

**ILLINOIS CENTURY NETWORK
JANUARY 22, 2013 POLICY COMMITTEE MINUTES**

Bonnie Styles called the meeting to order at 1:00 PM.

Members Present (Springfield):

Bonnie Styles, Illinois State Museum	Mike Dickson, Retired – Higher Education
Amy Edwards, Illinois Board of Higher Education	Jeff Newell, Illinois Community College Board
Lori Sorenson, Central Management Services	Kathleen Bloomberg, Illinois State Library

Members on audio bridge:

Chet Olson, Mayor of Rochelle	
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Members Absent:

Greg Wass, Office of the Governor	Scott Norton, Illinois State Board of Education
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Staff and guests:

Tom Oseland, Central Management Services	Robin Woodsome, Central Management Services
Deborah Kelley, Central Management Services	Kirk Mulvany, Central Management Services
Essam El-Beik, Central Management Services	

Minutes

Bonnie introduced the first item on the agenda, approval of the minutes from October 15, 2012. A motion was made by Mike Dickson to accept the minutes. The motion was seconded by Kathleen Bloomberg. The motion carried.

Illinois Broadband Opportunity Partnership Update

Kirk reported ICN is making a lot of progress with construction. A total of 666 of 715 miles of conduit and 552 of 1,000 miles of fiber have been installed. All but one railroad permit has been secured.

Several of the northern Illinois community college laterals are complete. This includes Harper, Lake County, College of DuPage, Oakton, Wabauensee, and Elgin. The contractor is finishing the build to Joliet Community College which includes a significant amount of rock along the path.

The span that runs along the Dan Ryan at 95th Street south to Kankakee along I-57 is mostly done. There is a small amount of fiber remaining.

Kankakee to Champaign is complete. ICN is working with the UC2B project to swap fiber. ICN will use UC2B fiber to get to the ICN POP site on the University of Illinois campus in Champaign. This should be complete within 4-6 weeks.

Bloomington to Champaign and Champaign to Effingham are 99% complete. All the construction has been completed we are verify and testing the fiber.

Conduit is installed along the route from Effingham to Collinsville and the contractor is installing the fiber at a rate of 40 to 50 thousand feet per week.

Champaign to Springfield is not as far along. The majority of conduit is installed and the contractor is starting to install the fiber.

Charleston to Paris to Lawrenceville and Olney is mostly complete.

Work is underway on the Springfield to Barry route. The main issue is boring under the Illinois River as there is no existing conduit. The west side of the river is mostly rock which will also take additional time. ICN will be installing a larger conduit to allow space for future needs of the ICN and other service providers.

Construction is almost complete on the Barry to Macomb route except for a small section south of Macomb on Route 67. This section of the road is scheduled for widening and as a result, the IL Dept. of Transportation (IDOT) has requested the fiber be installed on the other side of the road.

A couple challenges ICN is facing include:

- ICN originally planned to lease fiber from the Chicago Transit Authority along the Red Line starting at 95th Street on the south side of Chicago. This will not be possible due to a significant construction project. IDOT has empty conduit along the Dan Ryan from 95th Street to 26th Street which ICN plans to use. Staff is meeting with the City of Chicago and the Chicago Transit Authority to use existing conduit to complete the path. This change results in additional costs and requires approval from NTIA. The risk is getting this finalized, approved and completed in the next 6 months.
- Another issue is the route to McHenry College. There is a road widening project along Route 14 which is a portion of the planned fiber route. IDOT has not completed the land acquisition to expand the right of way. IDOT is optimistic it will secure the land easements within the next few months which will allow the contractor to begin installing the conduit and fiber.
- Construction on the lateral to Morton High School in the Peoria area is on hold due to utility congestion along the planned route. ICN staff are concerned that there is not enough time remaining in the grant project to secure approval for a route change. Staff are meeting with the companies with fiber in the area to discuss a fiber lease.

There are 56 CAI sites that require inside plant construction. Orders for 45 of 56 sites have been issued and work at 18 of the sites is complete. A small number of sites are actually receiving service using the new fiber connection: Litchfield CUSD 12, Auburn Junior High, Mt. Olive Junior and Senior High Schools and Waubensee Community College. Staff and contractors are working to complete all the inside plant work by June 1st.

There have been no changes in the leased fiber miles. 570 of 600 miles secured. CMS is negotiating contracts with PEG Bandwidth and Chicago Transit Authority for the remaining miles.

ICN has spent \$57 million of \$96 million. This includes \$25 million in federal and \$18 million of Illinois capital funds. Staff is projecting to be under budget and has submitted a project expansion request to NTIA. If approved, ICN will not begin on the expansion routes until the costs for the revised Chicago route are solidified.

Kirk introduced Essam El-Beik. Essam is a contractor with a background in the wholesale broadband market and is working with the ICN staff to solicit and secure a partner to perform sales and marketing for ICN's wholesale services.

Essam has met with twelve similar projects in other states and has developed a framework for the partner responsibilities and a financial business case looking at the sustainability of ICN. ICN will be issuing a request for information and public comment in early February to gather more information on the proposed framework and responsibilities of the sales and marketing partner.

In meeting with the other state networks similar to the ICN, Essam found that BTOP projects fell into 1 of 4 categories:

- The grant recipient has little or no experience with operating a network and outsources the operation and management of the network to a third party. For example, in Massachusetts, teams were put together to receive grant money. Once they received it, they issued an RFP to have a partner implement and operate the grant project.
- In the next category, the award recipient has experience in operating the network, but they completely segment out the network supporting the commercial sector and non-core customers. This is where the recipient has a particular mission and focus. For example, in North Carolina the network is only focused on education. They do not have a goal of economic development throughout the whole state. They built the network to support education and have contracted with a third party to sell the remaining dark fiber.
- The next category is where the awardee has experience operating the network, doesn't segment out the network to support the commercial sector but does outsource some responsibilities based on resourcing. For example, Oklahoma has outsourced operations and maintenance.
- The final category is where in some states, the state was prevented from selling service to the commercial sector.

Committee members expressed concern the state would not provide funding to keep the network operational. Lori acknowledged that it's very possible the state will discontinue funding. If the appropriation is zero, Lori believes the ICN will remain viable based on its paying customer base and new customer base as a result of the fiber project. Most schools and libraries will not have money in their budget to pay for ICN services even under the new rate structure. Most will buy commercial internet with no reliability.

E-rate

Tom Oseland reported that the 2012 application totaling a little over \$3 million was approved. 2012 will be the ICN's last application as a recipient. The 2011 application which is also a little over \$3 million is still in review.

The ICN is now listed as a service provider in the schools and libraries e-rate program under the internet access category. Customers will be able to request reimbursement for services purchased from the ICN. The RTC staff has been responding to quote requests from schools and libraries.

Open Meetings Act

Lori provided an update on the impact of changes to the Open Meetings Act. Since the Policy Committee does not approve budgets and personnel decisions, the changes regarding electronic attendance is not applicable. However, the Committee does need to adopt a policy regarding public participation in meetings. Staff will develop a proposed policy for the Committee's consideration.

A motion was made by Kathleen Bloomberg to adjourn the meeting. The motion was seconded by Mike Dickson. The motion carried. The meeting adjourned at 2:30 p.m.