

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 October 5, 2010.

MEMBERS PRESENT:

Leg. Ricardo Montano, Chairman
Leg. Jay H. Schneiderman, Vice Chair
Leg. Thomas F. Barraga
Leg. DuWayne Gregory
Leg. Edward P. Romaine

ALSO IN ATTENDANCE:

Presiding Officer William J. Lindsay
Leg. Wayne Horsley, Fourteenth District
Leg. John M. Kennedy, Jr., Twelfth District
Leg. Thomas Muratore, Fourth District
George Nolan, Counsel to the Legislature
Sarah Simpson, Assistant Counsel
Ben Zwirn, County Executive's Office
Tom Vaughn, Aide to County Executive
Renee Ortiz, Chief Deputy Clerk
Paul Perillie, Aide to Majority Leader
Linda Bay, Aide to Minority Leader
Bob Martinez, Aide to Leg. Montano
Catherine Stark, Aide to Leg. Schneiderman
Jason Richberg, Aide to Leg. Gregory
Dot Kerrigan, Legislative Representative for AME
William Shilling, Aide to Presiding Officer
Joan Gilroy, Director of Government Affairs for Cablevision in Suffolk County
Ululy Martinez, Director of Government Affairs for Cablevision in corporate
Rick Brand, Newsday
Joe Muncey, Budget Review Office
Joe Schroeder, Budget Review Office
And all other interested parties

VERBATIM MINUTES TAKEN BY:

Diana Flesher, Court Stenographer

THE MEETING WAS CALLED TO ORDER AT 1:13 PM

CHAIRMAN MONTANO:

I call the meeting of the Consumer Protection Committee to order with the Pledge of allegiance led by Legislator Schneiderman.

SALUTATION

Okay, next item on the agenda is correspondence. We don't really have any correspondence.

Legislator Romaine. Commissioner McElligott, I understand, is not well and he will not be here today. So I know you had some questions for him. What I would suggest in the future is just send those -- either have the request come through the Chair so we can put it on the Committee or send him those questions directly, which you did, I believe.

LEG. ROMAINE:

I sent him and then I copied members in the e-mail. I copied all the members of the Committee.

CHAIRMAN MONTANO:

Right. But he can actually send you that information directly. There's no need for --

LEG. ROMAINE:

He hasn't had the liberty -- attempted to do that. I just wanted to know, I believe, they have seven Ranger trucks at Consumer Affairs. All of them have a 100,000 plus miles on them. And the gas truck that they have to test the gas station dates back to 1984. I know DPW has a line in its capital budget for replacement vehicles. And I wanted to know had he put in for any of those replacement vehicles.

The other thing is, you remember with the testing, the testing was being done in the barn and that was found by the Electrical Board to be less than adequate. We moved that to 137 -- building 137. And I asked if there was adequate water, electrical and natural gas in that building to undertake -- to continue to adequately undertake the testing for the electrical work that Consumer Affairs does. So it's two very simple questions that I just thought I'd pose to the Commissioner. He could discuss, you know, his plans today.

CHAIRMAN MONTANO:

Right, well. He's not here. But let me ask you this. In terms of -- since you posed the question, let me ask Counsel, isn't there a requirement or does this fall into the category where if a Legislator requests information from a department or department head or a commissioner, that it should be answered within ten days?

MR. NOLAN:

It's either five or ten days. It's known as -- five days.

LEG. ROMAINE:

It's the Herb Davis Law.

MR. NOLAN:

The Herb Davis Law.

LEG. ROMAINE:

I didn't invoke that.

CHAIRMAN MONTANO:

Let me ask you this. Let me just interrupt then. Five days might be, you know a short time. And I would imagine that a response within five days would be like, *I'll get to you, but I can't do it within five days*. I think that would be appropriate. Let me finish, if I may. If the Commissioner doesn't respond, and this is more directed to Counsel what, if anything, is the remedy? Why are you laughing, Ed?

MR. NOLAN:

Well, this question's come up -- I think this question's come up before because there is no remedy in the law.

CHAIRMAN MONTANO:

Maybe you should put in a bill. No, seriously I think we had -- I had a meeting scheduled with Commissioner McElligott this week. Was it this week, Bob? It was last Friday, I'm sorry. And -- that's right this week -- we're already in Tuesday. On the way here there was an accident, I understand, involving one of the trucks from Consumer Affairs so he had to be diverted. So we didn't get an opportunity to meet. Excuse me? What was that? You want to come on the record?

LEG. ROMAINE:

I raise the question as you can see from the e-mail on September 26th. Obviously I'm raising the question because I didn't want to invoke the Davis Law. But what I did want to do is I thought the Commissioner could come and tell us his plans in terms of setting up at least some type of schedule to replace outdated vehicles because you don't want to have unsafe equipment in the department. And these guys use these trucks all the time. And when all of them -- all of them have over 100,000 miles on them, and some of them far more than that, you do want to see if there could be some replacement.

And there was a big to do that was made by the Electrical Board about the unsatisfactory condition of the barn where the testing was taking place. We moved it to building 137. And I'm just asking is there adequate electric, water and natural gas so that testing can be done there. And obviously I'm not asking those questions in the dark. And I wanted to have a discussion with the Commissioner. I did not invoke the Davis Law. It doesn't rise to that level. I just wanted to have it for the Committee to get a handle on Consumer Affairs.

CHAIRMAN MONTANO:

Okay. And, you know, as I said, I also did not get a chance to speak to the Commissioner because of the accident. So we're going to reschedule that and, you know, maybe at the next meeting we can deal with this.

Moving on, Public Portion, I don't believe we have any public speakers. And we'll go right into the presentation. Joan Gilroy and -- say that again your middle name.

PRESENTATION

MS. GILROY:

Bocchieri.

CHAIRMAN MONTANO:

Bocchieri, okay, Director of Government Affairs at Cablevision. We'll discuss the digitalization initiatives and the elimination of duplicative analog feeds. Is that your worker there? Come on forward, sir. Would you identify yourself for the record. Take your time. We're casual.

MR. MARTINEZ:

Good afternoon. My name is Ululy Martinez. I'm Director of Government Affairs for Cablevision.

CHAIRMAN MONTANO:

Welcome to the Consumer Protection Committee meeting.

Just for the record, there was a letter, and I guess Joan will discuss that, there was a letter that was sent out. And my office received a call from one of the media outlets regarding the elimination of the analog service. And when I asked -- what I told them was that at the next Consumer Protection Committee, we would ask someone from Cablevision to come forward and explain from a consumer perspective what exactly this means for the consumer. The letters -- Bob, were those handed out? No.

All right. The letters were addressed to the Village of -- the Mayor of the Village of Lindenhurst, Amityville and, I guess, you know, Town of Islip, Town of Huntington. And it discussed the issue of moving from the analog to the digital system; but there also, what I understand, is going to be a fee imposed for any customer or consumer of an additional \$6.95 for the conversion box. Is that accurate, Joan?

MS. GILROY:

After a period of time. We have free box offers that are running and I'll address it in my remarks. There is one.

CHAIRMAN MONTANO:

All right. So why don't I turn over the -- yeah, I just want you to address the issue to the members of the Committee. If anyone wants to see a copy of these letters, I have them here.

And with that, Joan, why don't you discuss what it is that Cablevision is actually proposing and how this is going to work. And I might add, also, that this has to do -- this is going to be dealt with primarily between the Cablevision and the municipality that has the contract to allow Cablevision to run services within that municipality.

So with that said, Joan, I turn it over to you. Thank you for coming.

MS. GILROY:

Thank you. And I think I'll be -- in my prepared remarks, I will be addressing some of the items that the Chairman just mentioned. And then obviously we'll be here to answer any further questions. And we'll also answer why certain municipalities received a letter because we're doing a rollout. And we're sending the letters as it is affecting the particular areas. So I think on the Committee here, I think the only one that has the area that is affected really is Legislator Gregory and a small portion of Islip. And it might be part of Legislator Barraga's, your area. But anyway, I'll start with the prepared remarks and then we'll be very happy to answer any questions.

Chairman Montano, Vice Chair Schneiderman, and Members of the Committee, good afternoon and thank you for having us back. For the record, I am Joan Gilroy, Director of Government Affairs for Cablevision in Suffolk County located at 1600 Motor Parkway, Hauppauge. And with me is my colleague Ululy Martinez, Director of Government Affairs for Cablevision in corporate.

We appreciate the opportunity to come here once again to update you on the status of Cablevision's digitalization plan on Long Island. In September Cablevision began the process of moving to an all-digital platform on Long Island with phase one including Nassau County and in Suffolk the Towns and Villages of Huntington and Babylon and a very small portion of Islip. We anticipate that the digital transition across the rest of Long Island will take us until early next year to complete.

This follows the completion of the digitalization of Cablevision's systems in New York City, which was in March of 2010. And it's Connecticut systems were completed in July of 2010.

You may recall that we last were here before the Committee in May of 2009, at which time we

discussed competition, the advantages of digital technology and the addition of an array of High Definition, which we call the HD channels and the beginning phases of Cablevision's elimination of the analog cable services. We highlighted the advantages of digital cable including the enhancements to picture and sound quality, the opportunity for more programming choices and an overall better television viewing experience for our customers. Cablevision has invested heavily in the digital cable technology, spending billions in the past decade to equip our cable systems on Long Island with the most advanced technology and services available in the country.

Today Cablevision operates in the most competitive "digital" cable television market place in the nation. All of our competitors including Verizon and satellite companies are already digital only. In June of 2009 the nation's broadcasters completed their federally mandated transition to digital signal transmission and they are digital-only. For Cablevision to continue to maintain three formats of analog, digital and high definition, it would be an extremely inefficient and antiquated approach that is not in line with the way video programming has evolved and is currently transmitted in our footprint.

So before beginning, our all-digital transition on Long Island, more than 95 percent of Cablevision customers were already subscribing to digital cable services in their homes. As a result the impact of this latest conversion, the final phase, should not cause disruption to most customers. For those with digital set-top boxes or Cable CARDS operating with their television, this transition will have no impact.

To ease the transition for those affected, that 5 percent who are not already familiar with digital, Cablevision has established customer friendly promotional free digital box offers. So this is addressing the question that the Chairman asked me at the top of the conversation. So that someone who does not have a digital box today will be given the opportunity of this offer. These offers include up to two free cable boxes for two years for customers with analog only service packages, up to three free boxes for one year for existing digital cable customers. So say you have five TV's in your house. And you have two boxes already on your TV's. And the other three televisions you will be receiving a cable signal that was an analog signal and it was unscrambled. What we will give you, you will continue to pay for your two digital boxes that you were paying for, but in addition we will give you three free boxes for a year for those other televisions to give you a transition into the program.

And the last offer is a special offer for low income Medicaid eligible analog customers up to two free boxes for five years. For eligibility and terms of these offers, Long Island customers where the rollout is occurring, and we're only -- we're communicating as the rollout is occurring in the area, no sense communicating with customers who are not going to be affected this, say, 'til 2011, so in the areas where it is, we're encouraging the customer to call the company, to go to the customer walk-in centers or visit the company on line at our on line website.

In addition to keep customers informed about the transition, how we're informing them, the company has engaged a comprehensive outreach and communication plan. And this includes two direct mail letter pieces, an answering machine message, outbound telemarketing to targeted customers and an on air message once the channel is no longer available. All messaging explains how to get the equipment, special offers, as I've just described, and the timing of the change, when they have to make the change, go get the boxes before it expires.

As you know, Long Island and Suffolk County are important markets for the company. We continue to innovate to bring new products and services to our customers here. In 2008 Cablevision launched Optimum WiFi to give our customers access to broadband services at train station platforms and in downtown "Main Street" areas across Long Island. We also introduced Optimum Ultra, which is at 101 mega bites, is the fastest residential broadband service anywhere in the country. In 2008 we purchased Newsday. And in 2009 we started MSG Varsity, which is extremely popular. And a 24-hour programming channel as well as an interactive broadband service devoted exclusively to high school sports, high school activities and high school life. In 2010 MSG Varsity

went HD. These are just a few example of how Cablevision continues to invest and innovate to add value to our services for customers in Suffolk County.

Finally we appreciate the willingness of this Committee and the full Legislature to embrace Cablevision and the thousands of our employees who live and work in Suffolk County. Thank you for continuing to support business policies that foster a climate for Cablevision to advance jobs and economic opportunities right in our home community of Long Island even during the tough economic times.

At this point I will end my prepared remarks. I'll be happy to answer any questions and also my colleague is here to help answer any question. Thank you.

CHAIRMAN MONTANO:

Do you have any questions? I'll pass on first. Any questions? Legislator Gregory.

LEG. GREGORY:

Hi, Joan. I want to thank you for coming in today. So your rollout is starting in Amityville and it seems from what you said kind of rolling east to the Town of Islip and some of the West Islip areas. And that started September 8th?

CHAIRMAN MONTANO:

Yes? You have to hold it.

MS. GILROY:

Yes, it is. And let me just tell you why you went first just technically, all of Nassau County and geographically the areas of Babylon and Huntington and the Villages within those communities, and a very small portion of Islip, are physically connected, our cable lines, the wires, the fiber is physically connected to our head end in Hicksville. So when we rolled it out, we couldn't just say, *okay, let's do Nassau first and then Suffolk County after it.* They are part of that -- physically part of that cable operation and cable plant. So when it was rolling out, we rolled it out that way.

We also rolled it out within that rollout into certain areas so we did not have a mass rush to the cable store to pick up boxes. So, for argument sake, maybe in one given week as we rolled it out, it could have been a portion of Freeport, a portion of Port Washington and maybe Amityville went. So, therefore, all of Babylon weren't running to the Lindenhurst store. So we tried to be very conscious of how we did it so that we were distributing -- the boxes would be available, people would not have to wait on lines around walk-in centers. So that's how it went.

Then, as we said, it is the intention to continue the rollout. The next system is the central -- the central part of Suffolk County is connected to the Hauppauge systems so the wires are all going back to the Hauppauge head end. And then you rollout. We have the facility in Riverhead which goes to the east end.

LEG. GREGORY:

Okay, great. Thank you.

MS. GILROY:

You're welcome.

CHAIRMAN MONTANO:

Legislator Presiding Officer Lindsay.

P.O. LINDSAY:

Hello, Joan. How are you?

MS. GILROY:

Hi, Bill.

P.O. LINDSAY:

I'm sorry, I had to take a phone call. I came in a late. When is the analog service going to be dropped?

MS. GILROY:

Okay. It's on a rolling -- it's a rolling scale of what we're doing. We started September 8th.

P.O. LINDSAY:

Okay.

MS. GILROY:

The first phase, September 8th we started. That should be completed around November -- what are we saying, about November 18th. And that will be completed. All of Nassau County and Babylon and Huntington and the Villages. And as I said a tiny piece of Islip. After that we will continue a rollout. I don't have dates for the rest yet. All right? They have not been released as we're going across, but it's the intention to keep going. And we will get -- probably we're talking 2011 probably before we finish the rest of Suffolk County.

P.O. LINDSAY:

And what do you -- you physically have to rewire the system? Besides the homeowner having to acquire the box?

MR. MARTINEZ:

The -- what happens is, if you have an analog set, which means a television set that doesn't have a digital qam tuner, then you will not be able to access the channels you previously accessed. You would require a digital cable box in order to access those same channels. So it's just depending upon the type of TV you have, that will determine the need to either -- to get -- to rent a box.

P.O. LINDSAY:

So you do nothing with the cable. It's just a matter of the homeowner acquiring the box?

MR. MARTINEZ:

Absolutely.

P.O. LINDSAY:

Okay. And I'm trying to think, if you have one box now, you can get two boxes for two years free; is that what you said?

MS. GILROY:

It's a little confusing, but it's -- if you have a box already --

P.O. LINDSAY:

Right.

MS. GILROY:

No matter how many boxes you have already, right, you are entitled to three additional boxes for one year free. If you've never had a box -- I mean we still have customers who, you know, were the last holdouts, they do not have a box, they would be entitled to two boxes for two years free. And then the other part of the equation simply is, is for those may be more needy who can't afford it, if you could verify through a Medicaid eligibility, we would offer two box for five years.

P.O. LINDSAY:

What is the cost per box after the initial free period?

MS. GILROY:

The cost of the box, it is a regulated item. Okay. So right now it's 6.95 for a box after all these offers expire. It continues to be a regulated item where we have to present the fee charged to the -- it's reviewed by the Public Service Commission. So --

P.O. LINDSAY:

So 6.95 per box per month?

MS. GILROY:

Correct. Because I know some people have commented and said to me, *oh, then you're going to charge \$25 a box*. But it is still a regulated item. So what's allowable, the increase that's allowable is reviewed by the regulatory bodies.

CHAIRMAN MONTANO:

Legislator Barraga.

LEG. BARRAGA:

Hi, Joan, how are you? Let me ask you a question. If I purchased a brand new television and it's a HD, I need a box for the HD? For example, I have a box that I had to go down and get for the HD, high definition television.

MS. GILROY:

Yes, because the -- if you get a digital television today --

LEG. BARRAGA:

Right.

MS. GILROY:

And it has a qam tuner in it, you will be able to see a digital signal as long as the signal is unscrambled. The minute you scramble a signal, then you do need a box to unscramble.

LEG. BARRAGA:

So I need a box for that. And I'm charged six or seven dollars a month for the box; for each box.

MS. GILROY:

Yes.

LEG. BARRAGA:

And then if I have an analog, after a couple of years, I'm going to be charged for those boxes. Let ask you a question. From a technology perspective, you know, right now I understand from a fiscal perspective it benefits Cablevision, because every time you put a box in, you charge. But from a technology perspective, haven't you reached the point where one box should be sufficient to take care of all the televisions in a home? I mean, right now it's a box for every TV. You would think from a technology perspective, innovative perspective someone would come up with some sort of -- even if they charged a little bit more for the one box, you wouldn't need separate boxes for each television.

For example, our computer system in our district offices in here, there's a central monitoring location where if something goes wrong with my computer, somebody steps in and makes the appropriate corrections. I would think instead of a box routine, something like that should be in the works or a very sophisticated technology of one box that goes into one room, you charge a little more. Because right now I can understand, like I said, from the financial perspective, you're doing pretty well. But from a technology perspective, I think you might be a little behind the times. Certainly the consumer's not benefiting from this.

MS. GILROY:

If you had more background on the technology part of it -- no, I know what you're saying; one would think that someone would come up with that. I don't know if that's down the line. I'll just pass something completely anecdotal. I was with one of the engineers. We were in a meeting and I said, well, what's the next phase? There's got to be the next generation of what's going to happen as your questioning about all the boxes. And he said to me they're actually now in the process, the manufacturing -- the televisions will have the capabilities within them. The box -- the mechanism will be within the TV that you buy that will have the digital converters. So that was totally anecdotal. I just said to him, there must be something we're engineering that's coming down. So I'm not certain whether the next generation's going to be the equipment in the TV or what you're just suggesting, is there a universal box that can go --

LEG. BARRAGA:

Now, the other question is that I have, with reference to competition, like Verizon or Satellite, are they charging their customers for boxes or the equivalent of boxes on analog or anything else?

MR. MARTINEZ:

Well, Cablevision's -- our competitors are all-digital already. We're the only ones that still have this hybrid digital analog system.

LEG. BARRAGA:

So they're all digital and it's built into the price that Verizon's charging?

MR. MARTINEZ:

They're all digital, but everyone has to pay for a box with Verizon and the satellite companies.

LEG. BARRAGA:

For each television?

MR. MARTINEZ:

They pay for each box for each television.

LEG. BARRAGA:

So they're -- from a technology perspective they're on the same track as you?

MR. MARTINEZ:

We're on the same par in that regard. Well, we will eventually be on the same par when we digitize the whole system. Because right now you can have an analog TV set and not have a cable box. So once we digitize, you'll need the cable box. And then we'll be on par with the other competitors.

LEG. BARRAGA:

Because, you know, Cablevision, frankly it's a pretty expensive deal. I mean right across the board, if it's Verizon or Cablevision, I can remember when this industry was deregulated and Joan and I were both around. And there was a lot of feeling on the part of a lot of elected officials that as a result the deregulation prices would go down. And boy that hasn't happened. I mean the average bill, you know, if you take out iO's around 75 or \$80 a month, and with the iO it could be up around 120, 150. That's a great deal of money to watch television and play with the computer.

MR. MARTINEZ:

I mean what we do is we really do what we can to enhance the service of our customers like WiFi for instance, we built an incredible WiFi infrastructure and we offer that free to our customers. Our satellite and Verizon providers, they do not offer that enhanced kind of service -- the additional services of video internet and telephone.

LEG. BARRAGA:

I just thought I'd bring up the question of the boxes because it's just, you know, I'm not an engineer

but it just seems to be from the technological perspective, you know, something that should have been replaced a long time ago with a modern technology where you either get one box or through the system itself, you don't need any boxes, even if you -- but I understand, frankly, from the fiscal perspective, I understand where Cablevision is coming from.

MS. GILROY:

Tom, I'll look into it to see and ask a few more engineers the questions of what's the next generation, what's coming down with that.

I just want to comment about the pricing; is simply that we do bundle into our packet, you know, we do have the triple plan. And we do like to tout that on the side of the internet service and the telephone service, we have not raised that rate in seven years from when we rolled it out. That has remained flat. And we do like to take the credit that it was the cable industry that introduced the flat rate of telephones; because if we think back of what we were paying for telephones and what we were paying for international and long distance calls, we were paying \$200 a month for calls all over the place that we were making. So that part of it -- I mean I do appreciate what you're saying, but that part of the equation really has remained flat for seven years. We haven't raised that.

LEG. BARRAGA:

I wasn't talking about the telephone or the optimum. I was talking about the regular service.

MS. GILROY:

No, I know, I know. But, you know, when you look at it, it is hard because I do appreciate, when you write the check, I do appreciate what people are saying, what we're hearing and, you know, when we look at it, we like to think that we have kept that flat so, you know, to help with that bill and adding, and as Ululy just said, adding like the HD services for free. You know, some of our competitors charge for that. We added WiFi for free. And that's gotten to be very, very popular, the WiFi. So we've been adding services free to the original package; but I hear where you're coming from.

LEG. BARRAGA:

Okay, Joan, thank you.

CHAIRMAN MONTANO:

Thank you. Legislator Romaine, you had some questions?

LEG. ROMAINE:

Yes. The analog -- the service with the analog was brought to our attention by -- particularly by residents out east. Because when you went to digital, they lost their ability to get the local requirement to televise local government, if I'm not mistaken. What will happen with digital? Will they have an opportunity to access local government, the operation of local government that are televised by the various towns?

MS. GILROY:

Right. They will have -- be able to get the free box. That's what they'll be able to get. Because we went -- those channels were digitized, I believe, it was June or September of '08 they were digitized. There was a box offer out there, that they can get a free box or -- free box for life, we had offered at the time so that not to disrupt so that people would not be able to get the government channels. It was just channel 22, I believe.

LEG. ROMAINE:

It's 22 out east.

MS. GILROY:

Right.

LEG. ROMAINE:
18 in Brookhaven.

MS. GILROY:
Right.

LEG. ROMAINE:
Let me ask you some questions. Obviously when you go into different areas to provide your service, you have to get a franchise; is that correct?

MS. GILROY:
Correct.

LEG. ROMAINE:
And that franchise is provided by the townships; is that correct?

MS. GILROY:
Yes.

LEG. ROMAINE:
Or the local villages?

MS. GILROY:
Yes.

LEG. ROMAINE:
But not by the County.

MS. GILROY:
Yeah.

LEG. ROMAINE:
And I'm sure you support the franchise method of providing service; is that correct?

MS. GILROY:
Yes.

LEG. ROMAINE:
Particularly since Verizon tried to leapfrog the franchise and go to the state and be franchised statewide without having to deal with the all the separate towns.

MS. GILROY:
Right.

LEG. ROMAINE:
But as part of your dealings with all of these towns, you've had to provide channels, one a public access channel, one a local government access channel. Yet when I look at the channels, whether I'm out East, you know, at someone's house because I don't have TV in my office, but look out East on 22 or whatever, or I look at 18 in Brookhaven, the one thing that I don't notice is the proceedings of County government particularly this Legislature. Could you tell me is there a channel reserved for this Legislature or for county operation?

MS. GILROY:
No, there's not a particular channel for County operation.

LEG. ROMAINE:

Has the Towns ever discussed that in their franchise agreements?

MS. GILROY:

No. But the Town -- how the structure is, is according to the PSC regulations is that once the Town takes over administration of the channel, they are totally responsible for content, for programming, for scheduling that programming. And Cablevision just simply becomes the conduit; we're the wires.

LEG. ROMAINE:

Okay.

MS. GILROY:

So each town is responsible for their own determination of what's going to be put on the channel.

LEG. ROMAINE:

That would be on channel 18 in Brookhaven, 22 out East.

MS. GILROY:

On 22 out East.

LEG. ROMAINE:

However, you have a second channel you also provided as part of the franchise which is the public access channel. Who determines programming on that?

MS. GILROY:

That's according to federal FCC rules, first come, first serve basis.

LEG. ROMAINE:

Right.

MS. GILROY:

So every 26 weeks, we have an opening. And we notify all our access users. And through a lottery system we pull out the time period that they get a half hour show.

LEG. ROMAINE:

Gabby's always on there, though.

MS. GILROY:

What?

LEG. ROMAINE:

Gabby is always on there. In fact her program is three years old and it's still running.

MS. GILROY:

That's exactly --

LEG. ROMAINE:

You see Gabby repeatedly on -- they cut her off in the middle to go to another program, but she's always on there.

MS. GILROY:

She learned how to work -- she learned how to work the system because she has many sponsors.

LEG. ROMAINE:

What do you mean by sponsors?

MS. GILROY:

What happens is, is as I mentioned it's a first come/first serve. So if you want to do -- if you wanted to put a show on, you would put a show under Legislator Ed Romaine and you would fill in your application and we would pick a time and maybe you got Tuesday at seven o'clock. Well, she has -- what happens is there are various people that you would be the sponsor of your show.

LEG. ROMAINE:

Right.

MS. GILROY:

So then she may have, the next person Jane Doe fill out an application and then she may have, you know, John Smith fill out an application. As long as you're a resident on a system in cable --

LEG. ROMAINE:

Right.

MS. GILROY:

We cannot discriminate and say *well, Jane Doe, you're really running Zabby's shows*. She has quite a few sponsors. That's how she gets so much --

LEG. ROMAINE:

Well, Joan, I'm going to contact you in your office, not that I want my own show. But I certainly think that the public would be illuminated by the proceedings of this Legislature.

MS. GILROY:

Well, there's -- it would be -- I'd like to have that conversation because --

LEG. ROMAINE:

And I think there's eighteen people that could probably do what Zabby gets her people to do.

MS. GILROY:

Just to share with you, very interesting, and we can have a discussion about this, we just launched a new channel called iO interactive TV called, I think, it was *My Government?* Was that it, Ululy, it was called *My Government*.

MR. MARTINEZ:

Yes.

MS. GILROY:

And I was talking to one of my colleagues on that side of the business. And the interactive programming is to be geared towards some local government, interacting with putting things on the air. It may not be Gavel to Gavel, I don't think that's the intention --

LEG. ROMAINE:

No, I understand.

MS. GILROY:

-- Gavel to Gavel, but it'll be interesting, about that. And just recently actually Senator Ken LaValle was asking me about it. And I was getting some information for him about the programming.

LEG. ROMAINE:

I saw you at Kenny's, right.

MS. GILROY:

So it was a very -- it's just launching.

LEG. ROMAINE:

Right.

MS. GILROY:

And we're just in the beginning stages. But as I get information, I will get some -- you know, get to you on that.

LEG. ROMAINE:

Please, I am very interested in pursuing that.

MS. GILROY:

Yeah. Okay, absolutely. Another thing I was going to say to you, if you have information or you have a show or for some reason something was happening in the Leg that you really wanted to get -- do a 30, say a 30-minute program on the air, it would be up to -- and say it pertained to something going on in Brookhaven, you should be able to go to the -- whomever is making the decision in Brookhaven --

LEG. ROMAINE:

The Supervisor.

MS. GILROY:

-- that's going on the air is to -- is to say *can you run this program?*

LEG. ROMAINE:

I'm sure he'd love to accommodate me.

MS. GILROY:

Because any official government or elected official does have the right to be on a government access channel.

LEG. ROMAINE:

Okay.

MS. GILROY:

You do have that right. Now, we have quite a few of the people in the Albany delegation who send tapes down and they run them in the towns of which their districts are within a part of. So you do have -- the Legislature does have a right to appear on the government channel.

LEG. ROMAINE:

And you do have a studio out in Riverhead.

MS. GILROY:

Yes.

LEG. ROMAINE:

On the third floor that we could utilize. Because I know that Zabby uses that studio.

MS. GILROY:

No, absolutely you would be allowed to come in to utilize -- to utilize the studio. We have a studio -- we have a very large studio in Hauppauge, you know right around the corner here we have a large studio.

LEG. ROMAINE:

I'm familiar with that one.

MS. GILROY:

So, yes, you can. You can utilize it.

LEG. ROMAINE:

Okay. I'll be in touch. Thank you, Joan.

CHAIRMAN MONTANO:

Thank you, Legislator Romaine. Maybe while you're in the process of converting to analog, you can also help us convert the system so we don't have to push the button every time we're speaking. But on a more serious note, the 5% population that is not digital right now, who are these people and why is it that they're not digital? Are these older -- and I'm not a technology person. Are these older TV's, are these senior citizens, are these people that haven't, you know, bought the new technology? Do you have any idea of the profile? Are they in certain areas, are they low income, are they -- you know, who are we talking about? Because you said earlier that 95% is already using digital and they're not affected.

MS. GILROY:

Right.

CHAIRMAN MONTANO:

My question is, then, who are the 5%, the 5 percenters that we're talking about that are going to be affected and have to pay for the additional box?

MR. MARTINEZ:

Well, the 5% isn't particularly targeted to any demographic group. It really -- it's a cross socioeconomic. And it also includes municipalities and some schools as well.

CHAIRMAN MONTANO:

Okay. So it's not -- so it really is, then, the old TV systems that we're talking about that are the ones that need to be replaced?

MR. MARTINEZ:

Yes.

MS. GILROY:

Yes.

CHAIRMAN MONTANO:

So now in a household, Joan, I'm just not clear on this, in a household where you have five TV's and they're all digital system, do they all require -- do you require five boxes for those?

MR. MARTINEZ:

Well, if you have a house, let's say, and you already have two boxes in your house --

CHAIRMAN MONTANO:

Let's say you have a house and you have one box. And I go out to PC Richards and I buy another two TV's. I put one in the basement and one in the bedroom. Do I need to now go and get two additional boxes?

MR. MARTINEZ:

Well, those TV's are equipped with a digital qam tuner.

CHAIRMAN MONTANO:

Right.

MR. MARTINEZ:

So you would not need a box at that point. But depending on your level of service, you may require the box. It depends on the level of service you have.

CHAIRMAN MONTANO:

Well, if we have the basic service, then you really only need one box; am I correct?

MS. GILROY:

Yes. I think if you think of it as the broadcast basic will remain unscrambled at this time. The decision is broadcast basic remains unscrambled. Digitized but unscrambled. So if you go out and buy a new TV that's a digital TV that can read the digital signal coming in, and it's -- it will read the unscrambled signal. So you would get your broadcast channels, you'll get -- News 12 remains unscrambled. So you'll have an array of channels that remain unscrambled. Once you purchase a package of family and above, that's scrambled which means you do need a box whether it's a digital --

CHAIRMAN MONTANO:

Right. In other words, if I want to watch 12 News --

MS. GILROY:

Right.

CHAIRMAN MONTANO:

And it's a basic --

MS. GILROY:

Right.

CHAIRMAN MONTANO:

I need one box and I could put a TV in my bedroom and pick up channel 12 News. But if I want to watch the movie channel in my bedroom, then I need the additional box.

MS. GILROY:

Correct.

MR. MARTINEZ:

As long as the TV that you put in the room is digital.

CHAIRMAN MONTANO:

Is digital, right. Okay. So now these programs that -- and I appreciate, I want to thank you for coming, very limited time, but these programs that you're offering now, the two year free boxes -- two free boxes for two years and three free boxes for one year, they're going to those people that are Medicaid eligible?

MS. GILROY:

Yes, if they're Medicaid eligible. What'd we say? It's two boxes for five years if you show your card -- your Medicaid eligibility card. But it begins rolling out, now check me on this, Ululy, because you have more of those charts. The clock starts once you're notified that your area's going to be digitized. So say the Brentwood area, (inaudible), we have not yet announced --

CHAIRMAN MONTANO:

Notified our district.

MS. GILROY:

Right. So they haven't started yet. But once they start, I think, that they get -- how many days? 90 days.

MR. MARTINEZ:

Actually the offer for -- the digitalization offers, the analog offer, the digital offer and the Medicaid offer, those end 30 days after we pull the last analog feeds. So it's going to go 30 days after that offer.

CHAIRMAN MONTANO:

Try to keep your thing on the button.

MR. MARTINEZ:

That 30 day clock will begin after the last analog pull.

CHAIRMAN MONTANO:

Gotcha.

MR. MARTINEZ:

So we're looking at approximately November 18th. After November 18th -- 30 days after November 18th will be the end date for the offer.

MS. GILROY:

Right. So that in Legislator Gregory's area, because I know I got a question from somebody down in -- in the Lindenhurst area, they thought that it was over. But they will have until approximately December 18th to go get the box.

CHAIRMAN MONTANO:

But if they don't get the box in 30 days, then the program ends for them? In other words, their eligibility to get the free boxes would end? It's only offered --

MS. GILROY:

December 18th, yeah. Right, the offer is not infinitum. Right.

CHAIRMAN MONTANO:

It's not a long standing offer.

MS. GILROY:

Right, right, it would be -- but that's why we are doing such an outreach that I mentioned before, to mail letters, we're doing an answering machine message, we're doing -- targeted -- we have some actually targeted outbound calls going. So we're making every attempt; there's probably like four or five attempts being made to each one of these customers to get them on board.

MR. MARTINEZ:

And there are some special circumstances where we accommodate on a case by case basis.

CHAIRMAN MONTANO:

That's what I was going ask you. It seems that if people either aren't notified or don't get it, don't get the notification timely, then, they're basically out. What is the reason for that?

MR. MARTINEZ:

No, no. In circumstances like that we definitely consider on a case by case basis.

CHAIRMAN MONTANO:

Like, *I didn't know, I didn't read the thing, I couldn't read it because either I didn't get in a different language or, you know, my daughter couldn't come home and read it to me because I've got bad eyesight*, things like that?

MR. MARTINEZ:

Absolutely.

CHAIRMAN MONTANO:

Okay. All right, Joan, I appreciate your coming and explaining this. As we discussed prior, I recognize that we don't have jurisdiction over what your arrangements are with the municipalities. We were simply concerned about the aspect from the consumer that's going to be affected. I would hope that, you know, it goes smoothly, we'll stay in contact in terms of any issues that come up. And I think you -- you said that in addition to what's here, there were other initiatives that would make this transition easier that you would be willing to discuss those.

MS. GILROY:

Absolutely. And as always I think you all know how to find me.

CHAIRMAN MONTANO:

Right.

MS. GILROY:

And get to me. And to e-mail me. We're here to really -- a huge attempt to make it a smooth transition as best we could.

CHAIRMAN MONTANO:

Presiding Officer Lindsay wanted to ask something.

P.O. LINDSAY:

Joan, you said before that the rate per box is a regulated rate. Who regulates that?

MS. GILROY:

Okay, it's reviewed by the -- the formula is set -- and correct me if I'm wrong, Ululy -- the formula is set by the FCC, but it's reviewed -- municipalities on Long Island mostly all with one or two exceptions are -- the rates -- they opted to have the PSC review it for them; because the local community, the local municipalities said *we don't know anything about this, we don't even now to review whether it was right or wrong*. So they opted to let the Public Service Commission review it for them. So the public -- so we fill out forms, formulas that are set by -- it's a form set by -- it's called a 1205 form set by the FCC. We fill out the forms and they get filed with the Public Service Commission which reviews them.

LEG. HORSLEY:

Rick, can I ask a question?

CHAIRMAN MONTANO:

You certainly may, Legislator Horsley.

LEG. HORSLEY:

Hi, Joan, how are you? I snuck in in the last couple of minutes. I just wanted to bounce off a statement that you made to Rick a second ago, that if people missed that deadline, you're saying now that maybe there are some forgivenesses because I've had people query my office over in Amityville, Duwayne, in your district, where they're saying that they called Cablevision, they said *no way, you're not going to get the free thing, you've missed your time*. So what should they say? Should they cry?

MS. GILROY:

Actually, you had forwarded it to me and I had a long conversation with the Head of the Civic over in the -- I think it was Lindenhurst area, one of the areas.

LEG. HORSLEY:

Lindenhurst is my district. I get a lot of your phone calls.

MS. GILROY:

Misinformation got out. But the deadline -- this first phase they have 'til approximately December 18th. So they still have -- we're only October. So there's another 30 --

LEG. HORSLEY:

Is Lindenhurst then the same as Amityville?

MS. GILROY:

Yes.

LEG. HORSLEY:

Okay. Because the Amityville person said that they called, they said that they're out of luck.

MS. GILROY:

I actually past along for us to internally check whether misinformation was getting out. But it is -- the correct information is that it's 30 days after we do the final technical turnover. And we're anticipating doing that in November; so 30 days would be December 18. So the whole first phase with all of the Suffolk areas would be December 18. They have a chance to get the boxes.

LEG. HORSLEY:

Okay, cool.

MS. GILROY:

Okay.

LEG. HORSLEY:

So I'll call that Amityville person and they can get a different answer than they got the first time.

MS. GILROY:

They should. They should. I mean that's correct.

CHAIRMAN MONTANO:

Okay. Joan, Mr. Martinez, I want to thank you for coming forward. We'll be talking further, I'm sure. And it's good seeing you again. And thank you for coming, sir.

TABLED RESOLUTION

With that, let's move onto the agenda. **Tabled Resolution IR 1834, adopting Local Law No -2010, A Local Law to Standardize Home Energy Audits in Suffolk County. (Horsley)** Legislator Horsley, I believe that was recessed at the last public meeting so we have to recess it now.

LEG. HORSLEY:

It's a work in progress.

CHAIRMAN MONTANO:

Excuse me? It's a work in progress? Okay, I will make a motion and you second. Motion to table.

LEG. GREGORY:

Second.

CHAIRMAN MONTANO:

All in favor? Opposed? Abstentions? It's tabled for the next meeting. And we'll have the public hearing again. It's on the calendar at the general session. **(VOTE: 5-0)**

With that, there's no further business of the Committee, I hereby adjourn the Committee.

**THE MEETING CONCLUDED AT 2:01 PM
{ } DENOTES SPELLED PHONETICALLY**