

# Illinois Century Network

## Policy Committee Meeting Agenda

January 12, 2016  
1:00 p.m.



**ILLINOIS CENTURY NETWORK  
POLICY COMMITTEE  
MEETING AGENDA  
JANUARY 12, 2016  
1:00 P.M.**

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**ILLINOIS CENTURY NETWORK  
October 19, 2015 POLICY COMMITTEE MINUTES**

**Submitted for:** Action

**Summary:** Distribution of the October 19, 2015 minutes for review by the Policy Committee.

**Action Requested:** Adoption of the October 19, 2015 minutes.

**Recommended Motion:** *The ICN Policy Committee adopts the October 19, 2015 minutes with any edits as noted.*

**ILLINOIS CENTURY NETWORK  
October 19, 2015 POLICY COMMITTEE MINUTES**

Anne Craig called the meeting to order at 1:05 p.m.

**Members Present (Springfield):**

Lori Sorenson, Central Management Services	Anne Craig, Illinois State Library
Brent Engleman, Illinois State Board of Education	Todd Jorns, Illinois Community College Board
Eric Lichtenberger, Board of Higher Education	Michael Dickson

**Members Present (Chicago):**

Tom Steele	
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**Members on Audio Bridge:**

Chet Olson	
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**Members Absent:**

Vicki DeWitt	Hardik Bhatt
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**Staff and Guests:**

Essam El-Beik, Central Management Services	Tom Oseland, Central Management Services
Robin Woodsome, Central Management Services	Carla Poani, AT&T
Valerie Bolinger, Central Management Services	Judy Hessler, Central Management Services
Kathleen Bloomberg, Illinois State Library	

**Announcements and Remarks**

Anne Craig, Chaired the meeting at the request of Hardik Bhatt who was unable to attend. Ann welcomed the board and thanked everyone for attending and proceeded with roll call. Lori Sorenson announced that Board Member Bonnie Styles with the Illinois State Museum recently retired and will no longer be part of the board. We are waiting to hear from the Department of Natural Resources regarding a replacement.

**Minutes**

Anne Craig introduced the first item on the agenda, approval of the minutes from the July 20, 2015 meeting. A motion was made by Todd Jorns to accept the minutes. The motion was seconded by Eric Lichtenberger. The motion carried.

**E-rate**

Tom Oseland reported that the 2014 E-rate funding year ended on June 30, 2015. There are still some applicants that continue to submit Form 472 "BEAR" reimbursement claim for costs associated with ICN services. Applicant claims are just under \$200,000. ICN reimbursement claims via the Service Provider Invoice (SP) have reached a total of \$320,498. Tom commented that \$500,000 for the funding year is very good activity. We are a few months into the 2015 funding year and most of the applications received have been reviewed. A total of 370 applications were submitted that listed ICN as the service provider. Three hundred forty one of the applications have been approved. This is a significant increase over last year and the approved applications represent over \$3.6 million in ICN services supported by approximately \$2.2 million in E-rate funds.

Essam El-Beik reported that the FCC issued the Eligible Service List (ESL) for funding year 2016 and provided a number of clarifications for CMS. The ESL clarifies and defines special construction as those activities only related to actual construction of network. Special construction does not include one-time upfront charges for dark fiber IRU's or electronic equipment. This is in line with the emphasis by the FCC on investment in new fiber networks versus paying a high monthly fee for on-going service. One time upfront charges for dark fiber and

electronic equipment would still be eligible for Category 1 funding but no special construction funding. This distinction is important because special construction funding is eligible for additional FCC contribution and the school match portion of special constructions costs can be paid over 4 years. Another clarification is that operations and maintenance is an eligible E-rate expense for school networks that have already been built, or for school networks consisting of dark fiber IRU's that have already been purchased. The operations and maintenance functions would be eligible as Category 1 services, and as per standard E-rate rules, have to be competitively bid. Two other clarifications state that basic firewall services provided as part of Internet access is eligible under Category 1 funding; however, firewall services provided by another vendor or priced out separately is considered eligible for Category 2 funding.

Essam also provided an update on the RFP for Category 2 (internal connections). To date, the RFP has not yet been published. The RFP is currently being reviewed by legal. We expect that review and publication of the RFP should be complete within 30 days.

Robin Woodsome reported that he is working with Essam and RTC staff to identify customers that are within a 1 to 5 mile radius of our fiber backbone to be considered as potential candidates for a fiber optic build from their premise. The build of the fiber optic circuit would be managed by the ICN and subsidized by the Federal Communications Commission (FCC) through E-rate. Our E-rate bid responses will include a proposal for a fiber build only in cases where it makes sense. The level of interest from schools is strong.

### **Broadband Opportunity Council Update**

Essam reported the Council provided a report to President Obama on August 20, 2015. The report was released to the public on September 21, 2015. The report provided a set of recommendations in four areas where federal actions can strengthen broadband deployment, foster competition and promote broadband adoption: 1. Modernize federal programs to expand program support for broadband investments. A number of federal programs targeted to now include broadband support including programs that may include grants. The online report includes a list of programs and timelines. 2. Empower communities with tools and resources to attract broadband investment and promote meaningful use. In the online report, the NTA mentions a one stop shop for broadband assets and information. A connectivity index is currently under development for communities to determine their level of broadband connectivity. 3. Promote increased broadband deployment and competition through expanded access to federal assets. There is some ambiguity with respect to the Department of Transportation (DOT) assets. DOT is now tasked with providing clarification regarding infrastructure and their rights of way for broadband deployment. 4. Improve data collection, analysis and research on broadband. The report describes 36 actions with associated milestones that the federal agencies have committed to undertake. These agencies will provide regular update to the Council Steering Committee.

### **Smart Cities Initiative**

Essam reported that the White House launched the Smart Cities initiative on September 14, 2015. The initiative invests over \$160 million in federal research that includes more than \$35 million in new grants and over \$10 million in proposed investments to build a research infrastructure for Smart Cities by the National Science Foundation (NSF) and National Institute of Standards and Technology (NIST). Nearly \$70 million in new spending and over \$45 million in proposed investments to unlock new solutions in safety, energy, climate preparedness, transportation, health and more by the Department of Homeland Security, Department of Transportation, Department of Energy, Department of Commerce, and the Environmental Protection Agency. More than 20 cities participating in major new multi-city collaborations that will help city leaders effectively collaborate with universities and industry. The ICN is exploring partnership with cities, universities and commercial companies to advance the state of Smart City technology and applications in Illinois.

### **K-12 Broadband Initiative**

Lori reported that she, Essam, and Robin along with Beth Purvis, Governor's Office and Amy Jo Clemmons, Illinois State Board of Education are working with Education Superhighway to develop recommendations and

next steps for leveraging the current infrastructure and federal E-rate funds to connect K-12 schools to fiber and networks to support high speed wireless connections. Education Superhighway is a not-for-profit organization funded by philanthropic organizations to develop and assist with advocating changes with the E-rate program by educating the FCC and legislators about K-12 connectivity throughout the United States. Through the E-rate application process, they have gathered data about connection speed and fiber connections to prepare a gap analysis.

### **ICN Proposed Rates & Services**

Robin Woodsome reported that there are three service proposals to review; multi-year contracts, end to end service, and membership.

End to End Service – ICN will offer end to end lit service to schools and libraries which will be available via the E-rate form 470 along with our standard Internet egress service. This offering allows schools and libraries to order service and work with just one provider (ICN). When issues arise, the school or library no longer has to work between multiple providers. We are finalizing pricing with last mile service providers and plan to have this service available for E-rate funding year 2016.

Multi-Year Contracts – In addition to month to month contracts, the ICN will offer one, three and five year contracts. Refer to page 18 of the meeting packet to review price discounts. Customers will be locked into the contract for both the contract price and term. By purchasing a multi-year contract, schools and libraries do not have to rebid their required service each year via the form 470 and it will significantly reduce administrative burdens on schools and the ICN.

Membership – Customer becomes a full ICN member by spending a certain monthly minimum and will then be eligible for various free services. Free services may include special event bandwidth, expedited service, last mile QoS, on-net traffic to defined on-net locations, point to point and multi-point on-net circuits at reduced rate or at no cost in addition to purchased service.

Anne Craig reiterated the recommended proposal, that the ICN Policy Committee approve the adoption of the end to end and multi-year contracts service. A motion was made by Tom Steele. The motion was seconded by Eric Lichtenberger. The motion carried.

### **Advanced Engineering Task Force Membership**

Lori conveyed that this follow-up report from our previous meeting. AET is seeking the appointment of two additional members, Raj Siddaraju with Spoon River College and RJ McGarry. Raj has participated on the AET as the representative for the Community College President’s Technology Council. Raj’s term as Chair of the Council ended and he would like to continue to serve on the AET. Raj has been a valuable contributor to the AET. In addition, Scott Armstrong with Kishwaukee College will be moving out of state and will be stepping down from the group. We are seeking appointment of RJ McGarry, Assistant Director of IT for Kishwaukee College as Scott’s replacement. Their terms would extend through June 2018. Mike Dickson made a motion to appoint Raj Siddaraju and RJ McGarry to three year terms. The motion was seconded by Todd Jorns. The motion carried.

### **2016 Meeting Schedule**

Lori presented the 2016 meeting schedule. Meetings are scheduled January 12, April 12, July 12 and October 11<sup>th</sup>. Chet Olson made a motion to approve the meeting schedule. Eric Lichtenberger seconded the motion. The motion carried.

### **Adjourn**

Mike Dickson moved to adjourn the meeting. Todd Jorns seconded the motion. Motion passed and meeting adjourned at 2:03 p.m. The next meeting will be January 12, 2016 at the Illinois Community College Board in Springfield, the JRTC in Chicago or via audio bridge.

**ILLINOIS CENTURY NETWORK  
E-RATE UPDATE**

**Submitted for:** Informational

**Summary:** This item provides an update on ICN E-rate funding requests.

**Action Requested:** None

**Recommended Motion:** *None*

## ILLINOIS CENTURY NETWORK

### E-RATE UPDATE

The majority of reimbursement activity for the 2014 E-rate funding year has taken place. To date, a total of \$265,069.42 has been claimed via the applicant reimbursement, or “BEAR”, process. ICN reimbursement claims via the Service Provider Invoice (“SPI”) total \$320,889.60. A total of 368 applications submitted for the 2015 E-rate funding year listed ICN as service provider. As of this writing, a total of 352 of these applications have been approved to receive funding support. These approved applications represent a total of approximately \$3.8 million in ICN services supported by almost \$2.3 million in E-rate funds.

One of the directives included in the FCC’s most recent E-rate modernization order instructed USAC, the administrator of the E-rate program, to develop and implement a system through which applicants would complete and submit electronically the various forms and other data necessary to apply for E-rate funding support. The system USAC created is known officially as the “E-rate Productivity Center” or EPC. This tool was developed for all applicants, consultants, and service providers to use to manage the various program processes and to submit questions. So far, USAC has incorporated the filing of the initial form to start the application process, the FCC Form 470, into the EPC. Over the next year, USAC plans to transition the remaining program forms to the EPC.

Applicants have begun posting the FCC Form 470 in the EPC for the upcoming 2016 E-rate funding year. This form starts the process of requesting services to be received during the funding year. The cost of these services will serve as the basis of each applicants requests for funding support during the 2016 E-rate funding year which begins on July 1, 2016 and runs through June 30, 2017. RTC staff has been very busy responding to these requests for service pricing quotes.

USAC, has recently announced that the filing window for the actual E-rate application, FCC Form 471, will be open “no earlier than January 20<sup>th</sup> and close no earlier than March 31<sup>st</sup>.” USAC has also announced that there will be an additional \$1.9 billion in “roll-over” funds available for the 2016 funding year. This is in addition to the normal funding cap of \$3.9 billion. The chart below summarizes activity for the ICN as a service provider in the E-rate program beginning with the 2013 funding year; the first year in which ICN participated as an Internet service provider.

#### Service Provider Activity

Funding Year	Total apps listing ICN	Total apps approved for funding (to date)	Total dollar amount approved (to date)	Total dollar amount claimed for support (to date)
Year 16 (2013)	117	107	\$1,252,008	\$261,086
Year 17 (2014)	162	154	\$1,880,284	\$585,959
Year 18 (2015)	368	352	\$3,826,544	\$1452
<b>Totals</b>	N/A	N/A	<b>\$6,958,836</b>	<b>\$848,497</b>

The chart below summarizes ICN E-rate application history for each funding year up to 2012.

#### Applicant Activity

Funding Year	Received	Funding Year (cont.)	Received (cont.)
Year 3 (2000)	\$2,137,765	Year 10 (2007)	\$953,998
Year 4 (2001)	\$2,522,559	Year 11 (2008)	\$799,251
Year 5 (2002)	\$4,996,227	Year 12 (2009)	\$1,339,032
Year 6 (2003)	\$4,644,171	Year 13 (2010)	\$2,982,199
Year 7 (2004)	\$2,497,427	Year 14 (2011)	\$2,561,151
Year 8 (2005)	\$2,424,567	Year 15 (2012)	\$2,520,377
Year 9 (2006)	\$982,392	<b>Totals \$31,361,116</b>	

**ILLINOIS CENTURY NETWORK  
K-12 BROADBAND INITIATIVE**

**Submitted for:** Informational

**Summary:** This item provides an update on the K-12 Broadband Initiative program.

**Action Requested:** None

**Recommended Motion:** *None*

## **ILLINOIS CENTURY NETWORK**

### **K12 BROADBAND INITIATIVE**

As communicated at the October 19<sup>th</sup> 2015 Policy Meeting the State of Illinois is teaming with Education Superhighway to assess current K-12 broadband connectivity and develop and implement a plan to connect every school via fiber. Education Superhighway is a philanthropic supported non-profit organization focused on improving Internet access in K-12 schools. Education Superhighway provides free consultation to States that provide a clear commitment and support from the Governor's office and State leadership.

The Governor's office, Illinois State Board of Education and Central Management Services have met with ESH for information transfer and information gathering via conference calls, an on-site visit and one-on-one interviews.

ESH will deliver a Connectivity Report which is a data driven assessment of K-12 connectivity in the State leveraging E-rate data and information provided by the State. The report will make recommendations based on this data and stakeholder interviews. ESH expects to deliver the report early March 2016.

Based on the Connectivity Report, the State of Illinois will work with ESH to develop clear recommendations and next steps to address areas of need identified by the Connectivity Report.

In addition to the Connectivity Report, ESH provides tools to assist schools and districts in implementing high speed broadband. ESH will work with the State to share existing tools and resources through appropriate channels. These tools include (i) Wi-Fi buyers guide, which helps districts to optimize purchasing of Wi-Fi equipment (ii) Fiber Consulting Program – a service targeted for districts to support broadband upgrades (iii) Education Modules – as needed, ESH can deliver education modules for the Working Group and other Stakeholders on relevant topics (e.g. E-rate).

**ILLINOIS CENTURY NETWORK  
SMARTER ILLINOIS**

**Submitted for:** Informational

**Summary:** This item provides an update regarding Smarter Illinois.

**Action Requested:** None

**Recommended Motion:** *None*

## ILLINOIS CENTURY NETWORK

### SMARTER ILLINOIS

Smarter Illinois is the vision to utilize technology to make Illinois State government more efficient, accessible and economically competitive. The transformation will enable Illinois to leapfrog to leadership among competing States. Technology drivers include the “Internet of Things” and “Smart Cities”.

For the 75 day period (November 16<sup>th</sup> 2015 – January 31<sup>st</sup> 2016) ICN has been researching potential Smarter Illinois projects and the associated strategy, plan and resources required to implement the projects.

The projects will align with the following focus areas. In the subsequent 75 day period (February 1<sup>st</sup> 2016 – April 15<sup>th</sup> 2016), we will select projects for implementation, flesh out the details, issue any necessary RFP's and initiate the selected Smarter Illinois projects.

The three focus areas are:

1. Smarter Illinois projects should help with the application of Smart City concepts to Illinois government, making Illinois government run more efficiently and cost effectively. Projects should help Illinois citizens obtain government services more easily and facilitate smooth interaction between citizens and government services.
2. Smarter Illinois projects should influence and enable Smart City technology throughout Illinois. The projects should help develop, guide or change policies, programs or regulation to advance Smarter Illinois projects and knowledge in Illinois.
3. Smarter Illinois projects should enable and support the clustering of Illinois Cities. Using broadband technology the projects should enable the cooperation between Cities for the implementation of Smarter Illinois technology thus enabling shared services. The Illinois Century Network (ICN) would be used to connect the Cities.

Discussions have taken place and continue to take place with University researchers, Commercial Companies and Non-Profit Associations. The discussions are for information gathering, identifying areas of potential collaboration and identifying grant applications that ICN can support.

For the first 75 day period ending January 31<sup>st</sup> 2016 a High Level Proposal document will be provided.

**ILLINOIS CENTURY NETWORK  
FIBER BUILDS**

**Submitted for:** Informational

**Summary:** This item provides an update regarding ICN fiber builds.

**Action Requested:** None

**Recommended Motion:** *None*

## ILLINOIS CENTURY NETWORK

### FIBER BUILDS

Over the past several months we have worked to identify those Illinois schools and libraries that are candidates for ICN fiber builds. The identification process involved the following steps:

- (i) Determine via Global Information System (GIS) tools the school and library locations physically close to ICN fiber.
- (ii) Outreach to schools and libraries via letter, email and webinar explaining the ICN Fiber Build program.
- (iii) Continuous outreach by ICN Regional Technology Centers (RTC) advising candidate schools and libraries to consider an ICN fiber build.
- (iv) For those locations identified as close to ICN fiber, review their E-rate form 471 for funding year 2015. Remove the locations already under multi-year contracts with other providers.
- (v) Review the location's current connection technology, bandwidth and price – identifying suitable locations.
- (vi) Submit the identified locations to CMS Engineering for a firm E-rate quote.
- (vii) Respond to the customer E-rate form 470 with the ICN Internet service, including a special construction charge for the fiber build. Allow customer to pay their portion of the special construction in installments over 4 years, if requested by the customer.

The ICN fiber build program takes advantage of new E-rate rules introduced in 2014, to facilitate the build of high speed broadband to our nation's schools and libraries. The key E-rate rules relevant to the ICN fiber build program are:

- (i) The FCC has suspended the requirement to amortize over at least three years construction projects that cost over \$500,000.
- (ii) The FCC allows the school or library to pay their portion of the construction cost in installments over up to 4 years.

We expect to respond to approximately 40 customers with Internet service that includes a fiber build

In the April / May 2016 timeframe, after the closing of the E-rate form 471 window, we will know how many fiber build projects we have been awarded.