DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY
BEFORE THE CITY COUNCIL COMMITTEE ON TECHNOLOGY
OVERSIGHT ON BROADBAND ADOPTION: CLOSING THE DIGITAL DIVIDE
MONDAY, SEPTEMBER 27, 2010

Good morning Chairman Garodnick and members of the City Council Committee on Technology. My name is Mitchel Ahlbaum. I am Deputy Commissioner for Franchise Administration and General Counsel with the Department of Information Technology and Telecommunications, or DoITT. Thank you for the opportunity to testify today about DoITT's initiatives to foster the availability and adoption of affordable broadband service across the five boroughs. With me today are Deirdre Flynn, DoITT's Executive Director of Telecommunications Planning and Design; and Kate Hohman, DoITT's Broadband Project Manager.

Introduction

It is widely recognized that broadband connectivity is essential to maximize education and employment opportunities; to access government programs and benefits; to obtain information; to communicate; and, indeed, to meaningfully participate in a democracy.

At the same time, on a macro-level, broadband is a key driver for job creation and economic growth; and is essential to competing in the global economy.

In New York City, broadband *service* is almost universally available – residential coverage stands at virtually 100 percent, and business access is pervasive. In this respect, New York is well ahead of many other American cities.

Broadband Adoption

However, as with every other major American city, a digital divide exists in terms of broadband *adoption.* This divide is especially pronounced with respect to lower-income residents and seniors.

These were among the findings of the New York City Broadband Needs Assessment Study, which was conducted over the course of 18 months in 2006 and 2007. The study evaluated broadband deployment and adoption across the five boroughs.[1] To meaningfully address lagging adoption among low-income New Yorkers, the Broadband Study urged simultaneously addressing: (1) the cost of broadband service; (2) computer ownership; (3) digital computer literacy; and (4) an inadequate recognition by some regarding the value of broadband.[2]

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[1] The Broadband Needs Assessment Study assessed broadband deployment and adoption across the City and within specific segments of the population. Specifically, the Study: (1) inventoried existing and planned broadband infrastructure; (2) mapped broadband availability at the residential address level; (3) conducted detailed analyses of adoption trends and patterns; and (4) gathered input from residents citywide as well as representatives of hundreds of institutional stakeholders in the public, private and nonprofit sectors.

[2] In 2009, the National Broadband Plan validated this finding: "While cost is the leading barrier to adoption, nearly two-thirds of non-adopters note that something else keeps them from getting broadband at home. In addition to cost, lack of digital skills, irrelevance of online content and inaccessible hardware and software often work together to limit adoption."

In response, New York City formulated, and has substantially begun implementation of several complementary programs to confront the interrelated aspects of the broadband adoption "gap." This multi-pronged approach has contributed to our success in garnering more Federal broadband stimulus funding than has yet been received by any other city (or by any state) for sustainable broadband adoption and public computer center initiatives in low-income communities.

On a parallel track, to promote economic development, DoITT is working with the City's cable television franchisees to extend service to those industrial/manufacturing areas where coverage gaps still exist; and to provide Wi-Fi in City parks and public spaces.

I would like to briefly describe to the Committee our recent accomplishments.

Broadband Technologies Opportunities Program ("BTOP") Initiatives

As part of the American Recovery and Reinvestment Act of 2009, the Federal Government made approximately $4.7 billion available through the Broadband Technologies Opportunities Program, or "BTOP." This funding is provided in the form of competitive grants in three main categories: Infrastructure; Sustainable Broadband Adoption; and Public Computer Center projects. Unfortunately (and despite extensive lobbying by the City and other urban areas) only several hundred millions of dollars have been made available for programs that target adoption-related initiatives in the latter two categories.

Notwithstanding these funding constraints, and the intense competition for this limited allocation, the City has to date secured approximately $42 million in Federal Stimulus funding for programs to increase access to affordable broadband service across the City's underserved communities and among low-income public school students.

The same programs will also benefit from nearly $16 million in additional "matching" funds being provided by the City, and by private and non-profit sector partners in these programs, including Time Warner Cable, Cablevision and Verizon.

September BTOP 2010 Awards

Earlier this month the Department of Commerce awarded the City $20 million in BTOP funding. Of this amount, $14 million will fund the *NYC Connected Communities* initiative, to significantly expand the availability and capacity of public computer centers in the City's highest poverty areas. The program will serve 40,000 new users weekly across approximately 100 libraries, public housing facilities, senior centers and community centers throughout the five boroughs. Benefits include more than 1,000 new workstations and an array of new resources for digital literacy, employment support, and other critical services.

Also this month, the City was awarded $6 million to fund *NYC Connected Foundations*. This program targets New York City's transfer school students, those between the ages of 16-21 who have disengaged from high school and are not on track to graduate. As part of an effort to help these students develop skills necessary for graduation and a successful transition to college or a career, students and their families at 43 transfer high schools will receive computer training, refurbished computer equipment, and Internet access subsidies upon completing a 57-hour broadband training course.

March 2010 BTOP Award

The awards announced this month build on the $22 million in BTOP funding the City was awarded in March for the *NYC Connected Learning* initiative. *NYC Connected Learning* will be launched in the coming weeks, and provide more than 18,000 low-income sixth grade students and 40,000 public school household members with free home computers, discounted broadband service, high-quality digital educational resources, and digital literacy training to boost educational outcomes over three academic years. The not-for-profit organization Computers for Youth will conduct computer training for parents and students in English, Spanish, and other languages as needed. The program will create critical linkages between school and home learning environments through access to free email accounts and ARIS Parent Link – a tool that enables online monitoring of students' academic Progress, and online learning resources accessible in both the classroom and home to provide a seamless educational experience.

Taken together, this more than $40 million in Federal BTOP funding, and the additional $16 million "match," are key components of the City's strategic commitment to identify innovative means and funding methods to foster greater digital inclusion. The work of several City agencies, including the Department of Education, Department for the Aging, and Department of Parks and Recreation, as well as the City's Housing Authority and three public library systems, was indispensible to developing these innovative programs. And, of course, the aggressive of lobbying efforts of the Council and the City's Congressional delegation were also instrumental to the City's success.

Public-Private Partnerships & Virtual Senior Center Initiative

Building upon the partnerships that created these award-winning BTOP programs, we believe that public and private entities should be encouraged to form coalitions to accelerate efficient broadband adoption. Such alliances can foster innovative approaches and help avoid duplication and waste. In many urban areas today, there are numerous programs diligently working to drive broadband adoption, yet many of these programs are under-resourced or incomplete. A concerted and coordinated public-private effort can reinforce these individual efforts to the benefit of individuals and cities as a whole, and forging strategic public-private partnerships can drive a wealth of resources, expertise, and innovative thinking. To this end, DoITT has worked on a series of additional programs.

Last March, we joined Chair Garodnick and Council Aging Committee Chair Lappin to launch the City's first "Virtual Senior Center" with the Department for the Aging and corporate sponsor, Microsoft. The Virtual Senior Center is an innovative, public-private partnership that uses computer, video and Internet technology to create an interactive experience for homebound seniors. Through video cameras and monitors installed around the senior center, homebound seniors are able to interact with classmates and instructors at the center for the first time, seeing and hearing the other people in the class and actively participating in two-way discussions and activities. Going forward, we believe this project can help establish a model for cities across the country to use technology in revitalizing senior centers and enhancing the lives of homebound seniors.

Cable Television Franchise-Related Initiatives

DoITT has recently reached agreements in principle with the City's two incumbent cable television providers, Cablevision and Time Warner Cable, on the potential renewal of their franchises.

As part of these agreements – which when finalized will be subject to public review and to approval by the City's Franchise and Concession Review Committee and New York State Public Service Commission – DoITT negotiated with companies to establish a number of public broadband adoption and broadband-related economic development benefits.

>***Adoption/Expansion of Affordable Broadband Service*** – Time Warner Cable will create 40 public computer centers, in partnership with local not-for-profit organizations, to provide free broadband access to low-income communities across the City. These broadband access centers will be in addition to the more than 90 centers that will be expanded or created under the *NYC Connected Communities* program. Cablevision will be providing a similar contribution targeting schools, also above-and-beyond its match under federal BTOP program.

>***Broadband in Public Spaces*** – Together, Time Warner Cable and Cablevision will spend approximately $10 million over the next two years to wire selected portions of 32 parks across the five boroughs with Wi-Fi and maintain the systems for 10 years. This service will be free to all users for up to 30 minutes a month, with a nominal fee of 99 cents per day thereafter, and free at all times to Time Warner Cable and Cablevision subscribers.

>***Broadband in Traditionally Underserved Areas*** – The companies will invest an additional nearly $2 million over the life of the contracts to bring fiber into commercial buildings not currently being served, remedying the limited service options in some of the City's industrial/manufacturing areas (i.e., the Brooklyn Navy Yard).

>Approval of the cable franchise renewal agreements will also help foster a more vibrant marketplace by solidifying long-term, direct competition among the City's cable television providers for the first time. This stage was set with the historic citywide cable television franchise the City granted Verizon in 2008.

Conclusion

To summarize, in fewer than two years following the City's Broadband Needs Assessment Study, we have:

- Secured more than $28 million in Federal Sustainable Broadband Adoption grant funding to provide low-income sixth-graders and at-risk transfer school students and their families subsidized broadband connections, computers, and training. New York City is the top municipal recipient of Sustainable Broadband Adoption funding in the country.

- Secured approximately $14 million in Federal Public Computer Center Project funding to upgrade and expand public computer centers in libraries, public housing facilities, recreation centers, senior centers across the City, focusing on high poverty areas. New York City is the top recipient of Public Computer Center Project funding in the country.

- Invested and secured approximately $16 million in additional matching funds for these programs from City sources as well as from private and non-profit partners.

- Arrived at an agreement in principle with Time Warner Cable, in partnership with local not-for-profit organizations, for the establishment of an additional 40 public computer centers.

- Arrived at an agreement in principle with Time Warner Cable and Cablevision to commit approximately $10 million to provide Wi-Fi access at up to 32 public parks.

- Arrived at an agreement in principle to ensure that substantially all commercial areas in the City will be wired for broadband service. This marks the first time that City cable franchise agreements will contain a commercial service obligation.

- Entered into a citywide cable franchise agreement with Verizon, which provides that, in 2012, all New York City residents will enjoy the benefits of competition in cable television and broadband service.

- Accelerated innovative public-private partnerships, including the Virtual Senior Center, a model program which uses computer, video and Internet technology to create an interactive experience for homebound seniors.

The City of New York and DoITT will continue to build on the existing programs I have described; and continue to develop innovative new strategies with partners across public, private and non-profit sectors.

Thank you. We would now be pleased to answer any questions you may have.