COMMON CAUSE/NY's

CONNECT THE DOTS: Money in Politics

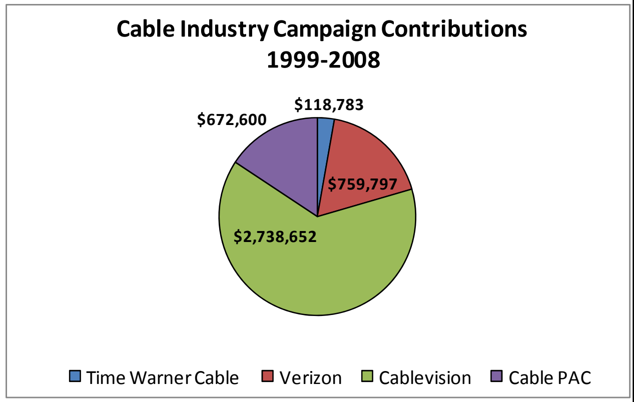
THE CABLE TV INDUSTRY: HARDWIRING INFLUENCE

WHY DO CABLE COMPANIES SPEND SO HEAVILY IN NEW YORK?

Complaining about cable TV service is a popular pastime. Lengthy service outages, sudden "whiteouts" or scrambled pictures, dropped audio, are all familiar complaints. Everyone has a story about waiting all day for the cable guy who never shows up. But New Yorkers don't really know which government agency to complain to – The City or County? The Public Service Commission in Albany? - all are listed on cable bills. While cable subscribers' complaints remain the same, cable fees continue to rise, with mandatory multi-channel "bundles" forcing subscribers to pay for channels they have no interest in and forgo ones they might actually watch.

What's at stake: With 6 million cable subscribers in the New York City market and revenues from cable TV fees in the billions of dollars annually, a small number of companies are dividing almost all of the state's lucrative cable market.

The three market leaders, Time Warner Cable, Cablevision and Verizon, along with Cable PAC, an industry political action committee, invest heavily in campaign contributions. Over the last 10 years, these 4 cable industry donors have contributed almost $4.3 million dollars to New York candidates and political parties.



MANY CHANNELS FOR CABLE TV INDUSTRY CAMPAIGN DOLLARS

Some Favorites Emerge

In New York State, cable television service is subject to regulation by municipalities, counties, and the state. Final say resides in the Public Service Commission (PSC), whose members are appointed by the Governor. Cable companies promote the hundreds of television channels they make available. They also take advantage of the hundreds of channels available for their campaign contributions, pushing large donations to parties and politicians at all three levels of NYS government.

PSC Vacancies

Governor Paterson will have 3 vacancies to fill on the PSC by early 2009. Will he follow tradition, and campaign dollars, by appointing industry representatives?

At the state level, the gubernatorial candidates receive the most cable TV money. The Spitzer-Paterson 2006 campaign committee received $98,406 total, with $33,906 from Cable PAC and $64,500 coming from Long Island-based Cablevision. Friends of Pataki took in $70,750 from 1999 to 2004, with Cable PAC the largest contributor, donating a total of $33,906. Paterson for Governor received $40,300 from Cablevision in July of this year.

Dozens of State Legislators received campaign money from the cable industry. Current Senate Majority Leader Dean Skelos has been a favorite of the cable industry, receiving a total of $65,850 since 1999, including $32,750 from Cablevision and $20,800 from Verizon.

Cablevision donates to incumbent candidates **at the county level**, contributing $15,000 to Westchester County Executive Andy Spano, $21,500 to Suffolk County Executive Steve Levy and $17,500 to Nassau County Executive Tom Suozzi in the last 2 years.

City politicians also receive money from the cable industry. For New York City elections in 2005 and 2009, as of September 1, 2008, Cablevision and Verizon have donated a total of $51,254 to New York City candidates, with Comptroller William Thompson the recipient of the most cable industry money ($10,450).

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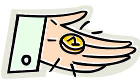
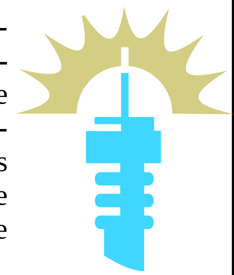
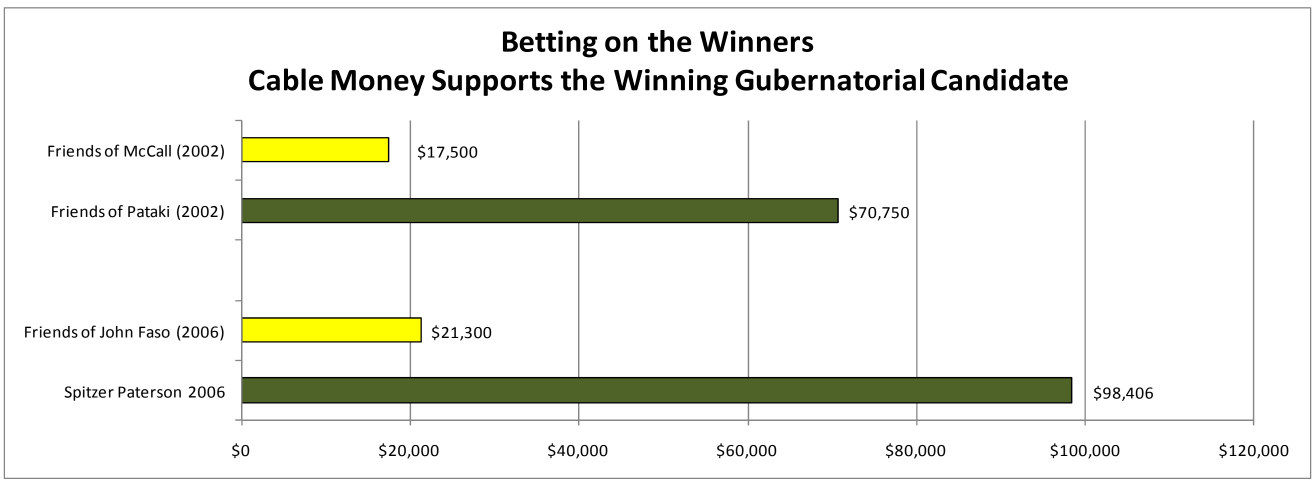
HARDWIRING CABLE INFLUENCE WITH SOFT MONEY

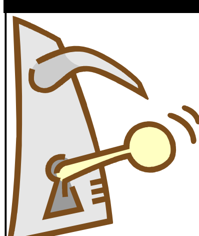




The cable industry has provided at least $2,688,000 to Republican and Democratic Party committees over the past 10 years. The largest individual contributions are "soft money" going to the parties' housekeeping accounts. The lion's share of the cable industry's money - more than $1 million – has gone to the NYS Senate Republican Campaign Committee Housekeeping Account, in individual contributions ranging in size from $500 to $90,0000. The NYS Senate Democratic Campaign Committee Housekeeping Account is the runner up, receiving $463,000 in contributions ranging in size from $5,000 to $200,000.



THE KEY TO SUCCESSFUL INDUSTRY LOBBYING? INSIDER ACCESS



Not content with the access campaign contributions buy, the cable industry has spent a whopping $24,000,000 from 2005 to the present on lobbyists in New York State.

Verizon spent more on lobbying in New York State - $3,200,000 - than any other entity in 2007, and it retained 24 lobbyists, the most of any company in New York State. That money buys a lot of revolving door access. Its army of lobbyists include Patrick E. Brown, a former counsel to Governor Cuomo, and William D. Powers, former Chairman of the New York Republican State Committee.

$$ THE PAYOFF $$

Defeated

The 'Brodsky bill,' which would have permitted statewide cable franchises and required strong consumer protections. The bill was the object of intense industry lobbying.

Awarded

The largest cable franchise contract in the country was awarded by New York City to Verizon in May 2008. It is estimated to be worth $70 billion over 12 years.

Defeated

A proposed enforcement action that would have required Verizon to check all of its FiOS cable installations in NYS to ensure no electrical hazards existed. Despite calls from labor and consumer groups, the PSC Commissioners found such a move unnecessary and went so far as to water down Verizon's own proposal.

Losers

New Yorkers who are paying over $120 each month for basic cable services with little meaningful protection or recourse.

This fact sheet was created in November 2008 as part of a series called CONNECT THE DOTS, which aims to show how money in politics impacts on issues New Yorkers care about.

This project was made possible by support from the New York Community Trust and the Robert Sterling Clark Foundation.