



**DEPARTMENT OF INFORMATION TECHNOLOGY AND
TELECOMMUNICATIONS TESTIMONY BEFORE THE CITY COUNCIL
COMMITTEES ON LAND USE AND TECHNOLOGY**

FISCAL YEAR 2021 PRELIMINARY BUDGET

TUESDAY, MARCH 3, 2020

Good afternoon Chairs Salamanca and Holden, and members of the City Council Committees on Land Use and Technology. My name is Jessica Tisch and I am the Commissioner of the Department of Information Technology and Telecommunications, also known as DoITT, and New York City's Chief Information Officer. Thank you for the opportunity to testify today about DoITT's Fiscal 2021 Preliminary Budget. With me is John Winker, Associate Commissioner of Financial Services and Michael Pastor, our agency's General Counsel. I've been working for the City for 11 years, and for me, watching livestreams of agency budget hearings has been like sport. I am so honored to be here leading an agency, testifying in front of the Council and answering your questions.

And I am humbled to be joined today by a group of people who have made it their lives work to advocate for vulnerable New Yorkers. I am speaking in particular, about representatives of the Deaf, Hard of Hearing, and Survivors of Domestic Violence communities, who I have had the pleasure of getting to know and work arm-in-arm with over the past three months on the Text to 911 program. Nicolyn Plummer, Marsellette Davis, Dennis Martinez, and Huberta Ugar – thank you for your patience, your guidance and your partnership. I would also like to thank Deputy Inspector Craig Adelman, the Executive Officer of the NYPD's Communications Division, as well as Captain Michael Tracey from the Fire Department for being here; your presence at this hearing is an important symbol of our agencies' close partnership on all things 911.

I have a bold vision for the future of technology in New York City and I am working on a plan to modernize the City's technology infrastructure, which I look forward to briefing you on in full during the Executive Budget. This is exactly what I did, for a single, albeit very large, agency over six years as CIO of the NYPD. And I am certain that it is exactly what is needed across City government today. My way of saying: this is what I do.

Over the past few months, we have made significant progress on a number of fronts and I thought I might use this opportunity to highlight some projects that I know are of interest to the Council:

1. Text to 911

Let's start with some good news, and on a program that many of you know is near and dear to my heart. I am pleased to report that it is looking like Text to 911 will go live by June, so we will meet our commitment made at last November's oversight hearing.

And that is because Text to 911 is now technology ready and training is underway. As part of testing, we intentionally flooded the system, and it performed up to our high public safety standards. We have also worked closely with Cyber Command on robust cyber testing of the system.

2. Next Generation 911 (NextGen 911)

As you know, this Text to 911 system will be an interim solution, designed to bridge the gap between where we are today – with an entirely legacy, analog 911 system – and where we will be in 2024, when we roll out NextGen 911.

The purpose of NextGen 911 is to allow voice, photos, videos, and text messages to flow seamlessly from the public to 911 on modern, digital infrastructure. Make no mistake about it, NextGen 911 has the potential to be hands down, the most impactful new public safety system in the City of New York over the next decade. As a woman who has public safety IT running through her veins, I can tell you it is absolutely imperative that we get it right.

So, what progress have we made? Just last month, we selected vendors and completed contract negotiations for three key systems that are fundamental to the development of NextGen 911. We selected Vesta Solutions to build out the core backend and geographical information systems, and NICE Systems Inc. to build out the new logging and recording system.

These decisions were based on a rigorous vendor selection process that involved an evaluation committee with representatives from DoITT, NYPD, and FDNY, with advice and guidance from Cyber Command. The evaluation committee traveled to call centers to review products and gather first-hand customer feedback; and to vendor labs across the country for live demonstrations of NextGen technologies and briefings on each proposer's approach to factory staging and implementation.

Our selection balanced the equities of price, performance, and technical capability. And yes, the contracts that we negotiated have exhaustive protections in place to ensure that vendors we pay with City tax dollars deliver on time and on budget.

As for timeline, selecting vendors and completing contract negotiations by the end of January was key to getting NextGen 911 on track to be fully implemented in 2024.

3. Laying the Groundwork for 5G

Moving on from 911, but staying in the telephony space, I'd like to discuss 5G, which is one of the things I pledged to fix when I took this position three months ago. I am committed to working with the carriers and our agency partners to kick-start the 5G build-out across the City and to do so equitably and safely.

To that end, just weeks ago, DoITT awarded 12 new mobile telecommunications franchises to companies for the deployment of infrastructure to support the densification of 4G LTE, and ultimately, the buildout of 5G. The franchises enable the use of City light poles, and for the first time, street furniture, for the deployment of wireless facilities.

With these new franchises in place, I am proud to announce that we will be opening a new pole reservation phase in the coming months, during which franchisees will be permitted to reserve poles throughout the five boroughs for 5G roll out and 4G densification. Details of this reservation phase are being hammered out now, but I am confident that its scope and safeguards will underscore our commitment to aggressively build out this highway for the future; and to do so equitably, in a way that ensures that carriers build their networks in neighborhoods beyond Midtown Manhattan, bringing 5G to all New Yorkers.

Unfortunately, Federal and State forces are trying to dismantle our franchise model, a key revenue generator for the City, in lieu of an approach that claims to "streamline" and accelerate the expansion of 5G. It will not. And it will come at the expense of public safety.

For context, for 5G to work, carriers need to put equipment on New York City's poles and other infrastructure. This equipment is larger than the equipment required for 4G. We cannot risk harm to New Yorkers through the unfettered proliferation of suspended refrigerators on poles not built to support them. It is our responsibility to protect New York City's local control of its streetscape and this important revenue stream.

4. Modernizing 311

Finally, I wanted to give you an update on two additional topics before I move on to the budget. Since last year's executive budget hearing, we launched a new platform for the 311 system.

This was a long overdue overhaul to the legacy 311 system that had been in place since the program's inception nearly 20 years ago. Since launch, we have continued to make enhancements, including, notably implementing Local Law 8 of 2020, the legislation that requires the City to post monthly complaints of illegal parking of vehicles operated on

behalf of the City and requires 311 to accept pictures of suspected illegal parking of vehicles with placards.

I am aware that there are many ways we can improve even the most basic of functions, and I look to the Council Members and your constituents as core users of 311 to continue to give us helpful feedback, as Chair Holden, you and Council Member Cabrera did in your letter from February which is becoming an important part of the platform's roadmap.

5. Decommissioning NYCWiN

We are also full steam ahead on decommissioning NYCWiN. I am pleased to report that NYPD, DCAS, DOHMH, Parks, FISA, and DOB have already completely migrated to commercial carriers; and DOT, DSNY, and DEP should be fully migrated by the committed deadline of June 2020. Once all the agencies are off the network, we will begin the work of closing out the Northrop Grumman contract by removing the NYCWiN infrastructure from rooftops and restoring facilities leased for this purpose.

In the interest of time, I will now take the Committees through our FY21 budget as it stands today.

DoITT's Fiscal 2021 Preliminary Budget provides for operating expenses of approximately \$695.3 million, allocating \$181.3 million in Personnel Services to support 1,891 full-time positions; and \$514 million for Other than Personnel Services, or OTPS. Intra-City funds transferred from other agencies account for \$141.5 million, or about 20% of our total budget allocation. Telecommunications costs represent the largest portion of the Intra-City expense, projected at \$106 million for Fiscal 2020.

For Fiscal Year 2020, the expense budget appropriation increased by \$2.5 million from the Fiscal Year 2021 November Financial Plan to the Preliminary Financial Plan. The increase to the Fiscal Year 2020 Preliminary Budget is largely attributed to the intra-city funding transfers from agencies that have been reflected in the January financial plan.

For Fiscal Year 2021, the expense budget appropriation decreased by \$2.2 million from the Fiscal Year 2021 November Financial Plan to the Preliminary Financial Plan. The decrease to the Fiscal Year 2021 Preliminary Budget is largely attributed to the savings initiatives that we have implemented, through IT hardware decommissioning and the discontinuation of software licenses, subscriptions, and support services.

Finally, Council Members, before taking your questions, I'd like to address head-on an issue that I know is of concern to many of you and certainly to me: the general downward trend of DoITT's franchise revenues. For FY19, these revenues, projected at approximately \$186 million,

came in at \$156 million. There are several reasons for this. Notably, cable revenue has suffered because of shifting consumer practices and cord-cutting.

But make no mistake about it, the largest source of this revenue hit is not a change in consumer preferences, which government couldn't and shouldn't affect; it's something that we, as stewards of New York City's franchises, can fix and that is CityBridge's failure to pay the City what it owes us under the terms of their agreement to provide free Wi-Fi and telephony services through LinkNYC kiosks. The breach I am describing goes beyond money owed to the City of New York: CityBridge has also failed to install and activate new Link structures and remove old payphones.

One source of good news: in my short time here, I have worked with CityBridge to get the payphone removal portion of the franchise agreement moving again, and already authorized the removal of hundreds of public payphones, which many of your offices have been bringing to our attention. But on the Links, we have not gotten CityBridge to make any progress. Installation of new Links stopped in Fall 2018. Troublingly, a large majority of the 537 Links owed to the City are in underserved areas in boroughs other than Manhattan. New Yorkers who would benefit most from this service are not getting it, including thousands of people who live in districts that many of you represent, because CityBridge is delinquent.

By way of background, CityBridge is a consortium of companies, one of which is a subsidiary of Alphabet, the parent company of Google. CityBridge owes the City tens of millions of dollars, going back to FY19. All of this is against the backdrop of millions of dollars in advertising revenue that CityBridge has reported they received over the same time period.

But for me, the most shocking part is that the City has actually gone out of its way over a number of years to work with the franchisee to address a number of burdens that it said were affecting its ability to perform. For example, as recently as June of 2018, DoITT amended CityBridge's franchise agreement to provide more time to complete the build-out of the Links; and even to defer some of the revenue-based franchise compensation potentially owed to the City to later years. At the time of this renegotiation, CityBridge told DoITT and testified publicly at the FCRC that with the relief granted by the amendment to the franchise agreement, CityBridge would be on sound financial footing and fully capable of performing all remaining obligations under the agreement.

Just three months later, in September of 2018, DoITT went as far as to grant CityBridge forbearance from payments for a period of one year. The City has been a more than reasonable partner, working with CityBridge to help it fulfill its obligations. So let me be absolutely clear, so there is zero ambiguity – the City's expectation remains that CityBridge will pay the City what it is contractually obligated to pay.



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I am here today to commit to you that as the new Commissioner of DoITT, I am poised to take any and all necessary action against these multiple breaches of contract to collect the money the City is owed.

With that...I want to thank the Committees for this opportunity to update you on DoITT's important work and I am now happy to take your questions.