

ILLINOIS CENTURY NETWORK

February 20, 2007 POLICY COMMITTEE MINUTES

Submitted for: Action

Summary: Distribution of the February 20, 2007 minutes for review by the Policy Committee.

Action Requested: Adoption of the February 20, 2007 minutes.

Recommended Motion: *The ICN Policy Committee adopts the February 20, 2007 minutes with any edits as noted.*

ILLINOIS CENTURY NETWORK

FEBRUARY 20, 2007 POLICY COMMITTEE MINUTES

Lori Sorenson called the meeting to order.

Members present:

Jay Carlson, Charter Communications;
Anne Craig, Illinois State Library;
Ryan Croke, Office of the Lt. Governor;
Mike Dickson, Western Illinois University;
Todd Hart, Illinois Hospital Association;
Todd Jorns, IL Community College Board;

Doug Kasamis, Central Management Services;
Lynn Murphy, Board of Higher Education;
Scott Norton, IL State Board of Education;
Chet Olson, City of Rochelle;
Bonnie Styles, Illinois State Museum;

Springfield guests:

Druanne Allen, Central Management Services;
Cindy Daniele, Central Management Services;
Rich Fetter, Central Management Services;
Cindy Hitchcock, Central Management
Services;
Virginia McMillan;

Kirk Mulvany, Central Management Services;
Tom Oseland, Central Management Services;
Dominick Saebeler, Central Management
Services;
Lori Sorenson, Central Management Services;
Frank Walters, Central Management Services

Chicago guests:

Rafael Diaz, Central Management Services;
Beth O'Mahoney, Central Management Services;
Robin Woodsome, Central Management Services

Announcements and Remarks

Lori welcomed everyone and introduced Doug Kasamis. Doug is the new acting Deputy Director for Central Management Services overseeing the Bureau of Communications and Computer Services.

Doug thanked the group for the opportunity to speak to them and gave his background. He stated that he was excited about the vision for the network and impressed with the existing capabilities of the network. He said he looks forward to working with the committee in the future to expand the role and impact that the ICN has.

Minutes

Lori asked if there were any changes to the minutes. Seeing none she asked for a motion to approve.

Motion: Chet Olson moved; Mike Dickson seconded, that the minutes be approved. Motion carried.

E-Rate Update

Tom Oseland gave the E-rate update. As of January 31st CMS/ICN has not received any E-Rate funding for fiscal year 2007. Funding year 7 (2004/2005) still remains with the FCC under appeal. Funding year 8 (2005/2006) moved from appeal to reconsideration with USAC. A small library application has also recently been approved.

Year 9 was approved on February 6th with a total of \$1.394 million. Funding year 10 (2007/2008) was recently filed for \$1,197,231. The decrease from prior years reflects the changes in bandwidth allocation. CMS/ICN has recently undergone an audit by KPMG, at the request of USAC, for funding year 6. The report will be forthcoming.

Jay asked if E-rate money is projected for each year's budget. Druanne replied that it is not included because the money is not guaranteed.

Lori asked Tom to review the two years that are under appeal. Tom responded that year 7 (2004/2005) and year 8 (2005/2006) were both denied due to an issue with the ICN's Letter of Agency. Wording that previously had been acceptable by USAC was no longer accepted and the applications were denied on that basis.

Lori asked if there is a chance the year 7 application will be reviewed as they are doing with year 8. Tom said that the 60-day window to look back at decisions was up, so they were not able to do that. There's a chance the FCC will get to the appeal and send it back to SLD for further review.

Lori reminded members that the application was worth \$5.8 million, so it is worth continuing the discussion. Jay suggested having legal counsel review the current status and draft a letter to Senator Obama's and Durbin's offices asking for assistance. Dominick agreed to have a letter drafted and sent out within 30 days.

Lori commended Tom for the work he has done with E-rate.

Cost Recovery Update

Robin Woodsome gave an update on the results of the changes made to the cost recovery model.

Robin started by saying that there has been a very positive response from constituents to the changes. Most have indicated that they didn't expect such a high increase in the baseline or that

the cost would be lowered so dramatically. The connection changes made to take advantage of the additional bandwidth allocation has meant an increase in the amount of work for both field operations and Springfield staff. A large number of calls are still received to discuss connectivity, circuit options and how current network connections can be upgraded to take advantage of the additional baseline.

Robin discussed the interest of cable companies in connecting ICN constituents now that the higher baseline has been implemented. A lot of constituents are taking advantage of these metro-Ethernet connections. Relationships have been established with several providers and more are interested. Moving forward, the ICN is looking at changes in the way aggregate connections are handled so that networks that come to us with a single connection and have many buildings within their network might be eligible for more bandwidth.

Lori added that many of the ICN's paying customers have chosen to continue to pay the same amount of money and take any savings to spend on more bandwidth. Also, phone companies are accelerating the markets that they are rolling out the metro Ethernet-type services. This benefits ICN customers, but also has an indirect benefit to all consumers in terms of economic development in communities.

Robin stated that AT&T has already doubled their capacity at the ICN POP site in Chicago to address the number of constituents moving to higher capacity circuits. In the Southern part of the state, cable companies have looked into securing additional facilities so that they can offer larger circuits.

Illinois: The Next Century Network

Lori introduced Virginia McMillan to present the final Illinois, the Next Century Network report, which was the strategic planning effort initiated by the Advanced Engineering Task Force (AET).

Virginia began by giving the background of the report. The AET's report from 2005 recommended the ICN look at where it's been and where it's going and develop a plan to move in the future. A team of consultants were engaged to facilitate the planning. The Policy Committee, the full Advanced Engineering Task Force and a subcommittee of AET members provided guidance throughout the process. There were a number of planning objectives that were identified through the pre-planning process. Those planning objectives were to achieve renewed consensus and commitment to the vision of ICN, to consider and address the impact of a number of factors on the future direction of ICN, to develop a Next Generation technology foundation for all of the statewide communications, to develop a vision of the future that reflects both today's and tomorrow's needs, and to develop recommendations to guide the future direction of ICN.

A planning process was developed. It included such tasks as conducting a thorough review of the last plan (the 1997 plan that implemented and initiated the ICN), examine models and best practices in other states to see where Illinois was in comparison, use focus groups, user surveys

and interviews with constituents, identify the planning issues, to identify strengths and limitations and identify current and future needs. The process was very constituent based.

Several major strengths were identified, the first being access. The users felt the ICN provided high-speed access to constituents in areas of the state that otherwise may not have access. People also were very pleased with the service provided by ICN. They were extremely complimentary of the ICN staff in both the central and the regional offices.

Another strength was price and capacity. Much of the input indicated that without the ICN, they would not be able to have the connectivity they have. The other strength that came through very clearly was the capacity of ICN to help the user solve problems. The ICN serves as a single point of contact and eliminates the need to deal with multiple parties to get service.

Limitations were also identified. One of these limitations was the capacity and speed of the network. In spite of the fact that much of this is due to local connectivity, many of the users related that to ICN. The last mile issue was tremendous. There were also pricing concerns and changes have already been made to address this through the updated cost recovery model. There were competitive limitations as users pointed out that local companies and private technology firms were providing Internet access at significant savings to ICN. Many of them realized that what they were offering was not what ICN had, but it did provide them connectivity at a lower price. Virginia added that the Planning Leadership Committee spent a lot of time addressing the uniqueness of ICN and the importance of not only users realizing that but policymakers.

The services offered by the ICN were discussed along with options for additional services hosted by Universities such as content and ASP type services. The consensus was there is a need among constituent groups, but questioned whether this is the ICN's role. There are also resource issues. The ICN could step up its leadership roles in facilitating the sharing of resources and the development of public/private partnerships.

Virginia continued with another limitation and that was the lack of communication. People felt that in the early years of ICN there was good communication lines between the staff, the policy committee, the AET and the users; but in recent years, that had not been as strong. Another concern was that the ICN was not keeping up to date with technology.

The next step was forming a Planning Leadership Committee. The committee was chaired by John Astroth, the President of Heartland Community College, and the members represented leadership in all of the constituency areas the ICN serves. One of the purposes of establishing the leadership committee was to have people in leadership positions who would move the recommendations forward once the report is finalized. They reviewed the findings, formulated goals and developed strategies for obtaining Board support and implementation of the plan.

The committee spent a great deal of time in developing a new vision statement. The new vision is:

“The vision of ICN is to provide constituents a statewide network that is the best in the nation in connectivity, broadband access and service. The next ICN will provide a network infrastructure

in core services distinguished by advanced technology, superior reliability, expert technical support and reasonable cost. As a constituent-driven network serving schools, colleges and universities, libraries and museums, healthcare organizations and state and local agencies, ICN's network infrastructure and communication technology will be designed to meet users current and future needs. In order to be at the forefront of network innovation, ICN will develop and continually update a flexible, statewide infrastructure and communication technology of sufficient capacity and speed to support advanced application."

The committee also identified several conditions that they felt must be met in order for the ICN to be successful in the future. The first one deals with financial support. This means not only adequate state funding for operations, but also funding to move technologies forward. Leadership in planning and policy development for the network also must be developed. This includes moving the ICN to next generation technology such as dark fiber.

The committee identified seven goals within four broad goal areas, those being capacity and flexibility, access, collaboration and cost effectiveness. For each of the goal areas, the committee identified a number of strategies that could be considered in moving those goals forward.

The first goal under capacity and flexibility is to upgrade the statewide network infrastructure so that its capacity and speed are sufficient to support current and future connections. The strategies to do this include the use of dark fiber and partnering with other networks.

In the area of access, the committee identified several strategies. The first is to provide a wide range of communication, information resources and services. The second is to assure that all constituents regardless of location have rapid, easy and cost effective access. The next goal is to develop and improve support for communities and businesses to promote economic development. The committee felt that ICN should be moving in that direction by looking at feasibility, assessment and community services.

The next goal dealt in the area of collaboration. This included facilitating collaborative efforts and the sharing of resources among Illinois schools, and colleges and universities in the various constituency groups. Again, the strategies were to provide access to fiber and to look at cost recovery changes. The other was to enable Illinois institutions to connect to next generation national and global networks and collaborate with institutional partners throughout the world.

The final goal area was in the area of cost effectiveness. This is to ensure the ICN has the appropriate financial model and adequate operating and capital funds to provide network access to constituents at a reasonable cost. There is a number of strategies that are proposed for meeting this last goal, including not only state funding but to explore public, private partnerships, explore alternative funding sources, be an advocate for ICN with state policymakers and to maximize federal funding that's available for the advancement of networks.

Virginia closed her presentation by reading the final statement in the report. "The Next Illinois Century Network will build upon the success of the current network and continue the tradition of superior reliability, advanced technology, expert technical support and reasonable cost. With

cooperation and sufficient investment, the network will be bigger, faster and more adaptable. It will serve new users, further extend access to remote areas and promote collaboration and resource sharing and enable vital connectivity for economic development. The Next Illinois Century Network will restore Illinois as a leader among states in network connectivity and give it a competitive advantage in the global economy.”

Todd asked about recent legislation concerning the ICN. Lori mentioned HB1258 which is proposed legislation to open up the network so that the ICN in some capacity would be available to all public and private entities. The legislation is in the very early stages and is being watched closely.

Lori asked the group what some of the next steps should be or what role should the committee take in regards to the report. Lynn asked who the report will be sent to. Lori replied that it will go to legislators and be distributed via the web site. Lynn responded that there may be some issues with the ICN being identified as both CMS/BCCS and as the ICN independently. Jay suggested that the Policy Committee be listed as an oversight committee that is responsible for making sure CMS lives up to the spirit of the original intent of ICN.

Jay added that there is a need to balance the things that CMS is doing for the network as well as what still needs to be done. Mike agreed and added that CMS and ICN legacy constituents need each other. The agencies help to keep costs low for constituents and in return they can get access to advanced technology.

The committee discussed the use of the word “restore” in the sentence ‘Will restore Illinois as a leader in technology.’ Mike and Jay commented that this is a bad connotation. CMS just spent \$15 million on the network and this could imply that the money wasn’t spent wisely. It was agreed by the committee that the word be taken out and replaced with less polarizing text.

Lynn pointed out that the report needs to focus on the past as well as the present. The document is a great opportunity to focus on the strengths that everybody brings to the project. Lori said that CMS management has been very supportive of the report and they wanted to make sure it captured some of those successes that have taken place. The report will emphasize that the ICN will not sit back and rest on our laurels.

The report draft will be sent out to the Committee members for any final feedback before moving forward to distribution. Changes will be requested back in approximately 2 weeks so the report can move forward. Beth O’Mahoney will coordinate all the changes and send out a new version to the group after any changes are made so that committee members will have the most recent version. If there is overlap the group will be notified and a consensus will be sought. The goal would be to have one final, revised master document.

The Committee complimented the Planning Leadership Committee, Advanced Engineering Task Force, the consultants involved with all the work that went into this. The report turned out well.

Virginia reminded members that Planning Leadership Committee members have offered to step forward and help move the report forward as needed.

Meeting Schedule

Lori indicated that Item 6 in the packet provides the future meeting dates for everyone's records.

The next meeting will be Monday June 18th in the same locations.

Closing

Jay thanked everyone for coming to the meeting and made a motion to adjourn.

Motion: Jay Carlson moved; Todd Jorns seconded, that the meeting be adjourned. Motion carried.