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Time Warner Cable  
Franchise Agreement Re-negotiation



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Revision: Final

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# Time Warner Cable

## Franchise Agreement Re-negotiation

### EXECUTIVE SUMMARY

#### **Objective**

Our objective is to negotiate with Time Warner Cable a renewal of the current cable television franchise agreement to be effective upon or after the January 2015 expiration of the current agreement, so as to reflect the best interests of the residents of the Town of Olive ("New Agreement")

#### **Town of Olive requirements**

- Fill gaps in service areas in Olive where until now, the TWC service has been unavailable or prohibitively expensive.

We have located two key areas that require service but until now have been considered outside of TWC's contractually agreed to service area. In order to provide service to these and other areas in Olive we require a (10) ten mile pool of cabling which the town can allocate as it sees fit at no cost to both the town and its residents.

- Establish a cost free internet service for all town buildings and facilities.

These facilities include a high speed internet drop in each of the following: the Olive Town Offices, Olive Town Hall and Court, Olive Highway Department, all Olive Fire and Police facilities, the Olive Free Library and the American Legion Hall in Shokan.

- Gain a measurable commitment to increase service levels to TWC subscribers in Olive.

Forty percent of TWC subscribers polled report dissatisfaction with the TWC service. We require that TWC provide a commitment to measurably solve issues (see below) that are currently causing problems for Olive residents.

- Establish rate increase restrictions for Olive TWC subscribers.

Olive TWC subscribers are plagued by small price increases which are levied almost monthly by TWC, without prior notice or acceptance by the subscribers. We require a commitment to cap increases annually for the duration of the renewed Franchise Agreement.

- Establish cost free internet service via WiFi, specifically for the Rail Trail in the Olive area.

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The Rail Trail is currently in its final planning stages. The trail offers an important vehicle to increase tourism in Olive, and we require that TWC provides 5 wireless internet connection points along the portion of the trail within Olive boundaries.

- Ensure that all forms of revenue that under Public Service Commission rules can or should be included are listed in the New Agreement.
- Ensure that the Town has received proper assurances from Time Warner regarding past service issues before the Town agrees to approve on "Form 394" the proposed Comcast-Time Warner merger, and that Comcast will agree to assume any Time Warner obligations under our existing Agreement, including dealing with past issues.
- Add Comcast-level service standards to the New Agreement.

We understand that Comcast levels of service are higher than PSC requirements; our current Agreement requires maintenance only of PSC minimum standards.

- Add enforcement provisions to the New Agreement to compensate the Town monetarily for service lapses.
- A 20% TWC discount for seniors residing in Olive.

### **Purchase of Time Warner Cable by Comcast:**

Earlier this year Time Warner Cable agreed to be purchased by Comcast. Our franchise agreement with Time Warner, in our opinion, gives the Town the right to comment on whether the purchase of Time Warner will be acceptable to the Town. Comcast has provided the Town with a Federal Communications Commission "Form 394" in order that we may provide those comments before the due date of October 6, 2014. This Committee's view is that the Town should write to both Time Warner and Comcast stating that there are unresolved service issues, that the Town has called/emailed Time Warner asking them to be ready to address those issues and that until Time Warner has made a good faith effort to address and resolve those issues to the satisfaction of the Town and the relevant concerned residents, the Town should withhold approval of the Time Warner-Comcast merger. If the issues are not resolved by the due date of the Form 394, the Town should write to the FCC expressing its disapproval of the merger.

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### Research

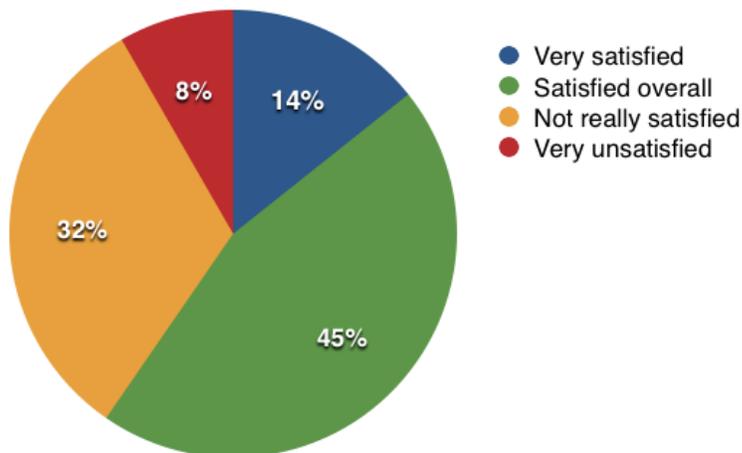
We have conducted a survey to be certain that our goals are synchronized with the needs and concerns of Olive residents and businesses. The results of this survey can be seen in this document. The survey was successful in gaining responses from >14% of Olive residents and businesses, and therefore has provided adequate insight to the following:

- Areas of discontent, including services, and pricing. Geographic areas where services are not available but required.

SOURCE	SUBSCRIBERS	NON-SUB- SCRIBERS WANTI- NG TWC SERVICES	NON-SUB- SCRIBERS NOT WANTING TWC SERVICES
Online	262	46	12
Written	24	11	2
TOTAL	286	57	14

- Issues relating to the cost requirements to fill geographic gaps in service.

In addition, we learned that approximately 40% of respondents are unhappy with the TWC service offerings, and many respondents are very dissatisfied with the constant and incessant micro-increases in rates.



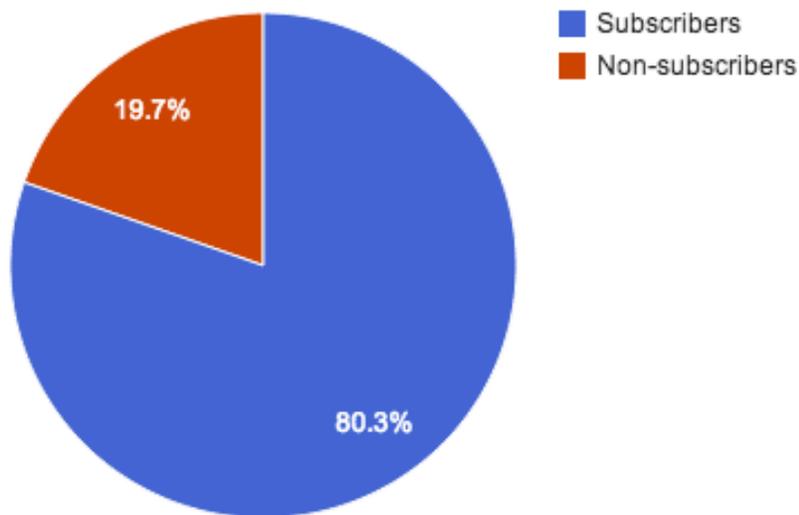
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### SURVEY FINDINGS

#### TWC subscribers and non-subscribers



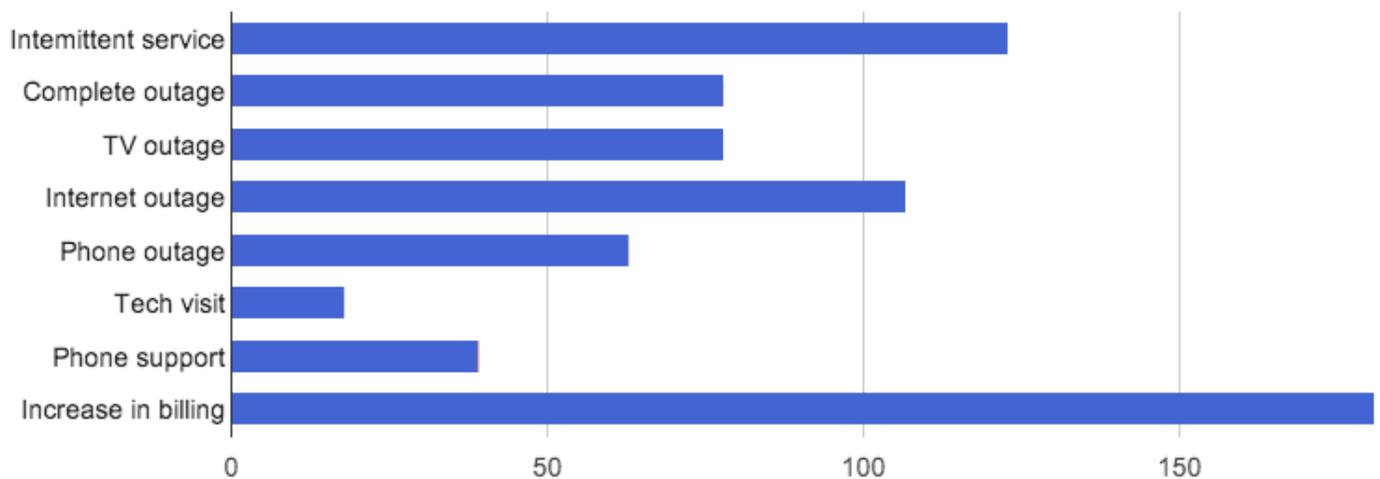
#### Overview

The survey generated a total of 357 responses (approximately 14.3% of total Olive residencies and businesses).

The results were gathered both online and in written form. The following chart shows respondent subscriber/non-subscriber status.

#### TWC user satisfaction levels: Non-subscribers and those wanting TWC services.

##### Primary areas of complaint



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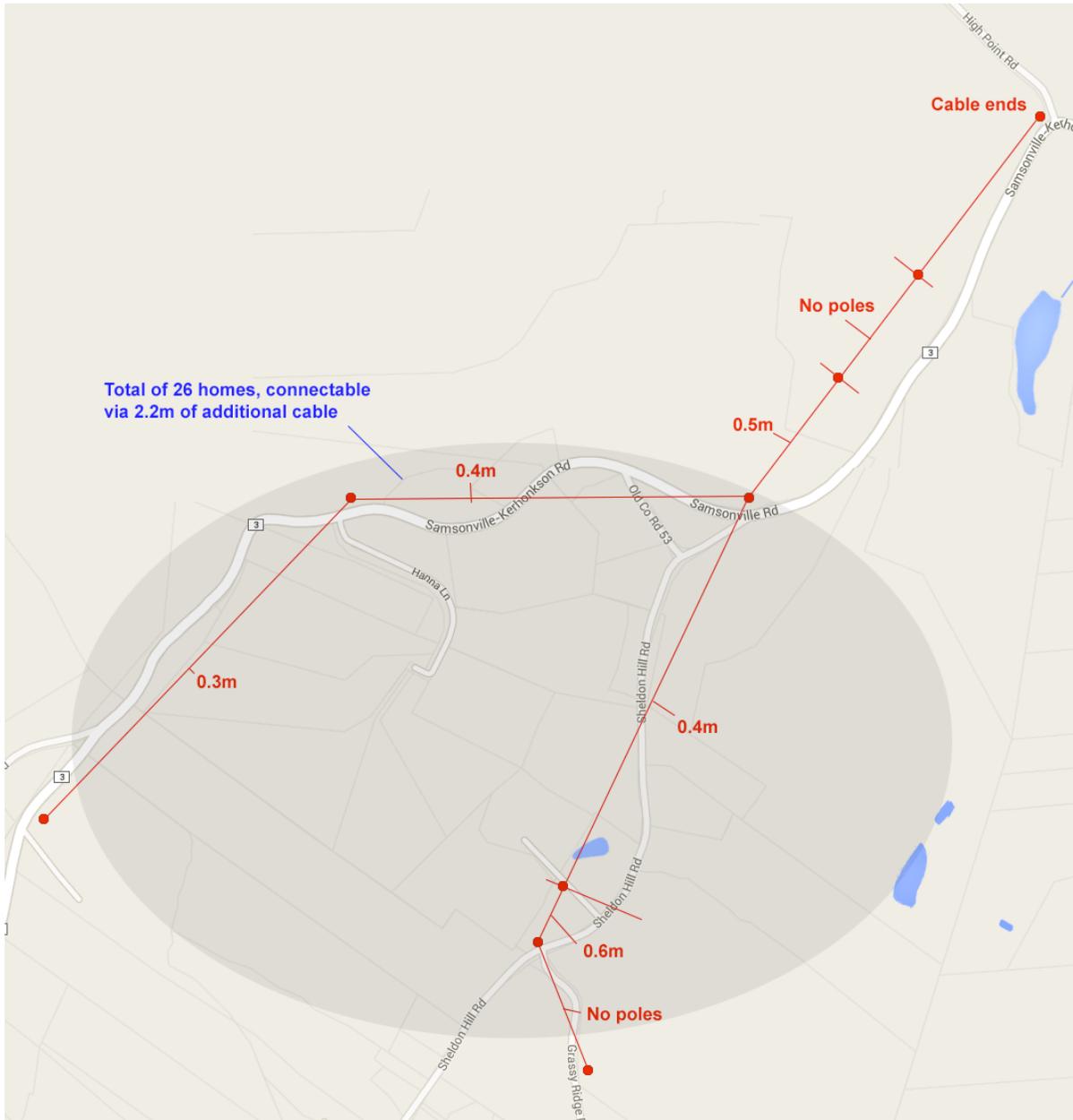
In the Upper/Lower Sahler Mill area, fifty seven respondents stated that they want the TWC service but were unable to secure it. The reasons varied, but the most cited were financially based; the cost to establish connection is unreasonable or the monthly fees were too high.

Forty eight (85% of respondents wanting service) stated that the cost to connect was out of their reach, or unreasonable. In the survey process we identified several areas where a relatively large number of residents want connection to TWC but have been unable to attain it for one or more reason. These locations include the Sahler Mill area, and the adjacent Sundale Road area in the Town of Rochester. In addition, the Upper and Lower Samsonville Road area requires service. The following maps show the areas concerned:

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The primary stumbling block for a new subscriber to connect is TWC's extremely high connection fees which are assessed on an individual basis and not collectively.



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The process to gain connection has been very frustrating for many residents. It starts with a visit by TW “engineers”, who despite having a confirmed appointment, often do not arrive. To quote one resident who recently experienced an aborted visit: ***“I received a live confirmation call last Thursday confirming June 5 between 8:00AM and 9:00AM the two engineers would be at my house and that an adult needed to be home. My wife took a half day from her work to be home for them. When 9:00AM came I called the Time Warner number. They stated that even though I had a confirmation number (0266692623) this address was not a billable number and they could not help me with any appointments because none were in their system. They did send me to the Technical Support Center (866-618-1257) which also stated they had no notes or record of any engineers or anyone coming to our residence to see if an installation can be done. They had no idea how anyone could have called me to tell me to be home at a specific time to meet with Time Warner engineers”.***

### Sample responses to our survey

Responses to our Survey

There were 357 responses to the Survey. Of those 357 responses or 40% [115] expressed discontent with TWC's service.

**Question: Are there any areas where you would like to see improvement?**

The responses to this question spanned a range of topics, from **poor phone support, slow response to service call requests, poor connection, outages**, and above all, **the constant price creep** that happens almost every month.

Several “weekenders” who purchase TWC services in NYC and in Olive report the fact that the rates in Olive are substantially higher than in the City. Overall, many TWC customers in Olive are angry and frustrated.

Once Time Warner is ready to address this cable franchise renewal in its entirety, we can make specific survey responses available if they wish to see them.