Good afternoon Chairs Comrie and Garodnick, and members of the City Council Committees on Land Use and Technology. My name is Carole Post, and I am the Commissioner of the Department of Information Technology and Telecommunications, or DoITT. Thank you for the opportunity to testify today about DoITT's Fiscal 2011 preliminary budget and some of the agency's initiatives and goals for the year to come. With me today are Ron Bergmann, our First Deputy Commissioner, Mitchel Ahlbaum, DoITT's General Counsel and Deputy Commissioner for Franchise Administration, and John Winker, our Associate Commissioner for Financial Services.

I would like to begin by presenting DoITT's budget summary followed by an update on some of the agency's most recent work and vision for the future.

DoITT's Fiscal 2011 Preliminary Budget provides for operating expenses of approximately $357 million, a decrease of $1 million from the Fiscal 2010 Adopted Budget, and a net decrease of $23 million over Fiscal 2010's current modified budget. The budget includes $93 million in Personal Services to support 1,302 full-time positions, and $264 million for Other than Personal Services. Of the $264 million, 40 percent, or $107.6 million, represents Intra-City funds to be transferred from other agencies to DoITT for services it provides. Telecommunications costs represent the largest portion of the Intra-City expense. Fiscal 2010 Intra-City telecommunications expenditures are budgeted at $99 million, while total telecommunications costs are budgeted at $117.6 million.

I would now like to take the opportunity to update the committees on certain key agency highlights and goals to achieve in the coming fiscal year.

Upon my appointment on December 30, 2009, Mayor Bloomberg charged me with conducting a comprehensive 30-day agency review and to make recommendations, as necessary, for how the agency can be adapted to achieve its goals. The report, entitled *"Enabling the Connected City,"* is the result of an in-depth assessment of the agency's composition and capabilities, informed by an extensive range of conversations with DoITT's key stakeholders. It was delivered to Mayor Bloomberg last month and is available for review on the DoITT website.

The 30-Day Report is structured around five thematic areas, each representing an important element in our advancement of the agency. The primary theme concerns a "Delivery Strategy" – or DoITT's core mission to meet the City's technology needs and provide the highest quality customer service. The **Delivery Strategy** itself is comprised of four elements.

First is DoITT's role in implementing and maintaining the City's "foundational infrastructure" – including the data centers, network switches and routers, storage, servers, circuits, and cables that are the heart of IT service delivery. Primary among the recommendations in this area are to strengthen CityNet and *NYC.gov*.

CityNet, the City's institutional fiber network, is the means by which DoITT provides City agencies with network voice and data communications. Today nearly 55,000 telephones – approximately one-third of the City's phone lines – are DoITT-managed. On the data side, the Department hosts email for 35,000 users at some 40 agencies, processing 1.3 million emails daily – and the ever-increasing number of services provided to the City's customers have doubled bandwidth requirements.

With increased requests for enhanced Internet services such as live video streaming, on-demand video, and Voice over Internet Protocol (VoIP), the amount of data flowing over CityNet has exploded, necessitating enhancements to a network that has operated since 2004 without significant upgrades. Today, most of the available bandwidth on CityNet has been exhausted, limiting its capacity for new requirements. Therefore, if the network is not upgraded, this limitation will result in the need to lease carrier circuits, adding recurring costs to the City. Our plan to upgrade and modernize this crucial infrastructure will be a key goal in the coming year.

Similarly, the City's official website, *NYC.gov*, has experienced exponential growth – it now attracts approximately two million unique visitors each month – with very limited modernization since its launch in 1996. From its origin hosting standard sites and applications, *NYC.gov* has grown to become home to a wide array of sophisticated and complex applications including 311Online, Business Express, ACCESS NYC, and SCOUT on the Web. Modernization will allow *NYC.gov* to better meet its current business needs and also position it to handle anticipated growth and expanding user expectations.

The second element of DoITT's delivery strategy is to ensure the City cost-effectively implements and maintains critical citywide systems and initiatives such as the New York City Wireless Network and the citywide consolidation of IT infrastructure.

First, the New York City Wireless Network (NYCWiN) is a broadband wireless infrastructure created to support public safety and other City operations. It is a dedicated, highly-secure and redundant wireless network that provides agencies real-time access to high-speed voice, video, and data communications throughout the five boroughs. This capability allows users to access myriad agency systems and applications on laptops and handheld devices in the field. Today, more than 20 City entities, including the Police Department, Fire Department, Office of Emergency Management, and the Departments of Environmental Protection and Transportation are using NYCWiN to improve public safety outcomes and service delivery.

Another citywide effort is the IT Infrastructure consolidation initiative that Mayor Bloomberg announced last week. This effort will involve DoITT, working with numerous City agency partners, to develop a standardized infrastructure environment comparable in scope and features to those of leading industry IT providers. This environment will provide agencies with secure and recoverable data centers through a shared structure allowing them to realize a number of significant benefits: The consolidation of infrastructure will lower the City's cost of operations by up to $100 million over five years, reduce energy consumption and emissions, strengthen security, and improve overall IT service quality for agencies.

A third element in our delivery strategy is the role DoITT plays in supporting successful implementation of agency-specific business applications. City agencies have a vast portfolio of technology projects underway – currently more than 400 – for which DoITT provides targeted support services. Through our re-energized Project Management Office, we will apply industry-recognized practices to help better guide and implement these projects.

The final element in our delivery strategy is DoITT's role in evaluating and promoting the use of emerging technologies. This includes technologies that have not yet matured to an enterprise or shared service level, but hold great promise for the City – such as cloud computing, remote data center management, and interactive communications using social media.

To help achieve this ambitious delivery strategy are three supporting themes: "Accountability," "Asset Stewardship," and "Workforce Development and Professional Profile."

In terms of **Accountability**, it is our intention to place a renewed focus on the agency's responsibility for ensuring timely, efficient and cost-effective delivery of IT services. Accountability will continue to be a fundamental aspect of agency operations, but there are two new considerations that are noteworthy. The first is performance management. DoITT will take a fresh look at the agency's performance metrics at all levels and make significant changes in what it measures and how it does so.

Second is taking a critical look at the core competencies of DoITT and repositioning certain functions to better reflect that mission. One of the key recommendations in this regard is to transfer oversight of the 311 Customer Service Center to the Mayor's Office of Operations.

This shift will enable 311 and its customers to benefit from a centralized oversight authority that can ensure quick and efficient responses from City agencies. This aspect of 311 – demanding follow through from City agencies – is crucial to its continued success and is consistent with the Office of Operations' centralized, citywide customer service and accountability mandate.

Another key recommendation related to DoITT's core competency includes establishment of a Web and New Media Operations group. Relying on existing skills and talent at DoITT, this group will help coordinate news and information to New Yorkers through all of the City's existing and emerging media channels – including television, web, mobile applications and other platforms.

In addition, they will serve as the operational mechanism to deliver and maintain the format, content, and style of the *NYC.gov* homepage. This group will also further DoITT's efforts to develop innovative open government and expand the use of technology to support economic development initiatives.

Another area of renewed focus will be the Office of Telecommunications and Broadband Policy. This group will develop and implement the City's telecommunications strategies, as well as coordinate the City's efforts to increase public access to broadband technologies through public computer centers, school programs, and expansion of WiFi in public places. Ongoing efforts in this regard include the City's pursuit of Federal stimulus dollars for enhancing access to, and adoption of, broadband technology among traditionally underserved populations, such as low-income public school students and seniors.

Another theme supporting our Delivery Strategy is **Asset Stewardship**. A successful delivery strategy depends on effective management of the Agency's assets – be they fiscal, physical or vendor-based.

A critical aspect of Asset Stewardship is a renewed focus on IT vendor management. Accordingly, DoITT will implement a comprehensive IT vendor management program with appropriate policies, procedures, and standards to improve vendor accountability and performance both within and beyond the agency.

An additional consideration of Asset Stewardship is the role DoITT's Office of Franchise Administration and Policy plays in administering and enforcing telecommunications-related franchises. This office is responsible for ensuring that New York City's voice, data and video infrastructures are accessible, reliable and competitive, and meet the needs of City residents, businesses and government. In Fiscal 2010, the telecommunications franchises are expected to generate approximately $140 million in City General Fund revenues. Besides compensating the City for the private use of its streets, franchise fees help ensure that the City's limited public rights-of-way are put to their most efficient use.

The final supporting themes are "Workforce Development" and "Professional Profile." **Workforce Development** refers to DoITT's greatest asset: its human capital. To consistently deliver high-quality service, it is imperative for all personnel to work in a supportive environment that provides the processes, tools, and training required for success. To accomplish these goals, DoITT will improve support mechanisms for staff, pursue professional development opportunities, and improve communications.

Professional Profile refers to re-establishing DoITT's unique brand to connote excellence in IT service delivery. As the City's leader in information technology and telecommunications, it is critical that all stakeholders view DoITT as a professional organization that can empower agencies to deliver across the City's key public service areas.

While our Report and recommendations are comprehensive, it represents just a first step in an ongoing evaluation of the agency. In the coming months, we will be part of an interagency taskforce, as directed by Mayor Bloomberg in his State of the City Address. Scheduled to report back to the Mayor in June, this taskforce will look for new ways to reduce redundancies within agencies and increase efficiencies. In doing so we expect to identify additional strengths of DoITT, as well as additional areas for improvement in the way we deliver services.

Thank you again for your time this afternoon. We would now be pleased to address any questions you may have.