

DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS
TESTIMONY BEFORE THE CITY COUNCIL SUBCOMMITTEE ON ZONING AND FRANCHISES
PUBLIC PAY TELEPHONE AUTHORIZING RESOLUTION
TUESDAY, DECEMBER 15, 2009

Good morning Chairperson Katz, Chairperson Avella and subcommittee members. My name is Stanley Shor, Assistant Commissioner of Franchise Administration for the Department of Information Technology and Telecommunications, or DoITT. With me today is Bruce Regal, Senior Counsel at the New York City Law Department, who represents the City on many telecommunications matters, including matters related to sidewalk pay telephones. I am testifying today in connection with a proposed authorizing resolution regarding franchising of sidewalk public pay telephone providers as contemplated in Local Law 68 of 1995.

Before detailing the resolution at hand, I would like to provide some brief, contextual background. The first City law managing payphone installations on City sidewalks was adopted as Local Law 78 of 1959. That Local Law required any entity that wished to install a payphone on City sidewalks to obtain a license from the City. However, after the breakup of the old monopoly Bell System in 1986, and prior to the adoption of Local Law 68 of 1995, the City saw a proliferation of illegally-installed, unlicensed payphones springing up on City sidewalks. That development led to the adoption of the above-mentioned Local Law 68, which replaced the old licensing system with a new approach. This new approach combines a franchise process for companies seeking to install and operate payphones on City sidewalks with a permitting process, administered by DoITT, for the review of individual permit applications for specific sidewalk payphone installations by those holding the required franchises. Local Law 68 also included an amnesty and "grandfathering" process for those who had installed unlicensed payphones on the sidewalks before the new Local Law was adopted.

As part of the implementation of Local Law 68, the Council over the years has adopted a series of sidewalk payphone franchise authorizing resolutions. Acting under the authority granted by such resolutions, the City issued a number of public pay telephone franchises, although it has not issued any new franchises of this type since 1999. As you may know, the most recent such authorizing resolutions – Resolution 1043 adopted on October 15, 2003 and subsequently amended by Resolution 502 on July 21, 2004 – recently expired.

Although usage of public pay telephones located on sidewalks has declined with the growth of mobile telecommunications, not everyone has access to mobile telephone service, and those who have access to mobile telephone service do not have such access all the time. There thus remains a role for public pay telephones on City sidewalks. Adoption of the proposed resolution by the City Council will authorize DoITT to award, subject to approval of the Franchise and Concession Review Committee, franchises for pay telephone service from phones located on City sidewalks in accordance with the provisions of the City Charter.

Thank you for your time this morning. Mr. Regal and I would now be happy to take any questions you may have.