



ILLINOIS CENTURY NETWORK

POLICY COMMITTEE MEETING AGENDA

February 19, 2003

2:00 p.m.

**ILLINOIS CENTURY NETWORK
POLICY COMMITTEE
MEETING AGENDA
February 19, 2003
2:00 p.m.**

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ILLINOIS CENTURY NETWORK
NOVEMBER 13, 2002 POLICY COMMITTEE MINUTES

Submitted for: Action

Summary: Distribution of the November 13, 2002 minutes for review by the Policy Committee.

Action Requested: Adoption of the November 13, 2002 minutes.

Recommended Motion: *That the ICN Policy Committee adopts the November 13, 2002 minutes with any edits as noted.*

ILLINOIS CENTURY NETWORK

NOVEMBER 13, 2002 POLICY COMMITTEE MINUTES

The meeting was called to order by Mary Reynolds.

Members present: Mary Reynolds, Governor's Office; Jean Wilkins, Illinois State Library; Dave Tretter representing Don Fouts, Federation of Independent Illinois Colleges and Universities; Alice Engle representing Steve Schnorf, Department of Central Management Services; Brian Foster, Illinois Hospital Association; Virginia McMillan representing Joe Cipfl, Illinois Community College Board (Joe was able to attend later in the meeting); Bruce McMillan, State Museum; and Lugene Finley, Illinois State Board of Education.

Others attending included: Anne Craig, Illinois State Library; Deborah Seale, SIU School of Medicine; Ron Sanderson, Department of Central Management Services; Lori Sorenson, Ralph Lucia, Karlin Sink, Kirk Mulvany, Gary Shaffer, Neil Matkin and Rebecca Dineen all from the Illinois Century Network.

The Policy Committee members and audience introduced themselves to Brian Foster. Mr. Foster is a new Policy Committee member and represents the Illinois Hospital Association. Mary commented that the Policy Committee has two new members that have recently been appointed by the Governor, Mr. Foster and Mr. Don Fouts, President of the Federation of Independent Illinois Colleges and Universities. The Governor took three actions regarding the Century Network based on provisions in the new legislation passed this summer. He officially named Mary as the Policy Committee Chair as she had been elected by the committee in the past. He appointed the two new Policy Committee members noted above in recognition of the growing participation and interests by sectors that have not to this date been represented on the Policy Committee.

1. Policy Committee Minutes

Staff requests adoption of the September 25, 2002 meeting minutes.

Motion: Virginia made the motion; Jean seconded.

Virginia moved that the ICN Policy Committee adopts the September 25, 2002 minutes with any edits as noted. (No edits were noted.)

Motion carried.

2. Announcements

Mary announced that the Governor has made it very clear that he wants to be very helpful to the Governor-elect during the transition. The Governor's office worked diligently to put together the transition report which represents agencies, education, boards, and commissions, among many others. The transition report has been delivered to the Governor-elect and to Mr. Wilhelm. One item that was mentioned in multiple places within that transition report was the Illinois Century Network. The ICN's mention within the report was meant to give the Governor-elect and his team a better understanding of the ICN and its growing importance to constituents statewide and to define the Policy Committee and the role it plays. The transition should begin in earnest during the next week and will continue through January.

3. Remarks

George Badger could not be here today, but he and the Advanced Engineering Taskforce (AET) have worked to create a transition report which outlines activities thus far in fiscal year 2003. The AET transition report was distributed. Neil also asked that it be included in the Governor's transition materials. The AET feels the impact of the ICN is reaching far beyond its original scope. Other items mentioned in the report include the increase in the legal issues surrounding the uses of the Internet in educational institutions, resulting in stronger institutional rules governing utilization.

Neil also commented on the numerous occurrences where the ICN is called into Internet abuse investigations. The most recent incident may involve an extradition – federal authorities are handling the issue.

The Century Line, a quarterly newsletter sent to all ICN constituents, was distributed. The ICN tries to maintain regular communication with constituents in regards to service and the staff is grateful for the opportunity to share good news both electronically and in print.

4. Cost Recovery

Ralph Lucia presented both items 4a. Fiscal Year 2003 Review (information item) and 4b. Fiscal Year 2004 Adjustments (action item).

4a. Fiscal Year 2003 Review (information item):

The ICN began sending invoices to constituents in July of this year. The table on page 12 of the agenda shows the results of the first quarter by sector. The original estimate for cost recovery this fiscal year was \$1.2 million and currently it is estimated that the ICN will collect approximately \$1.5 million. The increase can be attributed in part to unexpected growth in the student traffic on residential higher education institutions. Municipal governments represent the largest sector impacted by cost recovery, followed

by other organizations such as various social service entities, boys and girls clubs, and not-for-profit organizations that serve Illinois citizens.

4b. Fiscal Year 2004 Adjustments (action item)

As a part of cost recovery, the ICN staff is required to examine all baseline allocations provided to primary constituents as well as the fees charged to non-primary constituents annually to ensure they are in line with actual costs. There are several adjustments that the staff is submitting for Policy Committee consideration. The adjustments are listed in the agenda beginning on page 16. The staff is recommending that port charges be reduced from \$75 to \$55 to reflect lower costs accomplished through contract negotiations and greater utilization. The second adjustment is to reduce bandwidth pricing per megabit at different levels based on the number of megabits a particular constituent is receiving. This pricing scheme is in line with industry standards where larger circuits are more efficient and therefore the cost per megabit is lower. Third, volume discounts will be shared with all ICN constituents. At the present time, discounts for large volume circuits are available only to primary constituents. This adjustment expands the volume discounts to include non-primary constituents as well. Currently, this change only impacts the City of Chicago. Most non-primary constituents are not purchasing large volumes at this time. Fourth, revise the formula for calculating the amount of baseline bandwidth provided under the state appropriation. The current formula does not take the full impact of increased enrollment into account and thus has large gaps. The new formula provides a more gradual increase of baseline bandwidth allocation with each 1,000 increase in enrollment. The full time equivalency (FTE) cap considered for baseline bandwidth will increase to 22,000 allowing some large institutions to receive more bandwidth. There are very few situations where an institution would receive less bandwidth under the new formula and the staff proposes that they be grandfathered in so no institution will see a reduction in bandwidth based on the new formula. The fifth recommendation is to create an ICN Certified Content Partner program to allow for the provision of additional bandwidth or colocation services to museums, libraries or other content providers to encourage the availability of content on the network. The Advanced Engineering Taskforce and the Illinois Online Leadership Council will develop the criteria for becoming a Certified Content Partner. As soon as they are available, the details of the program will be brought before the Policy Committee. The last recommendation is to establish appropriate policies so that large reductions in bandwidth do not occur in summer months. The staff proposes residential institutions agree to a one year commitment in line with the ICN fiscal year when provisioning large amounts of bandwidth above the baseline. Ralph opened the discussion to questions.

Lugene questioned whether or not K-12 schools would still receive service at no cost. Ralph responded that the staff did not anticipate needing to pass on any costs to K-12 institutions whose usage fell below the baseline bandwidth based on their enrollment.

Lugene also questioned the benefit of using average daily attendance (ADA) rather than FTE in the formula. FTE is actually a higher number than ADA and its use provides a greater benefit for schools.

Neil commented on an example of a K-12 institution being charged a minimal fee for colocation, saving them thousands of dollars per year. A school district in the Urbana/Champaign area needed colocation space for disaster recovery and other special services. The ICN was able to provide this space at \$170 per month saving the school \$68,000 in first year charges and \$27,000 per year after.

Bruce asked for further explanation on the Certified Content Partner program as far as the criteria that are being developed, organizations that might be developing content, and if the program is being developed on a project by project basis. Ralph replied that the staff will begin working with the AET and the IOLC at their next meetings. One criterion would be that the content be used within Illinois, primarily by ICN constituents. The organizations that are certified under this program would be certified for a certain period of time. Neil commented that conversations regarding the Field Museum's baseline bandwidth and the content they had to offer brought the need for this project to the forefront. The program is targeted primarily at large schools, libraries and museums that may have unique collections to share. The certified content providers would be evaluated on an annual or bi-annual basis. Any monies granted for participation in the program would be handled in a manner similar to the content grants that were distributed in the past.

Discussion of available bandwidth and related costs to various organizations continued. Ralph is the ICN contact person for cost recovery.

Motion: Bruce made the motion; Alice seconded.

Bruce moved that the Illinois Century Network Policy Committee adopts the proposed revisions to the cost recovery model as presented.

Motion carried.

The table on page 18 of the agenda will be corrected to eliminate overlapping categories.

5. Fiscal Year 2004 Budget (Proposed)

The ICN is one of the incredible success stories in terms of value for the dollar especially in difficult economic times. To demonstrate this fact and stress the importance of dark fiber as it relates to the budget request, Neil made a brief PowerPoint presentation. Neil will make the presentation available on the website.

Neil noted that he was very proud of Lori Sorenson's staff and the fiscal staff for keeping costs under control and negotiating lower contracts which allowed the ICN to accomplish feats that would not normally be possible had the telecommunications industry been

having a more profitable year. The staff presents two budget options to the Policy Committee for consideration: one, an increase, if at all possible, to take advantage of dark fiber in the most expedient fashion; two, a budget based on level funding. At current cost projections under the level funding option, the ICN would be able to complete only part of the dark fiber implementation.

Alice noted that CMS is also involved in the dark fiber project and feels that Neil is correct in thinking this is an opportunity to take advantage of before the industry changes. According to Alice, everyone stands to benefit from dark fiber.

Mary asked what investing in dark fiber now would save the state in the future. Neil replied that exact dollars are difficult to determine without knowing the future of the telecommunications industry. Other factors that impact potential savings are usage and the speed of network growth. However, without any question, dark fiber will ultimately save the state money. So far the network has seen 153% aggregate growth and, due to the timing of the economy and other factors, the staff has been able to keep up with demand. The concern now is that this incredible growth will continue, but the resources to keep ahead of demand will not be there. The implementation of dark fiber helps provide those resources.

It was questioned whether or not any of the anticipated growth would bring in new monies under cost recovery. Neil responded that it would depend on who uses the network and how much they are using. For example, if the number of hospitals connected to the network doubles and the traffic can be sustained with the existing network infrastructure, then additional funds will be generated. However, if the number of hospitals doubles and the need for bandwidth increases then the ICN would be required to procure new or increase existing facilities. Some of the expenditures could be recovered with cost recovery but how much is, again, very difficult to predict since it is based on external factors.

Brian Foster noted that an appropriate way to look at the budget increase is as a return on investment. He is supportive of the implementation of dark fiber.

Virginia questioned why the e-rate projection is lower in fiscal year 2004. The e-rate reimbursement projection is lower because fiscal year 2003 also includes fiscal year 2002 monies not yet received.

The fiscal year 2003 state appropriation to the Illinois Century Network was \$25.5 million. An increase of \$1.5 million (\$27 million total state appropriation) to the budget as the staff proposes represents less than a 6% increase. The general feeling of the Policy Committee is that it is appropriate to ask for an increase in the state appropriation for fiscal year 2004. It is understood that the state is facing difficult economic times and that an approved increase may not be realized after budget sessions. However, this money is being requested for a purpose, not as a standard operations increase. The monies required to make an initial investment in dark fiber will save the state money in the future. Although, as Lugene suggested, the period of time in which the state will enjoy those

savings is not clear in this item and should be built into the request. The opportunity to procure dark fiber may continue, but it may not.

Neil commented again that as a result of the economy and negotiation of lower contract prices the ICN has been able to keep up with the overwhelming growth the network has experienced. However, there are few opportunities for the network to continue operating with no budget increase long term. Neil also noted that the availability and lower pricing of dark fiber is a result of an abundance of dark fiber and a need for revenue by the telephone companies – not an increased interest in selling dark fiber. Dark fiber lasts approximately 20 to 25 years. The industry is at about year five in the life cycle of the current infrastructure and in another 5 to 7 years telephone companies will be going through another growth/rebuilding phase that will make dark fiber more difficult and costly to procure.

Motion: Virginia made the motion; Jean seconded.

Virginia moved that the Policy Committee approves the proposed Fiscal Year 2004 budget represented in Option One, in the amount of \$33,000,000. (This represents a state appropriation of \$27,000,000.)

Motion carried.

6. Administrative/Operating Rules Update

At the September 25, 2002 meeting the Policy Committee asked the staff to develop an understanding of the administrative operating rules. Lori Sorenson has been working with ICN legal counsel to determine which Policy Committee motions require formal adoption under the administrative rules act. Those items are listed in Table 1 on page 28 of the agenda. Most of the items that require action impact Illinois citizens or inform ICN policies as to who may be approved or denied service and how associates costs are applied. Over the next several months the staff will continue to work with legal counsel to develop the rules. The rules will be forwarded to the Policy Committee in draft form for review and submitted for consideration at the February meeting. The staff can begin the process of posting those rules in the Illinois Register to allow for the 45 day public notice; then work with JCAR for certification and formal adoption. Once the rules are put into place they will need to be monitored and updated, as necessary, with input from the Policy Committee.

Neil mentioned that Lori had spent several hours with legal counsel determining which motions were appropriate to take to JCAR. The ICN staff was not very familiar with the process of adopting administrative rules, but has come to realize there is a lot of work involved in documenting those rules.

Lugene questioned whether the ICN is currently hosting email for any constituents, because that is a thorny legal issue that may need to be addressed within the administrative rules. Neil replied that the ICN does not host any constituent email or any

constituent websites. The ICN has seen itself as a back haul network, not as a provider for applications services for individual institutions. There has been very little interest except among the most disadvantaged institutions for that kind of service.

Mary noted that the policies going to JCAR are the functioning policies of the ICN and questioned whether the staff had drafted policies that would govern the Policy Committee. Neil replied that the Policy Committee follows informal guidelines like Robert's Rules of Order. Legal counsel informed the staff the only items that have to go to JCAR are those rules that impact Illinois citizens. For example, if the Policy Committee made the decision to stop holding open meetings and began a hearing process or in some way restricted access to the Policy Committee members, those rules would need to go to JCAR. Since meetings are currently open to the public with no restrictions other than executive sessions and since the member appointment process is outlined in the legislation, there is no overwhelming need for formal administrative rules for the Policy Committee at this time. There could be other rules the Policy Committee may want to adopt in the future that may need to go to JCAR, but the staff can seek legal counsel at that time. Currently, legal counsel has recommended the staff send as few administrative rules as possible and continue to operate according to the standard open meetings act.

Lori noted that the rules are written in a general nature and are not rewritten specifically each time a rule is changed. The general process and foundation for the rules are submitted and only changed if the basic premise changes. The Policy Committee members should contact Lori Sorenson if there are any items or actions the Committee has taken that they believe need consideration and are not currently listed.

7. Network and Services Update

Neil informed the Policy Committee that the ICN had initiated a reorganization in mid-October as a result of a more service oriented mission and the need for a 24 hour, 7 days a week, 365 days a year network operations center (NOC). An ICN staffed NOC will provide the reliable service that many constituents have requested. Fifteen employees were impacted by the reorganization. Three have agreed to take a position in Springfield, others are currently seeking employment, and still some have been able to find new employment already. Of the fifteen positions, four regional supervisor positions were eliminated, three regional clerical positions were eliminated and the remaining technical positions were transferred to Springfield. Other staff changes include moving from two Regional Coordinators, Ralph Lucia and Robin Woodsome, to one Client Services Coordinator, Kirk Mulvany. Robin will supervise RTC I and Ralph will provide assistance to the administrative services functions and focus on cost recovery. Gary Shaffer is moving from Sterling where he is RTC V Supervisor to Springfield where he will supervise the new NOC and seek out new intern opportunities. All of the changes are designed to streamline ICN operations. Overall, the staff, even displaced staff, has been very supportive of the new direction the network is taking. The reorganization was done within the existing personnel budget.

Mary remembers making the commitment three years ago to assess the organization and staffing of the ICN as the network developed. Management has done a great job in doing this in a way that increases services with out increasing cost.

It was questioned whether or not CMS had been providing these services or does this move represent the first time the ICN will be able to offer around the clock service. Neil responded that CMS has provided after hours, answer/help desk support, relaying calls to ICN staff. The direction that the ICN NOC will take is slightly different. The ICN NOC staff will proactively monitor the network and begin working immediately on a resolution to the problem. CMS has been incredibly helpful to us in providing 24 hour answering service support to date, but the new NOC will eliminate the need for on call and pager response lag time across the state.

The services listed on pages 41 and 42 of the agenda will be offered to constituents on a cost recovery basis. All services are optional and are designed in such a manner as not to compete with other organizations such as Learning Technology Centers. Additional staff dollars have been incorporated into the cost recovery formula for these services in case demand reaches the level where additional human resources are needed.

The individual case basis tariff for non-primary constituents gives non-education constituents a 40% discount on DS1 (T1) service.

8. Fall 2002 Regional Information Sessions: Wrap Up

Kirk provided a brief overview of the regional meetings that took place earlier this fall. During a two-week period, the ICN management staff facilitated open meetings in each of the nine ICN regions around the state. The goal of the meetings was to provide an opportunity for ICN staff to dialogue with constituents and present an ICN update of regional and statewide activities. Agenda topics included changes in the legislation, planned backbone upgrades, and plans for the dark fiber implementation. The services discussion was very productive and the staff received valuable feedback as to the services most desired by constituents. The needs of the constituents varied based on geographic regions. Neil covered cost recovery items, which included much of the information presented during today's meeting. The meetings concluded with a discussion of regional user groups. The ICN prides itself on outreach and regional user groups are a way to solicit information and work with the constituents on an ongoing basis to continue to move the network forward. The meetings were very successful and all constituent groups were represented.

Lugene commented that it is a good idea to do these regional meetings because it provides an opportunity to keep in touch with the constituents and learn about their needs and vision for the ICN.

Virginia asked about the reaction to cost recovery at the meetings. The fiscal year 2004 cost recovery adjustments were well received. Constituents understand the need for cost

recovery and feel that they receive a good value for the money they spend for their ICN connection.

Lugene suggested the meetings next year be planned in advance so that Policy Committee members could attend some of the meeting along with the staff. Mary agreed.

9. Executive Session

Motion: Jean made the motion; Lugene seconded.

Jean moved that the Policy Committee go into closed Executive Session at 4:00 p.m., Wednesday, September 25, 2002 for the purpose of discussing Illinois Century Network personnel issues and executive session minutes pursuant to Section 2(B)(1) of the Open Meetings Act.

Motion carried.

10. Resume Meeting

The meeting resumed at 4:20 p.m. No action was taken as a result of the executive session.

Motion: Alice made the motion; Lugene seconded.

Alice made the motion to adjourn.

Motion carried.

Meeting adjourned at 4:25 p.m.

ILLINOIS CENTURY NETWORK
ADMINISTRATIVE / OPERATING RULES UPDATE

Submitted for: Action

Summary: As directed by the Policy Committee, staff has drafted proposed administrative rules addressing the procedures by which the ICN provides services. Staff requests the Policy Committee to approve the proposed rules for publication in the Illinois Register.

Action Requested: *Recommended Motion: The Policy Committee approves the proposed administrative rules for publication in the Illinois Register.*

ILLINOIS CENTURY NETWORK

ADMINISTRATIVE / OPERATING RULES UPDATE

As discussed during the November 13, 2002 Policy Committee meeting, staff has developed proposed Administrative Rules as required by the Illinois Administrative Procedure Act [5 ILCS 100/5-160].

The proposed rules have been reviewed by ICN legal counsel and counsel's recommendations have been incorporated. The rules are organized into four sections: 1) constituents, 2) baseline level of services, 3) rate structure for non-baseline services and 4) public/private partnerships.

The rules serve to define who is an ICN eligible constituent and differentiates between primary and non-primary constituents as well as provide a basic formula for calculating the baseline level of services and rates. It is the staff's intention that these rules have been drafted in such a manner that avoids the requirement to update the rules annually as a result of changes in the cost recovery policies. Therefore, the rules include language that stipulates that the baseline level of services and rates will adjust proportionality with changes to the ICN appropriation. The baseline and rates included in the rules are the approved fiscal year 2004 levels. These levels have been used as they are the most current and will be applicable at the time the proposed rules shall become effective.

Staff requests the Policy Committee to approve the proposed rules for publication in the Illinois Register in order to solicit comments from the public. Upon publication, staff will collect comments received from the public and shall present the same along with a staff response to the Policy Committee at the June 18, 2003 meeting.

Recommended Motion: The Policy Committee approves the proposed administrative rules for publication in the Illinois Register.

PROPOSED ADMINISTRATIVE RULES

AUTHORITY: The Illinois Century Network Act [20 ILCS 3921]

SUBPART A: GENERAL

Section 1.01 Title

This Part may be cited as the Illinois Century Network Rules.

Section 1.05 Policy

The Illinois Century Network is a service creating and maintaining high speed telecommunications networks that provide 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.

Section 1.10 Purpose and Implementation of This Part

This Part establishes rules necessary and appropriate to implement the authority granted by the Illinois Century Network Act (Act) [20 ILCS 3921] relating to creating and maintaining high speed telecommunications networks for the purposes described within the Act.

Section 1.15 Definitions

“Constituent” means an Illinois organization or entity served or eligible to be served by the Illinois Century Network.

“Policy Committee” is the Illinois Century Network governing body as established by the Illinois Century Network Act [20 ILCS 3921].

“Baseline Level of Services” is the amount of services provided to connected constituents at no cost to the constituents.

“FTE” is full time equivalent enrollment as provided by the applicable education board.

“Mbps” is megabit per second.

Section 1.20 Constituents

For the purpose of receiving services from the Illinois Century Network, constituents shall consist of two categories:

Primary Constituents:

- a. Public and Private K-12 schools under the statutory definitions of elementary schools found in the Elementary and Secondary Education Act of 1965 [20 U.S.C. 8801(14 and 25)] that do not operate as for-profit businesses, do not have endowments exceeding \$50 million, and are recognized by the applicable education board.
- b. Public and Private Not-For Profit Colleges and Universities which are either legally authorized to operate in the State of Illinois by the applicable education board or are legally allowed to operate without seeking such authorization.
- c. Community Colleges which are accredited education entities and are either legally authorized to operate in the State of Illinois by the applicable education board or are legally allowed to operate without seeking such authorization.
- d. Libraries including library consortia which are eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 [20 U.S.C. 9101] that do not operate as a for-profit business and whose budgets are completely separate from any educational institution (including, but not limited to) elementary and secondary schools, colleges and universities.
- e. Public and Private Museums which are eligible for grants from the Illinois Department of Natural Resources.

Non-primary Constituents:

- a. Private For-Profit Colleges and Universities which are accredited education entities which are authorized to operate in the State of Illinois by the applicable education board or are legally allowed to operate without seeking such authorization.
- b. State Agencies whether used in the singular or plural, means all departments, officers, commissions, boards, institutions, and bodies politic and corporate of the State, including the offices of clerk of the Supreme Court and clerks of the appellate courts [P.A. 91-239].
- c. Units of Local Government

- d. Other not-for-profit entities providing services to Illinois citizens, except no such non-primary constituent may use services from the Illinois Century Network to advance religion or to provide discriminatory services based upon religion, age, gender, race, or ethnic origins.

Section 1.25 Baseline Level of Services

The Illinois Century Network shall provide a baseline level of services that shall be provided to primary constituents at no cost. The baseline levels of service shall be as follows:

K-12 Schools, Community Colleges, Colleges and Universities	Enrollment or Full Time Equivalent (FTE)		
	Less than 1,000	1,000-12,999	13,000-22,000
	1.5 Mbps	1.5 Mbps per 1,000 Enrollment or FTE	1.0 Mbps per 1,000 Enrollment or FTE
Libraries and Museums	1.5 Mbps baseline bandwidth		

The baseline level of services provided to primary constituents is keyed to support received from appropriations under the Illinois Century Network Act.

In the event that appropriations for any one year are reduced to the point where the Illinois Century Network cannot provide the above-described baseline level of services to all primary constituents, then such levels shall be reduced in equal proportions to all primary constituents.

In the event that appropriations for any one year are increased, then such levels shall be increased or additional services provided in equal proportions to all primary constituents.

Section 1.30 Rate Structure for Non-Baseline Services

Rates shall be charged to primary constituents for all services provided in excess of the baseline level of services and shall be charged to non-primary constituents for all services. The rates are as follows:

Bandwidth	Cost per Mbps
Less than 10 Mbps	\$250
10-24 Mbps	\$225
25-44 Mbps	\$200
45-99 Mbps	\$175
100 Mbps and above	\$150

These rates are keyed to the actual costs incurred by the Illinois Century Network. Rates shall be reviewed by the Illinois Century Network annually and shall be adjusted upward

or downward in equal proportions as required. All changes shall be communicated to affected constituents a minimum of four months prior to the date such rates shall become effective. All rate information shall also be posted on the Illinois Century Network website at www.illinois.net.

Section 1.35 Public/Private Partnerships

The policy committee may authorize private, for-profit entities to utilize the services of the Illinois Century Network if the services provided to a private, for-profit entity directly benefits eligible constituents as defined in section 1.20. Approved private, for-profit entities shall pay the full cost for the services used.

ILLINOIS CENTURY NETWORK
ILLINOIS COMMERCE COMMISSION UPDATE

Submitted for: Information

Summary: Based on the information gleaned from the Illinois Century Network report, *Telecommunications Analysis: Availability and Pricing of Services for Illinois Education*, the ICN staff initiated a series of meetings with the Illinois Commerce Commission to begin addressing issues of equity in cost and services. This item serves to summarize the results of the initial meetings and to discuss future action on these issues.

Action Requested: None.

ILLINOIS CENTURY NETWORK

ILLINOIS COMMERCE COMMISSION UPDATE

The ICN produced report *Telecommunications Analysis: Availability and Pricing of Services for Illinois Education* was summarized in the June 12, 2002 Policy Committee meeting and recently released publicly in final form.

The report's executive summary identified the "next steps" of presenting the report to the Illinois Commerce Commission (ICC) and Local Exchange Carrier (LEC) trade organizations for their analysis and comments; and in the interest of lowering costs for educational constituents throughout Illinois independent of federal e-rate funding, the ICN would recommend hearings to discuss issues that would best be addressed with the assistance of the ICC.

The ICN presented the ICC with a summary of these issues identifying the problem, presenting the ICN position on the problem, identifying possible actions to rectify the problem and where applicable identifying consumer alternatives. The summary also requested an audience with commission staff. The summary addressed four areas of concern which are described briefly below:

LEC pricing of T1 service: LEC T1 prices are generally too high, have remained static for far too long, fluctuate wildly across exchange boundaries and in some cases include extra charges for standard features. (Clear- channel)

Contract Termination Penalties: The way in which penalties for early contract termination is calculated is not uniform. Some are linear in nature, others are not, and in some cases the consumer may pay considerably more than the total revenue guaranteed for the contract term.

Process for Tariff and Rate Evaluation: ICN staff requested ICC assistance in describing the basic forms of regulation and how they may affect prices paid by constituents.

E-rate: While e-rate has a positive effect on ultimate costs for schools there is concern that it may act to keep prices artificially high.

(The complete report, summary and other related information can be found at [http://www.illinois.net/icc/.](http://www.illinois.net/icc/))

ICN staff met with ICC staff on December 19, 2002 for initial discussions and to plan future actions. As a result of that meeting, the first informal hearing was held on January 8, 2003.

The January hearing was attended by representatives from Local Exchange Carriers and by representatives from the Illinois Telecommunications Association (ITA) and the Illinois Independent Telecommunications Association (IITA) trade groups representing telecommunications providers in Illinois. The *Telecommunications Analysis* summary and ICN provided pricing data and a graphic depicting T1 rates throughout the State were reviewed. (That graphic follows this item.) Attendees agreed to reconvene again in March.

Meetings with the larger carriers to discuss termination penalties and clear channel charges have or will take place in January and February.

A dialog has been established and progress is being made. The ICN is confident that with the assistance of the Illinois Commerce Commission and through continued dialog with LEC providers, the cost issues facing constituents can be addressed satisfactorily.

ILLINOIS CENTURY NETWORK
BUDGET / E-RATE UPDATE

Submitted for: Information

Summary: This item presents the Policy Committee with a fiscal year 2003 year-to-date budget update and a brief status report of the anticipated E-rate reimbursements.

As of January 31, 2003, ICN revenues total \$26,557,191 while expenditures total \$16,455,723.

Action Requested: None.

ILLINOIS CENTURY NETWORK

BUDGET / E-RATE UPDATE

As of January 31, 2003, ICN revenues total \$26,557,191 while expenditures total \$16,455,723. An additional \$8,674,764 has been obligated for anticipated expenditures from current contracts leaving a balance of \$1,426,704.

The ICN is still waiting to receive the anticipated e-rate reimbursements which represent \$6.4 million of the projected revenues for the current fiscal year. Staff is in regular contact with the Universal Service Administrative Company (USAC) and has received verbal approval for the funding year 2000 application but is waiting to receive an official notice. The funding year 2001 application is still under review. The USAC has stated they intend to complete review of all outstanding applications by February 20, 2003. Once the ICN receives written notice of approval, staff can begin to work with USAC and the telecommunications vendors to initiate the checks which should be received by the ICN four to six weeks after official notification. Staff is optimistic that the funds will be received in this fiscal year; however, it is important to understand that there is no guarantee that this funding will be received as planned. In light of the delays with the e-rate funds, staff continues to conscientiously review all purchases and postpone all non-essential purchases.

The current budget has also been negatively impacted by the State's delay in processing payments to vendors. The Illinois Prompt Payment Act (30 ILCS 540) stipulates interest payments to vendors who do not receive payment within sixty days of submitting a valid invoice. All interest payments that exceed \$50 are to be automatically paid by the agency. Due to the State's budget problems, payments are taking more than sixty days to process through the Office of the Comptroller. Many of the ICN's monthly invoices from telecommunications vendors are of an amount such that an automatic interest payment is required. To date, the ICN has paid \$8,149 in interest payments and anticipates paying a total of \$150,000 in the current fiscal year. These funds were not budgeted and staff has reallocated equipment funds to cover this expense.

The ICN continues to receive cost recovery payments from constituents. The billing process is working smoothly with only a small number of constituents delaying payments. Once an invoice becomes sixty days past due, staff contacts the constituent to ensure that the invoice has been received and that all billing and mailing information is accurate. From this initial conversation, staff is able to obtain an estimated timeframe for processing of the invoice. After ninety days have passed without payment, the constituent is sent a letter requesting a written response acknowledging receipt of the invoice along with an affirmation of intent to pay. To date, the ICN has less than 8 percent of constituents not paying in a timely manner and staff notes that collection rates are far higher than average for other state agencies that collect fees. The budget report as of January 31, 2003 follows.

ILLINOIS CENTURY NETWORK

Fiscal Year 2003

As of 01/31/03

REVENUE SOURCES:	APPROVED AT 6/12/02 PC MTG	YEAR-TO-DATE
ICN Appropriation:	25,500,000	25,500,000
ISBE FY02 Appropriation Balance:	0	171,914
E-Rate Reimbursement:	6,461,655	0
Cost Recovery Funds:	1,200,000	885,277
TOTAL REVENUE:	33,161,655	26,557,191
EXPENDITURES:		
Personnel:	4,065,954	2,281,193
Contractual:	1,133,200	441,711
Commodities:	91,800	40,197
Equipment:	61,500	10,959
Telecommunications:	26,872,632	13,069,113
Operation of Automotive Equipment:	0	0
Prompt Payment (Interest)	0	8,149
Regional Technology Centers:	936,569	483,705
Build Out:	0	120,696
TOTAL EXPENDITURES:	33,161,655	16,455,723

ILLINOIS CENTURY NETWORK
**NETWORK AND SERVICES UPDATE:
DARK FIBER PROCUREMENT**

Submitted for: Information

Summary: In conjunction with Central Management Services, the ICN issued a request for proposal for the procurement of dark fiber resources. This item provides an update on the procurement process thus far and outlines the next steps required to bring this crucial plan to completion.

Action Requested: None.

ILLINOIS CENTURY NETWORK
**NETWORK AND SERVICES UPDATE:
DARK FIBER PROCURMENT**

In June 2002 the ICN in collaboration with Central Management Services (CMS) issued a Request for Proposal for the procurement of dark fiber resources. Proposals were received from several vendors and in January 2003 the evaluation team presented recommendations for awards to the joint ICN and CMS management team. Based on the estimated costs and the priority of the routes needed a consensus was reached on which routes should be awarded and pursued in the immediate future.

As recommended earlier by members of the Policy Committee, the ICN engaged the resources of legal counsel specializing in telecommunications to assist with these complex contract negotiations. The ICN has selected the services of The Helein Law Group which has also provided past counsel to the ICN regarding telecommunication matters. Working with Helein, the ICN has submitted a letter to each potential vendor outlining the "terms of negotiations" along with a list of the issues that must be negotiated before a contract agreement can be reached. At this time a formal contract award notice has not been posted as there are too many terms and conditions that must be discussed with the vendors before staff has enough details to proceed with a formal award.

Staff has also completed extensive testing of seven different vendors' dense wave division multiplexing (DWDM) equipment required to utilize the dark fiber. Each vendor was required to install their equipment in the ICN Lab for a one week period during which ICN technical staff conducted around the clock hands-on evaluations. The lab testing provided an invaluable evaluation of the true capabilities of the many products and features. As a result of the lab testing, staff has identified those products which have the capacity to meet the ICN's needs and those that are unable to do so. Only those products that have clearly demonstrated the capability of working on the ICN backbone will be eligible to respond to the DWDM equipment RFP. The RFP is expected to be released within the next few weeks pending a commitment from the dark fiber vendors to accept the "terms of negotiations".

The dark fiber initiative continues to be a top priority for the ICN and mirrors what other state education networks are facing. All state networks report continued growth in demands and there is a clear direction toward dark fiber resources throughout the nation. Another update will be presented at the May 2003 meeting of the Policy Committee along with comparison information from the national StateNets meeting held in February 2003.

ILLINOIS CENTURY NETWORK
**NETWORK AND SERVICES UPDATE:
24/7 NETWORK OPERATIONS CENTER**

Submitted for: Information

Summary: The Illinois Century Network is in the process of implementing a 24/7/365 Network Operations Center. This item serves to update the Policy Committee on the plans and progress that has been made towards this implementation.

Action Requested: None.

ILLINOIS CENTURY NETWORK

NETWORK AND SERVICES UPDATE: 24/7 NETWORK OPERATIONS CENTER

Planning for the implementation of the 24/7 Network Operating Center (NOC) is progressing. Emphasis has been on bringing the operation online as soon as is practical. When fully operational, nine technical staff will be in place to operate the NOC on a 24/7/365 basis. At this time, five of the positions have been filled, including one Network Specialist and one Regional Supervisor who were able to take advantage of internal transfers during the recent reorganization. In keeping with the ICN tradition to employ industry-certified staff, everyone joining the NOC staff has networking certifications. Nearly two hundred applications have been received to this point, with almost fifty having been interviewed. The most optimistic time frame for full implementation of the NOC is the first week of April assuming that the remaining positions are able to be filled. The overall headcount for the ICN as a result of implementing the NOC remains level.

The new supervisor for the NOC, Gary Shaffer, has developed a training plan for the NOC staff, which includes a full range of review and confirmation of skill sets using UNIX, routers, and key network management software, including the top-rated HP OpenView monitoring software. Training includes professional interaction with clients, understanding of logs, monitoring of environmental conditions in each of the POP sites, troubleshooting, forecasting, and familiarity with numerous software tools to provide a full-service problem-solving atmosphere. Once the hardware is identified, the staff will be trained in using the management console for the new dark fiber hardware implementation as it becomes available. The staff will be introduced to current employees at the Regional Technical Centers to promote continued collaboration between the NOC staff and the regionally-based staff.

The ICN is looking into a more recognizable toll-free number for the operation. For example, if 1-800-ICN-HELP were available, it would promote usage of the service by the nearly 6,000 clients. In addition to a technically capable facility to serve ICN clients, the NOC will be an information center. If clients are unable to find answers for anything related to the network or their connectivity, they will be able to call the NOC and find a service-oriented staff willing to serve as a conduit in helping answer questions.

The NOC operation is fundamental to ICN's continued shift from merely connecting and maintaining connections to providing essential services such as filtering and Internet-based video. Operation of the center also prepares the ICN for further service to Illinois hospitals and other healthcare institutions as well as greater service for

law enforcement agencies. These types of collaboration with hospitals and healthcare agencies as well as law enforcement will eventually lead to dramatic reductions in expenses for county government and other ICN participants since only one connection will be required to reach vital services.

ILLINOIS CENTURY NETWORK
NETWORK AND SERVICES UPDATE:
ADDITION OF SERVICES

Submitted for: Information

Summary: Based on constituent needs, the ICN began to offer services in December 2002. This item provides an update on the most requested services and the ICN plan and process for making services available to constituents.

Action Requested: None.

ILLINOIS CENTURY NETWORK
**NETWORK AND SERVICES UPDATE:
ADDITION OF SERVICES**

After much planning and preparation, the ICN began to offer additional services to constituents, in December 2002. The needs for services are driven by constituent feedback from regional meetings, constituent group meetings, and individual requests, as well as related associations and consortia.

Once the needs are expressed, the ICN staff looks at resources outside of the ICN that may be available to provide a requested service. Several factors are considered such as whether a constituents' needs can be met in a cost effective manner, whether the service is readily available in the commercial market, how constituents may benefit from a particular service based on network subscription, and other associated legal and technical issues involved in the particular service under consideration. Based on these factors, the ICN Management Team determines whether or not the ICN can provide a cost-effective service offering to the constituents and carefully evaluates the value to constituent groups and available staff resources required to support and sustain the offering.

As an ICN service offering is determined to be feasible and relevant to constituents, the service is run through the ICN Services Implementation Process to ensure successful implementation. The ICN Services Implementation Process consists of the following phases:

- 1. Discovery / Service Proposal Development**
 - a. Description of Service
 - b. Benefit to Constituents
 - c. Technical Assessment of Service
 - d. Cost Assessment of Service
 - e. Proposal Presentation

- 2. Preparation**
 - a. Technical Lead(s) are assigned
 - b. Details are worked out for the specific service offering
 - c. Preliminary needs for equipment, software, and contracts are finalized
 - d. A detailed testing plan is developed and implemented (if appropriate)
 - e. A fee structure is established within the cost recovery policies approved by the Policy Committee

- f. Documentation is submitted to the Public Policy and Information Services Team
- g. Marketing plan is developed and materials are produced
- h. A training plan is developed for ICN staff
- i. Implementation timeline is established
- j. The director reviews the comprehensive service offering and provides written approval prior to proceeding to the Production Phase

3. Production

- a. Contracts are signed, equipment is ordered, etc.
- b. Appropriate updates are made to databases (Remedy, MAS 90)
- c. Appropriate fiscal records are submitted to the Comptroller's office
- d. Equipment and software are installed and configured
- e. Testing is performed and results are documented (if applicable)
- f. The director reviews and approves proceeding to the Implementation Phase

4. Implementation

- a. The ICN Web Site is updated to include information about the new service
- b. Constituents are informed about the service via email, regular mail, etc.
- c. An article is written for the ICN newsletter (The Century Line) if appropriate
- d. Orders are accepted and processed
- e. Service is implemented

5. Follow Up / Process Review

- a. Feedback is sought from ICN constituents and staff to determine if changes need to be made to improve the service or the administration of the service.
- b. Feedback is sought from ICN constituents and staff with emphasis on how future services can be implemented more effectively.
- c. Fiscal analysis and tracking is reviewed to ensure that the service is on track and cost effective.

Particular attention is given to the resources required to provide the service and constituent feedback regarding the value of the service offering. All services under consideration are put to the ICN litmus test for service offerings summarized in the question: "Will this benefit Illinois education?"

The following table identifies new or planned services and provides the implementation status of each.

Table 1
ICN Service Offerings

Service	Offering Available	Status
Extended Domain Name Service (DNS)	December 2002	Complete
Filtering	January, 2003	Complete; 4442 licenses used (38.6%) as of 02-05-2003
IP Video	February, 2003	Production Phase
Quality of Service	February, 2003	Production Phase
IP Multicast Video	February, 2003	Production Phase
Router Installation	March, 2003	Preparation Phase
Router Management	March, 2003	Preparation Phase
Anti-Virus	Summer, 2003	Preparation Phase

ILLINOIS CENTURY NETWORK

**NETWORK AND SERVICES UPDATE:
REMOTE MONITORING CAPABILITIES**

Submitted for: Information

Summary: The Illinois Century Network has invested considerable time and effort in the implementation of remote monitoring capabilities that enable the technical staff to be proactive in the resolution of network difficulties, while providing a great deal of data regarding the performance and utilization of the network. This item discusses the variety of remote monitoring tools and how each is utilized to assist the staff to provide world-class support and service to all ICN constituents.

Action Requested: None.

ILLINOIS CENTURY NETWORK

NETWORK AND SERVICES UPDATE: REMOTE MONITORING CAPABILITIES

The ICN can monitor network Point of Presence (POP) sites, constituent connections, and backbone connections remotely. The ability to monitor network connections remotely allows ICN staff to be proactive in the resolution of technical issues, often before the issues are identified at the local level and before a service outage occurs. This is accomplished through various pieces of hardware and software located both in the Network Operation Center (NOC) and in the Regional Technology Centers (RTC). The item reviews some of the ways that remote monitoring is accomplished and highlights the continuing commitment to world-class service to all ICN constituents.

Currently, the constituent connections are monitored at the RTCs while centralized NOC monitoring of the network occurs 12 hours a day, 5 days a week. The staff is preparing for an around the clock, 24 hours a day, 7 days a week Network Operation Center to more fully support the growing demands placed on the network. The constituent connections are monitored for up/down status in the RTCs by utilizing a software program called What's Up. Backbone connections are monitored for up/down status by utilizing the Openview product. Openview also monitors uninterruptible power supplies (UPS) at POP sites and shows alarms that are generated from ICN backbone equipment in the event of problems or abnormal operation. The network backbone routers are also managed by utilizing an Openview program called Ciscoworks. In the next 90-120 days all constituent connections will be monitored in the NOC utilizing Openview. The RTC staff will be able to view the NOC Openview maps and, in turn, the NOC can view the RTCs What's Up maps via web browsers. This dual ability will serve to meet ICN disaster recovery plans and prepare the network to be of broader service in homeland security planning, healthcare, and emergency service initiatives.

Bandwidth on the constituent connections is being monitored by Multi Router Traffic Grapher (MRTG) in the RTCs. The graphs from the RTCs are viewable by NOC personnel via web browser. Backbone bandwidth is monitored by a program called Clairvoyant which is viewable by both NOC and RTCs via web browser. In addition to monitoring the current bandwidth utilization, Clairvoyant can also forecast upcoming bandwidth needs and is the primary tool used to track and predict utilization patterns.

The POP sites are monitored by network appliances that are called Netbotz. These appliances provide live video coverage of the POP site, including information about temperature, humidity and air flow. The climate alerts are sent by e-mail and pager to the appropriate parties. The current status of all sites is also viewable via web browser

by all ICN technical staff. Domain Name Services (DNS) server utilization is monitored using MRTG. Graphs with memory utilization and DNS query statistics per server are available to both the NOC and RTCs via web browser. In addition, all DNS servers are set to send e-mail and pages to the appropriate personnel in case of a DNS service failure.

The Network Design and Engineering (NDE), NOC and RTC staff continue to work together to set up tools that are available to all technicians for various monitoring needs on the Illinois Century Network. These software and hardware tools aid the network in maintaining reliability and further assists in long-term technical and manpower planning and implementation.

Item #8e
February 19, 2003

ILLINOIS CENTURY NETWORK
**NETWORK AND SERVICES UPDATE:
ILLINOIS ONLINE LEADERSHIP COUNCIL**

Submitted for: Information

Summary: This item discusses the current activities and plans for the Illinois Online Leadership Council.

Action Requested: None.

ILLINOIS CENTURY NETWORK

**NETWORK AND SERVICES UPDATE:
ILLINOIS ONLINE LEADERSHIP COUNCIL**

The Illinois Online Leadership Council (IOLC) continues to meet on a regular basis to bring coordination and collaboration among the various elearning content initiatives in the state. Recent additions to the group include the Center for the Application of Information Technologies (C.A.I.T.) at Western Illinois University; The Collaboratory Project at Northwestern University; the Illinois Student Assistance Commission; EdSeek Illinois at Eastern Illinois University; and the North Central Regional Education Laboratory. Information about each of the IOLC member projects can be found at www.elearning.illinois.net.

As the means by which all of the content initiatives share resources in the support of Illinois elearning, the Illinois Century Network plays a key role in the success of the projects represented on the IOLC. During the current fiscal climate of the state, it becomes even more important that the IOLC projects work together, sharing limited resources and avoiding costly duplication of effort. In order to better articulate the synergies created by the strength of the group, the IOLC members are working on a paper that better describes the interdependence among the projects and illustrates how elearning opportunities in Illinois are among the best in the nation. The IOLC intends to share this document with legislators and educational leaders in the state. A draft of the paper is attached for review.

In another joint venture, the IOLC is sponsoring the key-note session at the March 2003 Illinois Distance Learning Conference. Titled, *Collaboration across Boundaries: Creating Synergies to Add Value for Illinois*, this Socratic dialogue will feature a panel of distinguished Illinois leaders representing high education, K-12 education, community colleges, local government, hospitals, and community technology centers. The conference will also include numerous concurrent sessions that will highlight best practices from the elearning community in Illinois. In addition to best practices, conference sessions will also be targeted towards the K-12 community, training, course development, and technology. The conference will be held at the Springfield Hilton, March 27 & 28, 2003.

**IOLC Members
February 2003**



- Center for the Application of Information Technologies (C.A.I.T)
Western Illinois University
- The Collaboratory Project
Northwestern University
- Ed Seek Illinois
Eastern Illinois University
- Find It! Illinois State Library
- Governor's Technology Office
- Illinois Century Network
- Illinois Community Colleges Online
- Illinois Digital Academic Library
- Illinois Mathematics and Science Academy
- Illinois Online Network
- Illinois Student Assistance Commission
- Illinois Virtual Campus
- Illinois Virtual High School
- North Central Regional Education Laboratory

ILLINOIS CENTURY NETWORK
EXECUTIVE SESSION

Submitted for: Information

Summary: A closed executive session is requested for the purpose of discussing personnel issues.

Action Requested: None.

Item #9
February 19, 2003

ILLINOIS CENTURY NETWORK

EXECUTIVE SESSION

The Policy Committee will meet in Executive Session today. Under the Open Meetings Act, there must be a motion adopted in open session to authorize an Executive Session. A quorum must be present, and the motion must be approved by a majority of the quorum with a recorded vote. A quorum is present. I would now ask if we could have a motion and a second to authorize an Executive Session, as follows:

“I move that the Policy Committee go in to closed Executive Session at _____ p.m., Wednesday, February 19, 2003 for the purpose of discussing Illinois Century Network personnel issues pursuant to Section 2(B)(1) of the Open Meetings Act.”