



COMPTROLLER OF THE CITY OF NEW YORK 1  
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WILLIAM C. THOMPSON, JR.  
COMPTROLLER

March 18, 2009

Honorable Michael R. Bloomberg  
Mayor of the City of New York  
City Hall  
New York, NY 10007

Re: Time Warner and Cablevision Cable Television  
Franchise Renewals in New York City

Dear Mayor Bloomberg:

As you know, the franchise renewal agreements under which Time Warner Cable of New York City ("Time Warner") and Cablevision Systems of New York City Corp. ("Cablevision") were providing cable television services to New York City residents expired on September 16, 2008. Since then, Time Warner and Cablevision have been providing such services pursuant to the Public Service Commission's grant of Temporary Operating Authority ("TOA"), which expires on March 16, 2009, and the holdover provisions of the expired agreements. It is my understanding that the Commission plans on extending the TOA so that the incumbent cable operators can continue to provide cable television services while the negotiations for new franchise renewal agreements with the City proceed.

As the City's Chief Fiscal Officer and a member of the City's Franchise and Concession Review Committee, which must ultimately approve any new franchise renewal agreements, I am extremely troubled by the apparent lack of progress that has been made in negotiating new cable television franchise renewal agreements. My concerns are exacerbated by the fact that both Time Warner and Cablevision appear to be using the TOA process to delay good faith negotiations and that the City is not moving aggressively enough to stop this from happening. I have also been informed that both companies are currently refusing to negotiate new community access agreements with the City's Community Access Organizations ("CAOs") and that both companies have stopped making critical payments to the CAOs.

In addition, at my behest and as the result of direct negotiations between my office and Verizon, the City's recent cable television franchise agreement with Verizon includes many

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important consumer protection provisions. These same critical provisions must apply as expeditiously as possible to Time Warner's and Cablevision's operations in New York City.

It is therefore imperative that the City do everything within its power to ensure that negotiations on the new franchise renewal agreements be completed promptly and that such agreements include, at a minimum, the same consumer protection provisions and support for the CAOs that are included in the Verizon agreement. The City and the incumbent cable operators must not be permitted to delay the negotiation process any further by relying on the Public Service Commission's grant of TOAs and the holdover provisions of the expired agreements. In this regard, I have written to the Commission requesting that any extension of the current TOA be less than six months and limited to as short a time as possible.

I look forward to the City submitting the new franchise renewal agreements to the Franchise and Concession Review Committee for approval in the very near future.

Very truly yours,

A handwritten signature in black ink, appearing to read "William C. Thompson, Jr.", with a stylized flourish at the end.

William C. Thompson, Jr.

WCT/lf