

APRIL 29, 2008

www.nyc.gov

DEPUTY MAYOR LIEBER AND COMMISSIONER COSGRAVE ANNOUNCE AGREEMENT WITH VERIZON TO OFFER COMPETITIVE CABLE TELEVISION SERVICE TO EVERY NEW YORK CITY HOUSEHOLD *Historic Deal Provides for Increased Channel Capacity and Rigorous Customer Service Protections; Service to be Available Citywide by 2014*

Deputy Mayor for Economic Development Robert C. Lieber and Department of Information Technology and Telecommunications (DoITT) Commissioner Paul J. Cosgrave today announced that DoITT has reached an agreement with Verizon on the terms of an historic citywide cable television franchise contract. The proposed agreement still must be approved by the City's Franchise and Concession Review Committee (FCRC), which is scheduled to hold a public hearing on the matter on Tuesday, May 20. The agreement includes rigorous customer service protections and increased channel capacity and funding for all of the public, educational and governmental (PEG) channels. At the announcement, Deputy Mayor Lieber and Commissioner Cosgrave were joined by Verizon Senior Vice President for New York and Connecticut Monica Azare. The announcement took place at the Downtown Brooklyn studios of NYC TV, which will receive a \$10 million capital grant as part of the agreement.

"Our Administration is committed to bringing better service and competitive choices for cable television to the residents of New York City, and the proposed agreement would go a long way toward doing that," said Deputy Mayor Lieber. "With the introduction of direct competition among cable companies, prices and service levels would reflect real market forces, and New York City customers would be the beneficiaries. I congratulate Commissioner Cosgrave and all of those who worked to get this deal done."

Today, the overwhelming majority of New York City residents have just one cable television provider available to them. If approved, the agreement would require Verizon to offer cable service to all residences in New York City, establishing a competitive marketplace in an industry that has been dominated by single providers and a lack of competition since its creation.

"This is a seminal moment in the history of cable television service in New York City," said Commissioner Cosgrave. "Verizon's unprecedented commitment is an extraordinary vote of confidence in the future of advanced technology infrastructure in New York City. I wish to thank the many dedicated Verizon and City staff members who have worked so diligently on this agreement, and look forward to the FCRC's review of this proposal."

(more)

Under the proposed agreement, Verizon will install highly advanced fiber-to-the-home technology in the City, which will offer greater capacity and download speeds than existing cable television technologies, such as the hybrid fiber/coaxial systems currently available to most New Yorkers.

"This is great news for residents of New York City, who will now have a new choice for their video news and entertainment," said Verizon Senior Vice President Azare. "City residents are already clamoring for these services, which will be delivered to households through an all-fiber connection and provide an unparalleled viewing and Internet experience. It's a 'must-have.' Competition like this drives innovation and value, and puts the consumer in control."

Verizon's agreement will also pay the City a franchise fee of five percent of the revenues generated in the City from

its cable television services, the maximum percentage permitted by federal law. Verizon has also agreed to:

- Nearly double the number of PEG channels currently available to 17;
- Provide a \$10 million grant to NYC TV and increased funding to the community access organizations located in each of the five boroughs;
- Enhance the City's internal telecommunications systems through direct infrastructure improvements to the fiber network, enabling it to handle public safety grade communications; and,
- Provide a \$4 million Technology Education and Municipal Facilities grant to expand public access to technology.

The agreement also includes an extensive set of customer service obligations and protections that Verizon must abide by, incorporating many of the concepts advocated by Comptroller William C. Thompson, Jr. in his recently issued "Cable Consumers Bill of Rights."

Verizon is committing to an accelerated schedule of installing a new fiber system in every street within six years, subject to a maximum of three one-year extensions if certain objective subscription rate goals are not met. The agreement further provides that 30 percent of the City will be built-out by the end of 2008, 50 percent will be passed by the end of 2010, and completion targeted by 2014.

FCRC, which will review this proposed agreement, is comprised of six members – two representing the Mayor's Office, one representing the Law Department, one representing the Office of Management and Budget, one representing the Comptroller, and one representative from each of the five Borough Presidents, who as a group cast one vote.

Contact:

Andrew Brent (Deputy Mayor Lieber)
Nicholas Sbordone (DoITT)

(212) 788-2958
(212) 788-6602