

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS
TESTIMONY BEFORE THE CITY COUNCIL SUBCOMMITTEE ON ZONING AND FRANCHISES
COMMUNICATIONS SERVICES AUTHORIZING RESOLUTION
MONDAY, MAY 13, 2013**

Good morning, Chairman Comrie, Chairman Weprin and members of the Subcommittee on Zoning and Franchises. My name is Stanley Shor and I am Assistant Commissioner for Franchise Administration at the Department of Information Technology and Telecommunications, or DoITT. With me today is Tanessa Cabe of the Counsel's Office at DoITT and Bruce Regal, Senior Counsel with the New York City Law Department. Thank you for the opportunity to testify on Land Use Number 821 of 2013 – the Communications Services Authorizing Resolution.

The resolution before you would renew, for an additional five years, DoITT's authority to issue non-exclusive franchises for the use of the City's rights of way for provision of landline communications services. (These do not include cable television services or sidewalk payphone services, which are covered by other, existing Council authorizing resolutions). The provisions of the proposed resolution are the same as those of a recently-expired resolution of similar effect adopted by the City Council in 2008.

DoITT is requesting this renewed authorizing resolution because non-exclusive franchises for the provision of voice, data, and similar services continue to promote a competitive marketplace for broadband infrastructure by providing multiple providers access to the City's streets to install their fiber optic lines and related facilities. Having additional competitors in the New York City market ensures more choices for consumers and business users of communications services. Under the proposed renewed authorizing resolution, DoITT anticipates franchise requests from new providers in addition to potential requests for renewal of previously-granted franchises.

The City Council first adopted a resolution authorizing the grant of franchises for these purposes on March 26, 1992 (Res. No. 404) and thereafter renewed such authorization on August 26, 1997 (Res. No. 2232-A); renewed it again on November 20, 2002 (Res. No. 225-A); and again on February 27, 2008 (Res. No. 1204). This series of resolutions has authorized DoITT, and its predecessor agencies, to grant non-exclusive franchises for the construction, installation, use, operation and/or maintenance of cable, wire and/or optical fiber and associated equipment on, over and under the inalienable property of the City (including through pipes, conduits and similar improvements) for provision of telecommunications services. For this purpose, "telecommunications services" are defined by proposed resolution as including voice, data and information services, and other similar services, in the City.

DoITT's authority to approve new franchises of this type under the most recent of this series of authorizing resolutions (Res. No. 1204 of 2008) expired on February 27, 2013. Since the Council first authorized this type of franchise more than 20 years ago, back in 1992, the City's Franchise and Concession Review Committee has approved 20 different franchises of the type covered by this series of resolutions, providing a wide range of communications services supplied by a diverse group of franchisees, including companies large and small, national and local, and including M/WBEs. Two companies – Stealth Communications Services, LLC and United Federal Data of New York, LLC – recently sought and were granted approval for franchises, authorized pursuant to this type of resolution, earlier this year. The City, through DoITT, continues to receive interest in further new participation in this marketplace.

Please note that the franchises authorized by this proposed resolution, as in the past, would *not* include franchises for the provision of cable television service, nor would this proposed resolution authorize franchises for the installation on City sidewalks of public pay telephone kiosks, or antennas for wireless transmission and reception. Provision of all these existing services are covered by separate Council franchise authorizing resolutions.

In conclusion, we respectfully request that the Committee consider and approve the proposed resolution.

Thank you again for the opportunity to testify this morning, and we will be happy to answer any questions you may have.