addition to being the City's largest nonprofit media educator, uhm, the Manhattan Neighborhood Network also serves more than 1,200 students every year and airs 15,000 hours of original content for more than 1,000 contributors. This potential kneecapping of independent media comes at a time when our City is already increasingly starved for new sources with the disbanding of DNA info and the continual lay-offs of outlets like the New York Daily News.

proposal is a flagrant overreach by the Federal
Government and paralyzes the authority of the
municipalities to negotiate their own franchise
agreements. This from the Administration of a
President whose own party starts and ends the
sentence with (INAUDIBLE). Not only that, these
rules change are also are absurd. The cable giants,
the potential profits that they turn would be nominal
at best but to PEGs the money is vital. If enacted
these rules would cripple public programming. These
rules benefit no one, save only those who benefit
from a less informed and engaged public and this
proposal is yet another example of this
Administrations embrace of corporate interest and its
compulsive betrayal of the public good. This is why
I have introduced a resolution along with the great
Borough President of Manhattan Gail Brewer who is
here today uhm to condemn the Trump Administration's
move to gut cable access channels and nullify the
ability of local governments in negotiating their own
franchise agreements. And with that, I encourage my
colleagues to join in condemning this proposal and I
thank you one again Chair for allowing me to come and

KALMAN YEGER: Aye.

2	CLERK LEE MARTIN: Ulrich?
3	ERIC ULRICH: I vote aye and I ask my
4	name be added as a co-sponsor to the Resolution.
5	CLERK LEE MARTIN: By a vote of four in
6	the affirmative, zero in the negative and no
7	abstentions, Resolution has been adopted by the
8	Committee.
9	CHAIR PETER KOO: So, thank you very much
10	for the public and also the members of this
11	Committee, thank you. The meeting is adjourned. We
12	are going to hold the meeting open for 15 more
13	minutes for a Member to come to vote. Thank you.
14	CLERK LEE MARTIN: Continuation Roll Call
15	Committee on Technology Resolution 620, Council
16	Member Lander?
17	BRAD LANDER: I vote aye.
18	CLERK LEE MARTIN: Final, final vote is
19	now five in the affirmative, zero in the negative and
20	no abstentions, Council Member Lander.
21	CHAIR PETER KOO: This meeting is
22	adjourned. Alright thank you.
23	BRAD LANDER: I thank you very much for
24	holding it open.

## ${\tt C} \ {\tt E} \ {\tt R} \ {\tt T} \ {\tt I} \ {\tt F} \ {\tt I} \ {\tt C} \ {\tt A} \ {\tt T} \ {\tt E}$

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 DECEMBER 31, 2018