

Slate

# Consider the Cable Guy

Comcast and others are using more contract workers to install their services. That means brutal hours, low wages, and an app that schedules every moment of their days.

By [Virginia Sole-Smith](#)



More and more cable company installers are independent contractors.

Photo illustration by Holly Allen. Photo by iStock.

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Harry Benion drives a blue 2002 Dodge Caravan. Outside, the minivan is streaked with the salt and grit of the long Detroit winter. Inside, it's littered with spare change, old coffee cups, a half-empty packet of Newports, and half a dozen remote controls. The middle bench and trunk are jammed with spools of orange and black cable, and cardboard boxes are piled atop his 5-year-old son's booster seat. "We live out of our trucks," says Benion as he fishes a flexible magnetic sign out of the back and slaps it onto the minivan's passenger door. "Authorized Contractor for Comcast," the sign reads. "TV – Home Phone – Internet."

Think about the last time you needed a visit from a cable guy. You probably saw the same sort of sign—or a cable company T-shirt, hat, or badge like the ones Benion wears—and assumed he was an employee of Comcast, Time Warner, Verizon, or another provider, earning a decent hourly rate to install your DVR or hook up a DSL line. Historically, that would have been true. Cable companies, like appliance manufacturers and utility companies, once employed field technicians in large numbers. And many companies, including Comcast, still employ a roster of in-house technicians. But they now hand off a significant number of their daily job assignments to folks who aren't their employees—they're independent contractors, paid a flat fee per task no matter how long it takes. It's difficult to say how many full-time jobs have been replaced with

freelancers, since cable companies don't exactly advertise the practice. But it's a chief complaint of the **36,000 Verizon workers who went on strike** Wednesday. And in the Detroit area, Benion estimates, contractors now make up at least half the workforce. "We're meant to just pick up the overflow," says Zachary Goodgall, a former cable installer and a friend of Benion's who lives outside of Detroit. "But honestly, we're the primary source of Comcast's work around here." Jenni Moyer, a Comcast spokeswoman, declined to give hard numbers but sent a statement via email: "Based on the seasonality of our business, we do work with a select group of contracting companies to help manage workload," she wrote. "[But] we have tens of thousands of employees that work directly for Comcast today, and we're hiring hundreds of Comcast technicians this year."

Some in the industry say cable's employment model shifted because the work changed: "The cable world is no longer people installing an analog cable line," says Scott Dutton, director of product management for CSG International, which he says provides business services to a quarter of the American cable market, including an app, called TechNet, used by more than 50,000 technicians each day installing cable across North America for Comcast, Time Warner, and a dozen other cable, internet, and utility providers. "Now people have video, internet, voice, home security, and even whole house automation where you can turn on your air conditioning remotely. It's much more complex, so they use many more subcontractors." But Goodgall and Benion believe Comcast ramped up its contracting to save money—the mean annual salary for traditionally employed installers, most of whose employers are required to provide health benefits, was \$54,200 in 2015 according to the **Bureau of Labor Statistics**, far more than what many freelancer installers earn—and because hourly employees are less efficient. "They're not going to work at contractor speeds," Goodgall says.

Cutting employees is what many corporations do to stay competitive in today's fissured workplace, which according to the **BLS** now includes 9.5 million unincorporated, self-employed "1099 workers," so named for the tax documents that report their compensation to the Internal Revenue Service. It's a diverse group spanning many industries and work arrangements. Some moonlight with contract gigs but earn the bulk of their incomes from traditional jobs. But almost 8 percent of American workers earned the entirety of their livings as day laborers, temps, on-call workers, or contract company workers in 2010, according to the **U.S. Government Accountability Office**; cable installers such as Benion and Goodgall fall into that last category. According to **new research** by labor economists at Harvard and Princeton, the number of Americans engaged in these alternate work arrangements grew by 66 percent between 2005 and 2015, possibly constituting "all of the net employment growth in the U.S economy" during that time.

While traditional employees, who receive W-2 tax forms, get their taxes withheld from each paycheck, 1099 workers don't. Goodgall says his first thought about being an independent contractor was, "Sweet, no taxes coming out? I hate paying taxes." But most will end up owing the IRS serious money on Monday—money many might not have known to set aside. Meanwhile, the cable companies save big because they aren't required to pay Social Security, payroll taxes, overtime, or even minimum wage for these workers.

Bona fide freelancers who operate as small businesses have long been commonplace in creative fields like film, journalism, and graphic design. More controversially, they're also a mainstay of tech startups like Uber, Lyft, and TaskRabbit. But over the past 15 years, independent contractors have replaced millions of traditional employees such as cable installers, delivery truck drivers, and janitors, even though the work itself looks exactly the same.

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“We certainly have seen this in the cable industry,” says a Department of Labor official who spoke on the condition that he not be named due to ongoing cable industry investigations. “Companies can change their business models almost overnight. Guys might come to work one day as employees, and then show up the next to find out that they’re independent contractors.” It’s a process that David Weil, head of the Labor Department’s Wage and Hour Division, described in his 2014 book, *The Fissured Workplace*: “Employment has been actively shed by these market leaders and transferred to a complicated network of smaller business units,” he wrote. “This creates downward pressure on wages and benefits, murkiness about who bears responsibility for working conditions, and increased likelihood that basic labor standards will be violated.”

Benion, a 39-year-old single father of three from Pontiac, Michigan, has worked as a cable installer since 2003 and has always been an independent contractor. In fact, he’s usually been a subcontractor to a subcontractor, working freelance on crews run by mom-and-pop shops that are themselves contracted by one of the three main Detroit-area installation companies paid by Comcast to handle cable installation and repair calls. Comcast, says Dutton, partners with an elaborate network of local and regional installation companies wherever it operates.

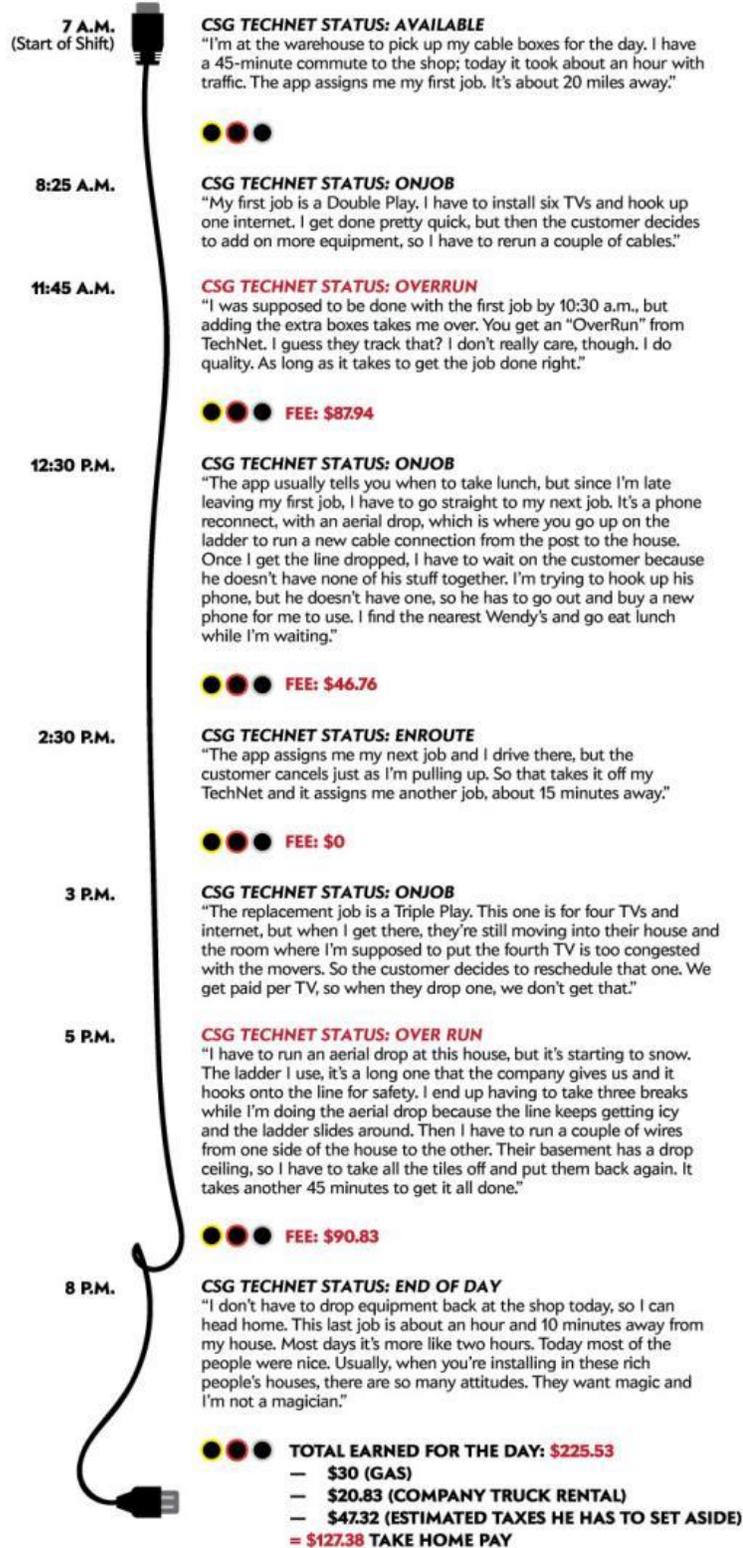
Benion says back when he first started, the job was “true contracting work”; he paid his own gas and carried his own insurance, like any small business owner would. He also had control over his schedule; Comcast dispatchers assigned each tech a list of jobs for the day, but after that, Benion managed his own time. If he finished a job early, he could decide whether it made more sense to get a head start on the next one, take his lunch, or run a quick errand, like picking up a prescription for one of the medications he needs to manage a seizure condition.

Benion says that all changed last year, when CSG’s TechNet app started exerting far more control. It’s kind of like Uber for cable guys, as David Blanchard, a labor lawyer in Ann Arbor, Michigan, puts it. Technicians log on at 7 a.m. to receive their first job and update their status throughout the day, flagging whether they’re “EnRoute” or “OnJob.” When they finish a job and click “Available,” the app automatically assigns them their next gig. CSG’s Dutton argues that the app makes a tech’s day easier: “We drip-feed work to the technician. We assign you this job, that job ends, and we assign you this one,” he says, noting that the app factors in GPS locations and traffic patterns when making each job assignment. “They don’t have to worry because as soon as one job ends, we assign them the next one.”

But Benion and other techs say they preferred when they could order their days themselves to make geographic sense, cutting down on uncompensated drive time and gas costs. “The app tells us how long to spend on a job, where to drive next, when to take lunch, everything,” says Benion, who, along with several current and former cable installers, is represented by Blanchard in a worker misclassification suit against LeCom Inc., the multimillion-dollar Michigan corporation that paid them via a subcontractor to install for Comcast. “They use the GPS on your phone to track your location. Every minute of our time is micromanaged now.” In similar cases, Blanchard has argued that this level of oversight is, in part, what defines a worker as an employee. (Representatives from LeCom Inc. did not respond to requests for comment. The company website boasts of “150 technicians” that “provide manpower” as cable installers but does not specify whether any are direct employees.)

# A Day in the Life of Your Cable Guy

One Michigan Comcast cable installer recently let me log into his CSG app and virtually follow him through a day on the job. Here's what he earned, and how he earned it.—Virginia Sole-Smith



Comcast **has heralded** its move to dynamic dispatching as a balm to its **notoriously shoddy customer service**. It's supposed to help Comcast shorten service windows and give both supervisors and customers real-time updates on the status of a job. Comcast declined to comment on whether the move has been successful. One thing that's even less clear: whether it's actually legal.

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There's no simple definition of an independent contractor: The IRS offers employers a **four-page form** with 57 questions to determine whether they should give their workers a 1099 or a W-2 at tax time. Meanwhile, courts rely on an "economic realities" test to assess worker classification in compliance with the Fair Labor Standards Act. That test focuses on whether a worker is economically dependent on the employer, or in business for him or herself, by evaluating that relationship according to six criteria. But each item on the list is shaded with potential gray areas, which has made enforcement difficult, especially since, as Weil notes in his book, companies can increase profits so much by "shed[ding] their role as the direct employer." Weil wrote a new "administrator's interpretation" of the economic realities test last summer, part of a Department of Labor **misclassification initiative** launched in 2011 to crack down on the problem. In 2015, the effort recovered \$74 million in back wages for more than 102,000 workers, along with lost tax revenue for state and federal governments, and, according to DOL officials, sparked pushback from businesses eager to maintain contractor-based business models. The U.S. Chamber of Commerce, for example, has often fought efforts to reclassify contractors as employees in the courts. Last year, Labor Secretary Tom Perez **called** the "deliberate misclassification of workers" as independent contractors "one of the most pervasive and damaging trends we are seeing in the 21<sup>st</sup> century workplace."

Nevertheless, many employers make contractor status sound appealing to their workforce. Goodgall, 23, answered a Craigslist ad last year for a cable installer because he was sick of his \$10-per-hour computer-networking job. "I have ADHD, so sitting at a desk all day is a disaster for me," he tells me when we meet at Blanchard's office. "I just end up doing something stupid." Goodgall figured installing cable would be similar work but more fun since he'd be moving around all day from job to job. Plus, he'd just gotten engaged and needed to make more money. "The ad I answered said you can make \$1,500 a week," he said. Other guys told me they'd heard you could make up to \$3,000 a week; there were rumors of techs clearing \$10,000 a week by bringing along a "ghost rider" to help them run wires so they could clear more jobs. "It seemed like drug money," Goodgall says of the prospect of such a windfall.

Except the money never showed up. Goodgall installed cable for LeCom from August to December and says he averaged 165 jobs per month, often working upward of 13-hour days, six days a week. His 1099 for 2015 shows that he earned about \$936 per week—before taxes. (Goodgall's earnings were docked slightly because he opted to drive one of LeCom's trucks instead of his own and had to pay a rental fee.) Out of that \$936 he had to pay his own gas, which he estimates was at least \$150 per week. Damon Franklin, who lives in downtown Detroit with his wife and 6-year-old son, says he started in mid-May and stayed on through the end of November; his 1099 for 2015 reports that he earned just \$8,323 for those six-and-a-half months, or less than \$300 a week before taxes. "I had one good week where I made \$850," he recalls. But, especially in the beginning, it was often way less.

Money in the cable game varies wildly because installers never know how many jobs they'll get in a day or how much each will pay.

Franklin, who, along with Goodgall, joined Blanchard's suit, says that some weeks his gas costs almost wiped out his earnings. He needed a smartphone to log in to the CSG app all day and was stuck using his own phone for several months—without reimbursement. And he says he spent \$300 to purchase a drill and other tools to use on the job. (The Detroit-area cable installation companies supply their technicians with some equipment, such as extension ladders, but many guys say they end up supplementing with their own tools. In general, the courts interpret using company-supplied equipment as a sign of "employee" status, while true independent contractors provide their own.) Money was so tight that Franklin began to fall short on his car payments and credit card bills. "My rent was late, my son needed new shoes—lots of stuff," he says, estimating that the family was about \$3,000 in debt by the end of the year. Before he started in cable, Franklin had been earning \$500 to \$600 a week in an automotive factory. It was hard work, but he had a regular schedule—eight-hour shifts, five days a week—and got overtime pay if he worked more. Now, he's back there. "It makes no sense" to work as a contractor, he says. "The whole point was to do better, and instead I did worse."

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Comcast may negotiate a slightly different deal with each cable installation company it contracts (in the Detroit area, the list includes Aero Communications and Lee Bond Communication, as well as LeCom). Those companies, in turn, work out different deals with their various subcontractors, who offer their technicians what's left over; some contractors pay installers as little as 40 percent of each job, Benion says, while others offer up to 70 percent. If Comcast pays \$30 for a service call, for example, the technician might pocket \$20 of that, or he might pocket \$12, depending on the deal. Not so bad for a 15-minute visit where you remind a customer how to work his remote. Not so great if it turns into a two-hour tangle of wires and you drove half an hour to get there.

The better money comes from setting up "Triple Plays," when an installer wires a whole house with brand-new phone, cable, and internet; he can bill for every new outlet, modem, and cable box that he sets up. But the bigger jobs can also bring bigger headaches. One of Goodgall's worst days was a Triple Play install during which a customer left him stranded for four hours while she went shopping for the televisions he was supposed to connect. "A lot of the time, Comcast doesn't tell people that they need to have TVs at their house to get their stuff hooked up," he tells me. "So I'm stuck there, trying not to kill myself." He didn't get home until 8 p.m. and earned \$150. "With all the driving, you know you're losing money," he says. "It's like, I've got to make *something* today."

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That the money is so bad—even dipping below minimum wage—is not, by itself, enough to win an employee misclassification case. After all, companies aren't required to pay their independent contractors minimum wage or time-and-a-half for overtime, and it's legal to require freelancers to shell out for their own transportation, equipment, and other expenses. But the FLSA's test says that true independent contractors must bring a special expertise to the job and that the job itself can't be a "core function" of the business. "It's hard to see how you can have cable without cable installation," says Blanchard, though LeCom argues in a court filing in his

case that cable installation is just one small piece of its business, which also includes utility and electrical work. In other misclassification lawsuits, cable companies have argued, with mixed success, that they are merely content providers that bring in highly trained installation professionals, much as you might hire an electrician or a plumber. But that would be news to Franklin, who had never fished cable through a wall or hooked up a DSL connection before last year. “I went in, filled out my application, took my drug test, did my background check,” he says. “That was it.” He received two weeks of training, then spent two more weeks in the field shadowing an experienced tech; after that, he was on his own. Goodgall reports the same experience, noting how ill-prepared he felt when he started: “You don’t make any money for the first three months because you’re still learning. Every house is a totally different set-up and you don’t know any of the shortcuts.”



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The installers’ lack of technical training is generally matched by their lack of business acumen, and the DOL has specified that “a worker’s business skills, judgment, and initiative, not his technical skills” should be used to determine economic independence. When I ask Goodgall how he handles his taxes, he says he doesn’t think he’ll have to pay them because he never got a tax ID number. When I suggest that the IRS will likely track his tax debt using his Social Security number, he’s genuinely surprised. “Most guys don’t realize that they are their own business and should have these things in place,” says Benion, who never went to college but has spent hours researching independent contractor requirements. “Then again, they’re treated like employees.” He uses his research to help the guys he works with avoid the financial pitfalls he weathered. “My first year, that tax bill was a few thousand dollars, and that was a big surprise,” he says. “I learned pretty quick: You find out what you owe in January and then you work like crazy until April to figure out how to pay it.” It’s also revealed to him how broken the system is. “These companies are counting on the fact that we’re not a highly educated workforce,” he tells me. We’re eating lunch in a Detroit barbecue joint, and he nods at a pair of white guys in suits at the table next to us. “It’s no accident to me that most of the guys installing cable look like me,” says Benion, who is black, “and most of the guys in management look like them.”

Cable installers are scheduled for 12-hour shifts, six days a week, and their days don't end until their app stops assigning jobs.

The FLSA test says that independent contractors should be able to call some shots about their work in ways that cable installers never seem to. Once they join a subcontractor's crew, they're typically required to sign noncompete agreements saying that if they quit, they won't work for another installation company for 30 days. "They use intimidation tactics," says Benion. On top of those 30 days, he points out, it takes two or three weeks to go through another company's hiring process and another two weeks after that before you see your first paycheck. "Nobody can afford to sit out for two months, so nobody complains."

"Noncompetes aren't illegal, but they undermine the idea of an independent contractor as someone who is free to come and go and choose which jobs they take," says Blanchard. One subcontractor Benion worked for asked him to sign a contract with a six-month noncompete. When he balked, he was let go, but an earlier noncompete he'd signed meant he couldn't work elsewhere for 30 days. He's still in limbo when we meet, so I ask how he's paying the bills. "Savings," he says. "Of course that was supposed to pay my taxes in April, so I don't know how I'm going to earn that back in time." It is Feb. 22.

True independent contractors are supposed to decide their own schedules and choose their own clients—proof that they aren't economically dependent on a single employer. But the installers are scheduled for 12-hour shifts, six days a week, including holidays—and the day doesn't end until the app stops assigning jobs. If a tech logs out early, it's tracked as a "call-out"—and techs who call out too often are suspended or fired. "They might pop on a job from 2:30 to 4:30 p.m., but it's already 4 p.m. and that job is 25 miles away," says Franklin. During his months as a cable installer, he says he hardly ever got home before his son went to bed. "It was always, 'Daddy, I never get to see you anymore!'" If his son woke up sick, Franklin could never stay home with him, and he also couldn't get sick himself; he was told that if a tech wants to take an (unpaid) day off, he needs to submit the request in writing two weeks ahead of time—a policy that Benion says is standard operating procedure for every cable contractor that he's worked for in Michigan.

And techs generally can't negotiate their own hours; Benion shows me the text message he received when he pushed one boss for a five-day schedule so he could see his kids when he has custody: "This is a six-day-a-week job. I can't make that work." Another supervisor, working for a different contractor, texted the whole crew: "Anyone doing last minute call off can consider themselves UNEMPLOYED! [...] As always guys have a productive day, because for some of you, it may be your last day of production!" The note included a reminder: "Everything listed above has been implemented by corporate!"

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Benion still isn't sure if that text's "corporate" was meant to refer to the installation company he worked for or Comcast itself. The intricate system of contractors and subcontractors gives Comcast plausible deniability about the circumstances of its technicians on the ground—even while Comcast has the capacity to directly assign them jobs and track their progress through the TechNet app. Indeed, some courts have ruled in lawsuits against Comcast and several other cable companies that this kind of daily monitoring is simply to ensure customer service standards are met, not proof of employer status. But Benion says Comcast must know how many of their installers are freelancers. Comcast, he explains, assigns a coordinator to "oversee

the day-to-day operations” in every work area. “I’ve seen these coordinators do a check on technicians for badges, check signal meter serial numbers, and magnets on trucks. So they know a blue minivan like mine doesn’t belong to LeCom.” Comcast’s Moyer insists that Comcast’s use of outside contractors is “the exception rather than the rule.” In fact, she says, it’s against company policy. “We require vendors to have an employee-based workforce — meaning they must hire full-time W2-based employees,” she wrote in an email. (Representatives for LeCom Inc. did not respond to multiple requests for comment.)

A few weeks after we meet, Benion texts me that he’s taken a new job servicing bar equipment. This time, he’s an actual employee. The position is only 32 hours a week and doesn’t come with health benefits, but Benion is relieved to know he’s once again protected by traditional labor laws and entitled to workers compensation and unemployment. He’s even happy to have taxes taken out of each paycheck. “I really liked the work,” Benion says of his years as a cable tech. “But if you’re going to control me like an employee, you need to pay me like an employee. Otherwise, give me my freedom.”

*The Grind is a yearlong series looking at the unsavory—and often hidden—working conditions behind some of our cherished annual traditions. It is a collaboration with [the Investigative Fund](#) at the Nation Institute, a nonprofit journalism center.*