ILLINOIS CENTURY NETWORK
April 16, 2012 POLICY COMMITTEE MINUTES

Bonnie Styles called the meeting to order at 1:09 PM at the request of the Chair.

Members present Chicago:

Greg Wass, Cook County (late arrival)	

Members Present Springfield

Anne Craig, Illinois State Library	Bonnie Styles, Illinois State Museum
Scott Norton, Illinois State Board of Education	Todd Jorns, Illinois Community College Board
Amy Edwards, Illinois Board of Higher Education	

Member on Conference Bridge

Chet Olson, Mayor of Rochelle	

Members absent:

Malcolm Weems, Central Management Services	Mike Dickson, Western Illinois University

Staff and guests:

Lori Sorenson, Central Management Services	Robin Woodsome, Central Management Services
Tom Oseland, Central Management Services	Kirk Mulvany, Central Management Services
Deborah Kelley, Central Management Services	Frank Whitney, AT & T
Carla Poani, AT & T	Kathleen Bloomberg, Illinois State Library
Joey Mak, Department of Commerce and Economic Opportunity	Irma Lopez, Department of Commerce and Economic Opportunity

Minutes
Bonnie introduced the first item on the agenda, the approval of the minutes from January 17, 2012. Todd Jorns made a motion to accept the minutes. The motion was seconded by Amy Edwards. The motion carried.

Illinois Broadband Opportunity Partnership Update
Lori Sorenson reported the project is progressing as expected. The new construction mileage was divided into twelve packages. Construction has begun on six of the packages and several others will begin within the next couple of months. Handouts were provided which show the breakdown between conduit and direct bore installations.

The I-55 to Litchfield High School lateral will be done this week. The contractor will be tying into leased fiber that is already operational between two ICN POP sites. The high school has

connections into the other school buildings and the Illinois Rural HealthNet has already built fiber from the local hospital to the high school.

One challenge that could affect the schedule is permitting. There are over 400 permits required from the Department of Transportation, municipalities, counties, various railroads, etc. It has been difficult obtaining permits from some of the smaller municipalities. There have been a few occasions where the RTC staff have had to go and actually look for the road commissioners for some of these small communities. To date CMS has secured about 80% of the permits.

Leases have been secured for 570 miles of fiber. There are 30 additional miles that are required. The ISU portion of the project includes 90 miles of wireless which is under design.

As of mid March, CMS has spent $17 million ($10.8 federal and $6 state) of the $96 million grant. The Governor's Office of Management and Budget is working with the Department of Commerce and Economic Opportunity to transfer $6 million in capital funds. It looks like CMS will receive a total of $30 million in state funds. As construction activity increases, the project's spend rate will dramatically increase.

Lori reported that a letter was received in February from the NTIA requesting an updated project timeline including a quarter-by-quarter forecast on spend and fiber miles. Based on the current rate of spend, CMS will not meet the year two target to spend two-thirds of the grant funds. The updated forecasts were submitted in February.

In February, the NTIA Program Officer was onsite for a 2-day site review. During the site visit, NTIA reviewed CMS's grant policies, procurements, record keeping, reporting, and overall compliance with all grant rules. They chose an invoice and went from start to finish beginning with the contract, procurement files, order, invoice, then verified the items were in inventory. They also looked at the project timeline, targeted sites, proposed rates, and marketing plan. The Program Officer advised that typically a project of this size can expect six or more recommendations as a result of the site visit. CMS received only two action items: 1) provide an update on the forecasted network miles broken out by new build verses leased and 2) provide an update on the forecasted community anchor institutions by category. ISU had several community anchor institution changes which had already been submitted by the time the request was received. There are no additional site visits planned at this time.

Staff have been working with the Illinois Office of Communication and Information Media Services to create several short videos explaining the project, including the activity to construct the fiber and the expected benefits and impact. They have interviewed construction workers, representatives of the anchor institutions, and Joe Mambretti from Northwestern University. The Governor's Office will provide a segment on the state's vision. The finished product will be production quality video. Greg Wass mentioned he would be interested in broadcasting it on Comcast channel 900 in Chicago.

CMS is looking for ideas and assistance with coordinating public relations activities as anchor institutions are connected. Amy Edward stated the Board of Higher Ed has a newsletter and Todd stated the Community College Board would be willing to help. Scott Norton stated he'll contact the public relations staff within the State Board of Education for some ideas.

CMS has been working with Ryan Croke to schedule a ground breaking event with the Governor at Kankakee Community College. Greg mentioned that the Governor has been invited to the Greater Southland Economic Development Council quarterly meeting on the 27th. Perhaps the groundbreaking could be coordinated for the same day.

State Funding Allocation Model
CMS presented the proposed rates and allocation model based on feedback from the Policy Committee and Advanced Engineering Taskforce. The CMS Fiscal Officer has been briefed but, is holding approval until the Policy Committee reviews and comments. Information regarding both the funding allocation model and rates were sent to all potential and existing customers requesting comments and feedback for the Policy Committee.

The proposed rates for traditional ICN services (ICN Broadband Services with Internet Egress) range from $9 to $14 per megabit. The more you buy, the lower the cost. These rates compare to the current rates of $70 to $170 per megabit. A new service is available to accommodate anchors needing an on-net connection between two or more locations (no Internet). This service is called ICN Point to Point and Point to Multipoint Services. It will primarily be used for cloud services (e.g. Illini Cloud) or multi-campus buildings.

In the funding model, establishes a formula for dividing the state appropriation among the eligible anchors based on student enrollment or population served. Based on the current $13 million appropriation, anchors, and enrollments, the minimum credit for a K-12 school district would enable them to purchase 50 megabits of traditional ICN bandwidth as compared with 8 megabits under the current model. Over 50 percent of the K-12 districts would receive a credit equal to 50 megabits of bandwidth. The remainder would receive a higher credit based on their enrollment.

Robin Woodsome provided a few comparisons of the current and proposed funded bandwidth:
- Carl Sandburg College – from 8 to 53 megabits
- Waubonsee Community College - from 15 to 209 megabits
- Alton School District - from 14 to 249 megabits
- Cicero School District 99 - from 28 to 500 megabits
- Cole Cities - from 8 to 66 megabits
- Chicago State University - from 12 to 183 megabits
- Dominican University - from 8 to 103 megabits
- University of Illinois at Chicago - from 52 megabits to 1 gigabit

There are a number of non-enrollment educational organizations that will receive a credit equal to 10 megabits (based on current funding). These include institutions like the Regional Offices of Education, Special Education Districts, and U of I Extension Offices.

Credits for libraries are based on population served. The minimum credit will enable library districts to purchase a minimum of 35 megabits. About 250 libraries will receive a credit equal to 35 megabits. About 50 libraries will receive a credit that will fund between 35 and 100 megabits. About 20 libraries will receive a credit that will fund between 100 and 300 megabits. Chicago Public Library is the largest and would receive a credit equal to 1 gigabit.

Robin Woodsome also provided a few comparisons of the current and proposed funded bandwidth:
- Aurora Public Library - from 8 to 288 megabits
- Downers Grove Public Library - from 8 to 71 megabits
- Homer Township Public Library - from 8 to 40 megabits
- Morton Grove Public Library - from 8 to 35 megabits
- Schaumburg Public Library - from 8 to 222 megabits

Museums would receive a credit equal to 36 megabits of traditional ICN bandwidth. This compares to the current 8 megabits of bandwidth.

Over 99% of the K-12 schools and libraries do not pay ICN anything. They rely on what is available to them through state funding. If state funding goes down to $10 million, the credit will decrease to the equivalent of 25 megabits versus 36 megabits. The credit calculation is based on the state appropriation, how many customers are on the network and student enrollment/library populations and will be adjusted every fiscal year. If a school or library connects midyear, CMS will provide a pro-rated credit based on the current allocation formula. Not all of the customers will take advantage of their credit. They will need time to get a last mile connection large enough to take advantage of the increased bandwidth. CMS has taken this into consideration. The goal is to make sure the whole appropriation is being distributed.

Surprisingly, CMS has only received six comments. CMS distributed the comments. CMS also received letters from two of the three library systems (Heartland Library System and Reaching Across Illinois Library System). Copies of the letters were distributed. Library systems are slated to receive a credit equal to 10 megabits like the non-enrollment educational sites. The library systems would like to receive a credit equal to the total population of their member libraries. This would be very high. Troy Brown is on the AET and had mentioned that 10 megabits for the library systems would be problematic. Staff encouraged Troy to provide suggested alternatives.

The Policy Committee discussed the impact to other libraries if the credit was increased for the systems. Committee members also discussed options for co-locating the library systems' servers at ICN POP sites in order to decrease the amount of bandwidth needed at the system offices. The Committee tasked CMS staff to work with the State Library to review the request and develop a recommendation.

Lori noted that rates for state agencies and boards are different then the proposed rates presented to the Committee. State agency rates include the ICN standard rates plus additional charges for firewalls, content filtering, and last mile connections.

The Committee decided to postpone taking action on the rates until the July meeting to allow more time for review and comments.

Erate

The 2012 application was submitted on March 9th for just over $3 million. The 2011 application is still in review. The 2012 application is very similar to 2011, but CMS expects the amount to decrease as the fiber backbone becomes operational and circuits are taken out of service. This will probably be the last application CMS submits. Instead CMS will become a service provider.

Adjournment

Todd Jorns made a motion to adjourn the meeting. Scott Norton seconded the motion. The motion carried.