

ILLINOIS CENTURY NETWORK
October 18, 2010 POLICY COMMITTEE MINUTES

Greg Wass called the meeting to order at 1:00 PM. The following members were present. Thanks to everyone for attending.

Members present:

Greg Wass, Office of the Governor	Beth Shea for Bonnie Styles, IL State Museums
Chet Olson, Mayor of Rochelle	Amy Edwards, IL Board of Higher Education
Todd Jorns, IL Community College Board	Ann Craig, Illinois State Library
Scott Norton, State Board of Education	

Staff and guests:

Lori Sorenson, Central Management Services	Ben Winter, Central Management Services
Tom Oseland, Central Management Services	Deborah Kelley, Central Management Services
Robin Woodsome, Central Management Services	Frank Whitney, AT & T
Melissa Camille, Central Management Services	Carla Poani, AT & T

Minutes

Greg introduced the first item on the agenda, the approval of the minutes from July 19, 2010. Chet Olson motioned that the minutes be approved. Todd Jorns seconded the motion – the motion carried.

Illinois Broadband Opportunity Partnership – East Central Region

Lori Sorenson provided this report. Good news, CMS was selected as a Round 2 BTOP award recipient on October 18th. CMS received \$62 million in federal funds with a local match of \$34 million. The grant runs through July 31, 2013. The final project includes 2,400 miles of fiber both new and leased - CMS, DOT and Tollway fiber will be used as well as private vendors. The service area includes 55 counties with a little over 400 community anchor institutions. The number could grow based on money. Speeds will range from 10Mb to 10Gb. Illinois State University, a sub recipient, will be responsible for lateral builds in the six counties around McLean County and for connecting approximately 200 community anchor institutions. On September 8th, Governor Quinn held a press event announcing the award – it was well attended.

The first major grant deliverable is to re-baseline project milestones - due November 15th. An Environmental Assessment is due on January 31st. Staff is finalizing a contract with the professional engineering firm who will be responsible for completing the Environment Assessment and detailed design for new fiber construction. An approved Environmental Assessment is required to before starting construction activities. Staff submitted a six month budget request for pre-Environmental Assessment activities which include: lab equipment, administrative costs and the environmental assessment. The budget request has been approved. CMS is currently working with DOT and Tollway on the fiber lease agreement.

The Regional Technology Centers are receiving many inquiries from constituents. The recent regional informational meetings focused on the broadband project. CMS has scheduled three meetings in November targeting the directly connected users. The meetings will address specific questions on user costs and obligations associated with receiving a fiber connection:

- The grant will cover the fiber installation and the equipment to light the fiber. The fiber connection replaces the recurring costs associated with a last mile connection and provides much greater capacity/speeds.
- Users will have to pay an annual maintenance fee to cover fiber cuts, JULIE location services, etc.
- User will need to purchase bandwidth.
- Ideally the user will work with the community to develop local plans to extend the fiber to other entities.
- Fiber equipment may utilize additional space in the user's Telco closet.
- Users will need a UPS and preferably a generator.

If a site isn't interested or another site in the community is better suited to receive the fiber connection, CMS staff will work with the community to modify the network design.

Staff is working on a monthly status update which will be sent to all our constituents and posted on the ICN website. Staff is meeting with third party service providers that are interested in using the fiber infrastructure.

Staff will attend BTOP training in November in Washington, DC.

Todd Jorns asked if the Quarterly reports submitted online. Lori reported that all the reports are submitted online. The 1512 report is on the government stimulus page - it lists money spent by vendor and how many jobs. The second report is the Performance Progress Report – tracks activities and spending from one quarter to the next. The third report is financial – track spending by category.

Greg Wass thanked everyone for their coordination and the incredible amount of work that has been completed to secure this funding. The jobs created directly from these projects are over 2,000. Illinois had \$50 million in the Illinois Jobs Now bill that was earmarked for broadband initiatives plus an additional \$26 million specifically for the ICN. Of the \$50 million, there is approximately \$12 million remaining in the fund. The state will need to assess where gaps remain after the federal awards and decide how best to invest the remaining funding. The Governor's Office and Department of Commerce and Economic Opportunity would have to make the decisions. Recommendations could be made by The Partnership for a Connected Illinois or the Broadband Deployment Council. The Broadband Deployment Council is innovative and a good way to make the decision process more open. Todd Jorns stated it would be nice to know where the gaps are. Lori committed to providing a map of the funded projects.

Greg stated the need to check on the available cash from the bond funds and project cash flow needs.

E-rate

Tom Oseland provided the E-rate update. On June 4th, the FCC issued a decision on \$2.5 million from the FY01-02 funding year and asked USAC to complete the review process for those funds. Tom reported that approved amount is higher than the final costs. Tom is working with Illinois State Board of Education to validate actual expenditures to determine the final amount. The most recent \$1.3 million for 2009 is still under review. The 2010 application is still in the initial review stage.

In September, the FCC released its sixth report which made drastic changes to the program. It went hand-in-hand with the national broadband plan. The most significant change is the eligibility to seek

reimbursement for the lease of existing dark fiber from both traditional and non-traditional entities. The FCC also made changes to the application to help streamline the process.

Lori asked if the changes cover construction costs associated with new fiber. Tom reported it will cover on campus construction and maintenance and installation to the curb – not major construction. Any schools or libraries that want to get involved will now be able to seek reimbursement for the leased costs.

Community Fiber Initiatives

Lori introduced Ben Winter, an RTC staff member based out of the Champaign RTC. Ben has been involved in a number of community broadband efforts. Ben described his work with one community – Jasper County.

Jasper County and Newton, Illinois - The town has a population of approximately 3,000 people. The IBOP fiber will run about 20 miles away from the city. The county and town have instances where existing employers have relocated or new companies have passed over the community due to a lack of affordable, reliable broadband. Area medical centers have indicated the need for broadband before opening a branch health care center within the county. The county is interested in extending the fiber the 20 miles, but it will cost \$2 to \$2.5 million to build. Ben is working with the county to develop a high level fiber route that would pass as many potential anchor tenants as possible and take advantage of existing infrastructure and/or rights-of-ways. When you run fiber every foot counts – if you get everyone on board and share the price, it becomes much more affordable. Communities have IT experts they also have public works experts – what they really lack is someone that understands both worlds. Ben creates a preliminary design to provide the community a starting point and then lets them run with it - plan, design, funding, architecture/engineering, implementation and maintenance. The first step is gathering a list of organizations that would benefit. Next is plotting these locations in GIS and creating a preliminary fiber route. The final step is estimating construction and hardware costs.

Ben reported that he looks for rail ways and electric cooperatives as they provide a potential solution for rights-of-ways and partners. Many electric companies are putting in fiber for SmartGrid. They have some excess fiber. There are also some cell tower operators that may have some available fiber.

Greg inquired if it would be possible to develop a guide as it may be difficult to provide assistance for all communities due to staffing. Ben indicated it would be hard as every community is different. Greg suggested looking to the Partnership for a Connected Illinois to coordinate outreach.

ICN Funding Distribution

Robin Woodsome provided this update. Constituents are anxious to see the new rates associated with the IBOP project and the impact on ICN's baseline bandwidth tables. Staff is developing a model which is based more on credits associated with the funding appropriated each year. Staff is working with the Advanced Engineering Taskforce (AET) to develop a set of recommendations. At the most recent AET meeting, ICN presented five starter models which divided the current \$13 million general revenue fund (GRF) appropriation among primary constituents (K-12, Higher Education, Community Colleges, Libraries and Museums). The five models looked at utilization, baselines, total connections, organizations, and total directly connected sites. The AET favored allocating funding across the constituent categories based on baseline bandwidth for each constituent type.

Staff is now working to develop a formula to allocate costs to each organization. At the October 29th AET meeting, staff will provide a detailed breakdown showing the impact on a sampling of organizations. Staff will also provide suggestions of new ways for calculating an allocation for non-FTE constituents (libraries and museums). The goal is to develop a formula that ensures a basic level of service to all primary constituents with higher credits for larger sites – size of collections, populations served, number of attendees, etc. The guiding factors include being fair and consistent, easy to implement and understand, avoid anything that takes away from constituents, and flexible to address changes in future GRF appropriations.

Todd asked if the Policy Committee will be presented the details after working with the AET. Lori responded that it will be presented the Policy Committee. The methodology still requires work to address disparities between very small and very large school districts as well as ensuring a fair allocation among the constituent groups. The goal is to introduce the new funding methodology with the new fiber network and associated services and rates.

Regional Meetings

Robin provided an update. To date there have been three regional meetings. They have been well attended – 36 in DeKalb, 39 in Springfield, and 39 in Rend Lake. The remaining three are in Chicago – Harper College has 35 registered, Moraine Valley has 47 and College of DuPage has 32. The numbers will go up.

Most questions have been about the fiber project. During the weeks following the meetings, the RTC staff has been receiving many calls from constituents wanting to know where they are on the fiber path.

2011 ICN Policy Committee Meeting Schedule

Greg presented the proposed calendar year 2011 meeting schedule - January 18, April 18, July 18, and October 17. All meetings will be held via video conference in Springfield and Chicago. Exact locations will be posted once confirmed. Anne Craig made a motion to accept the meeting schedule – Amy Edwards seconded, motion carried.

The meeting adjourned at 2:34.