

# Illinois Century Network

## Policy Committee Meeting Agenda

October 15, 2012

1:00 p.m.



**ILLINOIS CENTURY NETWORK  
POLICY COMMITTEE  
MEETING AGENDA  
October 15, 2012  
1:00 p.m.**

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Next Meeting

January 22, 2013  
Community College Board, Springfield  
James R. Thompson Center, Chicago

**ILLINOIS CENTURY NETWORK**

**July 16, 2012 POLICY COMMITTEE MINUTES**

**Submitted for:** Action

**Summary:** Distribution of the July 16, 2012 minutes for review by the Policy Committee.

**Action Requested:** Adoption of the July 16, 2012 minutes.

**Recommended Motion:** The ICN Policy Committee adopts the July 16, 2012 minutes with any edits as noted.

**ILLINOIS CENTURY NETWORK**

**July 16, 2012 POLICY COMMITTEE MINUTES**

Greg Wass called the meeting to order at 1:00 PM.

Members present Chicago:

Greg Wass, Cook County	Scott Norton, Illinois State Board of Education
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Members Present Springfield

Anne Craig, Illinois State Library	Mike Dickson, Western Illinois University
Amy Edwards, Illinois Board of Higher Education	Todd Jorns, Illinois Community College Board
Lori Sorenson, Central Management Services	

Members on audio bridge:

Beth Shea, Illinois State Museum	
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Members absent:

Chet Olson, Mayor of Rochelle	
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Staff and guests:

Tom Oseland, Central Management Services	Kathleen Bloomberg, Illinois State Library
Deborah Kelley, Central Management Services	Kirk Mulvany, Central Management Services
Tom Coats, Central Management Services	Robin Woodsome, Central Management Services
Sarah Zerfas, Central Management Services	Melissa Camille, Central Management Services
Frank Whitney, AT & T	Carla Poani, AT & T

Greg Wass started the meeting with a special recognition for Mike Dickson who is retiring from Western Illinois University. Mike was a part of the original taskforce led by Lt. Governor Kustra in 1998/1999 that recommended creation of the Illinois Century Network. Mike has served on the Advanced Engineering Taskforce since it's inception as well as the Policy Committee. Mike was presented with a plaque to thank him for his continued service. Mike is willing to continue to serve on the Policy Committee until a replacement is appointed.

**Minutes**

Greg introduced the first item on the agenda, the approval of the minutes from April 16, 2012. There was one correction; Northwestern University was noted as Northwestern Illinois University. A motion was made by Todd Jorns to accept the minutes with the correction. The motion was seconded by Mike Dickson. The motion carried.

### **Illinois Broadband Opportunity Partnership Update**

Lori reported the project has reached the two year mark. Construction is underway on all segments. To date, there are 83 miles of fiber and 320 of 650 miles of conduit installed. Overall, construction is going well and there are no critical issues.

Permits have been one of the greatest challenges. Railroads permits are complete except for one railroad company. CMS legal is working with the railroad to finalize the language in the permit agreement.

The majority of the 600 miles of fiber leases have been signed. Staff have identified potential vendors who have responded through an RFP solicitation. There are a few additional leases in the Chicago area to be addressed.

As of June 30<sup>th</sup>, CMS has spent \$31.3 of the total \$96 million. CMS has received \$12 million in state capital funds.

A total of eight anchor institutions are connected and capable of receiving increased bandwidth. Seven of those sites are state agencies which have not received the additional bandwidth. Litchfield High School was turned up to 50MB from 10MB.

Lori reported the network experienced its first fiber cut. The cut was along leased fiber north of Collinsville. As a result, the link between Collinsville and Springfield was down. The fiber cut did not impact service to customers due to the backbone redundancy. A second fiber cut near the Bloomington area also affected a backbone link. This cut was caused by CMS fiber contractors when they hit an unmarked fiber cable used by one of the vendors providing ICN backbone circuits. No customers were impacted by the outage.

CMS is receiving a lot of interest in leasing fiber and/or services over the fiber network. The companies contacting CMS include traditional telephone companies, wireless service providers, and wholesale broadband providers.

Greg mentioned the need to work with the Governor's Office to schedule a ground breaking. Lori responded that staff have been in communications with Ryan Croke about potential opportunities. Ryan has mentioned the possibility of the Directors of CMS and Commerce and Economic Opportunity conducting the events. Staff will continue to work with Ryan.

### **State Funding Allocation Model**

Since our last meeting, the budget was approved and signed. The ICN funding level for this fiscal year is \$6 million down from \$13 million. ICN funding from the General Revenue Fund was eliminated. This year's funding is from two special purpose funds. Staff talked with the Governor's Office and the Governor's Office of Management and Budget regarding the impact of the reduced funding. The misperception is that there will be additional revenues as a result of new customers. Staff explained that it will be 3-5 years before revenue from other sources could potentially fund a level of connectivity for schools and libraries.

Robin shared a handout to show the impact to constituents as a result of the reduced state funding. The reduced state funding will not affect the proposed FY13 rates, but it will reduce the state funding allocation credit for schools and libraries. CMS will announce the reduced funding in the next monthly update.

Additional funding for the ICN is included in the Budget Implementation Bill (BIMP). There is a possibility that the BIMP could still be passed in the fall.

In years past, ICN provided legislators with a report listing the schools and libraries receiving services within their district. It was suggested that ICN reinstitute these reports. There is also a need to address the perception that capital funding will eliminate the need for operating dollars. It was also suggested that ICN work with constituents to meet with legislators in their districts to showcase the importance of the network to the individual schools and libraries. Another suggestion was to work with the Community College Board's Presidents Council and Trustee Association to reach out to legislators.

Amy Edwards made a motion that the Policy Committee adopts the state funding allocation model with the understanding that changes to the Library System allocation may be made with the agreement of the Library Systems, the Illinois State Library, and the Illinois Century Network with updates to the Policy Committee. Todd Jorns seconded the motion and the motion carried.

#### **Advanced Engineering Taskforce Membership Appointments**

Kirk Mulvany reported that 11 memberships of the Taskforce have terms that expired in June. Of those 11 members, 9 are willing to continue to serve on the Taskforce. In addition, John Bandy, IT Director at Memorial Health Systems in Springfield expressed an interest in joining the group. Ken Terrinoni, Boone County and Ryan Croke, Governor's Office each expressed their support but due to time constraints and other priorities, indicated they do not wish to seek renewal of their terms.

Mike Dickson made a motion to confirm the new members and renewal of those appointments that expire in 2012. Anne Craig seconded the motion, the motion carried.

Greg expressed his appreciation to the AET members.

#### **Erate**

Tom Oseland reported there has not been a lot of activity since the last meeting. The 2011 and 2012 applications are in initial review status. They represent \$6.7 million in potential funding. This year's request will be less as eligible costs decrease as the fiber replaces some of the backbone circuits.

#### **Open Meetings Act**

Lori reported that changes to the Open Meetings Act effective January of 2012 require online training for elected or appointed members of a public body. The ICN is considered a public body. The training must be taken once during a person's term between January 1, 2012 and January 1, 2013. Unlike the ethics training, individuals are not required to complete a separate training for every board on which you serve. Committee members are asked to send the certificate of completion electronically to Deb Kelley.

The training contains about 70 questions. It is very interesting and well done. Highlights include adoption of a rule to allow for electronic meeting attendance. The majority of the quorum has to be present at the meeting site to allow electronic attendance. CMS does not attend because of our staff being present. Members agree that Lori Sorenson could represent CMS. We also need to adopt a rule on public recordings and allowing the public to address the board.

Staff will research similar rules from other boards and prepare draft rules for the Committee to consider. Amy Edwards will check to see if the Board of Higher Education has any established rules.

Todd Jorns made a motion to adjourn the meeting at 2:24 PM. Anne Craig seconded the motion the motion carried.

**ILLINOIS CENTURY NETWORK**

**ILLINOIS BROADBAND OPPORTUNITY PARTNERSHIP UPDATE**

**Submitted for:** Information

**Summary:** Provides an update on the Illinois Broadband Opportunity Partnership.

**Action Requested:** None

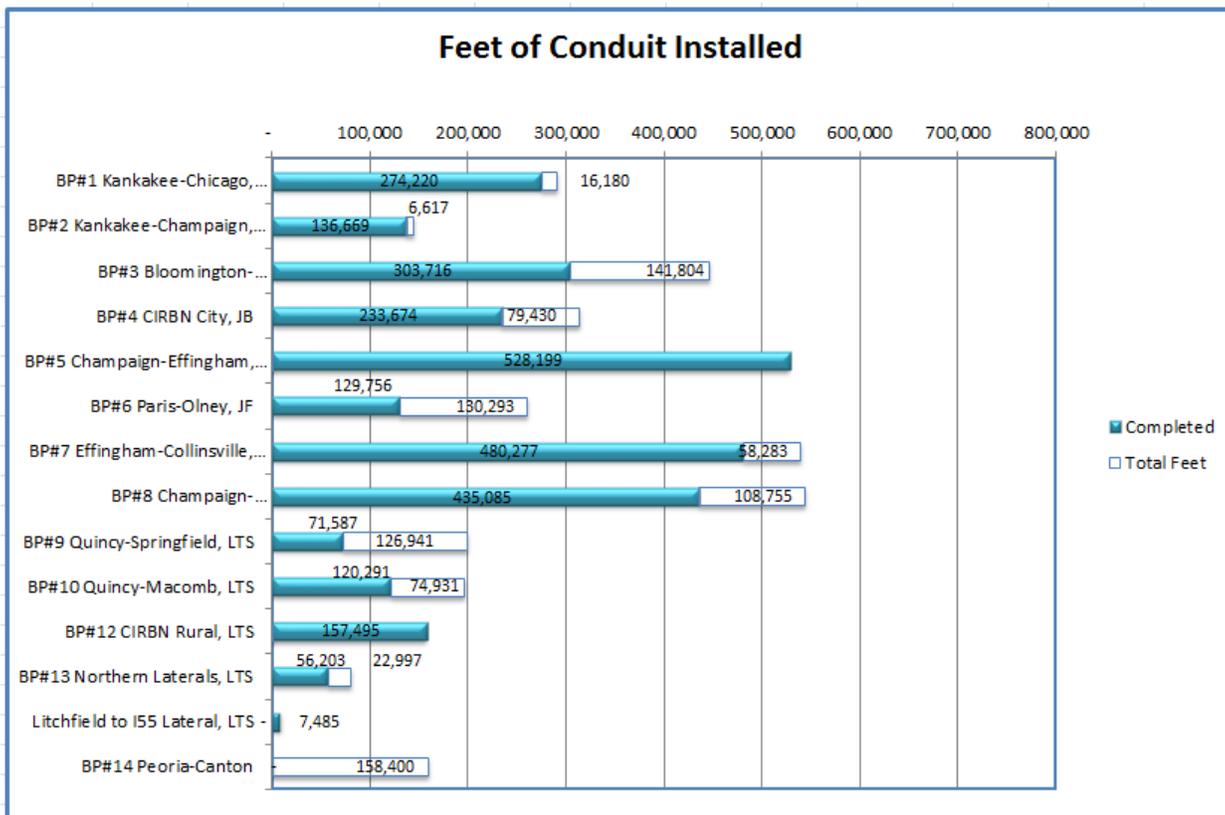
**Recommended Motion:** None

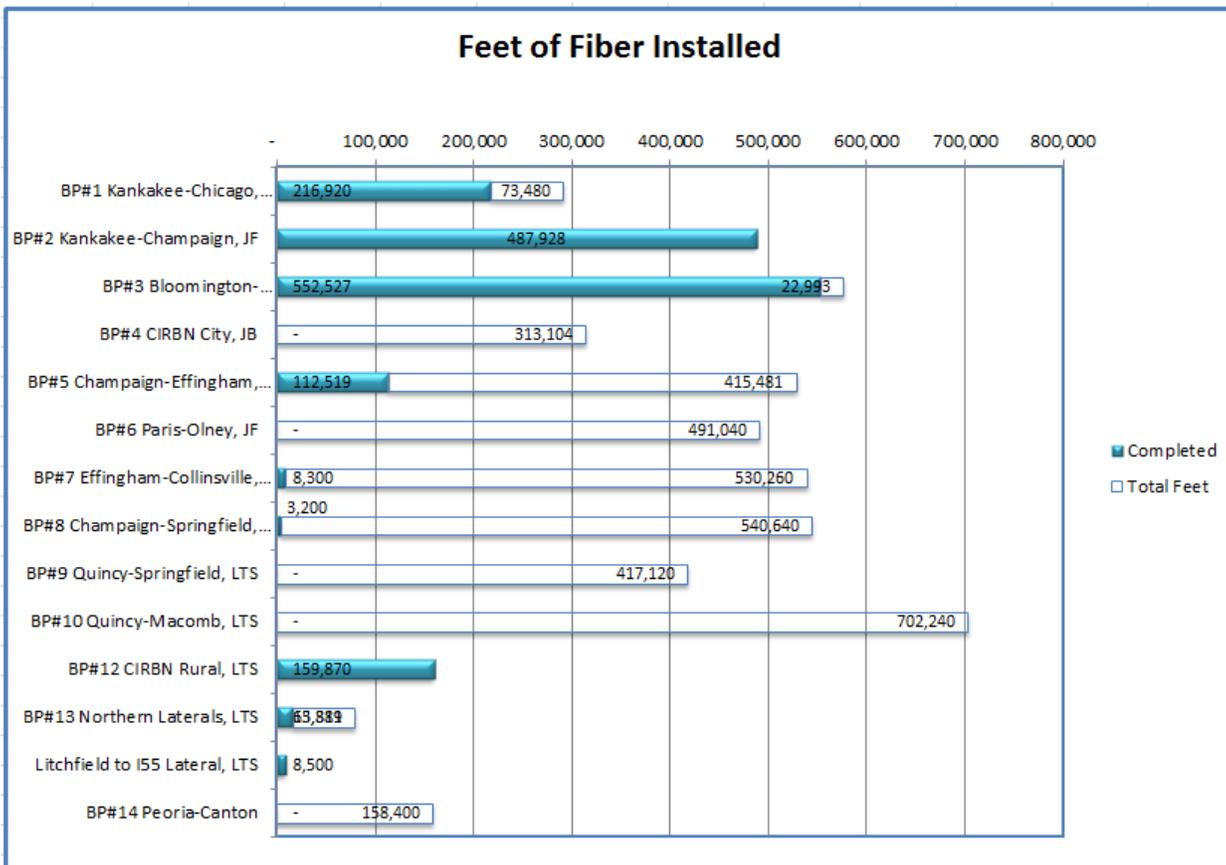
## ILLINOIS CENTURY NETWORK

### ILLINOIS BROADBAND OPPORTUNITY PARTNERSHIP UPDATE

#### Construction

Construction has started on all twelve construction packages and is nearing completion on a few of the early routes. To date 550 of 730 miles of conduit and about 300 of 1,000 miles of fiber has been installed. About 381 of 400 permits are secured (95%). All but two of the outstanding permits are with railroads and are pending final approval from the railroad. The other two permits are with Army Core of Engineering and Chicago Department of Transportation, both of which are progressing. Following is a snapshot of progress by package.





**Fiber Leases**

There has been no change on the leased fiber miles - 570 of 600 miles secured. CMS is negotiating contracts for the additional leased miles.

**Budget**

As of October 9th project expenditures total \$44M of the \$96M. CMS has received \$19M of the \$64M in federal funds and \$18M of the \$26M in Illinois capital funds plus another \$6M in state funding.

**Community Anchor Institution (CAI) Connections**

There is no change in the number of completed CAI connections – 8.

**Project Expansion**

CMS and ISU are forecasting to complete the approved project scope under budget and is requesting NTIA approval to add approximately 190 new construction miles and connection an additional 45 CAIs. If approved by NTIA, CMS will work to complete the additional routes as time and money permits.

### **Wholesale Customers**

CMS will be using an Indefeasible Right of Use (IRU) template for wholesale fiber leases. Legal is finalizing the document. Meanwhile, staff have been meeting with multiple broadband service providers to outline specific fiber routes, strand counts and prices which will be incorporated into the IRU template. CMS has also hired a subject matter expert, Essam El-Beik, to guide staff in developing a strategy for engaging a third party organization to develop, market, and sell a portion of the fiber resources. The goal is to utilize these fiber resources to expand the availability of broadband at affordable prices while generating additional revenue to contribute to the overall operational network costs. Over the next several months, Essam will be researching more than a dozen BTOP projects that have established partnerships with one or more third party organizations to perform a similar role. Essam will also be reaching out to the Partnership for a Connected Illinois and other stakeholders to understand specific areas of need which may warrant specific incentives or discounts. After developing a strategy CMS will select a partner through a formal Request For Proposal process.

**ILLINOIS CENTURY NETWORK**

**RATES AND STATE FUNDING ALLOCATION MODEL**

**Submitted for:** Information

**Summary:** Provides an opportunity for open discussion for ICN Rates and State Funding Allocation Model

**Action Requested:** None

**Recommended Motion:** None

## ILLINOIS CENTURY NETWORK

### RATES AND STATE FUNDING ALLOCATION MODEL

Our RTC offices are fielding a moderate number of questions on a consistent basis about our new rates and credit allocation model. Most questions relate to gaining an understanding of what bandwidth levels constituents may anticipate reaching through their credits, but also about the specific costs of bandwidth purchases over the credit level. There have been some questions related to understanding the port fees. RTC offices are helping identify where constituent routers need to be upgraded to reach higher bandwidth levels, helping with other considerations such as firewall and switch upgrades, and providing direction on how to increase the bandwidth of their last mile connection- particularly on MetroEthernet circuits. There are a growing number of constituents adding an additional provider to their WAN service. Within the ME service, most often the second provider is also the last mile provider. Within the T1 service, the second provider is generally a cable modem service provider.

RTC offices are also working with our last mile service providers to prepare for the additional infrastructure they will need at our POP sites to meet the additional demand. At this time we believe that that infrastructure will be in place by July 2013. From reports we are receiving from our constituents, providers are being more aggressive in their last mile and egress service pricing. In one case specifically, a constituent reported that he was told by his provider that they would reduce his egress pricing once the new ICN model becomes effective and would be under the ICN pricing level.

We have not received further comment on the allocation model, no recommendations or suggestions outside of the ongoing discussion with the Library Systems.

#### **Library Systems Allocation Credits**

At the last Policy Committee meeting of July 16<sup>th</sup>, the allocation model was adopted with the issue of allocation credits for the two library systems to be resolved after further discussion and study. On September 18, staff from the library systems, the State Library, and CMS met in Springfield to continue that discussion. The meeting covered a number of options to consider such as server collocation services, bandwidth grants, and development of a credit model specifically for library systems. Library system staff was asked to prepare a more comprehensive and detailed assessment of bandwidth need.

#### **E-Rate**

ICN has applied to extend our SPIN number to cover school and libraries in the E-rate program. That decision is pending but we are optimistic it will be approved. Once approved, school and library bandwidth purchases will be eligible for E-Rate funding support. Our RTC offices and other staff are working to implement a process for identifying and responding to school and library 470 forms. The FCC Form 470 is the form in the E-rate program that sites use to describe and request internet related services to be covered by E-Rate. We are developing our response form and anticipate beginning to respond to the Form 470 service requests by the end of October. Schools have begun to post their 470 forms now and will continue to do so for the next few months.

ICN will primarily respond to requests for Internet service. In some isolated cases, where a constituent may have difficulty securing a last mile circuit due to lack of availability or very high cost, ICN will look at including that last mile circuit in our response to the Form 470. We anticipate any last mile circuit included in the response would be at the T1 service level. Where ICN is building fiber to a constituent site, ICN will respond to both last mile and Internet service.

**ILLINOIS CENTURY NETWORK**

**ANNUAL REGIONAL MEETING SCHEDULE**

**Submitted for:** Information

**Summary:** Provides the Policy Committee with an update of the annual fall regional meeting schedule.

**Action Requested:** None

**Recommended Motion:** None

**ILLINOIS CENTURY NETWORK**  
**ANNUAL REGIONAL MEETING SCHEDULE**

There are 8 Regional Meetings scheduled between October 17 and November 7. No meetings were held last year due to the heavy work schedule related to the fiber project. This year we increased the number of meetings from the typical 6 to 8. ICN staff felt that with all the developments happening, expanding locations was important. The meeting at College of DuPage and Illinois State University will be streamed with a link on the ICN web site at [www.illinois.net](http://www.illinois.net).

Location	Date	Time
<a href="#"><u>Kankakee Community College</u></a>	October 17, 2012	1:00pm - 3:00pm
<a href="#"><u>Oakton Community College</u></a>	October 19, 2012	10:00am - 12:00pm
<a href="#"><u>College of DuPage</u></a>	October 22, 2012	10:00am -12:00pm
<a href="#"><u>Carl Sandburg College</u></a>	October 23, 2012	1:00pm - 3:00pm
<a href="#"><u>Illinois State University Alumni Center</u></a>	October 29, 2012	1:00pm - 3:00pm
<a href="#"><u>Highland CUSD 5</u></a>	November 1, 2012	10:00am - 12:00pm
<a href="#"><u>Illinois Education Association</u></a>	November 5, 2012	1:00pm - 3:00pm
<a href="#"><u>Lake Land College Kluthe Center</u></a>	November 7, 2012	10:00am - 12:00pm

**ILLINOIS CENTURY NETWORK**

**E-RATE UPDATE**

**Submitted for:** Information

**Summary:** This item provides an update on ICN E-Rate funding request.

**Action Requested:** None

**Recommended Motion:** None

**ILLINOIS CENTURY NETWORK**

**E-RATE UPDATE**

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

**E-rate Activity**

<b>Funding Year</b>	<b>Received</b>	<b>Approved – Not yet received</b>	<b>Applied for Not yet approved</b>	<b>Under Appeal</b>
Year 3 (2000)	\$2,137,765	-0-	-0-	N/A
Year 4 (2001)	\$2,522,559	-0-	-0-	N/A
Year 5 (2002)	\$4,996,227	-0-	-0-	N/A
Year 6 (2003)	\$4,644,171	-0-	-0-	N/A
Year 7 (2004)	\$2,497,427	-0-	-0-	N/A
Year 8 (2005)	\$2,424,567	-0-	-0-	N/A
Year 9 (2006)	\$982,392	-0-	-0-	N/A
Year 10 (2007)	\$953,998	-0-	-0-	N/A
Year 11 (2008)	\$799,251	-0-	-0-	N/A
Year 12 (2009)	\$1,339,032	-0-	-0-	N/A
Year 13 (2010)	\$2,982,199	-0-	-0-	N/A
Year 14 (2011)	N/A	N/A	\$3,353,278	N/A
Year 15 (2012)	N/A	N/A	\$3,356,865	N/A
<b>Totals</b>	<b>\$26,279,588</b>	<b>-0-</b>	<b>\$6,710,143</b>	<b>-0-</b>

Both the 2011 and 2012 ICN E-rate applications remain at the “Initial Review” status with USAC. Recently, there have been routine review inquiries from USAC staff on both applications. These are part of the normal process of reviewing funding requests listed on the applications. It would appear that the review of the 2011 application is taking longer than usual due to the new state master contract for network services being implemented that year.

The ICN has submitted the required FCC form to USAC to initiate procedures that will allow the ICN to be formally listed as a service provider in the E-rate program beginning with the 2013 (July 1, 2013 – June 30, 2014) funding year. By switching from the role of applicant to that of service provider, the ICN will be able to offer services to E-rate eligible constituents that will be eligible for funding support under the E-rate program.

**ILLINOIS CENTURY NETWORK**

**POLICY COMMITTEE 2013 MEETING SCHEDULE**

- Submitted for:** Action
- Summary:** This item seeks to review the meeting schedule for 2013.
- Action Requested:** Adoption of the 2013 meeting schedule.
- Recommended Motion:** The ICN Policy Committee adopts the calendar year 2013 meeting schedule as presented.

**ILLINOIS CENTURY NETWORK**

**POLICY COMMITTEE 2013 MEETING SCHEDULE**

The schedule is based on four meetings per year, occurring on the third Monday of the months of January, April, July and October. If the Monday happens to be a holiday, the meeting will occur on Tuesday. Based on this formula, the schedule for 2013 is as follows:

January 22, 2013 (Tuesday)  
April 15, 2013  
July 15, 2013  
October 21, 2013

All meetings will be held in the conference room of the Illinois Community College Board, 401 East Capitol Street, Springfield, IL and at the James R. Thompson Center in Chicago. A conference bridge is also available for those members unable to attend at either location.