

CONSUMER PROTECTION COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE
Minutes

A regular meeting of the Consumer Protection Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on May 5, 2009.

MEMBERS PRESENT:

Leg. John M. Kennedy, Jr., Chairman
Leg. Ricardo Montano, Vice Chair
Leg. Brian Beedenbender
Leg. Lou D'Amaro
Leg. Edward P. Romaine

ALSO IN ATTENDANCE:

William J. Lindsay, Presiding Officer
George Nolan Counsel to the Legislature
Sarah Simpson, Assistant Counsel
Lance Reinheimer, Assistant Director of Budget Review Office
Renee Oritz, Chief Deputy Clerk
Paul Perillie, Aide to Majority Leader
Linda Bay, Aide to Minority Leader
Commissioner Denis McElligott, Consumer Affairs Department
Ali Nazir, Aide to Leg. Kennedy
Bob Martinez, Aide to Leg. Montano
Kaitlin Boyd, Aide to Leg. Beedenbender
Justin Littell, Aide to Leg. D'Amaro
Debra Alloncius, AME Legislative Director
Lynne Bizzarro, County Attorney's Office
Joan Gilroy, Director of Government Affairs for Cablevision
Jennifer Ostrager, Government Affairs for Cablevision
Patrick McElvoy, Cablevision
Dennis Brown, County Attorney's Office
And all other interested parties

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

THE MEETING WAS CALLED TO ORDER AT 1:13 PM

CHAIRMAN KENNEDY:

Can we please all rise for the Pledge of Allegiance led by Legislator Montanto.

SALUTATION

Welcome to the Consumer Affairs Committee everyone. We do not have any cards, do we, Madam Clerk?

MS. ORTIZ:

No.

CHAIRMAN KENNEDY:

Okay. Anybody wishing to address the Committee? Fine. Thank you.

PRESENTATION

We have a presentation today. We have Joan Gilroy from Cablevision along with some of her support staff. We've invited Joan today to address the Committee about some of the changes that have been underway with Cablevision, technological changes, changes in the viewing packages, changing in the rate structure. And we'd very much like to go ahead and hear from you, Joan, where things are going and how we might best advise our constituents. So with that I'll invite you up, please.

MS. GILROY:

Good afternoon. I'm here with my colleague Jennifer Ostrager who's the Director in Government Affairs to help with answering questions. We appreciate your invitation because a lot has happened in the last year since we've been before the Committee. We have really had some changes in the digital world and we'd like to address that.

So what I think we'll do first is I will give a few prepared comments on where the industry is and where Cablevision's at and what our plans are. There is a rhyme and a reason to what we've been doing. And then we'll entertain particular questions after that.

For the record I am Joan Gilroy, Director of Government Affairs for Cablevision. I would like to begin with a quick recap of some of the key developments of the past few years that are changing the way Cablevision actually operates in Suffolk County. And then after that we will move onto answering any particular questions.

In the past you have heard me tell this Committee that it's undeniable that the media world is going digital. But I can assure you that it is no longer the case. We are digital. Media is digital. We are in the digital world.

Digital technology is simply the string linking everything from MP 3 players and digital video recorders to high definition televisions which have redefined the home entertainment experience and voice over technology which continues to make person to person calling more accessible and cost effective than ever before.

In a few short weeks, the nations' broadcasters, that is, example, ABC, CBS, NBC, those are the string of the broadcasters, and other powerful full power stations will complete their federally mandated transition to digital signal transmission frequently referred to as DTV switch, but not without a few delays. This transmission marks a key development in the history of telecommunications services. Following the multiyear nationwide education outreach plan,

consumers will no longer have access to the analog signal for major broadcasters that have been the dominant means of transmitting television images for more than 60 years.

Over the past few years as the federal government mandated broadcasters switch to the superior digital format, cable operators and programmers have been upgrading their systems in preparation of the day which cable programming is recorded, transmitted, received and viewed entirely in digital. With that day approaching Cablevision recently announced that as of January 1, 2010 we will no longer sell analog expanded basic service to new customers.

This decision was not made lightly as we carefully weighed two key factors before making the announcement. One was the need to remain viable in a vigorously competitive video service marketplace and the need to transition our few remaining analog customers to digital in a customer friendly way.

Today Cablevision carries virtually all of its television programming in a digital format because our customer base has become predominantly digital. And digital technology offers consumers a superior home entertainment experience and more value.

Digital adoption has been rapid, with more than 91 percent of our customers receiving digital service and half of these customers viewing high definition programming. Contrast this with just a few years ago March in 2005, a little over four years ago, Cablevision's digital penetration was barely over 50 percent. So in four year's time it went from 50 percent to 90 percent. So it shows where the customer -- what the customers are expecting.

And HDTV was considered just a luxury item with tech savvy consumers. So still we are aware that the transition to digital does have an impact on our customers. And as such, we have attempted to undertake the transition in a fashion that allowed customers to gradually adopt digital service versus a more abrupt and possibly disruptive switch-over.

Over the past several years we have gradually eliminated the duplicative analog fees of some programming as our customer base shifted to digital. In the past few weeks, we eliminated the duplicative analog fees of 16 channels depending upon the service area where you are, it may vary slightly; thus requiring a digital converter box to view these channels.

As we have done in the past to ease the transition to digital, we have provided customers with the option at no cost for one year to secure a free digital cable box, an IO navigation service which offers immediate benefits including access to more than 30 additional channels available only in the digital format, 46 digital movie channels, the Video on Demand programming and Interactive channel guide. If a customer had an HD television, the transition to digital would give them an additional forty more channels of HD programming resulting in more than 130 total channel options.

This offer was available for the last 30 days and to those that are migrating the analog only customer and it remains available for the next 60 days. So they would have had a period of 90 days if they were analog only to secure a digital box for the next year free.

In fact, since we last addressed this Committee one year ago Cablevision has launched nearly 60 new services in standard and high definition. And we recently announced that by June we will offer more than 100 HD services throughout Suffolk County and our entire service area at no additional charge to customers. So our HD programs, the 100 HD channels are at no additional cost to the customer.

To once again provide some context, in January of '07, we offered the consumers 22 HD services. We're not at 100 HD services. These recent launches included leading news and entertainment and special interest programming that comprise some of the more than 400 channels available to our customers.

Although the benefits of digital are many, we feel that it is important to note that as Cablevision migrates channels to digital, we are unique in our field in that the company still maintains duplicative analog programming and offers Suffolk County customers an analog option of approximately 45 channels including local broadcast stations, some of the most popular cable networks and regional sports programming without a set top box. In fact, Cablevision is the last source of cable analog programming in Suffolk County.

Our competitors who frequently tap the benefits of digital service in their marketing outreach to customers in Suffolk County, Direct TV, the Dish and Verizon deploy a 100 percent all digital services requiring a set top box or digital device on every television that you have in every room in your homes to receive any level of programming. In fact, the switch to digital is so complete that cable programmers no longer even develop new analog services. The latest innovative creations for example Style Network and ABC Live Well HD are available only in digital format.

Cablevision's migration to digital brings with it considerable benefits for our Suffolk County consumers. Our optimum digital cable system delivers crystal clear HD programming that consumers crave. Digital channels take up far less capacity than analog channels so in the place of every analog channel multiple new digital services including advanced services like News 12 Interactive and VAD can be offered.

Customers with digital equipment can also experience a more complete video service product with more channels and an expanded array of 12 international programming channels meeting the needs of the increasingly diverse Suffolk County community. And that's been very popular here, is the international programming channels.

Finally, Cablevision continues to offer customers the latest in state of the art technologies and value including innovative services such as Optimum Voice, Optimum Online and increasingly popular our Optimum WiFi network which is provided free. We provide WiFi free, the high speed data service to our customers without any wires throughout much of the county.

Last week we were pleased to announce the launch of the nation's fastest high speed internet service Optimum On Line Ultra. So that goes beyond our Optimum boost. We're not at Optimum Ultra offering 101 megabytes downstream, 15 megabytes upstream to residential and small business customers throughout Suffolk County and our entire service area. And we announce that -- will be announcing, I guess, May 11th. This announcement also addresses the doubling of the download speed of our Optimum WiFi service proving that our commitment to serving Suffolk residents has made the County one of the most connected and technologically advanced region in the nation if not the world. At this point I will like to -- I will end my prepared remarks and will be happy to answer any questions.

CHAIRMAN KENNEDY:

Well, Joan, first of all, I want to thank you for giving us that overlay. It seems that Cablevision really is moving forward in a pretty aggressive fashion. As I had mentioned to you, a couple of us have had calls from constituents and there have been questions as to why they now have this, why they don't have that and where things are going. If I can just touch on a couple of items with you again, I'll ask you to go over, you mention January 1st of 2010 as a point when Cablevision now would no longer be broadcasting at all on analog; is that correct?

MS. GILROY:

No, it's not. We will no longer sell analog product. So the remaining say approximately ten percent of the customers who have analog only we will consider them in quotes "grandfathered." And at the moment we still transmit around 45 analog channels. So they still will be able to get analog channels. We will no longer sell new customers; moving forward they will be 100 percent digital.

CHAIRMAN KENNEDY:

But clearly after 2010 in order for anybody to view any signal, they're going to need a box or will

those 10% of customers still be able to see some channels just with their set only?

MS. GILROY:

Correct, they will still be able to see some channels, the analog channels. The ones we transmit in analog; and right now there's about 45 channels, they will be able to continue to see those without a set top box.

CHAIRMAN KENNEDY:

When we talk about the various packages that a customer can purchase, there is -- my recollection is one of the basic packages is family or basic cable. Is that the package that will include these 45 analog?

MS. GILROY:

(Indicating yes)

CHAIRMAN KENNEDY:

Okay. And that will continue to be the case.

MS. GILROY:

Yes. Because currently if you're an analog only customer, you're either a basic customer or a family customer. Everything above that is already digital.

CHAIRMAN KENNEDY:

Right.

MS. GILROY:

So we still have the remaining analog in both those. And you will be getting -- analog still will be transmitted in those packages; correct?

MS. OSTRAGER:

(Indicating yes)

CHAIRMAN KENNEDY:

One other question, then I'm going to turn it over to the Committee because I know my colleagues have questions as well, in this move or this effort to go forward with the digital, and I have no idea whether or not this is analogous, as this thing has moved to a different type of operation, there's been a need to secure additional towers for the purposes of transmission. Will you be looking for additional broadcast areas of towers or are you okay with what you have?

MS. GILROY:

No, I don't believe so because we got away from the towers. We built the -- I guess it was back in the late, late '90's, around 2000 we completed in Suffolk County our fiber bill.

CHAIRMAN KENNEDY:

Okay.

MS. GILROY:

Okay. And that's when we built the 750 megahertz and we actually got away from the microwaves on the towers so everything now comes through fiber and then to the home, the digital co-axle so we really are fiber.

CHAIRMAN KENNEDY:

Fine. The only other question that I have and then I'll yield, what's the best thing for us to tell our constituents when they're contacting us about -- either a complaint about no longer having a particular signal or an issue as far as how this is occurring? How do we best refer them? What should we be doing?

MS. GILROY:

Individuals, because very often it gets down to individual's choices and, you know, what they would like for their entertainment, please feel free to have any complaints come to my office because we will individually take care of any particular complaints. I guess overall the message would simply be that the company is moving to a 100 percent digital and that's just where the industry is. That's why we need to move forward. And that the company has chosen to do it over a period and to try to do it as customer friendly as possible.

The company -- any cable company does have the right to move to a hundred percent digital at any point in time. You know, we are aware of and have always been customer friendly in the county so we have chosen to do it and to try to do it in a customer friendly way.

So the best thing would be to contact us because we can talk individually to the customer and see what their needs are. Maybe at this point it would be appropriate for them to get the free offer and that would help -- help get them towards the transition. But the transition -- the total complete transition is coming. So we will try to help them individually.

CHAIRMAN KENNEDY:

Good. Thank you. Legislator Beedenbender.

LEG. BEEDENBENDER:

Thank you. We were talking about how -- I've been using my phone. I talk with my hands. It impairs me if I have to hold the finger on the button. We were talking about how we communicate differently. My staff just emailed me to -- have me ask you a question while I was sitting here.

MS. GILROY:

Because they're streaming it?

LEG. BEEDENBENDER:

Yes, they're streaming it and they're listening to what we're saying. The question is for individuals that don't have a box, apparently recently a bunch of channels have been eliminated from that, and that's part of this process?

MS. GILROY:

Yes.

LEG. BEEDENBENDER:

So you need -- you know, even if you have a box in one part of the house, if you are illegally or legally splitting it off into another room in the house, if you don't have a box at the actual TV, the number of channels invariably will be severely curtailed. And that's part of this transition?

MS. GILROY:

Yes, what just happened -- now you're in the Brookhaven area?

LEG. BEEDENBENDER:

Yes.

MS. GILROY:

So what recently happened as of April 30th effective 16 channels were moved to a -- I shouldn't say moved because they still remain as family channels. How -- what we disconnected was the duplicative analog feed. So we no longer in these 16 channels. We'll have them in analog. They're only in digital. Alright? To have a smooth transition, what we're offering, now these are analog only customers. If you're a digital customer, you have a digital box, you see them. What we're offering is, is for these customers to come down to a walk-in center. You have the opportunity to get a free box for a year to transition you over so it would take you through 'til next year, 2010, and you

would have the box free for a year and you can see if you like it. There's a lot of additional features. If you have a digital box, you can get On Demand, you can get Interactive. And it's trying to help them transition into it and get used to the box, etcetera. So I would suggest -- the best things for those customers to do is take advantage of the free box now. And that would take you through for the year on that.

LEG. BEEDENBENDER:

Alright, because you're here, I have a very parochial, this is not a big cable question, but last year I bought the baseball package. Alright? And I told you it's a parochial question. But I called your customer service and they couldn't answer me so, Joan, you're here so now you can get the question. And when I got the baseball package, one of the reasons because they said a bunch of the channels you could watch all the other games in HD. But you click on the channel and none of them were in HD. So this year I was going to buy it again but I called and asked them, you know, if I bought it, and it says I can watch a game in HD, will it be in HD. And they couldn't tell me because they told me that it worked perfectly. And I dispute that. So my question is if you can just get back to me and let me, if I were to buy that, can I actually watch it in HD because I'm not going to buy it if I can't because I can't go back. Now that I watch things in HD, it's nearly un-watchable.

MS. GILROY:

You're hooked on HD now.

LEG. BEEDENBENDER:

Yeah.

MS. GILROY:

Okay. So you have an HD TV?

LEG. BEEDENBENDER:

I do. It's massive.

MS. GILROY:

And you want to watch your sports packages in HD?

LEG. BEEDENBENDER:

That's right.

MS. GILROY:

So we have to check whether or not which channels --

LEG. BEEDENBENDER:

The little thing says I can watch it in HD but it's not.

MS. GILROY:

ESPN and those -- what are you watching?

LEG. BEEDENBENDER:

Normally I would get the baseball package, the extra one, yeah.

MS. GILROY:

The baseball package, whether it's in HD.

LEG. BEEDENBENDER:

Yeah. And this is a major problem for me, Joan. It's causing lots of problems.

MS. GILROY:

When you watch a sports event in HD, you can't go back.

LEG. BEEDENBENDER:

That's exactly what I'm saying. And speaking of sports, since you're from Cablevision, can you tell me any good news about the Nicks? Anything? Alright, I don't have any other questions. Thank you.

CHAIRMAN KENNEDY:

Legislator D'Amaro has a question and then we're joined by our Presiding Officer. I know he's got a question for you as well.

LEG. D'AMARO:

Mr. Chairman, I'll defer to the Presiding Officer. Go ahead, Bill.

P.O. LINDSAY:

I just want to comment on the problems of a single man, you know, sports packages, HD, you know. I really feel for you, Brian, you know. There is another world, though, you know.

CHAIRMAN KENNEDY:

Legislator D'Amaro.

LEG. D'AMARO:

Yes, thank you. Welcome and nice to see you. I wanted to make a couple of comments. First the WIFI service, which in my area is terrific. It even gets picked up on my cell phone. I happen to have an I-Phone. So the I-Phone automatically searches for available WIFI and it comes up with the Optimum WIFI. And you just plug in your information and you're on line. And it's working very well. It's very quick. So that's a real home run for people that subscribe. You have to be a subscriber, of course, to have access to that. It's not free WIFI but it's a start. It's a great leap in the right direction.

I wanted to ask you kind of a particular question. You talk about getting the cable box. I have analog -- or I have the basic service without a box right now. And I did get the flier in the mail or the letter in the mail saying to me by such and such a date, more and more channels are being removed. I understand all that. You need to move forward with the digital. Has there been any -- is the industry looking at building the boxes into the television as opposed to each provider having their own, you know, box? Because TV's are very sophisticated now. And when you're buying a television, part of what you're paying for is the quality of the tuner, let's say. And it always struck me as odd that you would go out and buy a brand new television with all the bells and whistles and with the technology and pay a decent price for it. And then you set it to channel three and you never touch the tuner again.

MS. OSTRAGER:

Hi. It's something we can definitely get back to you on because admittedly I think Joan and I are not as versed in this but we'd be happy to come back to you on it. As you know we do offer a cable card option for certain TV sets that are built with a cable card slot that essentially enables you to do that. And there are some other industry discussions that, you know, that have been discussed but unfortunately I'm not really well versed to answer that at this time but be happy to come back to you on that.

LEG. D'AMARO:

Well, I don't want to make work for you. If you're not well versed on it, then it's probably something way off in the distant horizon if it's even being talked about because I understand that the box is what makes it proprietary to the provider. And through that box is how you control the services and what you're providing. That's really the -- kind of inviting the cable company into your home and controlling your television in a sense or the satellite provider, whoever it is. But again it just seems that if it was some kind of universal standard, where you can get the signal into the TV with the tuner built in without having to get all these separate boxes -- what I'm trying to avoid is

when I got the letter, I have to do down and pick up the box.

MS. GILROY:

Okay, Legislator. Patrick McElvoy, which is with our group, he seems to know a little bit more about that and so he's going to share what he knows about -- about being a little more universal.

MR. MC ELVOY:

Actually, yes, Legislator, the technology you're talking about is called True Two-way. It's an agreement between cable providers and the consumer electronic companies. Sony and Panasonic have these products in development but they haven't been made readily available in the mass level yet. It's one of those things -- we don't -- the True Two-way consortium has essentially -- they've developed a technology that will allow the different television producers to send down loadable security for encryption but it's not ready yet. It's something to keep track of. There was some big announcements within the last few months.

LEG. D'AMARO:

That's fine. The encryption would be done, then, by the channel or the station, whatever, the provider.

MR. MC ELVOY:

There would essentially be a hard drive within the computer or within the television. And they'd be able to beam down the encryption that way and you'd be able to view the signal.

LEG. D'AMARO:

Yeah, probably have the signal come in with different encryption and a TV with a CPU in there, would be able to distinguish or program itself or however they would do that.

MR. MC ELVOY:

That's exactly what it would be.

LEG. D'AMARO:

So that's something that's maybe in development.

MR. MC ELVOY:

It is definitely in development. There has been some speculation that 2010 would be the time period when some of those initial models will be available on a broader scale. You know, every cable company uses a different technology. And so trying to come to a uniform platform is taking some time.

LEG. D'AMARO:

Two more quick questions. I wanted to ask what percentage of a cable bill is not for the cable company? Taxes, fees, surcharges, FCC, whatever it may be, roughly?

MS. GILROY:

When the consumer gets it, or whatever they purchase is listed.

LEG. D'AMARO:

Right.

MS. GILROY:

Then it says federal, state and local fees. What's included in that, and it varies by municipality, maximum being 5 percent of gross receipts, is the -- is part of that line. I say it varies because it's maxed by federal government. The maximum amount a municipality can receive is 5 percent.

LEG. D'AMARO:

That's the franchise fee?

MS. GILROY:

That's the franchise fee. And that goes to the townships or villages, that 5 percent. Then there's a federal and then there's a state. I believe the -- one is like point 0 one percent or -- I can get you the exact percentages. They're under 1 percent. One gets paid to the Public Service Commission, one goes to the Federal Communication Commission. And they're really like a user fee to keep the operation -- I guess we're supporting the operation of these departments. And so the total would be max at 5 percent. Some municipalities actually choose not to have a franchise fee. Some have at it three percent maxed at 5%. And then it would be these various small percentages and I can get those. I don't remember them off hand to the PSC and the FCC. It's less than a one percent. They're point something percent. So I guess you can back in and say of the bill less than six percent; so it would be five points something percent, would be paid to fees.

LEG. D'AMARO:

Most of that being the franchise fee to the municipality.

MS. GILROY:

Sure, that's the largest. That's the largest amount. And the gross receipts, what you're paying 5 percent on, the gross receipts is negotiated during the renewal; the franchise renewal.

LEG. D'AMARO:

Okay. And my last question is how's the competition? Are you -- I know that recently there's been some other companies coming in and offering similar services. How's that impacting Cablevision in what you're doing?

MS. GILROY:

Yes. In Suffolk County they are in -- Verizon secured franchise agreements in the four western -- large western towns of Huntington, Babylon, Smithtown and Islip. We're head to head competition. And some of the surrounding villages. A few villages in Brookhaven, but none of the towns Brookhaven and east. I think we're doing fine. What do you think, Patrick? Do you want Pat's comment on that? Yeah, there's always a blip in -- right after the franchise is signed, people that choose to go to the competitor. But we have a very nice win back rate that's going on because I truly believe two things. I think it's customer service. I think you can find us. I think you can always -- whether you're agreeing or disagreeing, you know where we are and you can find us. And there's that -- still that local-ism about Cablevision. So we are getting win backs on customer service and competitive rates.

LEG. D'AMARO:

Very good. Thank you.

CHAIRMAN KENNEDY:

Anybody else? Mr. Presiding Officer.

P.O. LINDSAY:

Joan, I came in a little bit late but my office has received some complaints in Islip, too, about losing stations. And is the explanation the same, that it's in this transition from analog to digital that this is happening?

MS. GILROY:

Yes, that's what we were explaining, that we absolutely are heading towards a hundred percent digital in the company. I don't know if you heard us say that by January 1, 2010 we will no longer sell analog services. The people that have analog will be grandfathered. We're not just dropping our analog. We still have 45 analog channels, but it is the transition where we're dropping the duplicative transmission of analog to a hundred percent. The goal is a hundred percent digital. I don't have and we don't have at this point a date to give you, but that's what's happening.

To ease it, what we talked about to ease it and particularly just now, as of April 30th we transitioned another 16 channels. We no longer will be sending in analog. To try to remain customer friendly, what we did is we're offering a free box for a year so anyone can come in and get that.

P.O. LINDSAY:

And that applies to Islip as well?

MS. GILROY:

Yes, all over, universal. So that they can come, try to get used to the digital. We're trying to make it a smoother transition.

P.O. LINDSAY:

Okay.

CHAIRMAN KENNEDY:

Okay. Well, on that note -- Legislator Romaine, I'm sorry, okay, go ahead. You've good some questions. Please.

LEG. ROMAINE:

Yes. Joan, one of the things that people comment on is channel 22 which in Shelter Island, in Southold and in Riverhead is all of their town governmental meetings from town board meetings to town planning board meetings to town ZBA meetings. And that is also true in Brookhaven on channel 18.

The one unfortunate thing that people comment on, we know a great deal about our town governments but we know nothing about the operation of the County Legislature. Is there any plans to televise the committees of the County Legislature and the General Meetings of the County Legislature? Now they meet -- we meet here in the County of Suffolk far less frequently than towns do. They usually meet every two weeks, at least twice a month. This Legislature doesn't meet that frequently. But people have asked how come the County Legislature and its committees are never on TV? And if we want to ever follow what's going on, we have to, you know, we have to go to Hauppauge instead of being insomniacs and watching something that will help us fall asleep. So -- well, most people do that or they catch the town channels as they flip through but --

LEG. BEEDENBENDER:

Your voice is very soothing, Legislator Romaine.

(LAUGHTER)

LEG. ROMAINE:

But that is a key question. And I guess part of the problem is the fact that Cablevision and the franchise for Cablevision is negotiated by villages and towns and not by the County. So I don't know if there's any plans that Cablevision has made or any discussions either in Nassau County with their Legislature or in Suffolk County with our Legislature, to provide televised situation or if they've reached out to the towns and allowed our -- at least offer the opportunity for us to do anything of that nature.

MS. GILROY:

I know we did have prior some conversations with the Legislature. And I know some of the thinking at the time was really to move more towards the capabilities on line to do it as -- as Brian had mentioned before he was -- I guess the audio is coming. And I don't know if there's any intention for downstreaming video through the internet to cover. I know we've discussed that.

The other thing is, is it's more at this point for the Legislature almost a production issue because there are government access channels throughout the County. And I think it's six out of the ten or

seven out of the ten, they program those channels themselves. So if you want to get on, say, channel 22 out east, if you've -- if you had a tape or a production, a disc, a DVD and you enter any one of the towns, you could air that. So you can air that. So it becomes -- what we don't do and we never did really was to do the production end of it. So if you wanted a camera in here and you wanted to do a production --

LEG. ROMAINE:

We probably would need three cameras here. We may need a little bit more sophistication than they have in Shelter Island. They have one camera there. The Supervisor has the remote. When the meeting starts, he clicks the remote and there begins the meeting. And when the meeting's over, the Supervisor clicks the remote and turns off the camera. And that's how -- they have one camera sitting in the far corner that apparently is scheduled to hit the five town board members and anyone that comes up to speak. And that's it. It's as simple as it could be. You couldn't get more basic than that.

Now I would think because we have 18 and we have a horseshoe configuration, we probably need three cameras. But it would certainly provide transparency. It certainly would give people a taste of some of the issues. I think more people are engaged in town government. Some people have suggested elections have been won and lost, in fact, the special election may have been won and lost simply based on the persona of a particular councilman at a particular time over many months on a particular channel.

I certainly think it would benefit the general public to have access to the proceedings of the County Legislature. A lot of things that we do affect their lives; that gets them more engaged. I think more people are involved. I listen -- out east everyone listens to channel 22 because they, you know, everyone knows everyone out there. And it's like a -- you know, they want to find out what's going on. It's like a sporting event.

In Brookhaven, it's a larger town. Not everyone is as engaged but nevertheless it has a powerful influence. And I think that would be just a very good thing. I don't know how that gets done. I know Legislator Kennedy and I have advocated for this in the past. And it's gone absolutely nowhere. It's almost as if we want to be in the dark. It's almost as if someone's taking the invisible clicker and clicking the off button and keeping the thumb on the off button.

I'd like to see a day come when the on button comes, where we can discuss some of the issues that we have. And a lot of stuff we do is routine, but some of the stuff isn't, and talk about some of the issues that confront Suffolk County and know that the general public is listening.

Rick Brand does a great job, but unfortunately he's limited. They only give him so much. And Newsday, which is I guess, you own Newsday now, but Newsday is cutting back on how much they print and he can't -- he's at all these meetings and I feel bad for him because I'm sure he's writing stories about everything but it never makes it in unless it make on the blog but it would be so much better for the people to see in real time some of the issues that we confront and the debates that take place on those.

MS. GILROY:

As I mentioned, we provide the air time. You know, that is available currently in all the towns. There's government access availability. And as I said six out of -- I think there's six -- I got to figure out in my head, six or seven towns who actually program those channels and schedule them so what it really probably gets down to is a budgetary issue. If you want to go out and have the production, put cameras in here, you know, because cable -- cable would be -- nor do we -- do we -- are we responsible for the production end so what we're saying is --

CHAIRMAN KENNEDY:

Can we --

MS. GILROY:

-- cable, we provide the conduit of an access channel; a government access channel.

CHAIRMAN KENNEDY:

Okay. Can we -- the Presiding Officer has something to share on this as well. And Legislator Romaine brings up a number of good points. As a matter of fact even today I had the opportunity to see somebody who spoke ad nauseum about me on channel 18; nevertheless, I wonder if when we move to the digital technology, if there might be some technological benefit that can be derived from having to make all those multiple tapes. Nevertheless that may be an issue for another day.

The Presiding Officer asked to be recognized. Please, Mr. Presiding Officer.

P.O. LINDSAY:

One thing I know for sure, Joan, nobody's going to pay extra to see us. Alright? That's a given.

CHAIRMAN KENNEDY:

That's not in the new package.

P.O. LINDSAY:

This problem that Legislator Romaine describes, and you should really know this, Ed, isn't their fault. I mean our Clerk's office worked out all kinds of arrangements that we would have been able to find enough time admittedly we're second to the towns. They would give us extra space after they would broadcast their town meetings. And we also -- the clerk has an extensive report about doing it in real time in video streaming of where we could do that.

The problem is the recession. We were moving in this direction. But it's going to take an outlay of a considerable amount of money to outfit the auditorium with the proper equipment to do it the right way. And with the recession it got pushed on the back burner. And it isn't Cablevision's problem. It's totally in this room.

CHAIRMAN KENNEDY:

Alright. Well, I want to thank you very much for coming. It's been very enlightening. Maybe if we could get some pitching for the Mets from Mr. McElroy here, you know, solve an HD problem, we'd all be way ahead of the game. Thank you very much for coming and have a good day. Bye.

MS. GILROY:

Thank you for having us.

TABLED RESOLUTIONS

CHAIRMAN KENNEDY:

Okay, let's turn to the agenda. Under tabled resolutions we have **IR 1113, a local law specifying procedures and requirements for the use and acceptance of electronic agreements for the purchase and sale of home heating oil. (Presiding Officer, on request of the County Executive)** Do we have any indication on this resolution? I know previously there had been a request to table. Any indication at this point? Do we have anybody here from the administration?

LEG. D'AMARO:

I'll offer a motion to table.

LEG. ROMAINE:

Second.

CHAIRMAN KENNEDY:

Okay. All those in favor? Opposed? Fine, the bill is tabled. **(Vote: 5-0)**

IR 1282, adopting local law number 2009, a local law to amend the Suffolk County Code to include gem exchanges as licensed occupation. (Kennedy) It was previously tabled for public hearing. That was had. I'll offer a motion to approve.

LEG. BEEDENBENDER:

Second.

CHAIRMAN KENNEDY:

Second by Legislator Beedenbender.

LEG. D'AMARO:

On the motion, Legislator Kennedy, if you could just provide us with a brief explanation, what the goal is of the legislation; or if Counsel would like to do that.

CHAIRMAN KENNEDY:

Well, why don't do it together? I'll take a stab. This comes out as a result of some work that we had had prior in the earlier part of the year where there is a regulation set of terms and conditions under administrative code for those merchants who are engaged in the purchase of precious metals. However, there's nothing in the code at this point that requires them to actually hold semi-precious and gem stones in the same manner that they must hold bracelets, jewelry, rings and things such as that when they're sold for the minimum 21 days.

It's been reviewed by the District Attorney's Office with their support. As a matter of fact we have had extensive input with the Suffolk County Police Department and all the law enforcement agencies as well as our Director of Consumer Affairs has indicated that this would there a valuable tool when it comes to tracking down property that may not be obtained through legitimate purposes. So it's an opportunity to expand the code. Does that more or less summarize it?

MR. NOLAN:

(Indicating yes)

LEG. MONTANO:

Chairman?

CHAIRMAN KENNEDY:

Yes, yes, certainly, Legislator Montano.

LEG. MONTANO:

Penalties involved? What do they, parallel the other --

CHAIRMAN KENNEDY:

Yes. It would be similar to what we have. And as a matter of fact, we have Chairman McElligott -- Commissioner McElligott here. And I'm going to invite him to come up to the table as well and perhaps, Denis, if you could just speak on the particulars with the bill.

COMMISSIONER McELLI GOTT:

Good afternoon. Legislator Kennedy, thank you very much for the opportunity to speak with you. I have worked extensively with Legislator Kennedy's office and his staff as well as with the precious metals industry. And we've been in touch with the Suffolk County Police Department regarding this potential amendment or change to our statute.

What we are -- what this legislation would do would simply include the purchase of gems to require the same record keeping and coordination with the Suffolk County Police Department as the purchase of any precious metal. It doesn't require any additional licensing. The individual businesses that are purchasing gems right now are purchasing precious metals. They have precious

metal licenses. It simply means that if somebody comes to them with a diamond ring that has gold attached, they must keep it for 21 days and make records that are reported to the Suffolk County Police Department; thereby giving the police department the opportunity to recover that item for one of our citizens.

If the gem -- without this legislation, without this change, if the diamond is popped out of the ring, the purchase can be made without any record keeping and without the Suffolk County Police Department having any opportunity to recover that item.

This Legislature led the way in terms of the precious metals licensing requirement and record keeping. What's being suggested now mirrors Westchester County's legislation. Westchester County looked at what this legislature had done in the previous -- previously and improved upon it just a little bit. And this will be an improvement to our legislation.

CHAIRMAN KENNEDY:

Thank you, Denis. Any questions? Yes, Legislator D'Amaro.

LEG. D'AMARO:

Thank you. So you're expanding what we have on the books right now which only deals with precious metals and coins and expanding that now to gems. Gems have not been covered in the past at all under our code?

COMMISSIONER McELLI GOTT:

Gems have not been covered under our code, but I would correct you in terms of the issue regarding coins. Our precious metals licensing procedure doesn't include coins because coins have what is determined to be a numismatic value which is separate and apart from the weight of the metal.

LEG. D'AMARO:

So any dealer -- if this were enacted, any dealer purchasing gems whether it's part of a setting or whether it's a loose gem is now required to keep a more detailed record as well as hold it for a 21 day period. And do you have to also transmit those records to someone?

COMMISSIONER McELLI GOTT:

The record keeping is specific with regard to the individual making the sale with identification and a description of the individual, a description of the item being purchased, a description of the cost and the basis for the cost meaning are you buying it per piece or per weight.

LEG. D'AMARO:

Who makes that record, though?

COMMISSIONER McELLI GOTT:

The record -- the individual making the purchase.

LEG. D'AMARO:

The purchaser makes a record of the seller?

COMMISSIONER McELLI GOTT:

Correct.

LEG. D'AMARO:

In other words, *these are the circumstances under which I purchase this gem.*

COMMISSIONER McELLI GOTT:

Correct.

LEG. D'AMARO:

And you make a record of that. That's not happening now.

COMMISSIONER McELLIGOTT:

It's not happening now with regard to gems. It's happening now with regard to precious metals. Or it's supposed to be happening. We're working in coordination with the Suffolk County Police Department. The Police Department works quite regularly having sting operations where they've been -- they've sold items or simply done searches of the records which were supposed to have been made.

LEG. D'AMARO:

Are those records just required to be held by the buyer or do they have to be transmitted somewhere?

COMMISSIONER McELLIGOTT:

Both. Held by the buyer and transmitted electronically to the Suffolk County Police Department at the end of the business day.

LEG. D'AMARO:

At the end of every day. Now, how many establishments would this cover?

COMMISSIONER McELLIGOTT:

My understanding is right now we have approximately 180 -- sorry. 160 something licenses with 180 something locations.

LEG. D'AMARO:

So you're estimating 160 licensees will now -- that are engaged in the purchase of gems would now have this additional record keeping as well as the obligation to transmit that information to the Suffolk County Police Department on a daily basis?

COMMISSIONER McELLIGOTT:

That is correct.

LEG. D'AMARO:

Do they have the ability to do that presently or is there a cost involved in trying to set that up?

COMMISSIONER McELLIGOTT:

Well, the cost of making the record, the paper record is right there at the time that the purchase is being made. We have allowed -- the statute allows for electronic transmittal. And the electronic transmittal to the police department, I don't believe, is a sufficient or substantial cost.

By the way, there is an additional exception. There is an exception for jewelry stores. That should be understood because it's the same exception that applies in the precious metals area. The idea being that the question is, is the transaction about the value of a particular, say, piece of metal or is it a piece of jewelry. If it's a piece of jewelry, it becomes a different situation.

LEG. D'AMARO:

So the law does not apply to jewelry stores?

COMMISSIONER McELLIGOTT:

That's correct.

LEG. D'AMARO:

Well, do jewelry stores take in gems? Do they purchase gems from the public?

COMMISSIONER McELLIGOTT:

Not usually, no.

LEG. D'AMARO:

So this is really targeting what type of business?

COMMISSIONER McELLAGOTT:

If you've checked out the back few pages of Newsday over the last three months, you'll see that as the economy -- as there are problems with the economy, there are more and more advertisements asking people if they're interested in either coming to a particular business or having what they call a gold party where individuals are selling gold to a business that is then going to either re-sell it or melt it down and re-sell it. Our concern and the concern of this statute both for precious metals and now here for gems is to be sure that the individuals making those sales are individuals who are the actual owners of the property.

LEG. D'AMARO:

Well, you're really not making -- you don't know that. You're just keeping a record should someone report an item stolen, it would come up on this data base and it would help the investigation into a stolen item. The buyer really doesn't know whether or not the item is hot or not.

COMMISSIONER McELLAGOTT:

You're absolutely correct. The buyer doesn't. But what the buyer knows is when he's making that transaction, when he's paying for the gold, he knows -- and being politically correct -- he or she knows that they must keep that gold, keep that for 21 days, make the necessary records, transmit that information to the police department. And I think that the police department agrees with us that in most cases if your gold has been stolen within 21 days, you're going to know about it. And that's the purpose of this statute.

LEG. D'AMARO:

Okay, thank you.

CHAIRMAN KENNEDY:

Legislator Montano.

LEG. MONTANO:

I think you answered most of them. Denis, just quickly, I don't know the industry so the establishments that are buying the precious metals that are covered by the law, those are the same establishments that are buying gems; am I correct? In other words, is there a gem solely industry out there that this law would apply to or are we just extending gems to what's already being done by the establishments?

COMMISSIONER McELLAGOTT:

I would say it's the latter. In our review of the industry, in our review of the advertisements, gems is simply a small portion --

LEG. MONTANO:

-- of the existing business?

COMMISSIONER McELLAGOTT:

Exactly.

LEG. MONTANO:

Got you, got you. Alright, thank you.

CHAIRMAN KENNEDY:

Okay. Any other questions? Alright, with that we have motion to approve and a second. All those in favor? Opposed? Motion passes. **(Vote: 5-0)**

INTRODUCTORY RESOLUTIONS

Among our Introductory Resolutions we have **IR 1415, adopting local law number 2009, a local law banning the sale of drop-side cribs in Suffolk County. (Horsley)** I understand we'll have to table for a public hearing.

LEG. D'AMARO:

So move.

CHAIRMAN KENNEDY:

We have a motion to table, seconded. All those in favor? Opposed? **(Vote: 5-0)**

We stand adjourned. Thank you.

**THE MEETING CONCLUDED AT 2:08 PM
{ } DENOTES SPELLED PHONETICALLY**