

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON TECHNOLOGY

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November 15, 2016
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HELD AT: 250 Broadway - Committee Rm,
16th Fl.

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JAMES VACCA
Chairperson

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David G. Greenfield
Barry S. Grodenchik
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Director of Programs
Older Adults Technology Services

Jordan Wouk
Representative
Manhattan Community Board 8

[sound check]

[pause]

CHAIRPERSON VACCA: First, I apologize, and those of you who come to my committee know that I always start on time; I'm never late, but we had a vote at Higher Ed.; I'm also on the Higher Ed. Committee and we voted and I had to vote and be there across the street, so I apologize for being late. So it's now 1:25 and I do wanna start this meeting.

My name is James Vacca and I'm the Chair of the Technology Committee of the New York City Council and I'd like to welcome you all here; perhaps you can turn your cell phones off so that the Committee will have your attention and the people can give their testimony.

We're here today to discuss the progress and challenges of the LinkNYC network rollout. In the beginning of this year, CityBridge, the group that managed the LinkNYC rollout started installing Wi-Fi kiosks along the streets of New York City where old payphones once stood. The kiosks were meant to expand free Wi-Fi and free telephone services across the city. Creation of the network started in Manhattan and has steadily been expanding throughout

the rest of the city. The newly-installed kiosks are welcomed by New Yorkers, but there have been unforeseen problems. While LinkNYC continues to level the digital playing field by giving New Yorkers Wi-Fi service, there also still remains a need to quicken the pace of its installation in the outer boroughs. The City's agreement with CityBridge calls for the installation of 7,500 kiosks by 2024; however, at this date not even one-tenth of that number has been installed or activated.

Additionally, Department of Information Technology and Telecommunications (DoITT) must ensure that users of LinkNYC understand the need for why the technology exists; namely, to allow for all New Yorkers to have the ability to access real-time information and use their telephone services at no charge. However, we did see a misuse of LinkNYC, as you know, and that ability to misuse has been addressed. So it's my hope that this discussion will shed light on what the Administration intends to do to ensure that the kiosks are used properly while also informing us of what remedies have been implemented and providing updates on LinkNYC's expansion to the outer boroughs.

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1 Department of Information Technology and
2 Telecommunications (DoITT). Seated with me today is
3 Chad Rosenthal, DoITT's acting General Counsel, and
4 Anne Koenig, DoITT's Senior Director of Public
5 Communication Structures. We are pleased to speak
6 today about LinkNYC, an ambitious, first-of-its-kind
7 franchise to build a network of free Wi-Fi kiosks
8 across the five boroughs. When we set out to take on
9 this innovative project, we decided to replace
10 outmoded payphones, while providing millions of New
11 York City residents and visitors with an extremely
12 in-demand service: free, high-speed Wi-Fi.

14 It must be noted that no other city has
15 ever attempted a public Wi-Fi project of this scope.
16 As the nation's largest city, New York is often
17 looked to for leadership in technology. As more
18 municipalities strive to become "Smart Cities," New
19 York City is ahead of the curve and is setting the
20 trend. We are excited about LinkNYC and we are
21 extremely confident in the ability of our franchisee,
22 CityBridge, to successfully implement our vision.
23 The product they're launched is evolving, and it has
24 been rewarding to see the progress so far.

Although there had been discussion regarding the need to transform the City's payphones since 2012, it was this administration that prioritized broadband accessibility, getting practicable projects off the ground. In April of 2014, DoITT released a request for proposals (RFP) for public communications structures that called for, at minimum, free calling to 311, 911 and free 24/7 public Wi-Fi. In November of that year, CityBridge was awarded the franchise.

Under a non-exclusive franchise agreement with DoITT, CityBridge is authorized to build up to 10,000 LinkNYC kiosks to replace the public payphone infrastructure across the five boroughs over the course of the franchise term. In total, 7,500 LinkNYC kiosks will be installed over the first eight years, and the City will receive a minimum of \$500 million in ad revenue over the first twelve years. This is a win-win situation for New York City: advertising on LinkNYC kiosks sustains and funds the entire project, ensuring no cost to taxpayers. All LinkNYC services are truly free for New Yorkers and visitors alike. And funds from this franchise are already allowing us to address broadband inequity;

such as the City's investment of \$10 million to provide free broadband to thousands of residents in New York City Housing Authority developments across the City.

LinkNYC kiosks offer several beneficial services. The free Wi-Fi is extremely fast, with up to gigabit speeds, and a minimum range of 150 feet in each direction. Since Links will be installed along commercial corridors, many businesses and their customers will be able to take advantage of the Wi-Fi beyond the sidewalk. As many of us who use smartphones know, data usage can be quite expensive. A convenient, reliable, fast Wi-Fi network will allow New Yorkers to save a ton on their mobile phone bills. Links also serve as public telephones, but unlike payphones, nationwide calls from a LinkNYC kiosk are 100% free. The kiosks also have a dedicated button to quickly call 911 in an emergency. The tablet interface offers wayfinding and allows any user to access City services through a 311 online application. Finally, each kiosk contains two USB ports for quick mobile device charging.

New Yorkers across the City are eager to take advantage of these services. That's why our

franchise agreement with CityBridge commits to installing Links in each of the five boroughs. The project is currently in year two of construction, with approximately 7% of the entire rollout completed. Citywide, there are currently 558 LinkNYC kiosks installed, 434 of which are active. DoITT and CityBridge expect to steadily roll out more Link locations across the five boroughs in the coming year. Although some of our borough deployment targets are behind schedule, we are addressing the challenges head-on with CityBridge. The progress made over the past several months is substantial, and we are encouraged by the good work our franchise is doing.

The City is pouring in a lot of time and effort into the success of this initiative. This transformational project is an important step towards Mayor de Blasio's goal of providing every resident and business access to affordable, reliable, high-speed broadband service by 2025, and DoITT is honored to work in support of that effort. LinkNYC's success can easily be measured by its usage, and the usage will only increase as more kiosks are installed and activated. As of yesterday, there have already been

over 45 million Wi-Fi sessions, used by 784,670 subscribers to date. All of these users have consumed a cumulative total of 363 terabytes of data cumulatively. For perspective, this amounts to approximately 181,000 New Yorkers' typical monthly 2 gigabyte-per-month data plan. That is the approximate equivalent of downloading 90 million mp3s of music.

The tablet, which is the gateway to calls, 911, 311, and maps, has also been population. In the month of October, users made over 4,000 911 calls and more than 172,000 non-911 calls. The maps application was accessed more than 40,000 times, and the 311 app was accessed approximately 13,000 times.

As CityBridge continues to install LinkNYC kiosks across the City, we have been actively engaging our partners in the community and government. We have been receiving feedback from Council Members, Borough Presidents, Community Boards, and community advocates, in addition to data coming in via 311 to CityBridge from the public-at-large. All of the feedback we have received weighed heavily in decisions we have made about adjustments to the kiosks' functionality. In response to noise

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2 complaints, CityBridge lowered the volume of the
3 kiosks' speakers by 50% after 10:00 p.m. When
4 inquiries were received about the brightness of the
5 ad screens, CityBridge implemented a dimming function
6 that reacts to ambient light. Most importantly, in
7 mid-September, we made the decision to disable the
8 internet browser of the tablet in response to reports
9 of individuals using the Links for extended periods
10 of time.

11 Adjustments to the system like these
12 directly address public input to ensure that these
13 valuable assets remain a boon to New York City's
14 neighborhoods. We want people to know these
15 complaints, while valid, reflected a very small
16 percentage of the hundreds of thousands of users who
17 benefit from LinkNYC's useful free services.
18 Nonetheless, since disabling the browser, complaint
19 data and anecdotal feedback indicate that there has
20 been a significant drop in issues relating to the
21 congregation of individuals at kiosks. In fact, we
22 have seen a noticeable increase in the number of
23 tablet users and a severe drop in loitering
24 complaints.

While we do not have any plans to bring back the browser, DoITT and CityBridge have been exploring the possibility of expanding the tablet's capabilities in the form of applications for specific users. Additionally, DoITT and CityBridge have partnered to create time-sensitive features, such as our efforts to engage New Yorkers in the election process. In October, the table featured a page with a link to register to vote, which was clicked 4,283 times. Earlier this month, a similar page was featured that helped users find their polling sites for the general election. That link was clicked 3,015 times. These are the types of features that we hope to continue to do in the future.

Thank you giving us the opportunity to testify before the Committee today. DoITT and CityBridge will continue to work with the Council as we deploy LinkNYC across the five boroughs. We welcome your feedback, and we are happy to answer your questions.

CHAIRPERSON VACCA: Thank you. Thank you all for your testimony and for being here, and we've been joined by Council Member Barry Grodenchik, member of the Committee.

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2 I do have some questions. As someone who
3 lives in the Bronx, I have to tell you that I walk
4 the streets of Manhattan and I see these things --
5 kiosks -- within two to three blocks of each other
6 and I don't have one of them in my council district
7 at all. Brooklyn I think just has three. So why is
8 there this continuing inequity and what are we doing
9 to provide service to boroughs other than Manhattan?

10 STANLEY SHOR: Okay. Well the contract
11 was based upon the initial premise of replacing the
12 payphones, so that was the starting point as far as
13 the numbers were concerned. We did negotiate changes
14 in that distribution because we recognized that the
15 boroughs were underrepresented by the payphone count,
16 so we did increase the numbers in each of the
17 boroughs outside of Manhattan. But ultimately there
18 will continue to be more in Manhattan than in the
19 boroughs, but as you indicated, people from other
20 boroughs do walk around Manhattan, so we do feel that
21 this is providing a service to all of the residents
22 of the city where people are walking around
23 extensively. That is not to say that there is not a
24 need in all of the boroughs, but we do have plans and
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it's clear in the contract where we're going with the plan for the boroughs, so... [crosstalk]

CHAIRPERSON VACCA: I must tell you, I don't agree with that premise, by the way. People from the Bronx may walk in Manhattan, but that does not negate the fact that people in the Bronx should have the service.

STANLEY SHOR: Oh I'm not saying that...

CHAIRPERSON VACCA: If people in Manhattan want the service, let them come and walk in the Bronx. [laugh] No, I mean, that wasn't the premise... [crosstalk]

STANLEY SHOR: I'm not saying that is...

CHAIRPERSON VACCA: because... that was not the premise of the original contract; the original contract was that there would no inequality and certainly the Administration has been clear when it comes to inequality, so why is Brooklyn and the Bronx not being treated on an equal basis? [background comment] And Queens, and I think you just put one on Staten Island. But the reality is, is that we're using payphones as the basis; is that the only basis for installing the kiosks...? [crosstalk]

CHAIRPERSON VACCA: No, we know it was
but the reality is too... Commissioner, the
also that we are behind schedule...

CHAIRPERSON VACCA: significantly behind

Can you describe how far behind are we,

are the mitigating factors in our being

and what are we doing to catch up? You did

term before -- "ultimately" was the term that

ultimately -- but ultimately I think could

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2 be seven or eight years before we see full service or
3 full contract terms met. How long is this contract?
4 Am I right; is it seven to eight years?

5 STANLEY SHOR: The contract has an
6 initial term of twelve years... [interpose]

7 CHAIRPERSON VACCA: Twelve.

8 STANLEY SHOR: and with an extension of
9 another three years and it was designed to be
10 coterminous with the street furniture franchise so
11 that the folks in charge at that point in 2026 would,
12 if they wish to, look at the possibility of combining
13 services and if they don't wish to, then it will
14 continue for a full fifteen years.

15 CHAIRPERSON VACCA: So how far behind are
16 we now and what were the mitigating factors that
17 determined that we would indeed be in the position
18 we're in today?

19 STANLEY SHOR: Okay. I'm going to
20 describe generally the issues that have arisen,
21 because I'm not the company itself and the company
22 itself that's here that has the direct knowledge, and
23 I wouldn't wanna violate an oath that I just made
24 that I'm telling the truth, because I can't tell you
25 the truth 'cause I wasn't actually the person

1 experiencing the issues. So for example, the company
2 expressed to us difficulties that they had dealing
3 with the conduit system that Verizon controls in the
4 boroughs; a lesser extent of an issue in Manhattan
5 and the Bronx because of a separate system that was
6 created by the old City of New York; the Empire City
7 Subway system, so that's why it's been helpful and
8 quicker to get the fiber deployed in Manhattan and
9 the Bronx, 'cause of the common conduit system, but
10 in Brooklyn, Queens and Staten Island, they rely on
11 the fully-owned Verizon system that was designed
12 purely for Verizon's use, so they've had to work with
13 that, and had to deal with a Verizon strike that
14 happened during this period time, and they've also
15 dealt with a lawsuit that involved a number of
16 payphones that are both in Manhattan and outside of
17 Manhattan, but that consumed a considerable amount of
18 resources. So the Bronx is not far behind its
19 schedule; actually, the Bronx has 33 installed, 22
20 activated; there should be 29 activated in the Bronx
21 pursuant to the first year's schedule -- the first
22 year's milestone passed on July 21. So they didn't
23 meet that milestone, but we expect that they will
24 have met that milestone very shortly. In the other
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2 boroughs they are farther behind due to
3 complications, which the company is better equipped
4 to explain.

5 CHAIRPERSON VACCA: At what point does
6 your agency look to take action if a deadline is not
7 met as per the rollout? At what point do we -- are
8 there certain times within the contract that you
9 assess progress or do you wait for twelve years of
10 the contract to elapse? When is the point that you
11 determine that there should be a penalty for this
12 inordinate or this significant delay I should say?

13 STANLEY SHOR: Okay. The milestones --
14 there's an annual milestone in the contract, so the
15 first anniversary was July 21 and that is a time when
16 if we were to assess specific liquidated damages we
17 could; we have been... under the contract the
18 franchisee is entitled to claim unavoidable delays to
19 refute the liquidated damages; they have made claims;
20 those claims are under review by the Department, so
21 it's not that we have not initiated or looked at the
22 provisions of the contract to ensure compliance; we
23 are looking at all of that. At the same time we are
24 trying to work very hard with the company to assist
25 them in achieving the vision, because it's more

1 important to us to help facilitate any issues that
2 they have, and that's where we are. So we work
3 constantly with them, we are monitoring them
4 constantly, we're trying to understand their issues;
5 if it involves bringing together parties, we try to
6 bring together parties and move this along, because
7 nobody wants to have them not meet their numbers. We
8 didn't fight hard in a negotiation to ensure that
9 there was a distribution across the five boroughs and
10 reasonable numbers that met the scrutiny of the
11 Borough Presidents during the Franchise and
12 Concession Review Committee process and then say
13 okay, that's done now; we're not gonna enforce it.
14 We are very eager to make this happen and we feel
15 that if they don't look good; we don't look good, and
16 we understand that's how you look at us too.

18 CHAIRPERSON VACCA: You did mention in
19 your testimony -- on page two -- 558 LinkNYC kiosks
20 are installed, 434 of which are active. Why are
21 there inactive kiosks and what do we do to activate
22 them? So that's about a 20% inactive rate, so what
23 do we...

24 STANLEY SHOR: Okay. So again, I will
25 talk generally about this and defer to the company to

1 explain it in more detail, but once they install a
2 Link there is a process for activation, which
3 involves Con Edison bringing the electricity to the
4 kiosk, the fiber being connected to the kiosk, a
5 certain amount of technical logistics and making sure
6 that the kiosk is working properly before it's fully
7 turned on.
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9 CHAIRPERSON VACCA: I know that we
10 resolved it, but we did have a couple of days where
11 instances were pointed out that people were using the
12 internet access to watch pornography for extended
13 periods of time and things like that and did your
14 agency anticipate this when we initiated this? Was
15 this a possibility you foresaw or was this something
16 that we thought would never happen? I just wanted to
17 know how we got there as well.

18 STANLEY SHOR: Okay. So the request for
19 proposals, which we wrote, mentioned the possibility
20 of proposals including a touch screen tablet; the
21 request for proposals did not require a touch screen
22 tablet with full access to the internet; the proposal
23 submitted by CityBridge, when they submitted their
24 proposal and when the contract was negotiated, did
25 not detail having full access to the internet, and

1 full access to the internet was never a requirement
2 of the contract -- except for Wi-Fi would have full
3 access. So the touch screen was supposed to be
4 additional way-finding and city services and that
5 what was specified in the proposal. The company came
6 forward when they were ready to produce the first
7 Links and included a button to access the internet;
8 at the time it sounded like a good idea, the City did
9 not oppose it, and once it was implemented, it was --
10 it was implemented by the company; they included
11 pornography filters, but apparently people are very
12 clever in getting around filters and it didn't
13 include any time limits and that also created a
14 problem, and the anticipation for this amenity was
15 not for an extended use kind of situation on the
16 street; it was supposed to be for rapid convenience;
17 just like a payphone, you don't expect somebody to
18 spend a two-hour phone call on a payphone, you expect
19 a quick call; we didn't expect people spending a lot
20 time there, and we truly expected the most popular
21 use of these kiosks could be the Wi-Fi, and which
22 people could use for hours and hours at locations not
23 right next to the Link, they can be within a 150-foot
24 radius, maybe even 300-foot radius, if the conditions
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2 are proper. So that's the situation there. We did
3 not anticipate this and when it became a problem, we
4 all looked at and said, nice as it would be have this
5 available, it was more of a problem than it was
6 worth.

7 CHAIRPERSON VACCA: I wanted to go back
8 to the borough distribution issue. What I need today
9 is a timetable from your agency or the
10 concessionaire, but I need a timetable as to when are
11 we going to see equity in the other boroughs? Right
12 now we have more of these kiosks in Manhattan than we
13 have in the other four boroughs combined, and that is
14 inequitable and that is unfair; it's not giving
15 technology to people in four boroughs of the City of
16 New York to any level that the people of Manhattan
17 have. So what is your timetable to give equity to
18 boroughs outside Manhattan?

19 STANLEY SHOR: So the company,
20 CityBridge, which will be speaking I assume next, has
21 been building out in Queens, the Bronx, Brooklyn and
22 Staten Island; they've made it to all of the
23 boroughs, they've done extensive fiber work leading
24 up to the deployment; they are escalating their
25 installations currently. As far as when they will be

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2 equal to Manhattan -- none of the other boroughs are
3 going to be equal to Manhattan in the number; the
4 numbers ultimately, at the end of the contract,
5 Manhattan will be I think approximately 50% of the
6 installations and the other four boroughs the other
7 50%, and that's the way the contract is set up;
8 that's after negotiating; this is a contract that's
9 made to be self-paying so that it supports itself and
10 that the advertising revenues pay for the deployment
11 in all of the boroughs.

12 CHAIRPERSON VACCA: But it's certainly
13 not fair that Manhattan has more than the total of
14 the other four boroughs in these Wi-Fi installations.
15 How is that fair? How is that equitable? It's not,
16 and we have no timetable as to when it's going to be
17 corrected; we're being told today that there is no
18 timetable as to when that will be corrected and that
19 in the long term, yes, there will be more in
20 Manhattan than in any of the individual boroughs, but
21 we're facing the prospect that there will be more of
22 these Wi-Fi kiosks in Manhattan than in the other
23 four boroughs combined. That's unacceptable to me.

24 STANLEY SHOR: What I said before about
25 the contract is, what's in the contract provides for

1 the eight-year build-out, and after the eight-year
2 build-out there's an additional period of time that,
3 at the mutual agreement between the company and the
4 franchisee, there can be another 2,500 added into the
5 distribution around the City.
6

7 CHAIRPERSON VACCA: But Commissioner,
8 many of these kiosks are in high-end neighborhoods
9 that have access to Wi-Fi and neighborhoods that are
10 poorer neighborhoods or middle-income neighborhoods
11 that don't have access may never see these kiosks or
12 may see them twelve years from now. That represents
13 something which I know City policy traditionally is
14 against; it is overlooking big parts of this city, in
15 favor of those who have this service already and have
16 easy access to it based on their economic status, so
17 it's just totally unfair.

18 STANLEY SHOR: So let me just set this
19 forth. This is one contract that the City is doing
20 and it was based upon an effort to replace the
21 payphones and provide an amenity to replace the
22 payphones, leveraging what was there with the
23 payphones. The City has a broader policy and a
24 broader plan for broadband and the City is working
25 with the Housing Authority to bring Wi-Fi into the

Housing Authority, separate from this franchise; there are other components going to bring the Wi-Fi out and other broadband access. So this is not the only way that broadband is going to different parts of the city. That being said, there... [interpose]

CHAIRPERSON VACCA: But I... please don't have me... please don't tell me I have to wait for the Housing Authority. Please, Commissioner.

STANLEY SHOR: It's not the Housing Authority itself working on this, it's this Department.

CHAIRPERSON VACCA: Your department...

STANLEY SHOR: My department, right.

CHAIRPERSON VACCA: is working with NYCHA?

STANLEY SHOR: Yes.

CHAIRPERSON VACCA: In a separate contract?

STANLEY SHOR: That's separate, yes.

CHAIRPERSON VACCA: 'Kay. Because this hearing today is about this contract and getting out of this contract what people were expecting. When you went to the Franchise Concession Review Board, modifications were made by the Borough Presidents so

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STANLEY SHOR: So the Links are not only going where payphones were before and some of the locations where payphone were before are not going to get Links because of issues with those sites. So we are happy to hear from you and other Council Members as to specific areas within your districts and your boroughs where you would like to see the Links and where you don't see payphones at the current time; that is, the basic plan is to leverage the locations

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2 of the payphones, but that's not the only possibility
3 and in fact, CityBridge has identified a number of
4 locations around the city, and we're working on more
5 than 150 applications for new sites to extend into
6 the boroughs and get to locations that need to have
7 service.

8 CHAIRPERSON VACCA: But your testimony
9 indicated that you were working with Community
10 Boards, so if you're working with Community Boards,
11 have they not given you suggested locations in their
12 districts?

13 STANLEY SHOR: They have.

14 CHAIRPERSON VACCA: Alright, so they
15 represent districts outside Manhattan, so what are we
16 doing with those locations; what are we telling the
17 Community Boards if they're not in Manhattan? They
18 give you a location; do we tell them you want a list
19 within the twelve-year contract or do we tell them
20 it'll be done in a year? What do we tell the Boards
21 outside Manhattan who do give you a list?

22 STANLEY SHOR: We tell the Boards... you
23 know, first we thank them for giving us the
24 locations, that we're going to share them with the
25 franchisees and we're gonna come up with a plan.

We're still pretty early on in the contract and we're still learning during this process as to how long it takes to figure these locations out. The company will express their own process of what they're learned and what constraints they have run into as far as the deployment; they like to do a corridor so that it makes sense that you're creating a corridor and Wi-Fi and then people can travel along the corridor and have Wi-Fi. But we are speaking to all of these folks and we are very appreciative of when they do tell us where they are eager to have them. What will happen is then those sites will go into a process; the company will determine whether they can build them; we will determine whether they fit the siting criteria; then we'll go back to the Community Board, to the Council Member and to the Borough President and the Business Improvement District, if there is one, for a comment period. So I understand your frustration with the slowness of the process, but part of the process is actually built into the contract and because of the authorizing resolution that we worked under, which requires a 60-day process for new sites, a comment period to review externally after we've done an internal review. So it's much

1
2 simpler with regard to the existing payphone sites,
3 so we made a determination that those sites could
4 automatically be replaced, but the new sites are a
5 longer process. So the company is actively looking
6 at new sites; we are soliciting comments from the
7 Community Boards; there hasn't been a tremendous
8 amount of recommendations, but there have been
9 recommendations, and we are eager to be accommodating
10 in that regard.

11 CHAIRPERSON VACCA: Okay. How do people
12 submit complaints or concerns about particular
13 kiosks?

14 STANLEY SHOR: People should submit
15 complaints through 311.

16 CHAIRPERSON VACCA: I have no further
17 questions; I think that -- I think you know where I'm
18 going with this and I do have questions for the
19 franchisee, so.

20 One thing though, I did wanna ask this
21 about revenue. When we enter into a concession, the
22 concessionaire commits to revenue commitments to the
23 City...

24 STANLEY SHOR: Yeah.
25

CHAIRPERSON VACCA: so we are behind in the installation, so did the concessionaire in this matter commit to X amount of revenue for the first year of the contract and were they able to deliver to the City the committed amount of revenue that was going to be produced?

STANLEY SHOR: Okay. So this contract is -- there is a formula for the revenue, the formula is based upon a number of 4,000 advertising units, which includes the old payphones and the Links. The company started out with less than the 4,000 because of a lawsuit with a company named Telebeam, which has been fighting to retain their units, which this lawsuit, we are hopeful that there will be a resolution to in the near future. So then the first year's minimum annual guarantee, based upon 4,000 advertising units, was \$20 million; they wound up paying us \$18 million because they had less than the full number, but it wasn't because they were behind on the installation. So the other aspect is that there's a minimum annual guarantee versus 50% of their revenue, so any revenue that the company makes pursuant to this contract is split 50/50 with the City. So we've done fairly well at this point, since

the inception of this contract we've collected \$30 million.

CHAIRPERSON VACCA: And the target?

STANLEY SHOR: The minimum annual guarantee for the first year was originally to be \$20 million, so we were down \$2 million on that. Pursuant to the RFP we required that the minimum could be no less than \$17.5 million, because that's what we were getting with the payphones. We expect that the revenue this year, which is... the minimum increases each year and goes to \$22.5 million this year. We are hopeful that we're gonna hit that \$22.5 million this year.

CHAIRPERSON VACCA: You mentioned part of your not realizing the total revenue that you expected was a lawsuit from Telebeam, and there was another lawsuit from the Federation for the Blind. Why was there that lawsuit; why would a person who's visually -- or a group that's visually impaired sue on these kiosks? What was the issue?

STANLEY SHOR: Can I refer this to counsel?

CHAD ROSENTHAL: Sure. So the Federation for the Blind has been working with the franchisee

1 such that their concerns are addressed. They had
2 submitted claims that the kiosks as they were
3 installed and implemented do not meet the ADA
4 requirements; that was their claim. And our position
5 has been to monitor that case very closely, as the
6 franchisee has been working with the Federation for
7 the Blind, and we hope they'll reach resolution soon
8 as well. It's very important to DoITT that the
9 structures all comply with the ADA and other
10 accessibility laws and we require that in the
11 contract for this franchisee and all others [sic].

12
13 CHAIRPERSON VACCA: Okay, I have no
14 further questions. I wanna thank you all for coming.
15 And we'll call our [background comment] next panel,
16 which will be from -- no, I wanna call... [background
17 comment] CityBridge, yeah, I didn't read that, I'm
18 sorry, CityBridge, Jillian Baker from CityBridge, Jen
19 Hensley from CityBridge, and Ruth Falslut [sic]
20 [background comment][laughter] Fasoldt. Yes, Ruth,
21 okay, from CityBridge. 'Kay, come have your seat.
22 [background comments]

23 [pause]

24 CHAIRPERSON VACCA: Yes, please introduce
25 yourself and you can start off.

[background comment]

JEN HENSLEY: Are we good? [background comment] Yeah. Thanks so much, Chairman Vacca; appreciate you guys having me here today. I am Jen Hensley, General Manager of Link for CityBridge... [crosstalk]

CHAIRPERSON VACCA: Can I interrupt one second...

JEN HENSLEY: Oh sure.

CHAIRPERSON VACCA: I just wanna mention that we've been joined by Council Member Borelli.

JEN HENSLEY: Great.

CHAIRPERSON VACCA: 'Kay.

JEN HENSLEY: I am Jen Hensley, the General Manager of Link for CityBridge, the consortium of companies bringing LinkNYC to the streets of New York. I am joined by Jillian Baker, our Head of Deployment and Ruth Fasoldt, our Community Affairs Manager and we appreciate the opportunity to be here to testify today.

When we first proposed LinkNYC as the solution for the City's obsolete payphone infrastructure, we imagined a city connected by the fastest Wi-Fi available, completely free for all of

1
2 New York's residents, workers and visitors. We
3 planned an agile interface housed in beautiful
4 structures that could be adapted, updated and changed
5 as the needs of our users evolved. We proposed a
6 premier service built to last throughout the life of
7 the 12-year contract, and that's what CityBridge has
8 delivered.

9 We're investing several hundred million
10 in capital to bring this service to New Yorkers, at
11 no cost to taxpayers, and with no public money
12 invested. The entire project is 100% privately
13 funded. In fact, over the life of our franchise, we
14 will be generating more than \$500 million to the City
15 by sharing 50% of the revenue earned from the
16 advertising displayed on the Links. In just our
17 first year of the project, as of January 2016,
18 LinkNYC created more than 190 direct jobs and more
19 than 100 additional indirect and induced jobs. In
20 that time, LinkNYC has already generated \$72 million
21 in local economic impact and that number continues to
22 grow throughout this year. We are compiling
23 information for our 2016 annual economic impact
24 report which we will submit to DoITT in January 2017.

Links have already proven very popular, and because the vast majority of our users are not visible by looking at Links, I want to walk you through the statistics -- you heard some of them from Stanley. Nearly 800,000 unique users have signed up for our Wi-Fi, nearly 40,000 free phone calls made each week from our kiosks, and more than 80,000 people each day logging onto our network. So even just this far in our deployment, we're already having a big impact on the city.

As excited as we are to roll out this service, we have faced significant challenges related to our deployment, including litigation between Telebeam and the City of New York, the six-week Verizon strike that occurred last summer, and the significant challenges that we've identifying locations for Links.

It's true that 21st century infrastructure does not fit neatly in a 20th century footprint, so I'd like to discuss the deployment process so that you can understand the complexity and coordination necessary to deliver this first-of-its-kind technology. While the starting point for this franchise was the footprint of the old payphones,

deployment of Links has entailed far more planning and complex coordination than anticipated.

First, it's important to point out that there are different conduit systems in Manhattan and the Bronx as compared to Brooklyn, Queens and Staten Island. In Manhattan and the Bronx, as Stanley mentioned, the conduit infrastructure is operated by Empire City Subway, or ECS, which allows third-party vendors to perform work without going through a time-consuming application process. Verizon owns and operates conduit infrastructure in Brooklyn, Queens and Staten Island and has strict policies and guidelines for third parties that wish to access and perform work in Verizon-managed manholes. So we face slightly different challenges in different parts of the city.

In terms of our own team, we have enlisted a group of GIS mappers, data analysts and planners to identify the sites necessary to build the Link network. We have another 14 people working full-time on permitting, engineering and managing construction of sites in our pipeline. Standing up that team and the processes necessary to identify and

deliver the Link sites has been significantly more extensive than anyone originally anticipated.

For each LinkNYC site, our team engages in a detailed planning process with our fiber providers and other partners to determine corridors where we believe a critical mass of Links can be installed based on foot traffic, street-level commercial activity, existing payphone locations, and other factors. Each potential site is assessed on the basis of the City's siting criteria, the site's constructability and financial viability. To give perspective on our siting requirements, Links must be at least 50 feet apart from each other, something many old payphones boots were not. Links must also be 15 feet away from a subway entrance, fire hydrant, sidewalk cafes, and other street furniture, amount other things.

On the basis of these analyses, we develop an operational plan that contains site lists, site drawings, manhole locations, and timelines for delivery. This planning process takes three to six months and reflects the partnerships and expertise we have developed over the past year as we have rolled

out this groundbreaking project. It results in sites being submitted to DoITT for review.

Next, DoITT reviews the sites that we propose for compliance with siting criteria and against other information they have about constructability and priority locations. For existing sites, this takes approximately one to three weeks, but for new sites, within are called Greenfields, this can take more than 14 weeks due to a 60-day community review process mandated by the authorizing resolution. When DoITT issues a Notice to Proceed, CityBridge begins the pre-construction process. This includes assigning the location to one of our civil contractors, applying for and receiving the necessary DOT permits, obtaining electrical disconnect and engineering drawings from Con Edison, and doing the exploratory connection work necessary to determine whether trenching is required to provide fiber and power connections.

Where our crews can work independently in the conduit systems, in Manhattan and the Bronx ECS system, we can usually deliver this section of work in approximately four to six weeks. In Brooklyn, Queens and Staten Island, Verizon controls the

1 conduit system and requires a six- to nine-month
2 exploratory or "make-ready" process in which their
3 teams do conduit inspection work and return the
4 results to us months after the routes have been
5 proposed. Verizon also requires its crews to be
6 present for any access to a manhole that our teams
7 will need, which adds another layer of coordination,
8 expense and time. And in Staten Island, where the
9 infrastructure is mostly aerial and access is not
10 through manholes, but off of poles, we had to develop
11 a whole new process for coordinating overlap
12 agreements, pole access and other plans to deliver
13 Link services within that infrastructure. It's
14 important to note that we have a cooperative and
15 productive relationship with Verizon and they've
16 worked hard across all levels of their organization
17 to support our deployment. Nonetheless, all of this
18 means that before construction can even begin we have
19 been planning and working on a site with our partners
20 for a minimum of five months and as much as a year.

22 Once that planning and routing work is
23 complete, we begin construction, which includes in-
24 street and sidewalk work to lay the foundation,
25 complete the necessary conduit work and lay fiber and

1 electricity lines. This is typically a two- to four-
2 week process, and even then, sites can be determined
3 unconstructable if they are on top of vaults, if
4 there is another construction project or scaffolding
5 in our way, or for other reasons. Once the Link is
6 installed, there is a one- to three-week activation
7 period when power and fiber are turned on and the
8 unit is tested and released for public use.

9
10 In each of these stages of the process,
11 we lose many more sites than we start with. For
12 example, for our Franchise Year 1 goals, we had a
13 goal of 510 installed Links in the five boroughs. To
14 achieve that, we identified 760 total sites. We lost
15 92 of those sites due to siting requirements,
16 approximately 30 due to constructability issues like
17 street protections, conflicting construction projects
18 or vaults, and 15 that were commercially unreasonable
19 to build. We are continuing to experience site
20 fallout as we move forward with the construction and
21 have had to add Greenfield sites to the pipeline in
22 order to achieve our goals. To expedite the
23 Greenfield process, our staff, led by Ruth Fasoldt,
24 has been meeting with every Community Board to try to
25 expedite the review process so we can gain additional

1 sites more quickly and move them through our process.

2 In short, this is not a simple process of swapping
3 one piece of street furniture for another. It is a
4 complex coordination of many processes, and an
5 exercise in identifying and achieving built sites.

6 We are working closely with DoITT on a
7 daily basis to improve the process, achieve more
8 sites and speed deployment. With more than 90 units
9 in inventory in our Long Island City warehouse now,
10 we are ready to put more Links in the ground quicker,
11 and while we are working as hard as we can,
12 significant challenges to our deployment remain. We
13 will continue to work cooperatively and effectively
14 with the Mayor's office, DoITT and the communities
15 where we are deploying to deliver more Links and
16 expand our service.

17 We are extremely proud of the service we're
18 bringing to New York and of the team that is
19 delivering this transformational project. Thank you
20 for the opportunity to be here today; now we're happy
21 to answer any questions that you have.

22 CHAIRPERSON VACCA: Thank you. Talk to
23 me about the fact that the outer boroughs seem to be
24 the -- what do they say, the tail wagging the dog --

1
2 sounds like. We have -- right now Manhattan has much
3 more than the four other boroughs combined; why is
4 that the case?

5 JEN HENSLEY: So as I discussed, there
6 are very complex infrastructure issues, but it's
7 important to point out that we are in a lot of
8 neighborhoods in the outer boroughs, we're in the
9 Grand Concourse and Fordham Road in the Bronx, we're
10 in Jamaica, Queens, Rego Park, Sunnyside, Bed-Stuy in
11 Brooklyn, and New Dorp Lane in Staten Island as of
12 this week, and so we're working really hard, as I
13 mentioned in my testimony, to combat the challenges
14 that we faced without outer borough deployment
15 specifically, and to continue to continue to build
16 sites there. But as DoITT mentioned, it's also
17 important to note that at full build there will be
18 3,900 Links in Manhattan and 736 in the Bronx, and so
19 again, those numbers, the disparate nature of what
20 was negotiated as part of the franchise agreement
21 reflected I think the challenges of the conduit
22 system and the other siting criteria and things that
23 we expected for the rollout, and LinkNYC is one part
24 of the citywide solution for broadband accessibility,
25 and no doubt we're behind and we're working hard to

advance as quickly as we can, but we think we're, you know, one critical part, just one part of the overall plan.

CHAIRPERSON VACCA: But the contract was front-loaded with Manhattan locations; not... [crosstalk]

JEN HENSLEY: Uh the...

CHAIRPERSON VACCA: the other boroughs will be nowhere near equal at any time but they become less unequal in the later years. So we are -- the outer borough that note -- so the outer boroughs are in the rear end of the plan and Manhattan is in the front end of the plan.

JEN HENSLEY: Well no, we have... [crosstalk]

CHAIRPERSON VACCA: Just to the larger extent.

JEN HENSLEY: Well we have goals every year and so the Franchise Year 1 goal was to have 322 in Manhattan, 29 in the Bronx; we currently have 33 units in the Bronx today. And so, you know, we're gearing up and we're definitely behind... [interpose]

CHAIRPERSON VACCA: But there's not a big gear-up between 29 and 33. I don't know if I can call that gear-up.

JEN HENSLEY: Well we're...

CHAIRPERSON VACCA: You're a car that needs fuel; that's what it sounds to me. It's not... I wouldn't call that a gear-up.

JEN HENSLEY: Well as I was saying, we've met the Franchise Year 1 goal for the Bronx and we've met the Franchise Year 1 goal for Manhattan; in the outer boroughs where we face challenges related to the infrastructure that were discussed in my testimony, it's taking us a little bit longer to achieve the results that we want to see there, and we're working, as I mentioned, extremely hard with a very dedicated and extensive crew to try to make up that time.

CHAIRPERSON VACCA: Why were there so many challenges in the other boroughs and not the challenges in Manhattan?

JEN HENSLEY: As I mentioned in my testimony, our fiber providers, as well as our own crews, are able to move freely through the conduit system, the ECS conduit system in Manhattan and the

Bronx in a way that they're not able to in Queens, Staten Island and Brooklyn.

CHAIRPERSON VACCA: But even if that's the case, the Bronx got hardly anything compared to Manhattan. Even though you're saying that we are par with Manhattan, we received a pittance compared to what Manhattan received, so that explanation does not hold true in the case of the Bronx... [interpose]

JEN HENSLEY: Well our deployment is focused in a way to meet the goals set forth in the franchise agreement. So as I mentioned, the goal for year one in the Bronx was 29 units; we've met that goal. We're continuing to build in all boroughs and you know, you will continue to see installations throughout the Bronx.

CHAIRPERSON VACCA: I must tell you this -- and I know you're working hard, and I respect all the work you do, but if you go back through the records of this committee, when we originally had hearings, before this became a reality, I expressed the concern that this contract would have this impact because the advertisers would want Manhattan and they would not want the other boroughs, and I was told no, this would not be the case; I was told that there

1 would be equity, and this to me is not equity and
2 this only goes to reinforce my original belief when
3 my committee had hearings on this -- oh my god, has
4 to be two years ago, and it was unacceptable then and
5 it's unacceptable now that this is the rationale that
6 we're being given, because that is the rationale.
7 The rationale is that people with higher incomes will
8 see the advertisements that are placed on these
9 kiosks and they will spend money on those advertisers
10 and people in poorer neighborhoods in other boroughs
11 don't have that disposable income and they don't
12 provide the bang for the buck that the advertisers
13 want, and that's called inequity. And I said that in
14 the beginning and I say it again now, but now it's
15 evident that that's the case.

17 You have a City contract and I understand
18 that you have to produce revenue for the City; I
19 understand that you have to obey the terms of the
20 contract, and I respect that, but we as citizens are
21 now facing that disconnect.

22 Let me ask you about the kiosks; will
23 there be information about road conditions or transit
24 information on the Links?

JEN HENSLEY: Yeah, one thing just to note also is; 26% of our Manhattan deployment is in Upper Manhattan as well and so we share the equity goals of the City, the Mayor's office and the Council and so we have worked hard where possible to achieve sites in those areas and we will continue to maintain our commitment to achieve the vision of the project overall. So I just wanted to make that clear.

As relates to the transit information and notifications, 5% of the ad space on the 55-inch digital displays is available for City use for public service announcements; that's handled by NYC & Company at the City's request. And additionally, our developers are working on integrating applications that Stanley mentioned onto the tablet to make sure that transit information, weather; other types of useful information for people moving in and around the city are available at the touch of a screen.

CHAIRPERSON VACCA: Okay. And regarding the challenges you said you faced, how are you overcoming those challenges?

JEN HENSLEY: We've been working closely with Verizon; they've offered us dedicated inspectors to accompany our crews in manholes in the outer

that we've submitted; now we're closely with DOT and with DoITT to be able to do work where it's appropriate on the sites that are ready to be built.

CHAIRPERSON VACCA: I did mention in my questioning of the Administration the two lawsuits that are pending, and I realize that there are limits to what you can say publicly, and that's certainly acceptable, but let me ask you; are we near settlement with those lawsuits? Because my concern is that if that's not the case; is it holding up even further the installation schedule?

JEN HENSLEY: Yeah we, as a general matter, don't comment on pending litigation, but we are optimistic about resolving both of those lawsuits in the near future.

CHAIRPERSON VACCA: Near future, meaning several weeks; months?

JEN HENSLEY: Unfortunately, I'm not at liberty to disclose timelines right now, but I can check with our counsel and provide you additional information.

CHAIRPERSON VACCA: Please. You mentioned on page three, "we are working closely with DoITT on a daily basis to improve the process,

1
2 achieve more sites and speed the deployment." So are
3 we having bureaucratic time delays here between
4 DoITT, the Community Boards; the process? Is there a
5 bureaucratic issue that takes an inordinate amount of
6 time to get sites approved and shovels in the ground?

7 JEN HENSLEY: We've seen extraordinary
8 cooperation from DoITT, and as I mentioned in my
9 testimony, working with them on a daily basis; they
10 have dedicated significant resources, as Stanley
11 mentioned, to working with us to approve sites and
12 move them through the process more quickly. We've
13 also seen a lot of cooperation, extremely cooperative
14 administration that has helped us work across agency
15 where there has been difficulty, and so we are moving
16 the processes as quickly as we can; we've found
17 significant cooperation and continue to work together
18 on a daily basis.

19 CHAIRPERSON VACCA: What did you do
20 immediately when you found out that so many people in
21 the city were using these kiosks for inordinate
22 amount of times and using them to view inappropriate
23 material? What did you do immediately? What was
24 your administration action that you took?

JEN HENSLEY: Yeah. So we obviously take that very seriously. As Stanley mentioned, we launched the browser with open DNS content build filtering, which is similar to what the libraries use. We consulted with the Queens Public Library and with the New York Public Library for guidance in advance of the deployment; they suggested this tool, which we used and employed. As soon as we heard that people were finding their way around those content filters, we worked with our development team to install parental controls on the tablets, so any table. We have the Spoke operating system that we use, so the development team immediately took action to implement that and it was rolled out very quickly. When we found that people were still working around that, we worked closely with DoITT and with the Mayor's office to address the issue by removing the browser, and so we obviously took the community complaints very seriously. Ruth spent a lot of time at community meetings; at hearings getting the feedback; understanding the benefits of having the browser and the serious pitfalls of having the browser, and once it was clear there were significant pitfalls, we worked immediately to address it.

CHAIRPERSON VACCA: Do you have demographics on who was using the kiosk -- young, old, women; men? Do you have any demographics?

JEN HENSLEY: You know we do not require a log-in to use the tablet; we wanted it to be free and accessible to everyone, and we don't require any information from users. And so we don't actually have that demographic information about tablet users.

CHAIRPERSON VACCA: Okay. I have no further questions.

JEN HENSLEY: Thank you very much; I appreciate the time... [crosstalk]

CHAIRPERSON VACCA: Thank you, thank you very much.

Our next panel Jarret Hova, Clayton Banks, Rhoda [sic] Binder [sic], Jeanne Dorak from ABNY, and -- is this the same person? [background comment] Okay, yes; that's it. [background comment] Lucille Songhai from Borough President Gale Brewer's office, would you come up? Would you like to go first, Miss, in the center? Introduce yourself, please.

RHONDA BINDA: Thank you. Thank you
Chairman Vacca and members of the Technology
Committee.

My name is Rhonda Binda and I am the
Executive Director of the Jamaica Center Business
Improvement District (BID). I am a technology lawyer
by trade and a "Smart City" evangelist. Thank you
for the opportunity to share remarks regarding
today's oversight hearing on LinkNYC.

Our BID is home to Jamaica Avenue, whose
commercial corridor remains one of New York City's
most vibrant shopping destinations. The district
includes over 300 businesses, several major cultural
and educational institutions, and the city, state and
federal government offices. It also includes one of
New York City's most critical transportation hubs
with connections to JFK Airport, the AirTrain
station, Long Island Railroad, and MTA subways.

Our economic development strategy for
Jamaica, Queens is a three-pronged strategy focused
on the 3Ts: transportation, tourism and technology.
In Jamaica, we are planting the seeds for upward
mobility through digital literacy. We believe that

in today's knowledge economy, connectivity is a baseline utility and it's a human right.

That is why we are thrilled to report that last month, more than a dozen LinkNYC kiosks were installed along Jamaica Avenue, providing free Wi-Fi and phone charging for residents, businesses and visitors. In a developing and vibrant community such as ours, it is increasingly important to have state of the art services that attract businesses and real estate investment in this part of New York City.

The installation of these Links are a tremendous opportunity for businesses that serve millions of customers each year in Jamaica. The ability to display advertising on the Link will only help attract customers to the diverse businesses located in the district.

The installation of Links in Jamaica is also a major safety resource, with its red 911 call button for direct access to an emergency operator. We are also pleased with the decision to disable certain web-browsing features, which will allow more users to interact with the kiosks while limiting loitering around the equipment.

The Jamaica BID corridor still lacks high-speed internet; it's a problem our businesses suffer deeply from, as internet is often even needed to run simple credit card payment systems. Though not without challenged, LinkNYC has the potential to supplement this historical digital divide in our neighborhoods as we pursue connectivity for all.

Thank you for the opportunity to share our thoughts and we look forward to the installation of more Links in southeast Queens, and the ability to partner with the City and CityBridge on these endeavors.

CHAIRPERSON VACCA: Thank you. On to Gale Brewer **[inaudible]**. Lucille.

LUCILLE SONGHAI: Hi everyone. My name is Lucille Songhai; I'm representing the Manhattan Borough President, Gale A. Brewer. I would like to thank Chairman Vacca and members of the Committee on Technology for holding this hearing on LinkNYC as it's being rolled out in Manhattan communities.

Before the disabling of LinkNYC's web browser, our office was inundated with calls and emails from residents, civic organizations, and Community Boards about the well-documented abuse of

the system's browser function. I commend DoITT, LinkNYC, and the de Blasio administration for listening and acting quickly to correct the problem and for engaging Community Boards and their technology committees in addressing public concerns. Our Community Boards have sought to balance the attraction of free Wi-Fi access with its neighborhood impacts, including increased sidewalk congestion and the bright lighting of the LinkNYC terminals. These issues remind us that the Link connection points, like all new infrastructure, require careful balancing to ensure that the system is user-friendly, widely available and well-received.

I look forward to the browser reactivation with filters to block inappropriate content and perhaps the implementation of time limits on usage. But we must be careful to ensure that we do not create another kind of digital divide that restricts the appeal and the use of LinkNYC to those who already have smartphone and home digital access.

Challenges aside, we have been encouraged by the features of LinkNYC and its ease of use: access to neighborhood maps, a sign-up feature for IDNYC, and the capacity to fill out voter

1 registration forms. At the last update on the
2 system, we were alerted to the availability of
3 emergency preparedness information. An important
4 potential feature would be real-time access to that
5 information when crises arise.
6

7 We need more features that allow New
8 Yorkers to put LinkNYC to work for them, such as a
9 capacity to fill out and electronically submit City
10 forms, including job applications. The New York City
11 Department of Small Business Services could use
12 LinkNYC to partner with local merchants and services
13 through an interactive map that gives their location
14 relative to the kiosk. DHS could map drop-in
15 centers, food pantries and meal programs, and there
16 could be location maps for children's safe havens,
17 police and fire stations, hospitals and clinics,
18 houses of worship, and many commonly searched
19 services such as UPS, FedEx, USPS, and libraries.
20 Will the LinkNYC public data points be connected to
21 the City's Open Data Portal? And finally, will ad
22 space be reserved for nonprofits and community-based
23 organizations, and if so, how much? We know that
24 currently 5% of ad space is being made available to
25 all City agencies through New York & Co., and we

encourage LinkNYC to reach out to all Community Boards to let them know about this great opportunity.

We do have other concerns as we move forward. For example, cameras and microphones are mounted on the kiosks for security, but we should know more about where the data is stored, how long it is kept in the system, if it is back up, and if so, where? Is it secure? If it is held by NYPD, is it shared with other law enforcement agencies? Does the City have a data-sharing agreement with other agencies or branches of government?

Quality-of-life concerns and questions about data-sharing and security and also system security are a natural part of the robust community conversation we should develop around the rollout of LinkNYC. We welcome the opportunity to work with DoITT, LinkNYC, the Community Boards, and elected officials to create that conversation and listen thoughtfully to public concerns as well as ideas to improve access and use, minimize problems, and broaden the user base to reach the largest possible number of communities.

Thank you, Chairman Vacca and the Committee for holding this timely hearing. We look

forward to working with you and all other partners to make LinkNYC the best public access network in the world.

CHAIRPERSON VACCA: Thank you.

LUCILLE SONGHAI: Thank you.

CHAIRPERSON VACCA: I enjoyed that.
Wanna keep going?

[laughter]

CHAIRPERSON VACCA: Was good. Say hello to Gale.

LUCILLE SONGHAI: I will.

CHAIRPERSON VACCA: My friend. Would you identify yourself please?

JEANNE DORAK: Of course. Good afternoon. My name is Jeanne Dorak and I am submitting testimony on behalf of the Association for a Better New York City (ABNY).

ABNY is among the City's longest standing civic organizations advocating for the policies, programs, and projects that make New York a better place to live, work and visit. We represent the broad fabric of New York's economy and our membership includes leaders in New York businesses, not-for-

profits, arts and cultural organizations, educational institutions, labor unions, and entrepreneurs.

Today we are adding our voice in support of the innovations and services that LinkNYC has provided through the installation of public Wi-Fi kiosks around New York City. The Wi-Fi kiosks that have been installed since LinkNYC launched in February 2016 replaced outdated and outmoded street furniture with ultra fast internet connection. We think LinkNYC is an important addition to New York City's public infrastructure and addresses a critical need for businesses, as well as for residents and visitors.

Additionally, the priorities we've heard from the through-end and served [sic] communities is that: (1) **[inaudible]** provide fast, reliable and affordable internet infrastructure, and (2) that the City be able to work with them as they innovate and try out new ideas and projects.

For the first point, LinkNYC is delivering the kind of infrastructure these emerging industries find critical, particularly in areas where traditional infrastructure is widely available, and to the second point, LinkNYC and the City have

1
2 already shown how valuable working together can be on
3 a project this groundbreaking and complex. The
4 cooperation between both to make the decision and to
5 remove web-browsing addressed community complaints
6 and significantly decreased the negative impact on
7 residents. It is our hope and recommendation that
8 the City continues to work with LinkNYC to optimize
9 the implementation and expansion. In addition, the
10 advertising feature of the kiosk pays for the program
11 but zero tax dollars are spent and brings revenue to
12 the City.

13 Overall, LinkNYC's kiosks are a win-win
14 for both private and public interests. Public access
15 to Wi-Fi is not just becoming the desire for the 21st
16 century city, it has become a necessity. Creating
17 the infrastructure to support fast, accessible Wi-Fi
18 to everyone who lives, works and visits here is a
19 significant step forward in the right direction to
20 keep New York competitive as a leading digital city.

21 Thank you for the opportunity to submit
22 testimony today.

23 CHAIRPERSON VACCA: Thank you very much.
24 Sir, would you wanna go next?
25

CLAYTON BANKS: Okay. This is awesome by the way.

CHAIRPERSON VACCA: You like it, ay?

CLAYTON BANKS: Yeah, **[inaudible]**...
[crosstalk]

CHAIRPERSON VACCA: Gotta come every month.

[laughter]

CLAYTON BANKS: So my name is Clayton Banks and... [background comments]

CHAIRPERSON VACCA: One second please, Mr. Banks. We've been joined by my colleague, Council Member David Greenfield.

CLAYTON BANKS: Welcome to the party.
So my name is Clayton Banks; I'm the co-founder of Silicon Harlem and we are here in support of LinkNYC.

At Silicon Harlem we are dedicated to advancing technology's role in the transformation and sustainability of Harlem. We are designed to create a technology hub, literally, in Harlem. We believe that Harlem can and should be a model for all urban centers platformed on high-speed broadband internet; LinkNYC plays a critical role in that mission.

As you may know, LinkNYC is providing not only superfast, but gigabyte speed Wi-Fi to New Yorkers, and in Harlem, on 125th Street prior to LinkNYC we had no Wi-Fi connections, so it's a huge opportunity for us uptown.

We also know that this has never been tried before at this scale and we are proud that Harlem has been included in this first run and the features that these Links have, including **[inaudible]**, are very important as Harlem is literally the second most visited location in New York City.

The franchise also guarantees the City \$500 million over the life of the contract and Silicon Harlem looks forward to receiving all that money -- no, I mean -- I'm sorry -- [laughter] Silicon Harlem looks forward to seeing further technology [sic]... [crosstalk]

CHAIRPERSON VACCA: I heard you. I heard you.

CLAYTON BANKS: [laugh] further technology infrastructure investments coming out of those funds.

We'd like to thank the Administration and CityBridge for their attention to Upper Manhattan, as Links are already installed along the east, which woefully needed it, and west side and currently connecting across our street where we operate and are housed on 125th Street. Right before our recent Broadband Matters Conference, which just happened in October, we learned that the first Link next to our own office was activated and we were excited to announce that to all the folks at our conference.

In less than a year, as you have already heard, Links has gained almost 800,000 unique users; for us, that is critical because of the pedestrian nature of Harlem; it's a clear sign that the services are wanted and needed. LinkNYC is quickly becoming an integral part of New York City and in particular, a great asset to Harlem. A lot of our young folks are living in homes that have zero broadband, up to 25%, and they walk around at 3:30 trying to find a Wi-Fi just to complete their homework. So to have LinkNYC, to have that sort of speed available to them has transformed their own way of getting their homework done.

We have been in support of the CityBridge since before the LinkNYC official launch in February 2016 and have great admiration for all those working on the LinkNYC project and their mission as an organization. We applaud CityBridge and the LinkNYC initiative for their great work and aggressive timeframe on this impressive project. We look forward to continue to support in their rollout.

Thank you very much; I'll take any questions. Yeah.

CHAIRPERSON VACCA: Oh no; that's up to me.

CLAYTON BANKS: Okay.

CHAIRPERSON VACCA: Okay. But thank you very much.

CLAYTON BANKS: You're very welcome.

CHAIRPERSON VACCA: Jarret, how are you...

[crosstalk]

JARRET HOVA: Councilman; how are you?

CHAIRPERSON VACCA: How are you?

JARRET HOVA: Good. Good afternoon Chair Vacca, member of the Technology Committee and staff. My name is Jarret Hova and I am the Policy Director at Tech:NYC, an industry group that represents

technology and startup companies in New York City. Tech:NYC launched in May of this year with the mission of supporting the technology industry in New York. One of our primary objectives is to increase engagement and dialogue between our industry and New York City government.

As part of this process, we hope to work with our more than 300 member companies to help elected officials and policymakers learn more about the technology industry and how we can harness its ingenuity to address the day-to-day issues that impact our city. At the same time, we believe our member companies can learn from the people and policymakers of New York City, especially about how new and innovative ideas can adapt to the challenges presented by a large, diverse and complicated city.

Our ultimate goal in engaging in this dialogue is to demonstrate that New York City is the best place for technology companies to grow and develop. We believe that New York's unique business ecosystem, as a global center for so many industries such as finance, media, fashion, art, and real estate, will serve to strengthen the technology businesses that call New York home; and in turn,

technology will further strengthen those incumbent industries and the City at large.

We are here today to speak in support of LinkNYC, a first-of-its-kind program that gives New Yorkers access to ultra-fast public Wi-Fi while also connecting users to a host of other services including calling anywhere in the U.S., accessing maps and city services, or charging their cell phones. From our perspective, the LinkNYC program exemplifies the value of the dialogue between technology and government that I referenced earlier, in which both sides benefit from working with the other. As many know, there were some issues with the program upon rollout, which is to be expected -- especially when a civic project is the first of its kind and so large in its undertaking. But we think this is part of the inevitable learning process that results from these partnerships, and ultimately LinkNYC will provide a significant benefit for all New Yorkers.

This is because LinkNYC achieve two very important objectives: first, it makes Wi-Fi accessible in literally thousands of locations and therefore helps to bridge the digital divide; and

second, it demonstrates New York City's forward thinking when it comes to municipal technology policy.

From the perspective of our organization, addressing the digital divide is of paramount importance. As a greater part of our lives revolve around access to broadband, the value of access to Wi-Fi grows. This is especially true for children as more tools for learning and growth are found through digital means. For this reason, our organization and several of our members have been frontline supporters of the City's CS4All initiative, a program that aims to bring computer science education to every school in New York City in the next decade. We believe technology education will only grow in importance in the future economy and it is therefore essential to provide this type of education for the children of New York City.

In this context, we can see the value of LinkNYC delivering high-quality Wi-Fi free of charge. Each LinkNYC kiosk can support hundreds of Wi-Fi users simultaneously within a range of 150-250 feet. And the actual internet service is of high quality, delivering speeds up to 100 times faster than the

internet that most New Yorkers pay for in their homes. In order to deliver this high-quality internet service, hundreds of miles of new fiber optic cable is being installed throughout the city.

Perhaps most notably, LinkNYC will not cost users or City taxpayers any money. Apart from the actual access to Wi-Fi, LinkNYC promises to deliver several other local benefits. Five percent of the advertising generated by the system is dedicated to City agencies for public service initiatives, including space reserved for Community Boards. And the advertising can be specially programmed to support small, local businesses in neighborhoods throughout the City. The LinkNYC program will also be a source of employment for New Yorkers, as the program is expected to create up to 800 jobs in New York City. And, we've already observed the LinkNYC system as a tool for civic engagement, as it allowed people to register to vote and provided polling location information in the lead-up to Election Day.

Beyond these very worthwhile local benefits, LinkNYC increases New York's profile as a city that embraces technology and solidifies its

place as one of the primary tech hubs in the United States. From the perspective of Tech:NYC, this is no small feat and in fact, one of LinkNYC's greatest promises. The fact is that jobs in technology are vitally important for New York's continued economic health. Recent statistics indicate that the average annual salary for New York City-based workers in the technology industry was \$118,000, compared to an average of \$79,000 for all other private sector jobs in New York City and \$65,000 for all industries excluding the securities industry. In New York City, employment in the technology industry after the Great Recession grew at four times the rate of the rest of the economy, and overall employment in the tech industry jobs increased 71% between 2004 and 2014. We cannot emphasize the point enough: when technology companies decide where to set up shop, programs like LinkNYC matter because they demonstrate that New York City takes technology seriously and will be a partner to the industry.

In conclusion, we believe that the LinkNYC program will deliver enormous benefits to the residents of New York City while elevating the city's profile as a preeminent place for technology. We

look forward to continued expansion of the program and offer our assistance to help ensure it is as successful as possible.

CHAIRPERSON VACCA: Thank you. I wanna thank our panel. We have two residents left who'd like to speak too. Kimberly Brennsteiner, Older Adults Technology Services, and Jordan Wouk from Community Board 8 in Manhattan.

[pause]

KIMBERLY BRENNSTEINER: Oh... sorry. I'm Kimberly Brennsteiner, the Director of Programs for OATS, Older Adults Technology Services. We're here in support for this project today. We've been working closely with the various teams associated with LinkNYC since its inception, when they came to us to learn about how seniors would receive the project. We've gone through different types of testing of the software, of the interfaces, of the concept, and that's been for the last, almost two years now, as I look back.

So it's out position that the LinkNYC project is an innovative project that really goes toward bridging the digital divide in New York City. The various teams working on the project were

1 concerned with seniors from the beginning, so they
2 came to us -- primarily at our Senior Planet
3 Exploration Center in Chelsea -- where they were able
4 to meet with diverse groups of seniors. The Senior
5 Planet Exploration Center is visited by over 13,000
6 visits a year and a third of the seniors who come
7 there that are 60 and up come from outside Manhattan,
8 so they were able, over the course of the past two
9 years, to meet with very diverse groups from
10 different neighborhoods, to talk to them, to ask for
11 their input and to show them how it works in
12 different presentations and conversations there.

14 The team is a welcome presence at our
15 Senior Planet Exploratory Center; it's brought the
16 voices of older New Yorkers into this process and
17 that's something that's really seemed to matter to
18 the people there. So we're looking forward to seeing
19 how the project develops; how we can help, we know
20 it's critical, since almost half of older New Yorkers
21 are not online at all, and many more of them don't
22 have broadband in the home, so the more we're able to
23 help disseminate information about the safety, about
24 the other issues that are kind of complicated and
25 certainly aren't no the advertisements, the more

1 people are open to learning how to use it. The
2 networks are more secure than for example what they
3 would find at Starbucks; it opens them up to the
4 possibility of online banking or submitting job
5 applications or other things that are traditionally
6 nerve-racking for people that we work to address in
7 our programs in all five boroughs. So we're looking
8 forward to supporting this and we're really grateful
9 for the opportunity to speak up.

11 CHAIRPERSON VACCA: Thank you. Sir.

12 JORDAN WOUK: Good afternoon Chairman.
13 My name is Jordan Wouk; Jim Clynes, Chair of
14 Community Board 8, asked me to come on short notice.
15 I am not a member of the Board; I'm a member of the
16 Transportation Committee as a public member.

17 On September 28, the Community Board sent
18 a letter to Anne Roche, the Commissioner of DoITT,
19 reflecting a motion that was adopted by the Community
20 Board on September 21 -- I happen to have written the
21 motion, so I guess that's why I'm here -- and it
22 contains four resolves: one of them has to do with
23 equity, which you have almost covered all of; another
24 one has to do with privacy; a third one has to do
25 with the physical impact on our sidewalks; and the

1
2 final one has to do with interaction between the
3 Community Board and the vendor and the City.

4 Community Board 8 -- for those who don't
5 know -- it is called the Upper East Side, from 59th
6 to 96th and 5th Avenue to the river. Many of the
7 people who live there -- including on the corridor of
8 Madison Avenue and Lexington Avenue and 3rd Avenue --
9 have no need for high-speed Wi-Fi; we can afford the
10 plans that we need; we're well aware of that.

11 However, within our Community Board there are in the
12 northeast corner two NYCHA houses -- Isaacs and
13 Holmes; this is for low-income and poor people, and
14 nothing is being done by this program for them. I've
15 gone through the contract; I've gone through all of
16 the maps. Our first request to Anne was that
17 installation of LinkNYC in the CB8 be stopped except
18 for Isaacs and Holmes, where we want them to meet
19 with the residents and come up with a plan, implement
20 it and then you can continue to roll out to us; we
21 don't need that part -- and you can imagine, we have
22 different demographics and we're trying very hard to
23 be sensitive to this horrible discrimination based
24 upon housing.

The second thing has to do with privacy. It was mentioned that there are three cameras on the kiosk; now when the representative from DoITT came and the question was raised -- what about these three cameras -- he said, oh they're not turned on yet. Okay, so why are they there? So we are asking that the cameras be taken out and no new ones installed. You need to provide your email address in order to use the high-speed Wi-Fi. You don't need to that on the subway or the transit Wi-Fi; why are they doing that? This is tracking, so we're asking that that requirement be dropped and the person be able to use all of the features of the Wi-Fi without having to give their email address.

And finally, as *The New Yorker* quoted: "Link kiosks will pay for themselves by displaying on-screen ads that will be hyper targeted to people within range based on data their smartphones silently provide. We strongly object to the notion of "silently provide" and what we ask in this resolution is that that require affirmative approval from the owner of the phone that it be done and that there be an easy way to get out. That's privacy.

The third one has to do with -- I'll call it the "physical impact" -- these are nine and a half feet tall and they are 35 inches wide and the top of the advertising is two feet higher than the top of the advertising on bus stops, on telephones; this is an immense visual imposition. There is also a 15-inch-wide version which doesn't have the advertising, so in our district we say that the 35-inch Link should go on sidewalks that are 20 feet or more wide and that 16-inch can go on 15 feet or more. What happens is; the physical structure of the 35-inch extends 4 feet from the curb and a person who's using it tends to occupy another foot or two or maybe more; all of a sudden you've cut down a significant amount of the sidewalk. So in terms of visual impact and physical impact, these are the requests that we have.

And finally, we would like that the CB be consulted on the location and type of all current and future installations. On the website they say that they won the contract in part because of Community First; we were not consulted at any point on this list in the process and that was said by our CB Chair, the Chairs of the Transportation Committee; they appeared as facts and in fact the first time we

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2 objected we got a representative of the vendor and
3 they chose someone who was inexperienced; she was
4 arrived with the literature in Spanish -- it didn't
5 go well.

6 We want to have an ongoing relationship
7 and we wanna have input on the location of these
8 things, but the first request is that Isaacs and
9 Holmes' requirements be addressed before anything
10 else goes into our Community Board.

11 CHAIRPERSON VACCA: I thank you, but I
12 have to tell you something; what you're saying is at
13 variance with the testimony we heard today. We were
14 told the Community Boards were consulted and that you
15 had 60 days to get back to the City or the company;
16 whatever the case may be, but you would get a letter
17 with a proposed site and you had 60 days to get back.

18 JORDAN WOUK: Okay. To be a little bit
19 clever, one of the mottos is -- Free Wi-Fi to the
20 City -- and when I asked, how come it doesn't go to
21 NYCHA, the representative for the Council Member
22 said, oh, free Wi-Fi to the City, it doesn't say all
23 of the City. Apparently not all of the Community
24 Boards were worked with in that way. And I am not
25 sworn to it, but I'm stating as a fact, based upon

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serviced by this all is horrible, and if you happen to be in the Bronx -- and I don't know -- there is...

CHAIRPERSON VACCA: I happen to be in the Bronx.

JORDAN WOUK: 'Kay, Mill Houses, there are about 1,300 users, apartments, and about 3,000 people live there and there is, according to all the maps and plans, there's not a single kiosk that's intended to be within 300 feet of these very needed people. The City has embarked upon a program that is not helping the people who need it most.

CHAIRPERSON VACCA: I wanna thank you for your testimony.

JORDAN WOUK: It was my pleasure.

CHAIRPERSON VACCA: Thank you. Thank you. There are no further speakers and I wanna thank everyone for coming today; I thought the hearing was quite productive, and your assistance is greatly appreciated. It is now 3:00 p.m. and this hearing adjourned.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 2, 2016