



New York City Comptroller
John C. Liu

NEWS RELEASE

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**MAYOR BLOOMBERG, COMPTROLLER LIU ANNOUNCE
\$60 MILLION SETTLEMENT AGREEMENT WITH VERIZON**

*City to Recoup \$50 Million and Achieve \$10 Million in Additional Savings
Following Delays on Component of Emergency 911 Call-Taking System*

NEW YORK, N.Y. — Mayor Michael R. Bloomberg and City Comptroller John C. Liu today announced that Verizon (NYSE: VZ) will repay the City \$50 million to settle cost overruns caused by the company’s delays on the Emergency Communications Transformation Program project and work with the City to provide up to an additional \$10 million of cost savings achieved through a knowledge transfer program over the term of Verizon’s renewal agreement with the City. In 2006, the City hired Verizon to develop and maintain software that handles call transferring for the new 911 calling system. When Verizon fell behind on delivering the software, known as VESTA, because it did not meet the City’s rigorous testing standards, the City ceased payments for the delivery until a settlement was reached to compensate for the delay.

“With this settlement, Verizon is compensating the City for the considerable costs associated with the delay of a key component of the new 911 system,” said Mayor Bloomberg. “Since that component was finally delivered in December 2011, the City’s state-of-the-art 911 system has successfully handled more than 21 million calls, and we look forward to continuing to work with Verizon as we complete the first comprehensive overhaul of the system in more than forty years.”

“Taxpayers should be confident that when companies do not live up to their commitments we hold them financially accountable and this agreement delivers what taxpayers deserve,” said Comptroller Liu. “Transferring a significant portion of E911 operations to our talented City workforce will not only save \$10 million in taxpayer money but also ensure that we are no longer reliant on high-priced outside consultants for public safety. An added benefit of this cash settlement is that it will provide a much-needed and immediate \$50 million cash infusion to our Fiscal Year 2014 budget.”

As part of the approved agreement announced today:

- Verizon will pay \$50 million to compensate the City for the delay it cost taxpayers.
- Verizon will work with the City to provide up to an additional \$10 million of cost savings over the next four years as part of a “knowledge transfer” program. This innovative collaboration, between Verizon and the Mayor’s Office of Citywide Emergency Communications, will provide City employees with the requisite skills and training to

assume significant responsibilities associated with the operations and maintenance of the VESTA system.

- The City will issue a Request for Information to understand the latest public safety technology offerings from a broad base of suppliers to ensure that E911 continues to use state-of-the-art hardware and software that requires as little customization as possible to serve the needs of the largest 911 system in the United States.

As part of its planned scope of work that began earlier this year, the City is also expanding on-site locker rooms and eating space, to enhance working conditions for personnel at the Public Safety Answering Center in Brooklyn.

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johncliu” to 40404. View the latest Comptroller’s office videos on [YouTube](#).*

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