

Illinois Century Network

Policy Committee Meeting Agenda

July 20, 2009
1:00 p.m.

**ILLINOIS CENTURY NETWORK
POLICY COMMITTEE
MEETING AGENDA
July 20, 2009
1:00 p.m.**

| Item Number | | Page Number |
|------------------------|-----------------------------------------------------------------|------------------------|
| 1. | Announcements and Remarks | - |
| NEW BUSINESS | | |
| 2. | Minutes- April 20, 2009 | 3 |
| 3. | Constituent Profile, Bill DeJarnette with City of Urbana | 7 |
| 4. | Broadband Stimulus Grant | 8 |
| 5. | Resolution on changes to ICN Constituents and Services | 11 |
| 6. | E-rate Update | 14 |
| 7. | Network Update | 16 |
| 8. | Regional Meetings | 18 |

**Next Meeting – October 26, 2009
Illinois Community College Board, Springfield
James R. Thompson Center, Chicago**

ILLINOIS CENTURY NETWORK

April 20, 2009 POLICY COMMITTEE MINUTES

| | |
|----------------------------|--------------------------------------------------------------------------------------------|
| Submitted for: | Action |
| Summary: | Distribution of the April 20, 2009 minutes for review by the Policy Committee. |
| Action Requested: | Adoption of the April 20, 2009 minutes. |
| Recommended Motion: | <i>The ICN Policy Committee adopts the April 20, 2009 minutes with any edits as noted.</i> |

ILLINOIS CENTURY NETWORK

April 20, 2009 POLICY COMMITTEE MINUTES

Greg Wass called the meeting to order.

Members present:

| | |
|--------------------------------------------|--------------------------------------------|
| Greg Wass, Office of the Governor; | Mike Dickson, Western Illinois University; |
| Scott Norton, IL State Board of Education; | Bonnie Styles, IL State Museums; |
| Chet Olson, Mayor of Rochelle; | Amy Edwards, IL Board of Higher Education; |
| Anne Craig, Illinois State Library; | Todd Jorns; IL Community College |

Springfield staff and guests:

| | |
|----------------------------------------------|----------------------------------------------|
| Lori Sorenson, Central Management Services; | Stacey Mattera, Central Management Services; |
| Tom Oseland, Central Management Services; | Kirk Mulvany, Central Management Services; |
| Robin Woodsome, Central Management Services; | Kathleen Bloomberg, Illinois State Library; |
| Lawren Tucker; Illinois State Library | |

Announcements and Remarks

Greg welcomed everyone and thanked them for coming. Greg addressed the state's fiscal budget situation due to the struggling economy. Illinois is experiencing its worst deficit, approximately \$11.5. As a result, there has been a reduction in general revenue funds for the ICN. Greg has made a strong pitch to maintain level funding for ICN and while not official, there is an agreement to restore ICN funding if there is an increase in revenues.

Minutes

Greg introduced the first item on the agenda, the approval of the minutes from the January 23, 2009 meeting. Greg asked for a motion to approve the minutes. Bonnie Styles motioned that the minutes be approved. Chet Olson seconded the motion. Motion carried.

ICN Policy Committee Ethics Officer

Lori presented this agenda item as informational. The Illinois Ethics Act requires that each board and/or commission has a designated Ethics Officer. Debra Matlock, General Counsel for Central Management Services, will serve as the Ethics Officer for the ICN Policy Committee. Debra's contact information was distributed within the agenda packet.

AET Membership Appointments

Lori presented this item. The AET was seeking reappointments for 11 of their members whose term expires in June 2009. Members seeking renewal include: Jim Flanagan, IL Chief Technology Officer, Rich Kulig, College of DuPage; Scott Armstrong, Kishwaukee Community College; Michael Shelton, Southern Illinois University; Joel Mambretti, Northwestern University; Herb Kuryliw, Northern Illinois University; Rob Zschernitz, North Suburban Library System; Brandon Gant, CARLI; Glen Trommels, City of Rockford; Ryan Croke, Governor's Office; and Ken Terrinoni, Boone County. The three year terms would extend through 2012. Greg and Committee members extended their thanks and appreciation to the AET members. Mike Dickson moved to approve the motion. Anne Craig seconded the motion. Motion carried.

Broadband Stimulus Funds

Lori presented this item on the agenda. Under the American Recovery and Reimbursement Act, there is a funding opportunity through the Department of Commerce, National Telecommunications and Information Administration (NTIA). There is \$4.7 billion for a broadband technology including \$200 million to expand public computer center capacity and \$250 million to encourage sustainable broadband adoption. NTIA is in the process of developing rules and anticipates releasing the funding in three waves with the first funding wave available sometime between April and June 2009, the second wave in October to December 2009, and the final wave in April to June 2010. CMS will be requesting ARRA funding for the fiber project.

Kathy Bloomberg asked if there was a regulatory impact to CMS for using state-owned fiber. Lori responded that CMS is of the opinion that there is no regulatory impact as broadband networks remain an unregulated service.

Mike Dickson asked if there were any policy changes needed to support CMS' application for stimulus funding. Lori mentioned the opportunity to leverage the state's investment in fiber to expand broadband deployment throughout the state. In addition to the traditional services provided to traditional ICN constituents, staff recommend allowing other entities, including for profits, to purchase dark fiber and/or wholesale transport. After some discussion, Greg tasked the CMS staff to prepare resolutions in support of expanding services which will be addressed at the next Policy Committee meeting.

E-Rate Update

Tom Osland presented this agenda item. The 2008 E-Rate application (state fiscal year 2009) was approved on March 17th in the amount of approximately \$1.3 million. Tom mentioned that the amount of reimbursement for the 2008 E-rate application will be decreased due to a large credit from AT&T. The AT&T credit is a result of overpayments and amounted to approximately \$1.5 million.

Network Update

Kirk Mulvany provided this agenda item. An update was provided regarding last mile connectivity. Kirk reported significant progress with McDonough Telephone Cooperative. The McDonough Telephone Cooperative connection provides another option for last mile connectivity within Macomb and the surrounding area. McDonough offers 10MB and 100MB Ethernet connections which are currently not supported by the local telephone company. Staff continue to work with Norlight to provide an interconnection point between the two networks. ICN staff have also had discussions with a few wireless service providers about the possibility of interconnecting networks.

As for the fiber project, the DWDM equipment evaluation is complete and the contract award is pending final stages for approval.

Kirk reported the completion of the year-long project to upgrade and standardize Cisco IOS versions on ICN egress, core and distribution routers. Additionally, it was reported that 10Gb network cards have been installed on ICN egress, core and distribution routers in Chicago.

Closing Remarks

Greg Wass mentioned updates regarding Rural Health, Health IT applications, and the DCEO broadband mapping contract.

Greg also mentioned Executive Order 10 that was signed by Governor Quinn, appointments to state boards and commissions. As part of Executive Order 10, a website has been created to solicit nominations to various state boards and commissions (www.appointments.illinois.gov).

Greg Wass motioned to adjourn the meeting. Chet Olson moved the motion and Bonnie Styles seconded the motion. Motion carried.

ILLINOIS CENTURY NETWORK

CONSTITUENT PROFILE
CITY OF URBANA

Submitted for: Information

Summary: An overview of the City of Urbana's activities to implement a municipal fiber network.

Action Requested: None

ILLINOIS CENTURY NETWORK
BROADBAND STIMULUS GRANT

Submitted for: Information

Summary: This item provides an update regarding the Broadband Stimulus Grant.

Action Requested: None

ILLINOIS CENTURY NETWORK

BROADBAND TECHNOLOGY OPPORTUNITY PROGRAM (BTOP)

The rules for the Broadband Technology Opportunity Program (BTOP) were released on July 1. Following is a summary of the Notice of Funding Availability (NOFA) provided by the Northridge Group. Northridge is assisting CMS prepare the grant application.

GENERAL OVERVIEW

The NOFA released on July 1 establishes the rules for two complementary programs to distribute broadband stimulus funding under the ARRA – 1) the Broadband Initiatives Program (BIP) administered by RUS, and 2) the Broadband Technology Opportunities Program (BTOP) administered by NTIA.

Application requirements are detailed and must be followed in order to qualify for an award. The NOFA defines who may apply for each program, the specific requirements for the type of projects to be funded, the documentations and certifications to be included in the application, the eligible and ineligible expenses for an award, the accounting and post award documentation and certification filing process. In particular, the documentation process for an application is onerous and should be reviewed carefully by potential applicants to ensure that they can meet the requirements necessary in the short time-frame required for a first-round filing.

We recommend that applicants review the requirements for the types of project that qualify for funding to ensure that a specific project is eligible. Once an eligible program determination is made, applicants should review the application requirements to ensure that all of the necessary documentation can be provided. Finally, we recommend that clients review the business and regulatory requirements that will be made part of each loan or grant award to ensure that the appropriate accounting and record-keeping is achievable.

The awards will be made in multiple rounds. For the first round of funding, applications must be filed between July 14 and August 14, 2009. Applications requesting over \$1M must be filed electronically (except in limited circumstances). Applicants must have a DUNS number and CCR number and must complete the registration process.

In the first round of funding, **RUS** will distribute approximately \$2.4 billion in grants and loans, including:

- Up to \$1.2 billion for Last-Mile projects, (divided among remote areas (\$400 million) and non-remote areas (\$800 million);
- \$800 million for loan or loan-grant combinations for Middle-Mile projects;
- \$325 million set aside for a “national reserve” to “augment the BIP funding categories established above, or remain unused for subsequent NOFAs.”

RUS reserves the right to direct amounts to other categories, at its discretion, depending on the applications received.¹

In the first round of funding, **NTIA** will distribute \$1.6 billion as grants, including:

- \$1.2 billion for broadband infrastructure deployment to unserved and underserved areas;
- up to \$50 million for Public Computer Center projects;
- up to \$150 million for Sustainable Broadband Adoption projects;
- up to \$200 million for a national reserve to augment other categories or use in subsequent NOFAs. NTIA also reserves the right to redirect amounts among the categories, at its discretion.

Both agencies will use a two-step application process. In step one, RUS and NTIA will identify viable and potentially fundable applications, while in step two the agencies will fully validate the submissions to identify the most qualified applications for funding. The specific information that will be required in each step is discussed in greater detail below.

Applications considered to be the most highly qualified (*i.e.*, receiving the highest scores) will advance to the second step of the application process. This second phase will require applicants to produce additional information “to further substantiate the representations made in their application.” This phase will be announced no earlier than September 14, 2009, and applicants must submit the requisite information by October 15, 2009, or, alternatively, 30 days after the applicant has received a request from RUS or NTIA to provide such information, whichever is later.

RUS and NTIA intend to announce the awards starting on or about November 7, 2009. RUS and NTIA expect to make funds available to successful applicants within 30 days of the award announcement, and both agencies expect compliance with all documentation requirements from successful applicants within 60 days of the award announcement

¹ Although the ARRA allocated \$2.5 billion to RUS for broadband funding, RUS intends to leverage this amount through loans and loan guarantees to support more than \$7 billion in broadband funding.

ILLINOIS CENTURY NETWORK

RESOLUTION ON CHANGES TO ICN CONSTITUENTS AND SERVICES

Submitted for: Action

Summary: This item presents Policy Committee members with three resolutions for changes to ICN services and customers as a result of migrating to state-owned fiber.

Action Requested: That the Policy Committee adopts the following resolutions.

Recommended Motion: *The ICN Policy Committee adopts a motion in support of expanding ICN services to provide backbone transport to public and private-entities that provide services to Illinois citizens subject to completion of the migration of the backbone network to state-owned fiber optics.*

The ICN Policy Committee adopts a motion in support of ICN including additional fiber optic cable within its backbone migration project for the purpose of making such strands available to public and private entities that provide services to Illinois citizens in order to foster expansion of broadband.

The ICN Policy Committee adopts a motion in support of classifying for-profit health care organization as permissive customers eligible to connect directly to the backbone network and purchase ICN bandwidth services.

ILLINOIS CENTURY NETWORK

ICN CONSTITUENTS AND SERVICES

This item presents three recommended resolutions for changes to ICN services and constituents.

Background

The Illinois Century Network enabling legislation 20 ILCS 3921 states:

In Section 5.

1. “That computing and communications technologies are essential for sustaining economic competitiveness and fostering the educational vitality of this State.
2. That there is an established need for a telecommunications infrastructure that will provide high-speed, reliable, and cost-effective digital connections throughout the State.
3. That a network is required that will deliver educational programs, advanced training, and access to the growing global wealth of information services to citizens in all parts of this State.”

In Section 10.

“The Illinois Century Network shall be a high speed telecommunications network that provides reliable communication links to and among Illinois schools, institutions of higher education, libraries, museums, research institutions, State agencies, units of local government, and other local entities that provide services to Illinois citizens...”

While the ICN has expanded broadband throughout Illinois there remains many unserved and underserved communities. The ICN backbone migration to state—owned fiber optics presents a unique opportunity for the State of Illinois to make these assets available to Illinois citizens, by providing more access to an increasing variety of providers of such services to citizens. Full utilization of these fiber optic assets should continue to foster additional investments in broadband expansion.

Proposed Resolutions

Staff recommend the Policy Committee adopt the following resolutions:

The ICN Policy Committee adopts a motion in support of expanding ICN services to provide backbone transport to public and private-entities that provide services to Illinois citizens subject to completion of the migration of the backbone network to state-owned fiber optics.

The ICN Policy Committee adopts a motion in support of ICN including additional fiber optic cable within its backbone migration project for the purpose of making such strands available to public and private entities that provide services to Illinois citizens in order to foster expansion of broadband.

The ICN Policy Committee adopts a motion in support of classifying for-profit health care organization as permissive customers eligible to connect directly to the backbone network and purchase ICN bandwidth services.

ILLINOIS CENTURY NETWORK

E-RATE UPDATE

Submitted for: Information

Summary: This item provides an update regarding the E-rate program.

Action Requested: None

ILLINOIS CENTURY NETWORK

E-RATE UPDATE

As previously reported, funding approval was granted for the ICN 2008 E-Rate application on March 17, 2009. With the recent close of fiscal year 2009, work is under way to determine the total ICN network spend for the year. Reimbursement request forms will be completed and submitted to USAC for all E-Rate eligible network costs.

The chart below summarizes E-Rate funding activity and status for each funding year application.

E-Rate Activity

| Funding Year | Received | Approved – Not yet received | Applied for Not yet approved | Under Appeal |
|---------------------|---------------------|----------------------------------------|-----------------------------------------|--------------------------|
| Year 3 (2000) | \$2,137,765 | -0- | -0- | N/A |
| Year 4 (2001) | \$2,179,728 | -0- | -0- | \$2,274,232 ¹ |
| Year 5 (2002) | \$4,996,227 | -0- | -0- | N/A |
| Year 6 (2003) | \$4,644,171 | -0- | -0- | N/A |
| Year 7 (2004) | \$2,497,427 | -0- | -0- | \$393,338 ² |
| Year 8 (2005) | \$2,424,567 | -0- | -0- | N/A |
| Year 9 (2006) | \$982,392 | -0- | -0- | N/A |
| Year 10 (2007) | \$947,048 | \$6,495 | -0- | N/A |
| Year 11 (2008) | N/A | \$1,360,172 | -0- | N/A |
| Year 12 (2009) | N/A | N/A | \$1,668,527 | N/A |
| Totals | \$20,809,325 | \$1,366,667 | \$1,668,527 | \$2,667,570 |

The ICN 2009 E-Rate application remains listed at the “Initial Review” status on the USAC website. The application will be held in review until a determination can be made regarding the services provided under the State’s master contract through its termination in mid fiscal year 2010 and how these services will be procured for the remainder of the fiscal year and E-Rate funding year.

Audit update: Completion of the audit by KPMG remains pending. It is unknown at this time when that final report will be ready, or when the ICN will receive USAC’s management response.

¹ The probability of receiving this funding request is almost non-existent. Denial was based on the expiration of a master contract during the funding year.

² This remaining amount under appeal is related to the ICN Year 7 Library application. For unknown reasons, the FCC did not include this application in their decision to grant the ICN appeal of denied funding for the School application.

ILLINOIS CENTURY NETWORK

NETWORK UPDATE

Submitted for: Information

Summary: This item provides the Policy Committee with a brief summary of the ICN network updates.

Action Requested: None

ILLINOIS CENTURY NETWORK

NETWORK SERVICES UPDATE

State-Owned Fiber Project

The DWDM equipment contract award posted on July 13, 2009. Fujitsu is the winning vendor. Collaboration with DOT is ongoing, and CMS is aggressively working toward completion and submission of the ARRA application for federal stimulus funds which will be applied to this fiber infrastructure build out.

ICN Core Network Updates

ICN Backbone Circuits - Upgrades to the existing leased line ICN Backbone circuits continue to progress as a result of the backbone circuit contract awards. The circuit between Moline and Peoria has been upgraded from an OC-3 to OC-12 circuit. Implementations are underway to upgrade OC-3 circuits from Rockford to Moline and Macomb to Quincy. Construction work has begun at the various POP site locations and there is continued communication between ICN, POP site host facility organizations, and the telecommunications vendors as the upgrades progress toward completion.

Network Egress – There has been a continued increase in ICN egress utilization to the point in which there will not be sufficient bandwidth as school commences in August. Network Services continues to monitor egress levels and is looking for creative ways to optimize current egress connectivity within the anticipated budget.

ILLINOIS CENTURY NETWORK

ANNUAL REGIONAL MEETING SCHEDULE

Submitted for: Information

Summary: This item provides the Policy Committee with the schedule for the annual fall regional meetings.

Action Requested: None

ILLINOIS CENTURY NETWORK

ANNUAL REGIONAL MEETING SCHEDULE

Staff will once again host a series of information meetings through the state. The meetings are scheduled for October and are designed primarily for connected constituents and focus on network plans and constituent issues/concerns.

The meeting dates are communicated to constituents via email and the ICN website and via email.

| Meeting Date and Time | Location |
|-------------------------------------------------------|----------------------------------------------------|
| Wednesday, October 7, 2009 10:00 a.m. – 12:00 p.m. | Lincoln Land Community College Springfield, IL |
| Friday, October 9, 2009 10:00 a.m. – 12:00 p.m. | Rend Lake College Market Place Mount Vernon, IL |
| Wednesday, October 14, 2009 1:00 p.m. – 3:00 p.m. | Sauk Valley Community College Dixon, IL |
| Thursday, October 22, 2009 10:00 a.m. – 12:00 p.m. | South Suburban College South Holland |
| Tuesday, October 27, 2009 1:00 p.m. – 3:00 p.m. | Harper College Palatine |
| Thursday, October 29, 2009 10:00 a.m. – 12:00 p.m. | College of DuPage Glen Ellyn, IL |