

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY
BEFORE THE CITY COUNCIL FINANCE COMMITTEE, JOINTLY WITH THE COMMITTEES ON LAND USE
AND TECHNOLOGY IN GOVERNMENT
FISCAL YEAR 2009 EXECUTIVE BUDGET
THURSDAY, MAY 22, 2008**

Good afternoon Chairs Weprin, Katz and Brewer, and members of the City Council Committees on Finance, Land Use, and Technology in Government. I am Paul Cosgrave, Commissioner of the Department of Information Technology and Telecommunications, or New York City's CIO. Thank you for the opportunity to testify today about DoITT's Fiscal 2009 budget, along with some of the agency's recent accomplishments and goals for the year to come. With me today are Ron Bergmann, DoITT's First Deputy Commissioner, Mitchel Ahlbaum, General Counsel and Deputy Commissioner for Franchise Administration, and John Winker, our Associate Commissioner for Financial Services.

DoITT's Fiscal 2009 Executive Budget provides for operating expenses of approximately \$372 million, an increase of \$26 million from the Fiscal 2008 Adopted Budget, and a net increase of \$40 million over Fiscal 2008's current modified budget. This increase is attributable to the fact that two major systems (the Emergency Communications Transformation Program (ECTP) and the New York City Wireless Network (NYCWIN)) will go into production this year, and maintenance costs which must be expensed will now kick in. The \$40 million increase consists of \$47 million in prior plan adjustments that are effective in Fiscal 2009 for these programs, partially offset by \$7 million in baseline expense savings. The savings are primarily attributable to a reduction of 44 vacancies to the 311 staffing allocation, and projected reductions to contractual lease and maintenance costs. The budget includes \$86 million in Personal Services to support 1,223 full-time positions, and \$285.6 million for Other than Personal Services. Of the \$372 million, \$114.9 million represents Intra-City funds to be transferred from other agencies for the services we provide. Telecommunications costs represent the largest portion of the Intra-City expense (\$100 million). Other major expense components include IT maintenance costs (\$125 million), 311 operating expenses (\$28 million), leases (\$15 million), NYC TV (\$5 million) and energy (\$4 million).

During this year's budget process, agencies were asked to identify recurring savings or revenue enhancements to help close projected budget gaps in Fiscal 2009 and the out-years of the financial plan. In addition to the \$7 million expense offset previously mentioned, DoITT was able to identify an additional \$7 million in recurring revenues. These recurring revenues are primarily attributable to increased cable franchise revenue collections. Despite tighter budgetary constraints citywide, at this time DoITT does not anticipate any significant impact on critical agency operations or projects in Fiscal 2009, though we will be limited in adding many new enhancements above our current level of service provision.

On a daily basis, our work as New York City's technology agency touches many aspects of the Administration's core objectives: enhancing public safety, creating jobs, combating poverty, improving youth services, and advancing economic development in all five boroughs.

Beginning with economic development, late last month Deputy Mayor Robert Lieber and I announced that the City had reached an agreement with Verizon on the terms of an historic citywide cable television franchise contract. Today, the overwhelming majority of New York City residents have just one cable television provider available to them. Under the proposed agreement, Verizon will offer cable service to every New York City resident—establishing a competitive marketplace in an industry that has been dominated by single providers.

Under the proposed agreement, Verizon will install highly-advanced, fiber-to-the-home technology—known as FiOS—throughout the City, which will offer greater capacity and

download speeds than existing cable television technologies, such as the hybrid fiber/coaxial systems currently available to most New Yorkers. Verizon has committed to installing this state-of-the-art fiber system in every street over the next six years. The deployment schedule provides that 30 percent of the City will be built-out by the end of this year; 50 percent of residences will be passed by the end of 2010; and completion is targeted by 2014.

The agreement will preserve the City's franchise fee of five percent of gross revenues generated from cable television services—the maximum percentage permitted by federal law. Moreover, and critically important to DoITT's recommendation of Verizon as a potential entrant into the New York City cable market, the agreement also includes an extensive set of customer service obligations and protections by which Verizon must abide.

Verizon has also agreed to:

- **Nearly double the number of Public, Educational and Governmental, or "PEG" channels currently available;**
- **Provide a \$10 million capital grant to NYC TV, and increased capital funding for public access TV, as negotiated by the respective community access organizations in each of the five boroughs;**
- **Enhance the City's institutional fiber network, or "I-Net," via infrastructure improvements and extensions to the network, which will enable it to handle public safety-grade communications; and,**
- **Provide a \$4 million Technology Education and Municipal Facilities grant to expand public access to technology.**

This proposed agreement still must be approved by the City's Franchise and Concession Review Committee (FCRC), which held a public hearing on the matter two days ago, on May 20.

As you know, DoITT has also begun the renewal process for the City's current cable television franchise agreements with Cablevision and Time Warner, which expire this fall. In January and early February we hosted public hearings in each of the five boroughs regarding the performance of the City's current franchisees, gathering feedback which will provide us with valuable insight in our renewal discussions. In Fiscal 2009, we anticipate collecting more than \$100 million in cable television franchise revenues.

Moving now to our role in helping to enhance public safety, there are two major technology projects currently underway or near completion that contribute to improving integrated, interoperable communications among the City first responders and are worth mentioning today.

Last month, for example, DoITT successfully launched the initial coverage area of New York City Wireless Network, or NYCWiN, the nation's premiere government-operated wireless broadband network. Now up and running across more than 170 sites in Manhattan, southern Bronx, western Queens, and southern and western Brooklyn, NYCWiN gives first responders high-speed data access to support large file transfers, including federal and state anti-crime and anti-terrorism databases, fingerprints, mug shots, city maps, automatic vehicle location, and full-motion streaming video, all over a fully-interoperable, IP-based network. NYCWiN is connected to two redundant Network Operations Centers and staffed 24x7x365 with three tiers of support to serve the IT needs of the network and its subscriber agencies.

Over the next three months, DoITT and its vendor will continue to progressively commission new sites to achieve substantially-full network coverage by the end of the summer, and full coverage of the City's 322 square miles across 393 total sites by year's end.

The vast majority of NYCWiN sites—about 95%—consist of rooftop antennas, which are lower-powered and less obtrusive than their counterparts typically used by wireless carriers. For those few sites which require monopoles to achieve appropriate coverage and additional zoning approval by the Board of Standards and Appeals and/or City Planning Commission, we have taken the opportunity to meet and brief a number of Council Members, elected officials and community groups in these districts to gather input before submitting applications. We will continue to do so as this process continues.

As part of the overall Emergency Communications Transformation Program (ECTP), a multi-year, multi-agency effort to modernize the City's Emergency 911 System, in 2008 Police Department and Fire Department call takers and dispatchers will move into the completed Public Safety Answering Center (PSAC 1). PSAC 1 will serve as the primary call-taking environment for all of the City's emergency first responders. The subsequent milestone in this program, for deployment of a unified call-taker function to combine call-taking functions for NYPD and FDNY (including EMS) will begin this fall, due for completion in 2009.

As you know, the City is also planning a second Public Safety Answering Center—PSAC 2—to serve as a fully-redundant, load-balanced backup facility. The Department of Design and Construction has begun the Uniform Land Use Review Process application and a Draft Environmental Impact Study, while proceeding in parallel with preliminary design of the facility, which has been approved by the Art Commission. The City anticipates starting construction on PSAC 2 in 2009.

While DoITT focuses on transformative new initiatives in the realm of public safety and economic development, we also continue improving the public-facing services that have made City government more accessible, transparent and accountable to its customers than ever.

Mayor Bloomberg, Deputy Mayor Gibbs, United Way of America President and CEO Brian Gallagher and I recently announced expansion of the 311 Customer Service Center to provide information and referrals about social services. Accordingly, New Yorkers have 24x7, single entry-point access to a team of 30 specially-trained operators dedicated to helping callers with social service-related requests in what is now the nation's largest social service information and referral call center. With this expansion, the City has created a unique model for social service information and referral, which in many other jurisdictions across the country is being developed through the "211" dialing code.

Nearly 1,000 unique social services and 1,300 non-profit organizations are already accessible by calling 3-1-1; among the newest of these services, added in March, include the Department for the Youth and Community Development's Summer Youth Employment Program, the Department of Correction's Inmate Lookup capability, and eviction assistance services from the Legal Aid Society, in conjunction with the Department of Homeless Services and the Human Resources Administration.

The expanded social services enhancements were developed based upon the areas of priority as identified by the City's Center for Economic Opportunity, which Mayor Bloomberg created to develop and implement innovative ways to reduce poverty in New York City.

Also unveiled was a public outreach campaign, which highlights the new, expanded services New Yorkers can access by calling 3-1-1. The campaign features the familiar 3-1-1 logo, introduces a new tagline: “*Your city. Your needs. Your number.*,” and tells New Yorkers in seven languages that they can, for example: “311 senior services”; “311 their noisy neighbors”; “311 food assistance”; or “311 a tree request”, among many others.

DoITT’s role in enhancing service delivery extends beyond its public facing functions. In early March, for instance, DoITT migrated the Agency for Children’s Services (ACS) William Street offices from the New York State data network to the City’s institutional network, *CityNet*. As a result, ACS is now accessing its mission-critical, child care caseload application, CONNECTIONS, via the connectivity between *CityNet* and the State’s “One Net” network. This represents the fourth ACS location to be migrated from the State network onto *CityNet*.

On the web, DoITT continues its work to develop and host websites for City agencies upon request. Last month, for instance, DoITT launched the redesigned and hosted website for the Office of the City Clerk on *NYC.gov*. Similar to the City Council’s new website, which we launched late in 2007, the City Clerk’s site was built using custom templates and allows the Office of the Clerk to manage its new site quickly and easily. The current Marriage Bureau Licensing Application will be replaced by a redesigned system called VENUS that will be hosted by DoITT and will support both the on-line forms as well as the functions of their current application in a stable and redundant environment. The redesign of the office’s website will allow customers to submit their wedding applications and other selected forms online, reducing the amount of time spent in the office. Additionally, these electronic forms will also be available at kiosks, equipped with a queuing management system, housed at the City Clerk’s Manhattan location.

Finally, on NYC TV, the official television network of the City of New York, we recently launched *City Scoop*, a weekly news magazine that provides summaries of recent news from elected officials and City government. Aiming to inform New Yorkers about the issues that directly impact their lives and communities—from key City initiatives and announcements to updates on cultural events—City Scoop provides programming dedicated to engaging viewers with coverage of neighborhoods and local officials through a series of stories, video footage and graphics.

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