

**STATEMENT of the HONORABLE AMANDA M. BURDEN, AICP,  
CHAIR of the NEW YORK CITY PLANNING COMMISSION and  
DIRECTOR of the DEPARTMENT of CITY PLANNING  
before the LAND USE and FINANCE COMMITTEES  
of the NEW YORK CITY COUNCIL  
on the MAYOR'S FISCAL YEAR 2010 EXECUTIVE BUDGET  
and FOUR YEAR FINANCIAL PLAN**

**May 14, 2009**

Good afternoon Chair Katz, Chair Weprin, Chair Avella and distinguished members of the Land Use and Finance Committees. It is a pleasure to discuss with you the Mayor's Fiscal Year 2010 Executive Budget and Four Year Financial Plan as it relates to the Department of City Planning. As always, it is a privilege to work with you and to serve the City of New York as Commissioner of the Department and Chair of the New York City Planning Commission.

I am pleased to note that with your critical partnership, five City Planning initiatives were adopted since I last appeared before the Land Use Committee in March. These include the Forest Hills Special District, the North Corona II and North Flushing rezonings and the Bicycle Parking and Waterfront Zoning Text Amendments.

To date, 94 areawide rezonings, encompassing over 7,300 blocks, have been adopted in partnership with the City Council. Those rezonings encompass more than one-sixth of the area of New York City. I am so very proud of our collective accomplishment.

In the last seven years, we have worked together to develop a sustainable blueprint for the city's growth. This has meant protecting our cherished low density neighborhoods from out-of-character development, while directing growth to transit-rich areas and harnessing the power of the market to produce affordable housing.

Today, even as our local and national economy suffers, we must keep in mind that planning is a long term enterprise. We will continue working to catalyze economic investment in areas that are appropriate for additional growth and ensure that our

neighborhoods are both strengthened and protected.

Despite more limited resources, the Department continues to implement its ambitious agenda, advancing over 15 major rezonings in various stages of ULURP right now.

These are the highlights of the Department's upcoming work program:

In Queens, we have advanced a rezoning for 32 blocks of the Cord Meyer neighborhood in Forest Hills to protect neighborhood character. In April, we certified a contextual rezoning for 300 blocks of Middle Village/Glendale/Maspeth that will curb overdevelopment in these primarily lower density communities. We are underway with an ambitious study of Auburndale/Oakland Gardens and Hollis Hills, where we are refining recommendations for 400 blocks to preserve the existing 1- and 2-family context, limit out-of-scale development and reinforce modest multi-family buildings on certain wide corridors. And we are underway with studies in Astoria and South Jamaica to respond to concerns raised by the community and the local councilmembers.

In Staten Island, we are reconvening the Growth Management Task Force and Transportation Task Force this summer and continue work with EDC on the West Shore and North Shore studies. The West Shore study will result in a planning framework that will guide future land use and transportation decisions, balancing open space and wetlands protection with new job opportunities, and identifying where transportation improvements will be necessary. Similarly, the North Shore study will be coordinated with the MTA's study of the North Shore Right-of-Way to ensure that as the North Shore grows it maintains an appropriate balance that builds on its strengths. Updates on both of these studies will be provided at the Staten Island Transportation Task Force meeting in June. A West Shore public meeting is targeted for early summer to review the study's recommendations. A public open house meeting will be held this summer to solicit comments on the North Shore study with a goal of releasing recommendations this fall.

In Brooklyn, the Department is advancing a comprehensive plan for Coney Island that will establish a framework for the revitalization of the amusement area and the

surrounding blocks. The plan will facilitate a 27-acre amusement and entertainment district that will re-establish Coney Island as a year-round, open and accessible amusement destination. We are so pleased that Borough President Markowitz recently gave his support for the proposal. We continue to refine the plan as it advances through the public process.

In addition, we have proposed rezonings to protect neighborhood character for 300 blocks of Canarsie, 175 blocks of Greenpoint Williamsburg and 180 blocks of Flatbush. We have proposed new mixed use zoning to encourage adaptive reuse in 12 blocks of DUMBO. Last month, we certified a 128-block rezoning for Sunset Park that will protect the neighborhood's prevalent rowhouse character and foster new and affordable housing on Fourth and Seventh avenues. The Department expects to certify a contextual rezoning for Carroll Gardens to protect its rowhouse character next month and we are grateful for the Council's budgetary support for this particular initiative. I am also very pleased that the Department will kick off its Bedford Stuyvesant North study this July.

In the Bronx, we are advancing a plan to rezone 30 blocks of the Lower Concourse, capturing the waterfront for redevelopment and public use and introducing inclusionary housing for the first time in the borough. The Commission will vote on this rezoning next week and we look forward to its review and approval by the City Council. In March, we certified a strategic rezoning for the 161<sup>st</sup> Street and River Avenue corridors to encourage investment in mixed use development, including affordable housing.

In Manhattan, the department is working in partnership with Speaker Quinn and Community Board 4 for a rezoning of West Clinton to update the zoning along the Eleventh Avenue corridor to encourage the provision of affordable housing and institute predictable height limits, among other goals. We are also putting the finishing touches on a new special district that we believe will assist in the preservation of Class B and C office space and target new development on underutilized sites. We hope to work with a private applicant to map this district in Midtown.

The Department is also pursuing a number of citywide studies and initiatives. In partnership with HPD, the Department has crafted a text amendment to the city's Inclusionary Housing program to introduce a home ownership component and to streamline the mechanics of this successful incentive program. This change in city policy is meeting with strong support among housing advocates, providers and community organizations and we look forward to the Council's consideration later this summer. We recently released the *Bike Share Opportunities Report* that assesses the potential for a New York City Bike-Share Program and will assist DOT as they examine implementation options. This program, which has worked so successfully in Paris, Barcelona and China, is a low cost and healthy transportation option, and could stimulate new jobs and revenue for New York.

And finally, I am thrilled that on Monday the Department will begin the official public review for a package of zoning incentives that will catalyze the development of neighborhood grocery stores in areas of the city that have shown to be most underserved. These zoning tools, coupled with other financial incentives to assist existing and new stores, will increase New Yorkers' access to fresh food and improve the health of New Yorkers most in need. I am particularly proud of this initiative and wish to thank Speaker Quinn for her leadership on this critical issue and her essential partnership in making it happen:

I ask for your support on these initiatives and am confident that they will make the city's zoning more responsive to the needs of your communities. The Department's workplan continues to be ambitious and seeks to protect the city's treasured neighborhoods and realize opportunities for growth where our infrastructure can accommodate it. I thank the City Council for its leadership on these important initiatives.

Let me now turn to the budget.

The Department began FY2009 with an expense budget appropriation of \$30.2 million, which consisted of \$16.8 million in City funds and \$13.4 million Federal funds. Thus, 56 percent of the budget was City dollars and 44 percent Federal dollars. When the current budget was adopted in July 2008, the Department of City Planning's authorized

headcount was 283 staff positions, of which 147 were tax levy funded, and the remaining 136 positions were funded with federal dollars.

Since Adoption, the Department has undergone three (3) financial plan changes pursuant to directions from OMB:

- As part of the November Financial Plan, the Department's Adopted budget was increased by \$1.4 million with a prior year rollover of Environmental Impact Statement (EIS) contract funding, and Federal grant funding to cover programmatic needs.
- The January Financial Plan transferred \$833 thousand of the Department's Environmental Impact Statement contract funding that would not be needed in FY2009 to FY2010.

The Department's FY2009 Budget increased by \$214 thousand due to collective bargaining increases, and the Department's Federal and State Grant budget was updated to include the total budgeted staff level of 44 positions and total funding of \$4 million.

For FY2010, the Preliminary budget calls for the elimination of five (5) tax levy positions valued at \$488 thousand, plus the elimination of two (2) positions valued at \$215 thousand called for in the FY09 Executive budget. The Preliminary Budget for FY2010 and subsequent years reflects the elimination of seven (7) positions with an annual reduction of \$703 thousand. In addition, the January plan reflects an increase of \$833 thousand in Environmental Impact Statement funding transferred from FY2009, and \$133 thousand in collective bargaining.

- The recently released Executive Budget makes the following changes to the Department's budget:

For FY2010, the Executive Budget will increase by \$313 thousand, which include technical adjustments from the FY2010 Preliminary Budget, and \$70,000 to fund one staff position dedicated to Hudson Yards development for two years.

As a result of these changes, the Department's FY2010 Executive Budget calls for a total allocation of \$24 million. Tax Levy funds constitute \$9.9 million, or 41.3 percent of the proposed budget, while federal funds constitute \$14.1 million, or 58.7 percent of the proposed budget. This provides for 276 budgeted staff: 97 City funded positions and 179 federally funded positions.

On the Revenue side, the Department will fulfill OMB's targeted reductions for FY2010 through increased revenues. However, for FY2011 and subsequent years, OMB may call for personnel reductions if revenues do not reach projected levels.

Based on recent and current activity, the Department is projecting over \$3 million in FY09 revenue. Of this amount, collection of ULURP and CEQR application fees total approximately \$2.8 million with the balance generated through publication and subscription sales. For FY2010 and subsequent years, the Department is projecting \$3.6 million in revenue, based on a fee increase for CEQR and ULURP applications.

We seek your support of the proposed Executive Budget for Fiscal Year 2010. We are committed to find ways to meet the challenges and demands of our growing work program, and we look forward to your active participation in the planning process.

**Before the  
NATIONAL TELECOMMUNICATIONS AND INFORMATION  
ADMINISTRATION, US DEPARTMENT OF COMMERCE AND RURAL  
UTILITIES SERVICE, US DEPARTMENT OF AGRICULTURE  
Washington, D.C. 20230**

American Recovery and Reinvestment Act of  
2009 Broadband Initiatives

Docket No. 090309298-9299-01

**COMMENTS OF THE CITY OF NEW YORK  
APRIL 13, 2009**

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## **I. EXECUTIVE SUMMARY**

The Broadband Technologies Opportunities Program correctly focuses on the two essential pre-conditions for distributing the benefits of broadband throughout the American population: nationwide access to reliable, high-capacity data networks (deployment); and robust uptake of service across all segments of the population (adoption). New York City urges an expansion of adoption as a central goal of BTOP, and offers a set of specific recommendations for the way in which such efforts can be most successfully pursued.

In 2006/2007, New York City rigorously analyzed broadband deployment and adoption across its population through a comprehensive Broadband Needs Assessment Study. Results from this effort indicate that broadband is available to City residents in their neighborhoods. However, the Study found a significant lag in broadband adoption by low-income residents. The reasons identified for this lag were multiple, including cost of service, a lack of computer ownership, the absence of computer literacy skills, and the failure to perceive value in broadband adoption - obstacles that were often faced simultaneously. Facts suggest that across the United States, urban areas generally suffer more acutely from a demand-side problem of adoption, rather than a supply-side one of deployment.

The City of New York submits that overcoming these demand-side obstacles represents a critical challenge to increasing broadband usage nationwide. As broadband becomes increasingly ubiquitous, whether via free market forces or government subsidized initiatives, the primary national need will increasingly become one of adoption rather than of availability. In this respect, urban areas such as New York City are harbingers of the challenges the nation will face if both supply- and demand-side obstacles are not simultaneously addressed.



## II. CONTEXT

The comments of the City of New York's ("City") in response to the instant Request for Information ("RFI") are informed by an in-depth analysis of broadband deployment and adoption across the City's five boroughs. The analysis was commissioned in 2006 and undertaken over a period of approximately 18 months (detailed methodological background is provided in the attached Appendix.)

It is by now widely recognized that broadband is a prerequisite for effective participation in the contemporary global economy. There is little dispute that broadband will indeed prove to be a key driver for economic recovery and competitiveness over the immediate- and long-term. The Broadband Technologies Opportunities Program ("BTOP"), therefore, correctly focuses on the two essential pre-conditions for distributing the benefits of broadband throughout the American population: nationwide access to reliable, high-capacity data networks (*deployment*); and robust uptake of service across all segments of the population (*adoption*). The City commends the BTOP's program objectives of achieving economic stimulus and job creation through the funding of programs that are linked to both deployment *and* adoption.

### A. *New York City's Broadband Needs Assessment Study*

As noted, New York City rigorously analyzed broadband deployment and adoption across its population, and within specific segments of the population (such as subsidized housing), through a comprehensive Broadband Needs Assessment Study ("Study"). 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.

Results from the Study indicate that broadband is available to City residents in their neighborhoods, with virtually every household currently being "passed" by one service provider and 89% of households passed by at least two providers.<sup>1</sup> The study further found that in 2006/2007 the New York broadband adoption rate stood at approximately 52 percent – a rate above the national average of 47 percent in that same time period, although comparable to that of

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<sup>1</sup>See New York City Broadband Landscape and Recommendations, July 2008, *available at* [http://www.nyc.gov/html/doitt/downloads/pdf/bac\\_presentation\\_7\\_30\\_2008.pdf](http://www.nyc.gov/html/doitt/downloads/pdf/bac_presentation_7_30_2008.pdf).

other major domestic urban markets, such as Boston, Chicago, Miami and San Francisco.<sup>2</sup> Moreover, the capacity and speed of New York's networks was on par with those of other American cities, and generally in line with best-in-class residential networks nationwide.<sup>3</sup>

However, the Study found that broadband adoption among low-income households was lagging. Specifically, in New York City, the broadband adoption gap between low-income versus moderate- to high-income households was found to be approximately 28 percent as of 2006/2007.<sup>4</sup> Additionally, while broadband adoption was expected to grow among all household income "segments" over time, the disparity was not projected to narrow significantly, through at least 2012, in the absence of programs specifically targeted toward increasing broadband adoption rates among low-income households. In the absence of such programs, the Study predicted that by 2012 the adoption gap in the City would exceed 20 percent.<sup>5</sup>

#### ***B. Reasons for Limited Broadband Adoption by Low-Income Households***

The major reasons found by the Study for the relatively lower adoption rate by low-income households include, often simultaneously: (1) the cost of broadband service; (2) the lack of computer ownership; (3) the absence of computer literacy skills; and (4) a failure to perceive value in broadband adoption, such as a clear impact on a child's education or a demonstrated opportunity to advance employment or to address a major health problem.

#### ***C. Limited Broadband Adoption by Low-Income Households is a National Urban Problem***

In reflecting on the Study's results in the broader context of American cities, it became apparent that urban areas suffer more acutely from a problem of adoption than of deployment. With widespread deployment largely achieved, urban centers are likely to face significant *demand-side* obstacles to adoption, including issues of affordability, computer literacy and value perception. Low-income and other vulnerable populations, in particular, are more likely to face these

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<sup>2</sup> R1 2007 Scarborough Research data for Designated Market Areas (DMAs). Comparable urban area broadband adoption rates include: Boston 58.3%, San Francisco 57.5%, New York City 52.3%, Miami 50.6%, Chicago 49.9%; National average 47.2%.

<sup>3</sup> Within New York City, there also remains a notable arena in which the physical deployment of broadband remains an issue—in the approximately 1,200 public school buildings that serve over 1.1 million students. The bandwidth capacity at most of these schools currently is not at the level where it can sustain the simultaneous use of computing devices as a primary teaching and learning tool for all teachers and students.

<sup>4</sup> American Community Survey 2006, survey of Internet and broadband availability and adoption among NYCHA residents, Scarborough Research, Pew Internet & American Life Project, and Diamond Management and Technology Consultants analysis.

<sup>5</sup> Ibid.

obstacles. Thus, despite the “availability” of broadband service, these populations are underserved in a practical sense. Given that nearly 60 percent of the US population lives in highly urbanized areas, overcoming these demand-side obstacles represents a critical challenge toward driving nationwide broadband adoption on a sustained basis.<sup>6</sup>

At the same time, as broadband becomes increasingly ubiquitous, whether via free market forces or government subsidized initiatives, the primary challenge nationwide will increasingly become one of adoption rather than of availability. In this respect, urban areas such as New York City are harbingers of the challenges the nation will face if both supply- and demand-side obstacles are not simultaneously addressed.

#### ***D. Summary Recommendations***

Accordingly, the City urges an approach that includes expanding adoption as a central goal of BTOP, and that targets *multiple* demand-side obstacles to broadband adoption. Such a holistic approach will enable all Americans, and in particular vulnerable populations, to become “active” technology users – individuals empowered to utilize broadband technology to enhance their educational, employment and economic opportunities; to access health and human services; to participate in government and politics; and, increasingly, to communicate with, and enhance their place in, the society at large. Toward this goal, vulnerable populations must be provided with access to affordable broadband service, computer hardware and software, and ongoing technical training and support. Optimally, they should be provided with digital literacy skills in a manner that is tailored to and meets their specific needs and requirements. Perhaps most importantly, the value of broadband adoption must be demonstrated, either through provision of enhanced educational opportunities or workforce readiness training, improved access to healthcare, health-related information, and other critical services, or simply the ability to connect with distant relatives and friends.

Based on the Study’s findings, the City further believes that, to the greatest extent practical, 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

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<sup>6</sup> According to the 2000 US Census 58.27% of US citizens reside in urban areas with a population greater than 200,000.

individuals and cities as a whole. Forging strategic public-private partnerships can drive a wealth of resources, expertise, and innovative thinking.

Finally, the impact of broadband programs must be carefully monitored and measured. Targeted pilot programs, for example, may be utilized to measure the impact of proposed programs on each target segment before they are scaled more broadly. Key metrics for the impact of each program should be established at the outset and monitored as the programs are executed. This systematic approach will ensure that investments are optimized and will provide critical lessons to help policy makers execute future successful broadband adoption programs across the US.

### **III. RECOMMENDATIONS**

In light of the above context, New York City submits the following specific recommendations for BTOP:

#### **Question 1: Purposes of the Grant Program**

- The stated objectives of the BTOP present a thoughtful set of goals for the program:
  - 1) “Provide improved access to broadband service to consumers residing in underserved areas of the United States;”
  - 2) “Provide broadband education, awareness, training, access, equipment, and support to—
    - a. Schools, libraries...and other community support organizations and entities to facilitate greater use of broadband service by or through these organizations;
    - b. organizations and agencies that provide outreach, access, equipment and support services to facilitate greater use of broadband service by low-income, unemployed, aged, and otherwise vulnerable populations; and
    - c. job-creating strategic facilities...”
  - 3) “Stimulate the demand for broadband, economic growth, and job creation.”
- The City believes that the inclusion of these objectives reflects an explicit and strong prioritization of programs to support broadband use and adoption, particularly among vulnerable populations. Based on the City’s analysis of broadband needs in New York, and other urban areas, the City strongly supports this prioritization. (Please see our response to Question 13 for a recommended definition of “underserved areas” that incorporates vulnerable populations and adoption issues.)
- Given this expressed priority in the legislation, we recommend that substantially more than the \$200M and \$250M minimum amounts be allotted to programs to expand public computer center capacity and to innovative programs to encourage sustainable adoption of broadband. We submit that such programs must be prioritized, to the extent of at least half of the total BTOP funding available, if broader efforts to spur global competitiveness and economic revitalization through broadband are to be effective. Indeed, by allocating a baseline of funding for these types of programs, the law itself clearly highlights their importance, and seeks to ensure that these critical efforts are given due attention.

### **Question 2: Role of the States**

- ARRA gives the NTIA discretion to consult with states in identifying appropriate areas for grant funding by stating that the NTIA “may consult” with states. Clearly, this is not a required consultation. The City strongly disagrees with the recent recommendation by the National Association of Regulatory Utility Commissioners (“NARUC”) that the NTIA ask states to “review and rank all applications for in-state projects.” The City’s view is that NARUC’s proposal pushes the state role beyond congressional intent. Unlike ARRA programs in other areas which require a primary role for the states, Congress chose not to insert such a provision in its broadband programs. There is no reason for NTIA to override the Congressional intent by making the state the gatekeeper for such programs. Moreover, there is a potential conflict of interest in giving the state government authority to rank applications from that state. State governments may be applicants themselves and will be competing for the same funds as the entities they are ranking.
- Nor would rankings by the states promote more efficient proposal evaluations. It is not self-evident, as NARUC suggests, that states have an inherently better grasp of the broadband needs of local governments. (Indeed, the states have not been leaders in the efforts of hundreds of localities to undertake “muni-broadband” initiatives of their own.) For NARUC now to assert their expertise and interest in the area of broadband deployment and adoption does not strike the City as an altogether plausible position. By contrast, the NTIA has not only long-term subject matter expertise in the area of broadband, but experience in allocating federal grant dollars among the various regions, states and localities in, for example, the context of public safety communications funding. Introducing a “gate keeping” role by the states will not streamline the process, but rather add an extra layer of bureaucracy which could well delay the immediate deployment of shovel ready projects that is the goal of the ARRA. The NTIA is certainly able to adjudicate the merits of specific proposals without layer upon layer of other governmental processes from agencies whose expertise and grant making prowess is no greater than that of the federal bodies charged with this responsibility.
- The City has enjoyed an ongoing dialog, and productive working relationship with New York State on a range of broadband-related matters of mutual concern; and fully intends to cooperate with the state throughout the application process. Generally, states can play an important role in implementing the BTOP, especially by assisting smaller communities with logistics and organization in implementing program applications and grants. However, a state role as gatekeeper or evaluator would be beyond the scope of BTOP’s legislative mandate and counterproductive to program implementation.

### **Question 3: Eligible Grant Recipients**

- In the effort to ensure that proposals from for-profit entities are “in the public interest,” the City suggests that such entities be required to either partner with, or gain endorsement of, state or local governments prior to being awarded BTOP funding.
- If Congress intended for-profit entities to be considered directly it would have listed them in Section 6001(e) of the ARRA. Clearly, Congress intends for there to be some sort of additional showing from for-profit entities to qualify for eligibility. Requiring them to partner with or be endorsed by state or local governments would provide such a showing that for-profits are acting “in the public interest.”
- New York City disagrees with industry and private service provider commenters’ contentions that a municipal cable or telecommunications franchise or a state CPCN qualifies as finding

of a "public interest." Such rights are often issued in a different context than programmatic endorsement, and thus such endorsement cannot be implied as a matter of course from such actions. We suggest that there be a separate form of public endorsement or involvement in the specific proposed project by the private sector applicant.

#### **Question 4: Selection Criteria**

- As previously stated in the City's response to Question 1, given the substantial gap in adoption currently faced by residents of urban areas, as well as the expectation that demand-side stimulation will become a central national challenge as deployment becomes widespread, the City believes it is critical that BTOP place a heavy emphasis on programs that spur usage and adoption by low-income, unemployed, older adult and otherwise vulnerable populations.
- To ensure that funding is allocated to programs that will successfully achieve this objective, the City strongly believes that BTOP should select programs with the following characteristics:
  - 1) Holistic programs that focus on helping residents overcome *multiple* demand-side obstacles in a manner tailored to the specific needs of the vulnerable populations served
  - 2) Programs that encourage government entities to find creative ways to leverage broadband to enhance, or lower costs of, service delivery
  - 3) Programs that incorporate collaboration across public and private sector boundaries to maximize available resources and support
  - 4) Programs that incorporate key metrics for monitoring and measuring impact
- In addition, the City believes that priority should be given to programs that leverage other ARRA programs and goals. The successful integration of educational, health and human services, workforce readiness, and other Recovery Act efforts can not only strengthen the overall social and economic impact of BTOP programs, it can improve their sustainability by supporting the use of broadband in government service delivery.

#### **Question 5: Grant Mechanics**

- The City encourages NTIA to expressly confirm that compliance with the twenty percent matching requirement associated with grant-funded programs may take the form not just of *cash* participation in programs but also of *in-kind* contributions. Contributions in-kind such as discounted service, training, advisory services, and access to property and equipment could all be essential to implementing the kinds of adoption and use-focused programs that should and will, as described in these comments, represent a major aspect of BTOP-funded activities.
- Section 24.24 of Title 15 of the Code of Federal Regulations specifically contemplates that in-kind contributions may be counted as valid matching costs for purposes of complying with matching cost criteria and requirements under Commerce Department grant programs, and the City urges NTIA to incorporate this concept into its BTOP grant criteria. The City has long found that in-kind contributions provide a powerful and effective source of resources to offer important public services.
- For example, the City's CityNet network, which represents a core element of the City's internal data and communications network (and which successfully provided continuous service enabling on-going City government functions during the events of September 11, 2001), was largely built using in-kind contributions provided by communications companies. Goods and services provided in in-kind form can, in the City's experience, often prove more

efficient than cash participation, as the donors of in-kind goods and services are often able to provide such service at cost, where cash contributions might require the purchase of the same goods or services at retail price. For these reasons the City urges NTIA to expressly recognize that BTOP-funded programs may meet their twenty percent match requirement through in-kind, and not just cash, contributions.

**Question 6: Grants for Expanding Public Computer Center Capacity**

- Public computer centers are critical to driving adoption (in addition to providing much needed broadband access in unserved areas) because they provide vulnerable populations the opportunity to utilize computers and the Internet in supportive environments, and can also provide much needed digital literacy and other related training programs, helping to empower individuals to utilize technology to their own benefit.
- To ensure that projects to expand public computer center capacity and impact are successful, we recommend that BTOP include the following selection criteria:
  - 1) Evidence of effective partnerships with coordinating entities, be they government agencies, non-profits, or equipment or service providers.
  - 2) Evidence of the integration of other ARRA programs and goals.
  - 3) Inclusion of training tailored to the needs of the specific vulnerable population(s) served.
  - 4) Inclusion of ongoing, multi-lingual technical support.
  - 5) Inclusion of a plan for covering ongoing costs.
- In addition to community colleges and public libraries, we recommend that public housing facilities, community centers, school buildings and any publicly- accessible facility that can serve at-risk and unserved or underserved populations be considered as eligible recipients under this program.

**Question 7: Grants for Innovative Programs to Encourage Sustainable Adoption of Broadband Service**

- The City defines sustainability as creating “active” technology users who are able to utilize broadband to enhance economic and social standing. Thus, programs must help residents overcome all obstacles to adoption with a holistic approach that is customized to the unique needs of the targeted segments.
- To ensure that programs are effective in achieving sustainability, it is critical that comprehensive mechanisms are established to measure and evaluate program impact at the macro and micro level:
  - Measuring impact at the macro level means determining whether the specific program has had an impact on usage and subscription levels beyond program participants. For example, has adoption increased in New York City as a whole as a result of the program?
  - For purposes of BTOP, however, sustainability is best gauged by reviewing micro level changes. Specifically, the effectiveness of programs in encouraging long-term adoption of technology by individuals, and the impact such adoption has on the quality of their lives. Micro-level assessments may include three types of data: 1) attitudinal, 2) behavioral, and 3) outcomes.
  - Attitudinal changes can be gauged from information shared by participants that give insight into their state of mind. For example, surveys can be conducted to determine

participants' attitudes towards technology, including whether they think it is beneficial to them, and their willingness to pay for the technology before and after a program "intervention" is conducted.

- Behavioral changes can be assessed by tracking participants' activities, such as whether they continue to subscribe to broadband service, how many times they visit specific websites, types of activities they engage in on the specific websites, and time spent on workforce training or educational software programs.
- Outcomes can include achievement of specific milestones. For example, as a result of services and skills provided in the program, participants may improve their academic standing, be able to successfully complete a GED, obtain specific qualifications or certifications or find employment.
- NTIA should explicitly state that fund recipients must identify a methodology for measuring these changes over time so that innovative and beneficial programs can be enhanced and replicated in the future.

#### **Question 9: Financial Contributions by Grant Applicants**

- The question of what showing should be necessary to demonstrate that a broadband proposal would not have been implemented absent Federal assistance is, of course, not fundamentally different than the question of how the Federal government will ensure, generally, that stimulus funding is not used by recipients to supplant already anticipated spending and, thereby, provide budget relief rather than serve their intended stimulus-related purpose(s).
- Ultimately, the City expects that some combination of self-certification and budgetary audits may be required. Of particular importance to the City, however, is that this requirement not be implemented in such a manner as to have a chilling effect on Federal funding of broadband initiatives that may have been long evaluated, contemplated and, even, "planned," but which have not been implemented precisely due to fiscal constraints. Indeed, such initiatives represent precisely the sort of "shovel ready" projects that lie at the heart of achieving the ARRA's core objectives.

#### **Question 10: Timely Completion of Proposal Programs**

- Given that one of the principal purposes of the ARRA is to provide immediate stimulus to the economy, the City urges the NTIA to prioritize those requests for funding that come from organizations that have demonstrated (1) a thorough analysis of and a sustained involvement in broadband-related programs, (2) a reasoned, data-driven solution to the problems of unserved and underserved populations and (3) a demonstrated record of success in initiatives of similar scope and magnitude.

#### **Question 11: Reporting and De-obligation**

- As mentioned above, funded programs should be required to specify performance metrics and a performance management approach. In making grant awards, NTIA could adjust or amend these proposed metrics, which then would be incorporated into the terms and conditions of the grant award.
- Grant recipients that fail to satisfy the performance metrics set forth in the grant award should be given a reasonable opportunity to satisfy them. If the performance metrics in the award terms and conditions are not otherwise amended or cannot be met, NTIA should be empowered to notify the award grantee and enforce the de-obligation of funding. De-obligation should be on the basis of a grantee's inability to satisfy the clearly articulated



performance metrics that were proposed in the grant application, reviewed by NTIA and incorporated into the grant award that is made.

- Consistent with other ARRA programs, the City suggests that fund recipients be required to submit to an independent oversight or audit process.

#### **Question 13: Definitions**

- The clear intent of the BTOP is not simply to have broadband be available, but to ensure that it is used by all residents. For that reason, in defining the term “underserved area,” the City urges NTIA to adopt a definition that primarily focuses on broadband adoption. Defining “underserved” in a manner that does not emphasize broadband use will significantly limit the ability of the BTOP to achieve its goals as expressed by Congress.
- The Recovery Act delineates residential consumers living in two types of areas – those that are “unserved” and those that are “underserved.” “Unserved” is a term that is best understood as covering areas that lack broadband facilities or delivery infrastructure. The fact that the Recovery Act also required the BTOP to address consumers living in “underserved” areas indicates that the term “underserved” must involve more than just a lack of facilities or delivery infrastructure.
- Based on the City’s research and experience, merely building high speed, high capacity infrastructure with sophisticated technologies and applications will do little to solve the underlying broadband problems in this country if the potential users passed by the network lack the resources, ability or motivation to actually use available services. Experts from the public sector,<sup>7</sup> the private sector,<sup>8</sup> and the not-for-profit sector<sup>9</sup> have all emphasized that demand-side impediments to adoption should be considered a principal characteristic of underserved areas.
- Consequently, the City urges NTIA to adopt a definition of “underserved area” that focuses on municipalities, or other political subdivisions or geographic locations, with a significant number of low income residents or members of other vulnerable communities (e.g., disabled or elderly), in light of the significantly lower than average adoption rates among such low income and other vulnerable residents. Such status as an “underserved area” should apply irrespective of whether the relevant area includes physical infrastructure that can theoretically supply broadband service to the population.

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<sup>7</sup> In her comments to the NTIA forum on March 17, 2009 in Las Vegas, Emy Tseng, Director of Digital Inclusion Programs for the City and County of San Francisco noted that:

“[F]or urban areas, especially to address the needs of low income communities in urban areas, there is a real need to define underserved in this...fashion, because major metropolitan areas such as San Francisco, New York, Minneapolis, Seattle have high broadband adoption rates compared to the national data but have also large underserved and low income populations...[with] a larger broadband adoption gap.”

Comments of Emy Tseng, BTOP Public Meeting transcript, March 17, 2009.

<sup>8</sup> Verizon, in its ex parte filing of April 2, 2009 in the FCC’s GN Docket No. 09-40, stated that underserved areas are areas that need to address “demand side” issues, such as lack of computer ownership or computer literacy rather than “supply side” issues. Ex parte filing of Dee May, Vice President, Federal Regulatory, Verizon, GN Docket 09-40, April 2, 2009.

<sup>9</sup> Testimony of Dr. Nicole Turner-Lee, Senior Vice President of One Economy Corp. before the Subcommittee on Communications, Technology and the Internet, April 2, 2009.

**Question 15: Additional Comments**

- In no case should the application or grant process be implemented in a manner that would compromise or inhibit any local government's control of the public rights of way. We expect some commenters may urge NTIA to take actions that would "facilitate" access to public rights of way for deployment of cable, antennae or other equipment. Any such action could create public safety and administrative problems for local governments and raise thorny legal issues for all parties. As noted in *City of Dallas v. FCC*, 165 F. 3d 341, 347-348 (5th Cir., 1999), without express Congressional preemption authority, a federal agency is not lawfully empowered to preempt local control over public rights of way. Congress gave NTIA no such express preemptive rights in connection with any BTOP funded project.

Respectfully submitted,

/s/\_\_\_\_\_

**THE CITY OF NEW YORK**

New York City Department of Information  
Technology and Telecommunications  
75 Park Place, 9<sup>th</sup> Floor  
New York, NY 10007

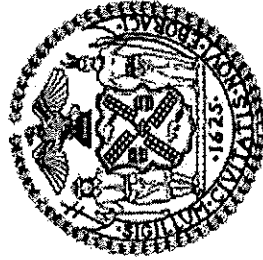
Paul J. Cosgrave  
Commissioner

April 13, 2009

**Appendix:**  
**City of New York Broadband Needs Assessment Study**  
**Highlights of Approach & Key Findings**

# City of New York Broadband Needs Assessment Study

## *Highlights of Approach & Key Findings*



**NYC**

Information  
Technology &  
Telecommunications

**Diamond**  
Management & Technology Consultants



## Summary of Needs Assessment Findings

### Key Findings

#### 1. **Broadband for Residents**

Home residential service widely available; low-income residents *adopt* at less than half the rate of middle- and high-income residents

#### 2. **Broadband for Businesses**

Large businesses well served; service options may be limited in some industrial/manufacturing areas

#### 3. **Availability of Public Access Centers**

Public technology centers fill critical need, yet many public library branches and City-operated centers in need of connectivity, computers, staff

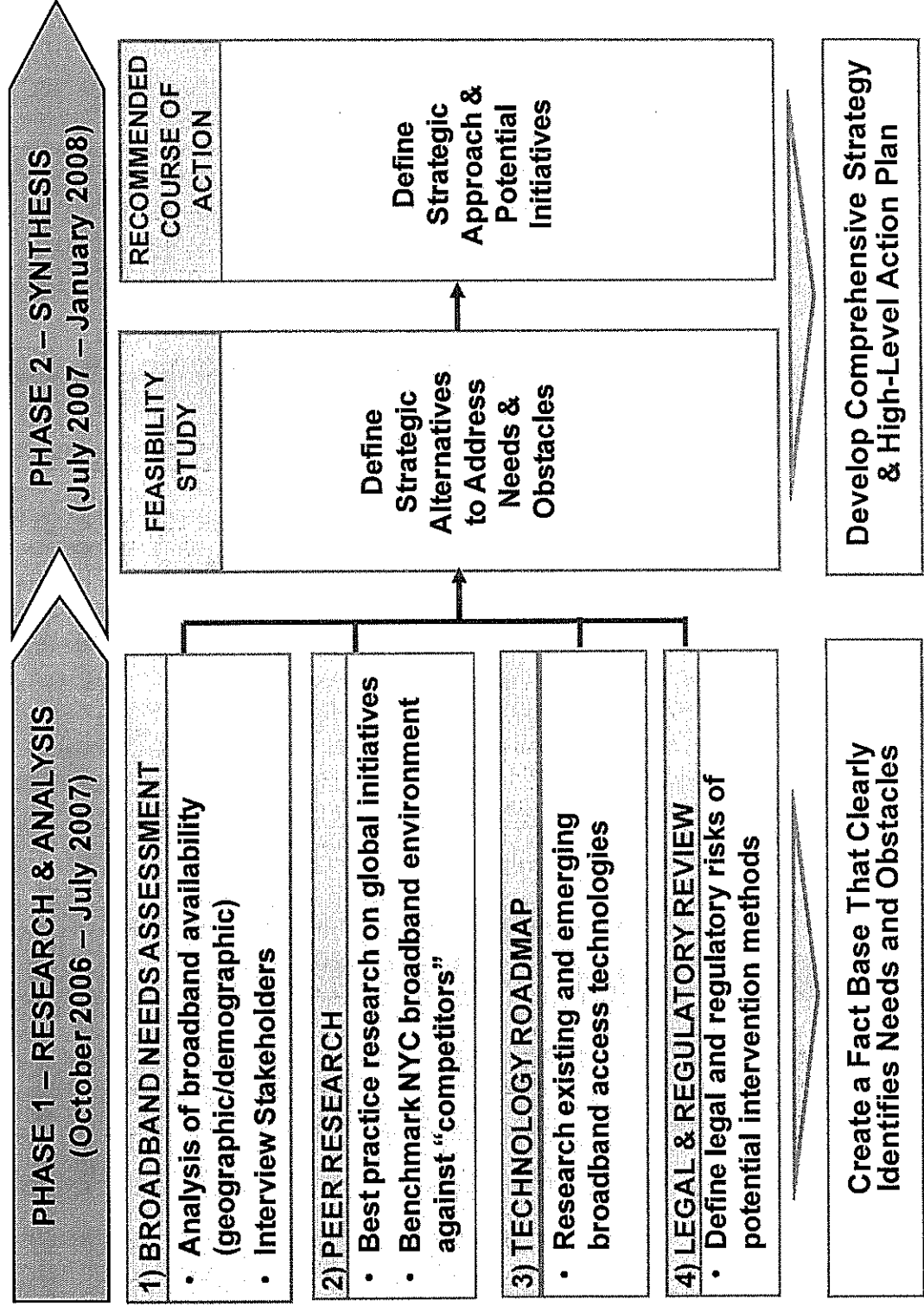
#### 4. **Availability of WiFi in Public Spaces**

NYC well covered by WiFi hotspots, but opportunity to expand coverage in public spaces

#### 5. **Competition in the Marketplace**





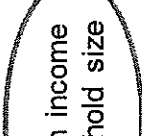
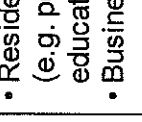
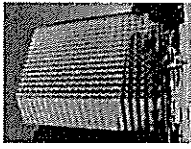

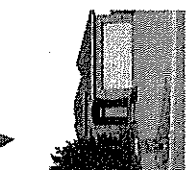
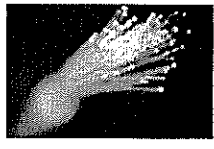


NYC has above average provider competition, but can continue to enhance through franchise process

In 2006-07 the City performed a comprehensive broadband study



# The study carefully assessed supply and demand-side issues in the City's broadband market

A core aspect of the study was a '4 layer' analysis of the current state of NYC's broadband market

Type of Analysis	Data Collected	Source/Method
<b>4</b> <b>QUALITATIVE FEEDBACK</b>   	<ul style="list-style-type: none"> <li>• Validation of infrastructure and address-level data</li> <li>• Feedback on affordability, customer satisfaction, broadband usage &amp; demand trends</li> </ul>	<ul style="list-style-type: none"> <li>• Community hearings</li> <li>• Phone surveys, mail surveys</li> <li>• Web-based surveys</li> </ul>
<b>3</b> <b>DEMOGRAPHIC VIEW</b>   	<ul style="list-style-type: none"> <li>• Residential demographics (e.g. population density, education attainment)</li> <li>• Business demographics</li> </ul>	<ul style="list-style-type: none"> <li>• Census data</li> <li>• 3<sup>rd</sup>-party data</li> <li>• City data sources</li> </ul>
<b>2</b> <b>ADDRESS-BASED VIEW</b>   	<ul style="list-style-type: none"> <li>• Address-based view of broadband serviceability by connection type, speed, pricing, terms &amp; conditions (random sample)</li> </ul>	<ul style="list-style-type: none"> <li>• Data request to service providers</li> <li>• Mining of service providers' and 3<sup>rd</sup> party aggregators' websites</li> </ul>
<b>1</b> <b>INFRASTRUCTURE VIEW</b>   	<ul style="list-style-type: none"> <li>• Central office locations, wire center boundaries</li> <li>• Fiber routes &amp; fiber-lit buildings</li> <li>• Cable franchise boundaries</li> <li>• Wi-Fi hotspots</li> </ul>	<ul style="list-style-type: none"> <li>• Existing City inventories</li> <li>• Data requests to service providers</li> <li>• 3<sup>rd</sup>-party data</li> </ul>

## As part of the study, a wide range of City stakeholders were interviewed

City Agencies / Organizations	<p>Brooklyn Public Library City Hall City University of New York (CUNY) Mayor's Office of Comprehensive Neighborhood Economic Development (CNED) Metropolitan Transit Authority New York City Council NYC Center for Economic Opportunity (CEO) NYC Dept. for the Aging (DFTA) NYC Dept. of City Planning (DCP) NYC Dept. of Education (DOE)</p>	<p>NYC Dept. of Housing Preservation &amp; Development (HPD) NYC Dept. of Information Technology &amp; Telecom (DoITT) NYC Dept. of Parks &amp; Recreation NYC Dept. of Small Business Services (SBS) NYC Dept. of Youth &amp; Community Development (DYCD) NYC Economic Development Corporation (EDC) NYC Housing Authority (NYCHA) NYC Law Department NYC &amp; Company New York Public Library (NYPL) Queens Borough Public Library</p>
Service & Technology Providers	<p>Ambient Bway.net Cablevision Covad Communications Crown Castle Solutions Corp. Extenet Systems Mobilitie Nokia Networks RCN Sprint</p>	<p>TCC Teleplex Telkonet / MST Terabeam / Proxim Wireless Time Warner Cable T-Mobile USA Towerstream Urban Communications Transport Verizon Verizon Wireless Wi-Fi Salon</p>
Additional Stakeholders	<p>Alliance for Downtown NY Andrew Rasiej (FON, MOUSE) Anthony Townsend (Institute for the Future) Baruch College School of Public Affairs Center for an Urban Future Columbia Institute for Tele-Information (CITI) Computers for Youth Dragonfly Technologies Empire City Subway Hispanic Information &amp; Telecom Network (HITN) Industrial &amp; Technology Assistance Corp. (ITAC) Jewish Community Council of Greater Coney Island Non-Profit Help Desk Jewish Home and Hospital Mount Hope Housing Company</p>	<p>New York State Public Service Commission (PSC) Non-Profit Coordinating Committee of New York NPower NY NYCwireless NYSERNet Older Adults Technology Services (OATS) Partnership for New York City People's Production House (PPH) Per Scholas Rudin Management Company Securities Industry &amp; Financial Markets Association (SIFMA) South Bronx Overall Economic Development Corp. (SoBro) Wireless Harlem Initiative Wolf Block</p>



Representatives from other cities / regions and subject matter experts were also interviewed to understand global best practices

Peer City Representatives	<p>Berkshire Connect Boston Digital Bridge Foundation Brookline, MA Charlie Kaylor (Connect Kentucky) City and County of San Francisco, CA City of Boston, MA City of Chicago, IL</p>	<p>City of Grand Rapids, MI City of Miami, FL City of Philadelphia, PA City of Seattle, WA Earthlink Municipal Network Division Wi-Fi Long Island</p>
Additional Subject Matter Experts	<p>Angela McIntee (The MITRE Corporation) Area Development Magazine Blair Levin (Stifel Nicolaus) Bonocore Technology Partners Business Facility Planning Consultants CB Richard Ellis Consulting ChicagoFIRST Current Technologies Ed Malecki (Ohio State University) Harris Wiltshire &amp; Grannis Intel Corporation</p>	<p>International Center for Advanced Internet Research (ICAIR) Microsoft Corporation MSTAR (ISP on Utah's UTOPIA network) One Economy Rahul Telang (Carnegie Mellon University) Regional Partnership Council (aka RPCFIRST) Saskia Sassen (Columbia University) Sean Gorman (Fortius One) Sharon Gillett (Formerly of MIT and the Boston Task Force) Tony Grubescic (Indiana University) Tropos Networks</p>

*Diamond also conducted interviews to gain a better understanding of broadband and digital inclusion initiatives in other cities / regions and consulted numerous subject matter experts.*

[illegible]

	Computer Ownership	Internet at home	DSL at home	Cable at home	Broadband at home <sup>1</sup>
All Boroughs	• 67.3%	• 61.8%	• 22.7%	• 23.7%	• 45.6%
Bronx	• 57.9%	• 54.8%	• 21.6%	• 17.2%	• 37.8%
Brooklyn	• 65.2%	• 57.0%	• 21.2%	• 20.3%	• 40.6%
Manhattan	• 71.0%	• 68.4%	• 24.7%	• 31.0%	• 55.4%
Queens	• 71.1%	• 64.3%	• 22.7%	• 23.7%	• 45.0%
Staten Island	• 72.0%	• 69.7%	• 25.9%	• 32.0%	• 56.8%
National <sup>2</sup>	• 68.4%	• 66.9%	• 17.2%	• 19.2%	• 36.0%

*Source:* Scarborough Research New York R1 2007. Data collected through a mail-based survey conducted between March 2006 and February 2007; results represent 4,407 New York City respondents.

Notes: <sup>1</sup> Broadband at home is defined as an aggregate of DSL or cable connection. <sup>2</sup> National Data from Scarborough USA+ R1 2006 (February 2005- March 2006).

This baseline data was analyzed to determine variations in adoption across demographic groups in the City

	Internet Penetration	Broadband Penetration	Computer Ownership
Total (5 boroughs)	58.4%	40.7%	63.4%
<\$25K	30.6%	19.7%	37.6%
\$25-\$35K	40.6%	28.1%	47.2%
\$35-\$50K	50.5%	33.7%	55.4%
\$50-\$75K	64.4%	45.9%	71.2%
\$75K+	79.8%	56.9%	82.6%
Age 18-24	74.6%	57.0%	80.6%
Age 25-34	69.6%	47.1%	72.4%
Age 35-44	63.8%	47.6%	65.9%
Age 45-54	63.2%	41.9%	68.0%
Age 55-64	47.9%	31.0%	56.7%
Less than HS grad	29.4%	20.3%	38.0%
HS grad or less	41.2%	28.8%	47.8%
College grad +	83.6%	58.4%	85.4%
Any post grad	86.9%	61.4%	88.4%
Employed full-time	71.5%	48.9%	74.3%
Employed part-time	56.2%	41.6%	64.0%
Not employed	44.2%	30.8%	50.7%

Source: Scarborough Research New York R2 2006. Data collected through a mail-based survey conducted between September 2005 and August 2006. Results represent a total of 4,256 New York City respondents.

In effort to better understand these variations in adoption, the City conducted two major citizen surveys

## ***1. New York City Housing Authority (NYCHA) Residents<sup>1</sup>***

- A statistically significant mail-based survey of 6,700 NYCHA households (197 developments across the 5 boroughs)
- Survey evaluated public housing residents' attitude towards technology and potential obstacles to broadband adoption, including availability and affordability of service, value perception, technology literacy, computer ownership, etc.
- The study also evaluated residents' usage of public access centers, including NYCHA's community centers, and level of satisfaction with available services and

## ***2. Public Library Patrons***

- Survey of public library patrons at the City's three public library systems – the New York, Brooklyn and Queens Borough Public Libraries
- Survey explored why patrons came to the libraries to use computers and to access the Internet, whether they had alternate access to computers and the Internet (e.g., at home, work, etc.), and if not, why that was the case
- The study also evaluated patrons' usage of public library computer centers and Internet access, including frequency/intensity of use, participation in training programs, etc.

Note: <sup>1</sup>The New York City Housing Authority (NYCHA) provides affordable housing for low- and moderate-income residents throughout the five boroughs of New York City. NYCHA is the largest public housing authority in North America with a conventional housing program that includes 177,976 (as of December 2, 2008) apartments in 340 developments throughout the City.

# Overview of the New York City Housing Authority (NYCHA) Survey

## Primary Objectives

1. Determine Internet and broadband penetration rates for NYCHA residents
2. Identify main obstacles to Internet/ broadband adoption
3. Assess NYCHA residents' computer and Internet technology literacy
4. Gauge demand for computer technology and Internet training
5. Evaluate usage levels for NYCHA computer facilities and training programs

## *Methodology*

- Paper survey mailed to 6,700 NYCHA households (197 developments across the 5 boroughs)
- Survey was translated into 4 languages – English, Spanish, Simplified Chinese and Russian
- Survey instructions requested head of household to complete the survey
- 1,140 “valid” survey responses meaning there is 95% certainty that the results are within 3% (+/-) of the result for the entire population

## NYCHA Survey Results – Summary of Findings

### Major Takeaways from NYCHA Survey<sup>1</sup>

- Households headed by older residents (age 50+) are the most at risk
  - Nearly 70% of households headed by residents aged 50-64, and more than 90% of households headed by residents aged 65+ do not have Internet access at home
- Major obstacles are affordability of computer hardware and Internet service
  - Older residents are more likely to cite lack of computer ownership as barrier
  - Younger residents are more likely to cite cost of Internet access
- Respondents expressed relatively strong interest in training, particularly on computer use, Microsoft Office, and how to access the Internet
  - Strongest interest in training on how to use a computer is by older residents (age 50+) without Internet access at home
- However, only a small percentage of residents is participating in NYCHA computer training programs

Notes: Paper survey mailed to 6,700 NYCHA households (197 developments across the 5 boroughs). Survey was translated into 4 languages – English, Spanish, Simplified Chinese and Russian and requested the head of household to complete the survey. Received 1,140 "valid" survey responses meaning there is 95% certainty that the results are within 3% (+/-) of the result for the entire NYCHA population.

# NYCHA Survey Findings - Internet and Broadband Penetration Rates

30.9% of NYCHA households have an Internet connection at home (Q1)

Only 26% of households have broadband Internet service (Q2)

Broadband penetration rates for younger NYCHA households are equivalent to the national average

Broadband penetration rates for older NYCHA households (age 50+) are relatively low

– Lower than national rates for same age groups

– NYCHA households 65+ are 12 times less likely to have broadband than NYCHA households age 18-29 and age 30-49

## 1) NYCHA Broadband Penetration Rates Compared to National Studies

Percentage with broadband Internet service at home			
	NYCHA	Leichtman <sup>1</sup>	Pew <sup>2</sup>
<b>Overall</b>			
Total population	26%	53%	47%
<b>Age</b>			
18-29	61%	N/A	63%
30-49	60%	N/A	59%
50-64	24%	N/A	40%
65+	5%	N/A	15%
<b>Household Income</b>			
Under \$30K	N/A	29%	30%
\$30K-\$50K	N/A	47%	46%
\$50K-\$75K	N/A	58%	58%
Over \$75K	N/A	76%	76%

Sources: 1) "Broadband Across the US," Leichtman Research Group, Inc. May 2007.  
2) Home Broadband Adoption 2007, Pew Internet & American Life Project, June 2007.

## 2) Type of Internet Access at Home by Age Group (Q1 & Q2)

Age Group	Dial Up	Broadband	No Internet/ Don't Know	Total Respondents
<18	0.0%	0.0%	100.0%	3
18-29	7.6%	60.6%	31.8%	66
30-49	8.1%	60.0%	31.9%	260
50-64	5.0%	24.1%	71.0%	303
>64	2.2%	5.0%	92.8%	403
Not Mentioned	3.0%	5.9%	91.1%	101
<b>Total</b>	<b>4.7%</b>	<b>26.0%</b>	<b>69.4%</b>	<b>1136</b>

*Internet penetration rates for NYCHA residents are low compared to national studies; households headed by older residents (50+) are particularly at risk*

## NYCHA Survey Findings - Barriers to Internet Adoption

- Affordability issues are primary obstacles to Internet adoption (Q8)
  - 82.8% of respondents cited lack of computer ownership as primary reason for not having home Internet service
  - 4.7% of respondents without access stated Internet service is too expensive
- Only 3.2% of respondents without access stated they did not want Internet service at home (Q8)
- Lack of service availability does not appear to be a major problem, but survey data is inconclusive (Q8)

1) If you Do NOT have Internet access in your home, please select the statement which best describes why. (Q8) [Respondents without Internet access]

Reason	<18	18-29	30-49	50-64	>64	Not Mentioned	Total Respondents
Do not have a computer	100%	68.4%	73.7%	79.5%	88.4%	77.3%	82.8%
Do not want Internet access	0.0%	0.0%	3.5%	2.5%	3.6%	4.5%	3.2%
Internet is too expensive	0.0%	15.8%	7.0%	6.8%	2.2%	4.5%	4.7%
Internet service is not available in my area	0.0%	5.3%	1.8%	0.0%	0.0%	0.0%	0.4%
Access Internet at job	0.0%	5.3%	0.0%	0.6%	0.0%	0.0%	0.4%
Access Internet at library	0.0%	0.0%	7.0%	2.5%	0.0%	2.3%	1.6%
Access Internet at Community/Senior Center	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%	0.2%
Other	0.0%	0.0%	7.0%	8.1%	5.8%	11.4%	6.8%
Total (%)	100%	100%	100%	100%	100%	100%	100%
Total Respondents	2	19	57	161	276	44	559

*Inability to afford a computer and/or Internet service are primary obstacles to home Internet access*



## NYCHA Survey Findings - Use of "Alternative Access" Points

- Many NYCHA residents are without regular Internet access (Q10)
  - 79% of respondents without home Internet service did not use an alternative access point in past 30 days
  - Older respondents without home Internet access are most likely to not have used an alternative access point in past 30 days (76% respondents age 50-64; 84.7% respondents age 65+)
- Use of NYCHA computer facilities is limited (Q10)
  - Only 2.6% of all respondents used a NYCHA Community Center/ Senior Center in the past 30 days

1) At what places, other than in your home, have you accessed the Internet in the past 30 days? (Q10) *[All respondents]*

Access Point	Respondents With Internet	Respondents Without Internet	All Respondents
NYCHA Community Center/Senior Center	3.5%	2.0%	2.6%
At Work	39.4%	4.2%	16.8%
Public Library	19.7%	10.9%	13.8%
School/Local Community Center	15.5%	2.2%	6.8%
Free "Wi-Fi" Hotspot	4.2%	0.7%	2.1%
Paid "Wi-Fi" hotspot	0.3%	0.7%	0.6%
None	41.3%	79.0%	65.6%
Other	6.8%	8.2%	7.5%

*A large percentage of NYCHA residents are without regular Internet access, particularly older residents (50+)*

## NYCHA Survey Findings - Satisfaction with Computer Skills and Interest in Training

- Many residents without home Internet access believe they lack computer skills (Q15)
  - Only 14.5% of those *without* home Internet service were either “very” or “somewhat” satisfied with their skills
  - Compared to 81.7% of respondents *with* home service
- Greatest demand for training is on how to use a computer (Q16)
  - Training on how to use a computer received 22.3% of all responses
  - Highest interest was by those aged 65+ without Internet access, receiving 39.1% of this group’s responses

1) How satisfied are you with your own computer skills (Q15) [All respondents]

Satisfaction Level	With Internet	Without Internet	All Respondents
Very Satisfied	31.9%	3.0%	14.5%
Somewhat Satisfied	49.8%	11.5%	26.5%
Somewhat Unsatisfied	15.5%	11.3%	13.0%
Very Unsatisfied	2.8%	11.7%	8.2%
N/A - No Interest in Using Computer	0.0%	62.6%	37.8%

2) What types of computer training would you attend at a NYCHA community or Senior Center? (Q16) [All responses]

Technology Training	<18	18-29	30-49	50-64	>64	Not mentioned	Total
Use computer	0.0%	13.0%	15.5%	23.4%	35.1%	21.6%	22.3%
Access Internet	0.0%	12.0%	14.4%	16.2%	21.5%	17.7%	16.4%
Job Searching	0.0%	10.9%	12.3%	8.4%	4.1%	11.8%	9.2%
Microsoft Office	0.0%	28.3%	25.9%	21.3%	11.2%	17.7%	21.1%
Photo technology programs	0.0%	27.2%	23.8%	19.5%	12.0%	15.7%	19.8%
Other	100%	8.7%	8.1%	11.1%	16.1%	15.7%	11.3%
Total (%)	100%	100%	100%	100%	100%	100%	100%
Total Responses	1	92	382	333	242	51	1101

*Respondents without Internet access lack computer skills, but have relatively strong interest in computer literacy training programs*

# Overview of the Public Library Patrons survey

## Primary Objectives

1. Test hypothesis that public library computer centers are often the "last resort" for access for some residents who do not have Internet access at home
2. Identify main obstacles to Internet/ broadband adoption at home
3. Assess patrons' computer and Internet technology literacy
4. Determine frequency of usage of public library computer facilities

## *Methodology*

- Partnered with three public library systems to distribute paper surveys to 80 branches across the 5 boroughs
- Targeted adults (age 18+)
- A total of 58 branches successfully administered the survey and 2,249 responses were collected from the participating branches

## Public Library Survey Results – Summary of Findings

### Major Takeaways from the Public Library Survey<sup>1</sup>

- More than half of all survey respondents (52.6%) do not have Internet access at home
- For roughly one third (33%) of all survey respondents, their *sole source* of Internet access is at a public library
  - Of respondents without home Internet service, 67.2% (33% of all respondents) stated that they go to a public library to access the Internet because they cannot access the Internet *anywhere* else.
- Respondents without home Internet service are heavy users of public library computer facilities
  - More than half of all respondents without Internet service (52.1%) used public library computer facilities three or more times a week.
- 34.6% of respondents with home Internet service stated that they used the Internet at public libraries because the library's connection was faster than at other places where they accessed the Internet (for example, at home)
- The primary reasons respondents cited for not having home Internet service were inability to afford computer hardware and Internet service
  - A majority of respondents (53%) without Internet access at home cited lack of computer ownership as the primary reason for not having home Internet service
  - The second most commonly cited reason for not having Internet access at home was because it was too expensive (cited by 14.2% of respondents)

Note: <sup>1</sup>Paper survey of public library patrons at 58 branches resulting in 2,249 responses

DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY  
BEFORE THE CITY COUNCIL COMMITTEES ON LAND USE AND TECHNOLOGY IN GOVERNMENT  
FISCAL YEAR 2010 EXECUTIVE BUDGET  
THURSDAY, MAY 14, 2009

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Good afternoon Chairs Weprin, Katz and Brewer, and members of the City Council Committees on Finance, Land Use, and Technology in Government. My name is Paul Cosgrave, the Commissioner of the Department of Information Technology and Telecommunications, or DoITT, and New York City CIO. Thank you for the opportunity to testify today about DoITT's Fiscal 2010 Executive Budget and some of the agency's initiatives, accomplishments, and goals for the year to come. With me today are Mitchel Ahlbaum, DoITT's General Counsel and Deputy Commissioner for Franchise Administration, John Winker, our Associate Commissioner for Financial Services, and Vincent Grippo, DoITT's Chief of Staff.

DoITT's Fiscal 2010 Executive Budget provides for operating expenses of approximately \$356.8 million, a decrease of \$15.4 million from the Fiscal 2009 Adopted Budget. DoITT's Executive Budget decreases are primarily attributable to the elimination of 33 positions throughout the agency, and significant reductions to contractual maintenance costs. The Fiscal 2010 operating budget includes \$85.8 million in Personal Services to support 1,143 full-time positions and \$271.0 million for Other than Personal Services. Of the \$356.8 million, \$113.6 million represents Intra-City funds to be transferred from other agencies to DoITT for the services it provides. Telecommunications costs represent the largest portion of the Intra-City expense. Fiscal 2010 Intra-City telecommunications expenditures are budgeted at \$91.6 million, while total telecommunications costs are budgeted at \$111.0 million.

Most notable among reductions this year is nearly \$5 million in savings realized by the renegotiation of various **citywide hardware and software maintenance contracts**. As you know, DoITT has pioneered the development of citywide contracts, enabling the City to leverage its considerable size and purchasing power to ensure significant cost savings for IT goods and services. Notably, in addition to the savings generated these citywide contracts have also enabled agencies to reduce the procurement timeframe for renewing their annual hardware and software support from months to weeks.

Staffing levels at the **311 Customer Service Center** has also seen significant reductions. Today, the call center employs approximately 20% fewer call takers than one year ago, even as it receives 40% more calls. Overall, the call center has received nearly 82 million calls since inception, and more than 7 million in 2009 to date alone. As call volumes proceed at their record pace, it must be noted that 311 service levels – the percentage of calls answered in 30 seconds or less – are decreasing consistent with staff reductions.

To manage record call volumes, 311 continues to aggressively employ new technology measures to efficiently serve customers. The use of automated messaging prior to reaching a representative allows customers to access more commonly-called about information quickly while providing customers who require a representative for assistance more available call takers. Other innovations, such as the ability for the public to both create and check the status of 311 service requests online via *NYC.gov* has helped to reduce the need for a customer to place calls about the same issue. These efficiencies, and more web-based enhancements to come, will better position the call center to continue offering the innovative services New Yorkers expect from 311.

Recent examples include two initiatives – one planned and one unplanned – conducted with the Department of Health and Mental Hygiene (DoHMH). Last month DoHMH launched its annual **Nicotine Patch and Gum Program**, offering free “quit smoking” packages to the public.

Now in its sixth year overall, 2009 marked the fourth consecutive year DoHMH has partnered with DoITT on this successful initiative, enabling callers to register for nicotine cessation patches and gum simply by calling 311. The 2009 program, which ended May 8, resulted in approximately 30,000 enrollees.

DoITT also assisted DoHMH in its citywide response to the current **H1N1 virus cluster** through 311 and *NYC.gov* by keeping the public apprised of recent developments. Through 311, for instance, callers could find information about prevention, symptoms and treatment, as well as request a fact sheet in a variety of languages. Since April 25, 311 has handled nearly 20,000 flu-related calls from the public.

During my previous budget testimony I spoke at some length regarding DoITT's **Shared Services Initiative**. This initiative is aimed at extending our current capabilities and proven methodologies to maximize fiscal investment, increase performance and recognize economies of scale through process consolidation – contributing to the greening of the City's IT infrastructure. Among the major components of this initiative is citywide data center consolidation, which can reduce the City's data center footprint and realize cost savings, greater energy efficiency, and improved disaster recovery and security capabilities. Today, there are more than 55 data centers across 42 City agencies, consolidation of which should reduce load requirements and provide opportunities for greater savings through citywide standardization.

To this end, we have issued and are now reviewing responses to a Request for Information soliciting feedback on the feasibility, timing, benefits and risks of its proposal to transform the City from a federated to a shared Data Center service model. With construction expected to commence this year, the two-year effort will be aimed at positioning the City to rapidly migrate agencies to the new facilities upon completion.

Aside from our work at 311 and the Shared Services Initiative, there are a number of additional projects DoITT is pursuing, consistent with our belief in the power of technology to be transformative for New Yorkers and the agencies serving them.

In conjunction with the Mayor's Office of Operations, DoITT launched the **NYCStat Stimulus Tracker** on *NYC.gov* in early March. This online tool is continually being updated as Federal stimulus dollars are allocated to the City, allowing New Yorkers to view details about the specific projects receiving funding. Today, the tracker allows users to drill down for information on health and social services initiatives receiving \$840 million and infrastructure projects receiving \$900 million – including details about project status and timeline, jobs created, the City's contracting and payments for services, and more.

New Yorkers can also use the Stimulus Tracker tool to access a map of project locations across the five boroughs via DoITT's enhanced mapping application. Launched last month, **NYCityMap2.0** provides several data layers and features available for the first time, including information about the City's current capital construction projects, and the addresses, hours of operation, services offered and language access capabilities of walk-in service centers for various City agencies. *NYCityMap2.0* is built using an innovative, open-source framework that DoITT is standardizing across all City mapping applications to achieve greater efficiencies with current staffing.

Also as part of Federal stimulus package, approximately \$4.7 billion will be made available in the form of competitive grants for nationwide broadband deployment and adoption under the **Broadband Technology Opportunities Program**, or "BTOP." Out of this \$4.7 billion total, a minimum of \$450 million must be allocated to programs that expand broadband in public access centers and that encourage broadband adoption.

The City intends to aggressively pursue funding in these areas – expanding public access and encouraging adoption – particularly among lower income residents. Accordingly, DoITT has submitted detailed comments to, and has met in Washington, D.C. with senior officials from, the National Telecommunications and Information Administration (NTIA), which is administering BTOP. Among other objectives, we seek to substantially increase the \$450 million minimum funding available for public access and adoption programs.

Due to the City's comprehensive **Broadband Needs Assessment Study** conducted in 2006-2007 – during which broadband deployment and adoption across the five boroughs was rigorously analyzed – New York City is well-positioned among cities nationwide to aggressively pursue these Federal stimulus dollars. Once this funding is allocated, we believe our targeted, multi-pronged approach toward digital inclusion will allow us to hit the ground running with several shovel-ready projects.

While the City seeks to supplement its ongoing efforts by aggressively pursuing Federal funding for broadband projects, we are also progressing in other areas of broadband expansion. Yesterday, for example, DoITT issued a Request for Information about potential models for equipping an additional **40 New York City Parks and public spaces** with wireless Internet access, otherwise known as wireless fidelity, or "Wi-Fi." With this RFI, DoITT is also seeking comment on how the City can account for new and emerging technologies going forward, and how future solicitations may be modified accordingly.

I would now like to offer the Committees update on some of the significant achievements realized since our previous budget testimony. Our accomplishments with respect to public safety are as follows.

In a truly historic milestone for municipal first responder communications, DoITT has officially accepted the **New York City Wireless Network (NYCWiN)**. The high-speed mobile data network for public safety and service represents the most aggressive commitment by any city in the country to provide a next-generation wireless infrastructure. NYCWiN now covers in excess of 95% of New York City's more than 300 square miles.

Among the transformative applications being implemented using this wireless backbone is the City's **Automatic Vehicle Location (AVL)** solution, now being piloted in nearly 400 vehicles across more than a dozen agencies. Of particular interest to the Council is our ongoing work with the Department of Education, whereby 50 AVL-equipped school buses will be pilot-tested this summer for consideration of potential deployment next year.

NYCWiN also makes possible the **Automated Water Meter Reading (AMR)** technology now being implemented citywide by the Department of Environmental Protection. The meter reading receivers, running on NYCWiN's infrastructure, will end the use of estimated water bills, giving homeowners and small businesses more accurate and timely records of usage – and increasing their ability to identify how they can conserve water and reduce water bills. The system consists of small, low-power radio transmitters connected to individual water meters that send readings every six hours to a network of rooftop receivers throughout the City. When fully implemented on all 826,000 meters by 2011, ours will be the largest city in the world to use wireless water metering.

To enable AVL, AMR and myriad other mobile applications, NYCWiN's infrastructure has been deployed across the City, enhancing public safety for New Yorkers, improving the efficiency of City operations, and raising the bar for the administration of municipal government.

Last week I joined Mayor Bloomberg in announcing that the first phase of integrated call taking operations between the Police and Fire Departments has been successfully implemented across the City's 911 system. **Unified Call Taking** streamlines the call-taking process to reduce call handling time for fire calls and allow first responders to reach New Yorkers in an emergency more quickly. To affect some 180,000 fire-related calls per year, Unified Call Taking is among the significant accomplishments of the City's **Emergency Communications Transformation Program (ECTP)**, which is designed to centralize and integrate the call taking and dispatch operations among the Police Department, Fire Department, and Emergency Medical Services. Under the program, each agency will benefit from upgraded computer dispatch systems, improved integration and data sharing between agencies, new 911 telephony networks and software, and other significant improvements.

ECTP's next major milestone will be the opening of the **Public Safety Answering Center (PSAC 1)** in Brooklyn. That facility – which for the first time will combine the call-taking and dispatching operations of the Police and Fire Departments – is to be fully-staffed by the fall.

The City is also now in the final process of site acquisition for the backup, load-balancing **Public Safety Answering Center 2 (PSAC 2)**, to be located in the Bronx. Construction of the facility, approved by the City Council last month, is expected to commence later this year and be complete in 2012. DoITT expects responses to a Request for Proposals for a system integrator to perform technical services involved in build-out of the facility later this month.

The Fiscal 2010 Capital Commitment Plan includes a \$663 million increase in the appropriation for the ECTP program. This increase will bring the Fiscal 2010–Fiscal 2013 Capital Commitment Plan for ECTP to \$1.25 billion, while the total projected cost for both PSAC locations is projected at \$2.033 billion.

As you know, our work with the City's Community Boards continues. DoITT maintains an ongoing, active relationship with the City's Community Boards, meeting with Chair Brewer and district managers each quarter to discuss matters of interest to them. DoITT also offers the Community Boards email and website hosting services, as well as desktop and network support. To date, we have built and host 11 community board websites, with a half-dozen more currently in the works. We have also formalized an IT Services Catalog for the boards, describing the available hardware, software and IT services DoITT supports and makes available to Board offices citywide.

Elsewhere, the City's official website, *NYC.gov*, has been chosen to receive the 2009 **Municipal Web Portal Excellence Award**. The award recognizes U.S. cities that have innovative and sophisticated government websites based upon a survey instrument developed by the E-Governance Institute within the School of Public Affairs and Administration at Rutgers University. The research conducted focused on the largest and the second largest cities in each of the 50 states, along with Washington, D.C., and included evaluated websites across 98 measures in five categories. Based on its findings, the U.S. Municipalities E-Governance Survey has determined that the New York City was among the top three ranked cities in 2008. We are pleased that *NYC.gov*, which receives nearly two million unique visitors per month and complements 311 by providing 24x7 access to City information and services, is considered among the best government portals in the country. We will – as we always have – continue to enhance the online offerings available through *NYC.gov* to better serve New Yorkers.

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



**The New York City Council  
Committee on Finance – Hon. David I. Weprin, Chair  
joint with the Committee on Land Use – Hon. Melinda Katz, Chair  
and the Committee on Technology in Government – Hon. Gale Brewer, Chair  
Fiscal 2010 Executive Budget Hearings  
Department of Information Technology and Telecommunications  
Thursday, May 14, 2009 at 12:00 P.M.**

**Questions for: *Commissioner Paul J. Cosgrave***

**Emergency Communications Transformation Project (ECTP) – Capital Plan**

While most agencies were asked to reduce their Capital Plan by 30%, DoITT's Plan has increased by 42% due to a \$660-million increase in ECTP funding for PSAC 2 the yet to be built Public Safety Answering Center.

- Is this additional Capital funding for new needs, increases in costs, or another reason?
- Can you give us a detailed breakdown of how the additional \$660 million will be spent?
- What is the timeline for PSAC 2 implementation?
- In your opinion, can any components of PSAC 2 be scaled down or eliminated without significantly impacting the effectiveness of its operations?

**Emergency Communications Transformation Project (ECTP) – Maintenance Budget**

The ECTP maintenance budget is approximately \$48 million per year. Since its inception there has been a significant budget surplus for ECTP maintenance.

- Can the City expect additional ECTP maintenance budget surpluses moving forward?
- Taking into consideration yearly ECTP budget surpluses, do you believe that \$48 million is an accurate estimate for yearly ECTP maintenance expenditures?
- When do you anticipate all components of the ECTP will be fully operational?

### **311 Call Center**

The January Plan proposed to eliminate 63 call taker positions from the 311 Call Center's overnight shift, while the Call Center's overall call volume continues to increase significantly.

- Can you talk about how this proposal will impact the Call Center's overall service?
- Can you talk about the nighttime shift call volume compared to daytime operations?
- Is this a good time to reduce service?
- What plans will be put in place to mitigate the negative impact this proposed cut will have on customer service and caller wait time?
- Can you quantify the impact this proposed cut will have on caller wait times?

The Call Center handles calls in several different languages other than English.

- Does DoITT have plans to expand this program to add new foreign languages?

### **NYC Wireless Network (NYCWiN)**

The Executive Plan includes a baseline reduction in the NYCWiN maintenance budget of \$2 million.

- What is the total NYCWiN maintenance budget?
- Other than Northrop Grumman, what other vendors have contracts to perform NYCWiN maintenance?
- Can additional savings be achieved by further lowering the cost of NYCWiN maintenance expenditures?
- The Executive Plan includes an increase in baseline revenues of \$500,000 from reimbursement payment for the use of NYCWiN's infrastructure.
- What other non-City agencies use NYCWiN's infrastructure?
- Has DoITT explored additional revenue generating opportunities related to the use of NYCWiN infrastructure by other non-public safety government agencies? If so, can you identify them.

- Can you talk about problems, if any, you have encountered with regard to NYCWin operations?
- Do you see any aspects of NYCWin that need to be improved or expanded?
- Is additional funding needed to further develop NYCWin infrastructure?

### **DoITT Surplus**

The Executive Plan recognizes a \$5 million-surplus in DoITT's Fiscal 2009 expense budget.

- Can this surplus be used to restore the 63 call taker positions included in the January Plan proposal to reduce the 311 Call Center's Overnight Shift?

### **Fleet-Related Reduction**

In the Executive Plan, DoITT would reduce its fleet by 3 vehicles.

- How many vehicles are included in DoITT's fleet?
- How many hybrid vehicles are in DoITT's fleet?

### **Telecommunications Expenditures**

A large portion of DoITT's expense budget goes toward paying the phone bills of multiple City agencies.

- Is DoITT responsible for paying the phone bills for all City Agencies? If not, which agencies pay their own phone bills and why?
- Which City agencies have the largest telecommunications expenditures?
- Is the City's telecommunications budget a place where the City could find additional budget savings?

### **Enhanced 3-1-1 for Human Services**

The Executive Capital Plan reduces the funding for Enhanced 3-1-1 for Human Services by approximately \$20 million.

- Can you give us an update on the Enhanced 3-1-1 for Human Services project?
- Can you talk about how the reduction in Capital funding will impact this project?

### **Federal Stimulus Program - American Recovery and Reinvestment Act**

The U.S. Congress has appropriated \$4.7 billion to establish a Broadband Technology Opportunities Program (BTOP) for awards to eligible entities to develop and expand broadband services to unserved and underserved areas and improve access to broadband by public safety agencies.

- Is DoITT coordinating the City's effort to seek BTOP funding
- Is your Department currently working with other City agencies to put together the City's plan to apply for BTOP grants? If so, which agencies?
- Can you elaborate on the City's plans with regard to seeking BTOP funding?
- What is the timeline for applying for BTOP grants?
- To what extent is DoITT soliciting input from the public regarding BTOP?

### **311 Online**

3-1-1 Online is a new initiative which will provide customers online access to services offered by the 311 Call Center.

- For the benefit of the Committees, can you describe what services 3-1-1 Online will offer City residents?
- When do you anticipate 3-1-1-Online will be fully implemented?
- What impact will 3-1-1 Online have with regard to reducing the Call Center's volume?

### **NYC-TV**

- Can you identify any additional opportunities to increase revenues through NYC-TV?

### **Technology Consultants – Citywide**

Many City agencies contract technology consultants.

- How many City agencies use outside technology consultants?
- Does DoITT review or audit contracts for technology consultants for multiple City agencies? If not, who oversees these contracts?
- Is the City's technology consultant budget a place where the City could find additional budget savings?

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THE CITY OF NEW YORK**

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I represent: DO ITT

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