



UC2B Policy Board Agenda

Regular Meeting

May 9, 2012

12:00 noon-1:30 p.m.

Council Chambers, 102 N. Neil Street, Champaign, Illinois

- I. Call to Order
- II. Roll Call (By Roster) – Determine Quorum
- III. Approve Agenda
- IV. Approval of Minutes from the April 11, 2012 Policy Board Meeting and the April 18, 2012 Policy Board Meeting
- V. *Action/Discussion Items: (In this section, items will be presented to the Board and opened for technical questions. Then we will go to the audience for comments—audience comments are limited to five minutes per person—then we will return to the Board for general discussion and questions.)
 - a) Update: Private Investment in Network Expansion Policies (Smith/Smeltzer)
 - b) Marketing and Outreach Subcommittee Update – Outreach and Customer Acquisition Proposal (Bowersox/Kersh/Schnuer/Legner/Noble)
 - c) U.S. Ignite – Information Only (Bowersox)
 - d) NTIA Grant Report and Project Update (Smeltzer)
 - e) Canvassing Update (Gant/Meaders)
- VI. Tasks to complete for next meeting
- VII. Items for future meeting agendas
 - a) Field Orders – Interim J.U.L.I.E. Locating Services and Fiber Restoration (Vandeventer, Shonkwiler)
 - b) UC2B Core Values Discussion
 - c) Gig.U (Smeltzer)
 - d) Policy Statement Regarding Use of Public Resources by Private Entities Furthering an Articulated Public Purpose (Schnuer)
- VIII. Public Participation
- IX. Adjournment

UC2B is an inter-governmental body. The City of Champaign serves as its administrative agent. The City of Champaign strives to ensure that its programs, services, and activities are accessible to individuals with disabilities. If you are an individual with a disability and require assistance to observe or participate, please contact the City of Champaign at 217-403-8710 at least 72 hours prior to the scheduled meeting date.



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- X. Next Meeting:
Thursday, May 24, 2012 – 6:00 p.m.
Council Chambers, 102 N. Neil Street, Champaign, Illinois

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UC2B Policy Board Minutes

Regular Meeting

April 11, 2012

Location:

City Council Chambers
102 N. Neil Street
Champaign, Illinois

Board Members Present: Abdul Alkalimat, Rev. Zernial Bogan, Brandon Bowersox, Minor Jackson, Mike DeLorenzo, Deb Feinen, Pete Resnick, Richard Schnuer, Tracy Smith

Others Present: Diane Kruse (NEO Fiber--phone), Mike Smeltzer

Policy Board members absent: none

- I. The meeting was called to order at 12:04pm by Chair Feinen.
- II. Roll Call – Determine Quorum
- III. Approve Agenda: Resnick moved, Smith seconded the motion to approve the agenda. The motion passed by voice vote.

Alkalimat inquired on how future agenda items were progressing, i.e. UC2B Technical Committee Appointments for voting members. Chair Feinen said that would be addressed after this Policy Board meeting.

- IV. Approval of Minutes from the March 14, 2012 Policy Board Meeting and March 22, 2012 Policy Board Meeting: Bogan wanted to clarify who had attended the previous meetings via Skype vs. telephone. The details were confirmed to be accurate as written. Alkalimat moved, Bowersox seconded the motion to approve the minutes of the March 14 and March 22, 2012 Policy Board meetings as written.
- V. *Action/Discussion Items:
 - a) **Continued Discussion and Actions Requested on Recommendations Regarding Business Pricing and IP Address Pricing:** At the last Policy Board meeting, the Board had expressed interest in seeing proposals regarding metered rates. Smeltzer would present four different ways metered pricing could be carried out. The Tech Committee had also looked at the issue.



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Smith reported that the members of the Tech Committee wanted to keep things simple with the initial implementation. This does not mean that rates will be locked in long-term for a tiered approach. The Tech Committee recommended that both flat and metered options be allowed.

Diane Kruse added that from a technical standpoint, either method could be implemented on the platform being deployed, albeit with some modifications to the billing system. However, she did have some strong opinions and recommendations against going with metered service, which she would hold until later in the discussion.

Smeltzer went over the four metered plans, the first being one based on a cellular minutes plan. A person buys X number of minutes a month and then pays for the overage. The second through fourth plans are a little different. The base plan costs \$32.27 per month and the user receives 30GBs a month. If one goes over that, the plans differ in how the overage is charged. In Plan 2, they're labeled "progressive metered rates." The first 250MB costs X and the more one goes over, the cheaper it gets. If someone were to use up 7200 more gigabytes, their bill would be \$396.22. The next route said if one goes over by 100 or 600 gigabytes, the same rate applies. It all depends on the overage. The base price is still \$32.37.

Schnuer took a moment to ask for sequentially numbered agenda packets, if possible, from here on out. He would like to know where to refer to in the packet when people are discussing their items. Barring that, he asked that everyone number their own items individually.

Smeltzer continued: the last of the metered options was a completely flat metered rate. It started at the same base rate but applied the same rate to whether one goes over by 1 or 7000 gigabytes. The cost per byte goes down a little over time. He believed the fourth plan is the simplest for people to understand. He also did not attempt to meter *intranet*. It seemed overly complex.

Smith responded that the Tech Committee wanted to address the multiple IP space issue; Smeltzer answered that the Board first needed to decide on billing for businesses.

Technical questions: Bogan asked whether the prices listed here were the actual ones clients would pay. Smeltzer confirmed yes, they are real world prices. Bogan then asked about a combination of metered and flat rate pricing. Smeltzer referred him to Plans 2, 3, and 4, which are a mixture of both. They provide 30GBs a day as part of their base rate; if one goes over, one pays more. It is a tiered service (like a cell phone plan that only has one level of service). He proposed these rates to keep the rate reasonable and hoped the Board would adopt some of these rates by the end of the meeting.



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Schnuer asked what the thought was behind the issue of charging less as the use goes up. For example, electricity is not billed that way, and peak use is a real problem.

Smeltzer replied that the proposal is for the flat rate. The other plans are like a “big box of cereal—the more you buy, the more you save per ounce.” There are no technical reasons per se to offer more for less.

Resnick asked whether the recommended software for billing flat vs. metered vs. a combination is doable in all cases. Smith said the Tech Committee had not recommended software but presumably there would not be a difference—metered is metered. Smeltzer added that the perfect software that UC2B will require does not necessarily exist and that development will probably need to happen with any plan they chose to go with. Open source software exists that can meter internet use and a server can be dedicated and so forth. The development aspect is metering in one month’s time. Resnick then asked Kruse if that software exists.

Kruse replied that she does not know any entities that do metered service for internet, and so she was fairly certain it would have to be developed.

Bogan liked the flat rate option and asked whether it was a flat rate per IP address or would it include multiple? Smeltzer said it was a separate issue but one of the values of the metered plans. He did suggest charging more for additional IP addresses because those who use them will use more bandwidth. Metering will take care of charging them appropriately, no matter how many IP addresses they have. The tiered plans let a person or company use as much as they want, which is what has been done for households and anchor institutions. They can use that day and night. If every single customer were to use the service day and night there would be a problem, but that is not anticipated.

Kruse added to Smeltzer’s point: the flat rate price gives clients the option of using as much as one wants and they receive one billing rate per month. If a business uses a lot more data or is downloading huge files, the connection will slow down but that will be only temporary. They will have an option to go up a tier to receive more bandwidth. But the advantage is that it is a flat fee and they know what their rate will be each month. In metered service, one does not know what the bill will be. With cell phones, it is easier to quantify because there are only so many minutes in a day. With metering on bandwidth, there is no framework. Customers simply do not know how much data they send and receive.

Resnick questioned whether any of the plans/models change if bandwidth usage changes. Smeltzer said no; for any of these four metered rates, bandwidth would not be limited. Clients would receive a 1GB connection, period. Therefore, these



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plans are not in terms of pricing for bandwidth but only for data used. To break it down more simply, every gigabyte is the same price. It's akin to water, "twenty cents per gallon, no matter how much you use." Plan 4 simply says it is a flat rate across the board (bandwidth is not a factor). It is not the speed with which one gets the data but how much data is being used overall. Resnick added that the difference between the internet and the water company is that the size of the pipe doesn't matter with internet, whereas it matters with the water company. Smeltzer said it is possible to charge more for a "bigger pipe," but it would make the plans more complex.

Kruse gave her recommendation against doing metered service. UC2B needs to compete in a fierce marketplace. There is no reason to offer it as there is plenty of bandwidth on the network and it is relatively inexpensive to add more. Because UC2B needs to compete and focus on customer service and reputation in the marketplace, it is important to be easy to work with and the pricing plan needs to be simple. Metered works well when there is a monopoly—water, sewer, and power are examples of that. This is not the environment UC2B is in. Because UC2B is competing, it is important to focus on things that will make us a viable competitor, e.g., customer service, simplicity, easy to work with. With metered service, the implication is that this is a service that needs to be conserved. It would incent a behavior to use less of the internet, which is the opposite purpose of the grant. The purpose of the grant is to bridge the digital divide and use it as a platform for economic development; it is not something we want to say should be used conservatively. There is a lot more uncertainty with metered service. Trying to explain it to a business customer would be confusing; customers do not have time to study metered service and whether it will work. The selling point is that we are building a fiber optic network to businesses and residences in the grant-funded areas. Offering a gigabit service within the community and not charging extra is a huge advantage. Metered service creates uncertainty in the marketplace; no one wants to care about measuring how much they are using. To use the water analogy, the gigabit network supports a pipe that is a mile wide, not 2-4". With flat rate service, they can always upgrade for more bandwidth if they find that they're using so much data that it slows down. Regarding customer service, there will be inefficiencies. We would have to tell customers when they were hitting their ceiling per month. Conversely, if we do not inform them, they can claim that we did not inform them about their usage and now they cannot pay their bill. In a business environment, this is not smart and there is no reason to do it. We can provide something novel that our competitors can not touch.

Schnuer wanted to clarify that there would only be a handful of businesses that would not fall into a tiered service plan due to the amount of data /bandwidth they used. Smeltzer confirmed that yes, out of 200 businesses, he did not believe that more than ten or so would be an issue.



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Chair Feinen asked what the cost would be for creating the billing software.

Smeltzer replied that it might not need to be automated because so few are going to have the issue. Bowersox asked if there were any cost estimates for how much this adds to the RFP for operations and customer care – how much harder would their jobs be?

Smeltzer replied it is too difficult to quantify that; Kruse said that there would be a greater number of calls because of the billing. In response to Resnick's question about measured service, Smeltzer said he did not anticipate the network to be running full tilt all the time but rather about 25%.

Resnick then asked if there is a way to estimate what a business would use in the course of a month. Smeltzer answered that with the tiered approach, they only care about the aggregate and not what a business is doing individually. The University has 10,000 students who were limited at 2GBs a day and 80,000 ports which are shared by employees. The whole University was on a gig. In essence, 50,000 people or so were existing on one gig. This is 2,700 people on a gig network – the limit of the network should never be reached. Lastly, a gigabyte connection will not be ordered for the first month. They may only start at 250 and add to it if need be.

Smith said the Tech Committee did not consider cost. There is no technical reason to not do either solution. There are cost differences. Open source software can be used to measure utilization. But there will be development work to tie it in to the software and we do not know what that is going to look like. Who will field those calls and costs?

Bogan asked whether both residential and business customers could exist on the same pipe without slowing down usage or availability of speed for those who are in the targeted area.

Smeltzer answered that they would watch the graphing over time with the internet connection. More bandwidth can be purchased and added if there is a need for it.

Bowersox clarified that the vote taking place today will not affect the promised aforementioned plans to the residents. All residents will get the 20 for 20 option. Metered service will only affect the twelve or so business customers that were being discussed at this meeting. Smeltzer added that if the Policy Board adopted the Tech Committee's recommendation, the tiers would only apply to those who need more than 40MBs or those with more than one IP address.

Audience comments:



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Craig Walker: I've seen government boondoggles from start to finish. When the business consultant or the person with experience advises one thing but then you have others come up with a wonderful theory that works great in the classroom, that's what prevails. What the consultant said is correct – it's very competitive out here. To create something in opposition to what she said is a train wreck. I came here to make a public participation comment. We were promised an RFP for certain services that happened Feb 14 and we're now in April. I think it's important for you to understand that the responsibility lies with this group to move faster, listen to the consultants who you're paying, and listen to what they're telling you. This is not something that hasn't been done before. I thought Diane was very clear – get the competitive advantage in the marketplace. Don't create confusion. That's Business 101, almost.

Ray Mitchell of S. Neil Street: Every day I talk to residential customers and I explain the difference between purchasing the speed or data they want to consume. Different people make a different choice and we are offering both. It is complicated and I give them the choice and people make their decision. The more choices a customer is offered, the better you'll be down the line. We do offer metered service and we would be glad to talk to you about how we do that.

Alkalimat asked what types of customers he had. Mr. Mitchell replied that he has a mixture of both and it really does depend on how much bandwidth is being used. Small businesses tend to choose a metered service. But his metered service is lower than flat tiered.

Bill DeJarnette: One of the things we agreed with is that many small businesses do not need to predict what they are going to use. Larger companies often have the sophistication of how much they'll use and what they'll use it for – to not have that available may weaken us. The other issue that did not come up, was that 20/30/40 was the max. If I am a business that will periodically use large amounts and then not a lot, the access to that gigabit is a huge advantage. I could be medical or whatever – but I want that burst speed. The 20/30/40 rips the cap off. I think that is a difficulty. The community is watching us and seeing how we treat those handful of large businesses.

Peter Folk: As you know I've been in broadband quite a while. When we started we were tiny, now we're small. I wrote the code that does our metering. It is not long and it is simple. If you're only running into a couple of customers, you could do it on a spreadsheet. There will be several billable packages out there already. To cast an innovative service like a burst-able gigabit connection for typical usage under \$50 dollars a month – to say that is a detraction – I can't imagine anyone saying that. That's what I'm hearing. They were very clear that you should offer all four of those options. Some of those on the Tech Committee who work from home – they were interested in the options. One technical comment is that I do not



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understand why it's necessary to charge what turns out to be eight times your cost on that bandwidth. I don't get why it's not under \$50. It's a matter of changing something in your pricing.

Fred Halenar: two minor points I'd like to make: while we have the technical discussion, there are still a bunch of us saying why not keep things simple. Why not keep the billing simple, go the flat rate. The second item is you can always change that in a future. It's an ever changing business. Keep that in mind.

Chair Feinen closed audience comments.

DeLorenzo said that he supported Diane's recommendation and felt that Smeltzer's presentation was an attractive package in the short and long run. It incents the businesses already here and the marketing has a catchy phrase. He also encouraged keeping things simple.

Bogan agreed. He has a small business but added it is nice to know that there is the kind of speed available should he need it.

Alkalimat asked Kruse in terms of the BTOP, what the emerging patterns in other projects are, vis-a-vis metered service vs. tiered. Kruse answered that most companies are doing flat rate pricing, including Lafayette, LA. Smeltzer confirmed that everything he has seen is tiered, as well.

Resnick said that the main concern at the last Policy Board meeting was wondering what metered service would look like and is it feasible. The tiers for businesses were way too high and not competitive with Comcast. He felt UC2B should be able to offer this service at half the price. If there are businesses who want to use full bandwidth some of the time, give them that option and do not force them to buy this \$1200 plan just to use the gigabit for a minute a day. He wanted to hear from Diane what would happen businesswise if UC2B lowered the prices significantly. He believed it would be easier to convince a dozen customers that this is not scary vs. trying to convince everyone.

Kruse replied that if one compares the pricing of what UC2B is proposing in terms of flat rate pricing vs. Comcast – one is an Ethernet product. The price comparative is that UC2B is half of what Comcast is. We are less than Comcast on cable based product. One suggestion is to perhaps roll out a smaller amount of bandwidth at a lower price. The prices proposed are competitive. This is an economic development tool and she did not believe it to be good business sense to spend the money for a dozen customers to develop the metering software. She felt it was misdirecting the focus. While she is all for innovation, she did not encourage being innovative around pricing.



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Resnick clarified that in terms of bandwidth that Comcast promises in comparison to UC2B, our prices are comparable, which Kruse confirmed. She continued that UC2B can lower the prices further if that is what we want. It is not apples to apples, since Comcast is not offering a symmetrical service. Resnick then asked for seeing lowered prices (half or a quarter of what Comcast is), which Kruse said she can do; she added that they can look at reducing flat rate service, though lowering it by 25% would be too much, in her opinion.

Chair Feinen asked for a motion regarding Smeltzer's memo (page 38 in the packet). Smeltzer discussed the last agenda packet where profit and non-profit rates were analyzed. He pointed out that the non-profit rates are a reasonable rate structure (about 60% less). A business would fall in to that if they needed more IP addresses but that is still a reasonable price structure.

Smith motioned to adopt NEO Fiber's recommendations and to keep it simple, with a flat rate, with the understanding that as UC2B defines variables, the Board can revisit that at a later time. (She referred to the dark green pricing area on page 21.) Ultimately, the motion is to keep NEO Fiber's recommendation for business pricing.

Jackson seconded the motion.

Bowersox reiterated that for the 200 businesses not covered as anchor institutions, they would receive the not-for-profit pricing.

Smeltzer asked about the definition of what a businesses is, to which Chair Feinen replied any entity that is non-residential. She added that if there is further discussion about that, it should happen after the pricing structure is in place, due to the urgency of this decision.

Resnick added an amendment to the motion on the table to allow anybody who wants a single IP address and 20, 30, or 40 service to be able to buy into the current residential rate, with the current tiered plan being offered only for those who want more bandwidth or more IP addresses. He was happy with the prices if there is that additional opt-out. Failing using metered service, he would much prefer to make the distinction of what a business is by size of pipe and number of IP addresses.

Chair Feinen added that it would just be for the census block areas. Smith agreed. Schnuer asked Diane what the amendment would mean for the business model. Kruse replied that she echoed what Smeltzer said previously – it's not that big of a change. It actually goes back to the original idea of defining a business based on IP address count and bandwidth usage. The amendment does not impact the model for the grant-funded areas.



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Due to the time constraint, Chair Feinen asked for an approval to the motion on the table.

Bowersox supported the motion and amendment, stating that the metered concept can be revisited come January, but it is vital to get customers signed up in the meantime.

Chair Feinen added that the determination has not yet been made for outside the grant-funded areas. Schnuer said he did not want to get into a situation where the service is rolled out to the broader community and find there are obstacles to the metering, be it software or operations.

Chair Feinen reiterated the motion on the floor: a friendly amendment/substitute motion that includes the dark green pricing model and that a business can choose the residential pricing if it has one IP address.

With Smith's original motion, Resnick's amendment, and Schnuer seconding, the motion passed.

Smeltzer said that Resolutions were needed on agenda items B, C, and D. Schnuer requested that the Technical Committee review those items and give a written recommendation, plus reasoning behind the recommendations. He would like them to provide the service to the Policy Board of reviewing these matters with time to consider them.

Based on the Technical Committee's meeting schedule, they would not have time to do that prior to the next Policy Board meeting on April 18.

Resnick clarified that they want recommendations on feasibility. Can software be found to do this sort of thing – are metering options possible?

Schnuer said that those items have significant policy issues that perhaps should not be decided here. Chair Feinen agreed that those decisions should not be made without our governing boards, but just as they look to the Tech Committee, the University and City Councils are looking to the Policy Board for recommendations.

VI. Tasks to complete for next meeting

VII. Items for future meeting agendas: items B, C, D, E, F, and G were not covered at this meeting and were deferred.



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VIII. Public Participation: Austin McCann from Urbana was there to represent the Grassroots Media Conference. They want to bring people in from around the country regarding low frequency radio and are interested in communities seeking integrated technologies. They are looking for sponsors. They would like to support UC2B. The general request is that they would like to do some media training and distribute computers (working with VOLO), establishing scholarships for youths, and trying to find ways to fit that in to the conference, and he would like to know if their flyer could be distributed with those doing the canvassing.

Resnick answered that it would have to be put on a future agenda and have the City Attorney develop a policy about distributing information so that UC2B does not get in trouble. Bogan wanted to make sure that Mr. McCann understood that the Policy Board was working on that.

XI. Adjournment: Chair Feinen adjourned the meeting at 1:42pm.



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Regular Meeting

April 18, 2012

Location:

Council Chambers
102 N. Neil Street
Champaign, Illinois

Board Members Present: Abdul Alkalimat, Rev. Zernial Bogan, Brandon Bowersox, Mike DeLorenzo, Minor Jackson, Tracy Smith, Bill Gray for Pete Resnick, Fred Halenar for Richard Schnuer, Mark Toalson for Deb Feinen

Others Present: Diane Kruse (by phone), Teri Legner, Mike Smeltzer, Fred Stavins

Absent: Deb Feinen, Pete Resnick, Richard Schnuer

Action Items:

- I. The meeting was called to order at 12:04pm by Chair Bowersox.
- II. Approve Agenda: For purposes of time, Chair Bowersox asked to move action item H to be discussed first. Alkalimat moved, Halenar seconded the motion to approve the agenda and move item H up. The motion passed by voice vote.
- III. *Action/Discussion Items:
 - a) **Item H, Resolution 2012-09 A Resolution Approving the Retention of Attorneys:** Chair Bowersox asked for people to keep their remarks brief, as time for the meeting was constricted. Regarding the Resolution, the legal work is being shared between 2 outside legal counsel firms. He asked the City Attorney, Fred Stavins, to explain.

Stavins described the RFP process, for which seven replies were received in March. The request was tailored to those who had some experience doing broadband work. The two selected firms are both large and small, i.e. over 1000 attorneys at Holland and Knight vs. 7 at Baller and Herbst. The review group consisted of Curt Borman from Urbana, Lisa Power at the UI, himself, and Teri Legner. The consensus was to hire two firms, Baller Herbst and Holland & Knight, since it was hard to choose and they both had outstanding references. Holland & Knight has some Illinois experience and did work with NIU and the Illinois Rural Health Network in northern Illinois totaling over \$100M. The first order of business for one of the firms (Baller) is to start drafting IRUs. They have two weeks to deliver the finished product once they



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are authorized to commence work. This Resolution does have to be approved by City Council but the City has administrative purchasing capacity that could potentially allow them both to begin work immediately. The total amounts of expenditures among them are difficult to predict, but Stavins estimated that their billing rates would range between \$350 and \$500 an hour.

Jackson asked how many hours it would take to complete the tasks. Stavins answered he estimates somewhere in the \$5,000-6000 range for the IRU work alone; then they would be working on other issues such as customer service agreements and business model options on an hourly basis. As to whether local law firms could do the work, they were made aware of the RFP but those who were familiar with the work that needs to be done were only as local as Chicago.

Gray motioned, DeLorenzo seconded to approve the Resolution as written. The Board approved by voice vote.

- b) Item A, IP Address Pricing Recommendations:** This item, along with items B & C on the agenda were supposed to have been passed the week prior. Chair Bowersox stressed approving the pricing at this meeting in order to move forward. Page 19 of the agenda packet was new from Mike Smeltzer.

Smeltzer explained that this recommendation is much smaller compared to the ones discussed at the last meeting. He explained that additional addresses will not be needed by most of the businesses in these areas.

Technical questions: Halenar asked who was recommending the figures listed in the report. Smeltzer said they were from him; Kruse added that they seemed reasonable to her, as well.

Audience Participation:
(none)

Toalson motioned, Halenar seconded to approve the pricing recommendations as written. The motion passed by voice vote.

Item B, Resolution 2012-08 A Resolution Regarding Private Investment in Network Expansion: Smeltzer recapped this to the Board. First, when Champaign Telephone agreed to invest in the up-front grant match in 2009, one location they wanted to serve was Lincoln Square. They paid \$30,000 for the lateral to serve the building. It would be unfair to allow others to utilize this lateral without having to pay something to either UC2B or CTC to help recapture the initial expense. When this is done in subdivisions for example to extend collectors streets, it is called a recapture fee. Second, Lincoln Square is a multi-tenant building, as is the Wolfram building for example. He noted that the business community is clamoring for more fiber than is



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being constructed by the grant. The businesses up on N. Lincoln for example are exploring options to construct a lateral to serve their businesses and connecting to the UC2B fiber ring near there. Currently, the Policy Board does not have a policy that will direct the relationship between a private provider that would build such a lateral/connection and provide service to customers. It is great that business and industry is looking at ways to connect and take advantage of the infrastructure quickly. The issues associated with these early private investments to build out the network include open access, cost reimbursement, ownership, etc. Champaign Telephone is willing to invest money to extend the network to make it available this fall. Champaign Telephone will have immediate access to the customer base served by the lateral but would also have to give up ownership to the lateral to UC2B under this proposal so that open access could be guaranteed. By donating to UC2B that access is guaranteed and UC2B gets a valuable asset. He believed it to be in the Board's best interest to have that fiber be available for an open-access network, and then other providers can come along and get on it so that UC2B is not building fiber upon fiber and cluttering the right-of-way. If Volo wanted to do something similar, the exact same formulas would apply. The original investor would get some of their money back by the recapture clause. After the original investment, Company 2 comes along and it costs 55%, Company 2 pays 40%, etc. Then they each have their own dedicated fiber. Someone builds it once and no one has to tear up the streets again, so it works equally well for all parties. Each company would have their own dedicated fiber on a lateral under this plan.

The private providers would hire the engineer, construct the infrastructure and do it all. The only way UC2B is involved is when it comes time to splicing the fibers/ring cables to connect. 99.9% of the expense is from their workers. These are laterals that connect to the rings. UC2B would essentially be the clearing house for the money and we would tell a company what it would cost to reimburse Champaign Telephone part of their money in these examples. Regarding time sensitivity, Smeltzer had spoken to the EDC board a week prior and he would be talking to the Chamber of Commerce later this same day. Companies in the industrial areas in particular want in on this fiber as soon as possible. They do not want to wait until next summer or later to gain access to the network.

Halenar said Council members are excited about it. At what point would UC2B own and maintain this infrastructure – when does it become a cost for UC2B?

Smeltzer replied that that could be part of the donation agreement. It becomes UC2B's infrastructure and responsibility for maintenance would begin immediately but, the organization donating it would pay maintenance fees immediately. We do not have to allow anybody to hook up to our fiber and that is why he would like to have the policy re: private investments instated so that UC2B could grow at a logical pace, especially with regard to businesses.



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Halenar mentioned that the Tech Committee had a subcommittee work on policies related to use of existing infrastructure. These are relevant to this topic. He thought UC2B as a utility should own its own infrastructure under all circumstances but how it is accomplished is another matter. He wondered if the item could be deferred until the Tech Committee could look at it more closely.

Chair Bowersox asked about the timing. Smeltzer answered that it is important that this policy be in place this construction season, summer into fall. The attorneys that have been hired will be looking at IRUs immediately but this is more of a policy than a legal issue.

Halenar agreed it is a policy issue but also believed the attorneys could provide insight so the policy can be verified. Stavins added that the attorneys would probably appreciate some policy direction on this matter.

Kruse clarified that the Policy Board needs to define what they want with the expansion of the network. The system is designed to allow for expansion. She felt that this policy as drafted would fall in line with the overall goals and objectives of the grant and provides better broadband service to the community; she is supportive of private expansion.

Bogan wanted to make sure it was legal as proposed. Smeltzer noted that grant funds cannot be spent to expand the network but it is the private entities that will pay. The goal with this policy is related to economic development.

Toalson asked how the scenario would play out when a fourth ("Company D") comes along. Smeltzer said it depends on the lateral cable size in part. Worst case scenario, example 2 would do that. Company A puts in cable, they get rights to half the strands. Company B comes along and they get two strands, same with company C. Company D comes along and we would not sell them fiber. But we could sell service. We would always retain two strands so we could provide services to others in this open access network.

Gray asked about private companies extending the fiber and the relationships the cities have licensing them. Legner replied that we do have license agreements in place with companies occupying the rights-of-way. We are also looking at extension policies for new subdivisions. Those policies have not yet been developed but are in the works. Smeltzer added that he thought this should be treated like any other phone company that wants to put infrastructure in the right of way.

Gray asked Halenar if his suggestion was for the issue go to the Tech Committee to make a recommendation to the Policy Board. Halenar said he could see this as a general policy issue but he wants there to be clarification on expansion, e.g. will we



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grow beyond the community? He felt this would be appropriate for the attorneys to look at.

Alkalimat reminded the Board that they discussed having a session where they would discuss visioning and that this seemed to fall in line with that.

Chair Bowersox asked about point A in the document which states that all fiber infrastructure in public right of way will be open access if those companies connect to UC2B. Smeltzer answered that Comcast would probably not connect to UC2B. If they did, we would stipulate that the lateral has to be open access. He acknowledged the wording needs to be tweaked.

Bogan asked for more clarification. Smeltzer clarified that as soon as the fiber is donated, it belongs to UC2B. The companies building the infrastructure would have to pay if they are going to use it but that is very clearly stated.

Audience comments: Peter Folk of S. Maple Street, Urbana, from Volo commented that he is very much in support of the policy. He believes that this policy as proposed should not be passed without any technical review, especially dealing with the distinction between grant-funded and non grant-funded infrastructure, ISPs, etc. He felt the policy was biased in favor of Champaign Telephone and no one else. He continued that there were several aspects of the policy that would make it difficult for Volo to connect to UC2B. He believed in the Tech Committee's ability to look over the policy and come up with something fair and business savvy, while also recognizing the complexity of the issue without biasing it towards one company.

Bogan asked Mr. Folk why it would be more difficult for Volo to connect. Folk responded that the infrastructure would be owned by UC2B. Volo has a substantial fiber network already but if they wanted to connect only some of their strands, the maintenance is then up to UC2B. He would prefer to maintain his own infrastructure. Smeltzer said that this policy is for laterals, not for rings or structure that exists. It is for people who are unconnected now and there is nothing stated that says we want to take large chunks of the network. He believed the attorneys would care to hear why it was problematic, however.

Mike Vrem of Champaign Telephone said he disagreed with Peter. It is a policy decision and not a technical decision. This kind of thing has been going on for years. The proposal from Smeltzer is a guideline, as he sees it. When you are talking connecting fiber to fiber, the IRU is the only way to get through that scenario.

David Glynn of Urbana felt that Smeltzer's proposal seemed reasonable as a draft. It's not a bad proposal but it's also the first one, so maybe consider that you have questions that can be answered by lawyers and technical personnel.



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Board discussion: Alkalimat was inclined to agree with Peter Folk on the point of approving what the policy sets out to do. It would be useful to have the Tech Committee look at the details.

Bogan agreed with Halenar, saying he thought UC2B needed to grab other investors to see if it is sustainable. There are questions that still need to be answered (on a legal basis).

DeLorenzo did not disagree with Alkalimat on sending the policy to the Tech Committee or the attorneys but he also agreed with Smeltzer that there is strong interest in getting it done. Companies have moved their facilities near the ring so they can get in on the service and he would prefer not to see it delayed all summer. Alkalimat wanted to get the policy taken care of at this meeting and the Tech Committee can work out the details.

Smith said that a month was a reasonable enough amount of time; Stavins confirmed that would be enough time for the attorneys, as well.

Chair Bowersox said he was fine with sending the policy to the attorneys and the Tech Committee and adopting this as a general policy. Time is of the essence, however, and if the policy is not developed regarding open access, it will happen in a closed, “spaghetti” mess.

Smith motioned that as a group, the policy is accepted as a general one, with a stipulation that legal counsel reviews it and makes recommendations, along with the Tech Committee, on the details (reports to be submitted in one month’s time).

Toalson did not feel comfortable adopting a policy, general or otherwise, and then having things reviewed. Smeltzer asked if the Board could endorse private investment in an open access way. That would cover the basic premise and allow details to be hashed out. Toalson said he could support that.

Chair Bowersox asked for the Tech Committee and legal counsel to provide written feedback within 30 days. Smith submitted a revised motion, proposing that the Policy Board accepts the document and passes it on as a starting point to legal counsel and the Tech Committee, with instructions to report findings back to the Board within one month.

Gray seconded. The motion passed by voice vote.

- c) **Item C: Authorization to Negotiate Terms of Potential Partnership Agreements with other BTOP Awardees and Providers:** This item is about the negotiation of obtaining fiber reaching other places like Chicago, St. Louis, etc. Smeltzer wanted to get clarification on whether to be inclusive of the much smaller communities as well,



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like Mahomet. He is currently working up a proposal for the pricing of the fiber if they did a lease on a monthly basis. At some point, making dark fiber available is necessary. Depending on our expansion needs, there may be reasons why we would want an IRU. Is it the will of the Board to explore connectivity options in Chicago and St. Louis or communities that surround Champaign County and other areas?

Alkalimat stated that a strategic plan needs to be in place to include both of those options but with priority and sequencing. A piecemeal approach will not serve UC2B well. Smeltzer replied that long-term, it will be far easier to get to Mahomet vs. St. Louis or Chicago; Volo cannot buy bandwidth from UC2B because it would violate the agreement but if our fiber was in Chicago, we could sell Volo bandwidth.

Audience comments: Peter Folk commented that partnering is a good thing. His concern is the breadth of the partnership and the openness of the process is critical. He would be happy if the Policy Board passed a draft of an RFP to pass partnerships in general and negotiate them in an open manner. He has legitimate concerns about biases in choosing which partners would be moved forward with if it is not an open RFP process.

Board discussion: Halenar asked what the goal or mission is that the Policy Board wants for UC2B. What are those priorities and what are the expansion needs? He agreed with Folk on the RFP process. DeLorenzo said there is no cash to lay out at this moment. He would consider this a start-up cost; perhaps put out an RFI to find out what is there vs. doing an RFP. Smeltzer reiterated that this is about selling and not buying. At the next meeting, he will have pricing for what leases will look like. The real short-term is the selling, though. Halenar said that the Board has already stated that they would like to look at the cost of fiber strands based on construction costs and that should set the price per foot or mile.

Bogan wanted to ensure that UC2B will be sustainable. Chair Bowersox said that we should “not allow people to overbuild us—that’s rule number one, make our infrastructure available.” He believes the lifeblood is to get to Chicago and St. Louis to where we can purchase bandwidth there. If we do not buy cheap bandwidth in Chicago to sell here, the whole thing is over. He did not feel that this was about smaller communities like Ludlow or Mahomet. It’s about getting to Chicago and St. Louis on our own fiber and buying bandwidth.

Alkalimat agreed in terms of priorities but he would like anything put out to say that UC2B intends to participate in any process to connect everybody; it won’t be tomorrow but it will be eventually. We are still operating on the question of underserved and unserved. Bogan agreed.

DeLorenzo motioned to approve the plan as stated (and amended), Smith seconded. The motion passed by voice vote.



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- IV. Tasks to complete for next meeting
- V. Items for future meeting agendas: Items D, E, and F were deferred to the next meeting.
- VI. Public Participation: Folk restated his concern that it is not an open process – there are tons of ways of getting there and the ICN is representing that it is the only one. He wants others included.
- VII. Adjournment: Chair Bowersox adjourned the meeting at 1:45pm.

RESOLUTION NO. 2012- 09

A RESOLUTION
APPROVING THE RETENTION OF ATTORNEYS

BE IT RESOLVED BY THE UC2B POLICY BOARD AS FOLLOWS:

That the retention of the following law firms is hereby approved.

1. Baller Herbst Law Group, a Professional Corporation, 2014 P Street, N.W., Suite 200, Washington, D.C. 20036.
2. Holland and Knight, 131 S. Dearborn Street, 30th Floor, Chicago, IL 60603.

RESOLUTION NO. 2012- 09

PASSED:

APPROVED: 
Policy Board Chair 4/18/2012



May 3, 2012

To: The UC2B Policy Board

From: Mike Smeltzer

Re: REVISED – Private Expansion Policy for Laterals serving Commercial Locations

Attached is an updated version of the proposed policy, which incorporates feedback from the Technical Committee meeting this week and other discussions. Hopefully the language in this version is more precise, but the core intent remains unchanged. While I still believe this proposed policy is in the best long-term interest of UC2B and both cities, there are aspects of this proposal that are not universally supported. I will identify three points of contention and explain why I have crafted this proposal the way I have. I will leave it to others to make the case for any changes.

1. The policy as proposed makes it mandatory for a provider that wished to connect private lateral fiber cable to a UC2B ring or a lateral fiber cable to donate that new lateral cable to UC2B to operate and maintain. It has been suggested that the donation should be optional.

I believe the goals of UC2B and both cities are best served by having a single entity operate the shared UC2B fiber infrastructure in our cities' rights-of-way as much as possible. A provider wishing to connect to a location that already has UC2B connected fiber into it should only have to make one phone call to make it happen.

A customer who has fiber that is connected to UC2B into his or her building should only have to make one phone call (or visit one web site) to change providers. Without the donation of the fiber being mandatory, we could end up with a Balkanized fiber infrastructure that would be difficult for providers or customers to navigate or use.

If UC2B were a private entity, we could do this in an entirely different way that would perhaps be cleaner, but for now the mandatory donation plan is the best we can do to insure that multiple providers will have access to locations that are connected to UC2B fiber.

2. The policy as proposed sets some standards for the fiber being connected to UC2B's network by private providers. It has been suggested that private providers should be able to use whatever grade of fiber they desire when connecting to the UC2B network.

If there is no intention of ever donating the fiber to UC2B, then the quality of the fiber is less of an issue, but at the end of the day, if a provider uses sub-standard materials that result in sub-standard service, some of the blame will always fall on UC2B, whether that is fair or not.

We are promoting something new and different. We are telling people it will be better than what they have now and more reliable. We need to promote and protect our “brand” when possible, and enforcing some standards here is one way of doing that.

3. The policy as proposed and discussed assumes that Champaign Telephone (CTC) “owns” the lateral fiber cables that it totally funded to be built as part of the initial construction and that those lateral cables would be treated the same way as lateral cables that they or others may build later and want to connect to UC2B infrastructure. It has been suggested that any lateral cable constructed through the grant should be open to all providers to use with no compensation to Champaign Telephone for the laterals it funded.

Long before there was a UC2B Policy Board to consider this issue, as principal investigator of the grant, I promised Champaign Telephone that if they would purchase an IRU and pay the full cost of constructing laterals that those laterals would belong to them. Should others want to use those laterals, I assured Champaign Telephone that UC2B would develop a fair way to allow Champaign Telephone to recapture some of its initial investment.

Had I not made those assurances, it is possible that Champaign Telephone would not have agreed to invest close to \$600,000 - that we were then able to leverage almost 9 times in state and federal dollars. That extra \$5 million that UC2B received from NTIA and DCEO based on Champaign Telephone’s investment will connect a lot of low-income homes and Community Anchor Institutions.

Would I make that same deal today? Absolutely. Would the Policy Board make that same deal today? I believe you would.

We could however examine what would be involved in charging additional providers the same amount that we charged Champaign Telephone to access any given lateral that they had UC2B construct. We charged CTC \$30,000 per lateral connection, which on average is probably more than what it will actually cost to build them. The proposed policy would allow a second provider to access a “CTC” lateral fiber cable for \$16,500 if they were the only other provider. If they were one of two other providers, their cost would be \$12,000.

If we were to charge all additional providers the same thing we charged CTC to use a given lateral connection, it would cost each of them \$30,000. That might be good for UC2B’s bottom line, but it is not a good deal for CTC or the other providers. I believe UC2B has an obligation to live up the commitment I made to CTC in 2009, and that it is also the fairest way to treat additional providers who wish to use the lateral infrastructure that CTC funded.

4. The policy as proposed incorporates one element of the terms that were proposed to our initial IRU investors and adds one new wrinkle. While the Policy Board will be discussing wholesale services and rates and the meeting after this one, these issues affect the expansion policy to some degree and are detailed here. It will not surprise you that not everybody agrees on these issues.
 - a. For the initial IRU investors, we only leased strands of ring fiber in complete rings and only by pairs of fiber strands. Forcing an organization to purchase an entire ring at a time strongly encouraged them to follow a best practice and dually connect its locations with fiber. Sites that have dual diverse connections are much less likely to experience outages that are caused by backhoes or equipment failures.

Again protecting the UC2B “brand” we want any organization receiving service through UC2B fiber to have the least amount of downtime as possible. Also by forcing organizations to lease an entire ring, our tracking of the fiber strands is greatly simplified. Finally, UC2B needs both the one time and the recurring revenue associated with fiber leases, and the greater the length of fiber leased the larger those two amounts are.

If a potential dark fiber customer only wants to connect two locations to each other and they are not worried about redundancy, they are not a good candidate for dark fiber. If they have multiple locations on a ring to connect, this requirement is not a burden at all. For UC2B’s reputation and its sustainability, I suggest we continue this practice moving forward.

Requiring organizations to lease fiber in pairs is however not as desirable today as it was 3 years ago. The strand count on our rings ended up being less than we had hoped for, and single-strand bi-directional electronics are now commonplace and reasonably priced.

So I have not referenced any requirement for leasing dual strands in the proposed private expansion plan. If an organization wants to lease a single strand around an entire ring, we should accommodate that.

- b. The wrinkle is in how we want our IRU and lease documents to read in terms of how the UC2B fiber strands may be used. It is very common for fiber IRU contracts and leases to have restrictions about how the leased fiber may be used. I am suggesting that we will want ours to reference the purposes and activities of the organization leasing the fiber.

The City of Champaign can use its leased UC2B fiber for city business and activities, but we would not expect the City to go into the telecommunications business. Champaign Telephone is already in the telecommunications business, so there is not much that they would be prohibited from doing with their strands in terms of providing telecommunications services.

However, we probably do not want CTC reselling some of “their” dark fiber strands to other organizations. At the end of the day, UC2B wants to have a direct business relationship with every user of its ring fiber.

From a sustainability perspective, we want any dollars that are spent on leasing UC2B’s dark fiber to flow directly into UC2B’s accounts. This issue has not had much public discussion yet, but there is certainly the potential for differences of opinions here. Our attorneys will have some guidance for us on this issue.

I believe that covers the main concerns that I have heard about this proposed policy. I encourage the Policy Board to adopt it as it is currently presented.



5/3/12

Proposed Policy for Private Expansion of UC2B for Business Services

Several private entities have expressed interest in connecting new or existing lateral fiber infrastructure to UC2B backbone rings in order leverage those rings to provide fiber-based services to businesses.

As UC2B does not currently have a plan or funding for the expansion of fiber-to-the-premise to businesses located outside the grant funded FTTP areas, the Policy Board should consider adopting policies that encourage private entities to invest their capital to extend the UC2B network by building additional lateral cables and serve more businesses.

This expansion should always be under certain conditions that promote an open-access network as well as minimize the operational overhead for UC2B and the local municipalities in managing additional infrastructure in their rights-of-way.

For the purposes of this discussion, a “lateral cable” will be defined as a fiber cable connecting to a UC2B backbone ring, or to an existing lateral cable and terminating in a manhole or handhole in the public right of way. By this definition “lateral cables” exist only in the city rights-of-way.

A “drop cable” is a cable that connects to a lateral cable in the city right-of-way in a manhole or hand hole and then goes primarily on private property or in a utility easement on private property to connect to a building. While a few feet of a drop cable may be in the city right-of-way it should be thought of as a cable that is located on private property. There are locations where a UC2B ring cable, manhole and splice case are in the right-of-way in front of a location desiring UC2B service. In those instances, the drop cable would connect directly to the ring cable and there would be no lateral cable in that connection.

It is common for the general term “laterals” to be used to describe both “lateral cables” and “drop cables” – singularly or in combination. This narrative will attempt to make a clear distinction between the two where that distinction is relevant.

The suggested policy that follows would only apply to lateral and drop cables connecting from a UC2B ring cable (or from an existing lateral fiber cable) that are built to commercial locations. Only the specific lateral cable and drop cable infrastructure being donated would be subject to the donation policy. (In some cases there could also be splice cases and handholes or manholes involved on the lateral

cable in addition to the cables themselves.) Any other fiber infrastructure that the donating provider may have would not be affected. An ISP's main fiber connection to UC2B would not be affected. That other fiber infrastructure would remain the sole property of the provider, who remains 100% responsible for its maintenance.

There are a series of core principles that the suggested policy promotes:

- A. All lateral fiber infrastructure in the cities' rights-of-way that connects to the UC2B network shall be operated as an open-access network by UC2B.
- B. The City of Urbana and the City of Champaign through their Public Works Departments and the University of Illinois through its Utilities department have expressed a strong preference for having all lateral fiber infrastructure in their rights-of-way that connects to UC2B fiber to be owned, managed and maintained by UC2B. The fewer organizations that each city and the University have to track and coordinate with concerning infrastructure in their rights-of-way, the less burden it will be on the cities and University. While the cities cannot limit who can build fiber infrastructure in its rights-of-way, UC2B can set consistent conditions that must be met before connecting private lateral fiber cables to UC2B fiber cables.
- C. UC2B should have total ownership and maintenance responsibility for all lateral fiber infrastructure in the local rights-of-way that connects to its fiber network.
- D. Assuming ownership and maintenance responsibility for the lateral fiber infrastructure that is "donated" by private parties, should not put a financial strain on UC2B, but rather support UC2B's sustainability.
- E. Any donated lateral fiber infrastructure must be located within the city limits of the City of Urbana, the City of Champaign the Village of Savoy, or on the property of the University of Illinois. UC2B has no interest in directly maintaining any donated infrastructure outside of these areas.

The elements of a policy for "donated" lateral fiber infrastructure in commercial areas:

1. Before an entity can connect its lateral fiber infrastructure to a UC2B backbone ring or to an existing lateral cable, that entity must first:
 - A.) Execute an IRU or lease agreement with UC2B for the UC2B backbone fiber ring to which the "donated" lateral fiber infrastructure will connect. Each UC2B ring desired must be leased in its entirety.

- B.) Execute a donation agreement that details the physical location of the lateral fiber infrastructure being donated and the original cost of installing the donated lateral fiber infrastructure on a per lateral cable basis (with each of its associated drop cables.)
- C.) Execute a fiber maintenance agreement for the UC2B ring fiber that is being leased, and also for the lateral fiber infrastructure being donated.
2. The fiber maintenance contract for the ring and donated lateral fiber infrastructure shall be at the then-current UC2B fiber maintenance rates. UC2B will incur all expenses for J.U.L.I.E. locates and fiber infrastructure repairs and routine maintenance for the donated lateral fiber infrastructure. Costs for relocating fiber infrastructure in the event of road construction or some other planned event are typically shared by the “users” of the fiber infrastructure on a prorated basis.
 3. Any lateral fiber infrastructure that is donated to UC2B must be documented in full, be in excellent operational condition, be built to UC2B standards, and be clear of any ownership encumbrances. Manholes or conduits that are shared with multiple entities are not good candidates for UC2B ownership and maintenance. A lateral fiber cable that already has multiple owners is not a good candidate for UC2B ownership and maintenance. A lateral fiber cable that has more than 10% of its strands fail OTDR testing is not a good candidate for UC2B ownership and maintenance. All donated lateral fiber cables must be accompanied by individual end-to-end OTDR reports for each strand, which will be verified by UC2B before acceptance.
 4. An entity donating lateral fiber infrastructure to UC2B will have exclusive rights to use half of the donated lateral fiber cable strands and half of the associated donated drop cable strands via a \$1 dollar 20-year IRU. That IRU shall be renewable for multiple similar terms. The remaining strands of fiber in that infrastructure will be available for other entities to “buy into”.
 5. Any entity leasing fiber from UC2B either through an IRU or a monthly lease will be contractually restricted to using that fiber for its own business purposes only. UC2B dark fiber cannot be sub-leased or sub-assigned. UC2B will have a direct business relationship with all users of its dark fiber.
 6. The lateral fiber cable and the associated fiber drop cables attached to each lateral fiber cable will define each donated fiber segment. Entities wishing to lease dark fiber to a location served by a donated lateral cable and drop cable, must lease the entire fiber segment - the complete lateral fiber cable and all of the drop cables associated with that lateral cable.

7. The donated lateral fiber infrastructure must always provide at least 12 strands of fiber for the drop cable into a commercial building. If there are more than 3 potential tenants in a commercial building the fiber drop cable must have at least 4 strands of fiber per potential tenant up to a maximum of 48 strands. Lateral fiber cables must provide 4 strands for each potential commercial customer served by that lateral cable up to a maximum of 96 strands. Fiber cables that lack the desired number of strands are not good candidates for UC2B ownership and maintenance.
8. The first additional entity that elects to buy into “donated lateral infrastructure” will pay to UC2B a one-time fee equal to 55% of the original installation cost of that infrastructure segment as documented by the original entity at the time of donation and agreed to by UC2B in the donation agreement. UC2B shall then provide 50% of the original installation cost to the original entity that donated the lateral fiber infrastructure (retaining 5% for UC2B overhead.)
9. That first additional user (second total user) of the “donated lateral infrastructure” will be entitled to 2 fiber strands on each fiber drop cable served by the lateral cable. That first additional user (second total user) will also be entitled to 2 strands on the lateral fiber cable. This will allow that second user to connect multiple customers served by that lateral infrastructure by deploying a ringed network topology and bi-directional single-strand optics on the fiber strands.
10. That second user will enter into an IRU or lease agreement for UC2B ring fiber that connects to that lateral fiber cable (leasing complete UC2B rings at a time) at then-current rates, and will be provided with a \$1 dollar 20-year IRU for the lateral and drop cable fibers. Both leases shall be renewable for multiple similar terms.
11. That second user will enter into a fiber infrastructure maintenance agreement for the UC2B backbone ring being leased as well as for the lateral and drop cable fiber being leased at UC2B’s then-current annual fiber maintenance rates. The original entity that donated the fiber will not receive any reduction in the rate of its fiber maintenance agreement should additional entities lease strands in the donated cables.
12. Should a second “additional” (third total) entity desire to use the donated lateral fiber infrastructure, they will pay to UC2B a one-time fee equal to 40% of the original installation cost of that infrastructure as documented by the original entity at the time of donation and agreed to by UC2B in the donation agreement.

UC2B shall then provide 15% of the original installation cost to the original entity that donated the fiber infrastructure and 15% of the original installation cost to the first additional entity that bought into that fiber infrastructure (retaining 10% for UC2B overhead.) At that point, the original entity that donated the fiber infrastructure to UC2B and the first entity that bought into the infrastructure will both be considered to have been “made whole” and will receive no additional compensation from any additional users of that fiber infrastructure. The second additional entity that invested will also not receive any compensation from any additional users of that lateral fiber infrastructure.

13. The third user of the “donated lateral infrastructure” will be entitled to 2 fiber strands on each fiber drop cable served by the lateral cable. That second additional user (third total user) will also be entitled to 2 strands on the lateral fiber. This will allow that third user to connect multiple customers served by that lateral infrastructure by deploying a ringed network topology and bi-directional single-strand optics on the fiber strands.
14. The third user will enter into an IRU or lease agreement for UC2B ring fiber at then-current rates, and will be provided with a \$1 dollar 20-year IRU agreement for the lateral fiber and the drop cable fiber. Those leases shall be renewable for multiple similar terms.
15. That third user will enter into a fiber infrastructure maintenance agreement for the UC2B backbone ring being leased as well as for the lateral and drop cable fiber being leased at UC2B’s then-current annual maintenance rates. The original entity that donated the fiber, and the first entity that “bought into” the fiber will not receive any reduction in the rate of their fiber maintenance agreements as a result of this second entity “buying into” the donated lateral fiber infrastructure.
16. Once two additional entities have bought into a donated lateral fiber cable and its associated drop cables, UC2B shall be free to use the remaining fiber strands on the lateral cable and all of the associated drop cables to provide retail or wholesale services, which could include lambda-based services to accommodate additional entities that wish dedicated access to the locations served by the donated lateral fiber infrastructure. Unless it already has rights to use fiber strands on a lateral cable or drop cable. UC2B will never lease the last two strands of fiber on those cables, which will always leave UC2B in a position to offer lit services on an open-access basis, even if the fiber cables involved are “full”.

17. Should UC2B have funds and the need to do so, UC2B could be the first or second entity to “buy into” lateral and drop cables. Unless there have been two other entities buy into a lateral and it associated drop cable(s), UC2B can only use the additional strands on those donated cables for it own purposes by “buying into” them like any other provider.
18. All splicing at all times to the UC2B fiber backbone rings or to existing UC2B lateral cables will be performed by UC2B staff or contractors working for UC2B.
19. Before donating fiber infrastructure to UC2B, any splicing other than to the UC2B backbone ring or to an existing lateral cable will be performed by the entity donating the lateral fiber infrastructure. Once the lateral fiber infrastructure has been donated, UC2B staff or contractors working for UC2B will perform all splicing.
20. There are also groups of geographically-clustered businesses that are considering building their own lateral and drop cables in order to connect to UC2B. If they then donated that infrastructure to UC2B, it would be open to all entities to lease with no up-front costs.
21. This policy applies only to lateral fiber infrastructure serving commercial locations. A policy covering dark fiber and residential locations can be created later if the need arises.

UC2B Private Expansion to Businesses - Example 1

5/3/12

Existing Private Lateral Fiber and Two Private Companies - to a multi-tenant building

Champaign Telephone Company (CTC) paid \$30,000 for a lateral fiber cable and a drop cable into Lincoln Square - a multi-tenant building. That lateral cable is fed from a larger lateral cable serving several anchor Institutions, but it is easily defined. That lateral is connected to **UC2B Ring #7**, on which **CTC** "owns" 4 strands of fiber through its IRU.

\$30,000 Initial investment by **CTC** in a 72-strand lateral cable and a 48-strand drop cable.

CTC donates that Infrastructure to **UC2B**, and purchases a \$1 20-year IRU for half of the fiber strands.

CTC already has a fiber maintenance agreement for **UC2B Ring #7**, as well as for the lateral and drop cables.

There are now 36 strands of fiber on the lateral cable and 24 strands of fiber on the drop cable available for lease to anyone.

Company X also wants to use that drop cable to serve businesses in Lincoln Square via dark fiber.

Company X agrees to lease fiber on **UC2B Ring #7** at the current lease rates.

\$16,500.00 **Company X** pays **UC2B** 55% of the \$15,000 initial installation cost of the lateral and drop cables.

Company X pays the one-time lease fee of \$8,250 for 2 strands on the lateral cable and 2 strands on each connected drop cable.

Company X signs a fiber maintenance agreement for **UC2B Ring #7** as well as for the donated lateral and drop cables.

\$15,000 **UC2B** pays **CTC** 50% of its initial cost for the lateral and drop cables.

CTC's cost of the lateral and drop cable is now \$7,500 (not counting the time value of money) - 50% of its original investment.

\$750 **UC2B** keeps 5% of the initial cost for overhead.

There are now 34 strands of fiber on the lateral cable and 22 strands of fiber on the drop cable available for lease to anyone.

Company Z also wants to use that drop cable to serve businesses in Lincoln Square via dark fiber.

Company Z agrees to lease fiber on **UC2B Ring #7** at the current lease rates.

\$12,000.00 **Company Z** pays **UC2B** 40% of the \$15,000 initial installation cost of the lateral and drop cables.

Company Z pays the one-time lease fee of \$6,000 for 2 strands on the lateral cable and 2 strands on each connected drop cable.

Company Z signs a fiber maintenance agreement for **UC2B Ring #7** as well as for the donated lateral and drop cables.

\$4,500 **UC2B** pays **CTC** 15% of its initial cost for the lateral and drop cables.

CTC's cost of the lateral and drop cable is now \$5,250 (not counting the time value of money) - 35% of its original investment.

\$4,500 **UC2B** pays **Company X** 15% of the initial cost of the lateral and drop cables.

Company X's cost of the lateral and drop cable is now \$6,000 (not counting the time value of money) - 40% of the original investment.

\$3,000 **UC2B** keeps 10% of the initial cost for overhead.

There are now 32 strands of fiber on the lateral cable and 20 strands of fiber on the drop cable available for lease to anyone or for use by **UC2B**. Neither **CTC**, **Company X**, nor **Company Z** benefit from any further sales or use of the remaining donated strands of this fiber.

UC2B Private Expansion to Businesses - Example 2

5/3/12

Three Private Companies - new fiber to a single business

Company A spends \$18,000 to build a lateral connection and a fiber drop cable to Prairie Gardens' main facility - a single tenant building.

That lateral cable connects directly to **UC2B Ring #2**

Company A agrees to lease fiber on **UC2B Ring #2** at the current lease rates.

\$18,000 Initial investment by **Company A** in a 24-strand lateral cable and a 12-strand drop cable

Company A donates that Infrastructure to **UC2B**, and purchases a \$1 20-year IRU for half of the fiber strands.

Company A signs a fiber maintenance agreement for **UC2B Ring #2**, as well as for the donated lateral and drop cables.

There are now 12 strands of fiber on the donated lateral cable and 6 strands on the donated drop cable available for lease to anyone.

Company B also wants to use that drop cable to serve Prairie Gardens via dark fiber

Company B agrees to lease fiber on **UC2B Ring #2** at the current lease rates.

\$9,900.00 **Company B** pays **UC2B** 55% of the \$18,000 initial installation cost of the lateral and drop cables.

Company B pays the one-time lease fee of \$9,900 for 2 strands on the lateral cable and 2 strands on each connected drop cable.

Company B signs a fiber maintenance agreement for **UC2B Ring #2** as well as for the donated lateral and drop cables.

\$9,000 **UC2B** pays **Company A** 50% of its initial cost for the lateral and drop cables.

Company A's cost of the lateral and drop cables is now \$9000 (not counting the time value of money) - 50% of its original investment.

\$900 **UC2B** keeps 5% of the initial cost for overhead.

There are now 10 strands of fiber on the donated lateral cable and 4 strands on the donated drop cable available for lease to anyone.

Company C also wants to use that drop cable to serve Prairie Gardens via dark fiber

Company C agrees to lease fiber on **UC2B Ring #2** at the current lease rates.

\$7,200 **Company C** pays **UC2B** 40% of the \$18,000 initial installation cost of the lateral and drop cables.

Company C pays the one-time lease fee of \$7,200 for 2 strands on the lateral cable and 2 strands on each connected drop cable.

Company C signs a fiber maintenance agreement for **UC2B Ring #2** as well as for the donated lateral and drop cables.

\$2,700 **UC2B** pays **Company A** 15% of its initial cost for the lateral and drop cables.

Company A's cost of the lateral and drop cable is now \$6,300 (not counting the time value of money) - 35% of its original investment.

\$2,700 **UC2B** pays **Company B** 15% of the initial cost of the lateral and drop cables.

Company B's cost of the lateral and drop cable is now \$7,200 (not counting the time value of money) - 40% of the original investment.

\$1,800 **UC2B** keeps 10% of the initial cost for overhead.

There are now 8 strands of fiber on the lateral cable and 2 strands of fiber available on the drop cable available for lease to anyone or use by **UC2B**.

UC2B will never lease the last two strands on a lateral cable or drop cable, so that it is always in a position to provide open-access lit services.

Neither **Company A**, **Company B**, nor **Company C** benefit from any further leases or use of the remaining donated strands of this fiber.

UC2B Private Expansion to Businesses - Example 3

5/3/12

Two Private Companies and UC2B - new fiber to a single business

Company D spends \$18,000 to build a lateral connection and a fiber drop cable to Solo Cup's main facility - a single tenant building.

That lateral cable connects directly to **UC2B Ring #6**.

Company D agrees to lease fiber on **UC2B Ring #6** at the current lease rates.

\$18,000 Initial investment by **Company D** in a 24-strand lateral cable and a 12-strand drop cable

Company D donates that Infrastructure to **UC2B**, and purchases a \$1 20-year IRU for half of the fiber strands.

Company D signs a fiber maintenance agreement for **UC2B Ring #6**, as well as for the donated lateral and drop cables.

There are now 12 strands of fiber on the donated lateral cable and 6 strands on the donated drop cable available for lease to anyone.

UC2B also wants to use that drop cable to serve Solo Cup with lit services.

\$9,000.00 **UC2B** pays **Company D** 50% of the \$18,000 initial installation cost of the lateral and drop cables.

UC2B uses 2 strands on the lateral cable and 2 strands on each connected drop cable.

Company D's cost of the lateral and drop cable is now \$9000 (not counting the time value of money) - 50% of its original investment.

There are now 10 strands of fiber on the donated lateral cable and 4 strands on the donated drop cable available for lease to anyone.

Company E also wants to use that drop cable to serve Solo Cup via dark fiber.

Company E agrees to lease fiber on **UC2B Ring #6** at the current lease rates.

\$7,200.00 **Company E** pays UC2B 40% of the \$18,000 initial installation cost of the lateral and drop cables.

Company E pays the one-time lease fee of \$7,200 for 2 strands on the lateral cable and 2 strands on each connected drop cable.

Company E signs a fiber maintenance agreement for **UC2B Ring #6** as well as for the donated lateral and drop cables.

\$2,700 **UC2B** pays **Company D** 15% of its initial cost for the lateral and drop cables.

Company D's cost of the lateral and drop cable is now \$6,300 (not counting the time value of money) - 35% of its original investment.

\$4,500 **UC2B** keeps 25% of the initial cost for overhead.

There are now 8 strands of fiber on the lateral cable and 2 strands of fiber on the drop cable available for lease to anyone or for use by **UC2B**.

Neither **Company D** nor **Company E** benefit from any further leases or use of the remaining donated strands of this fiber.



To: UC2B Policy Board

From: Teri Legner, Interim UC2B Consortium Coordinator
Safiya Noble, Project Specialist

Date: May 4, 2012

Subject: Outreach and Customer Acquisition Activities Underway

The purpose of this memo is to update the Board on the status of outreach and customer acquisition activities underway. The activities underway are consistent with the proposal that is attached to this memo and that has been included in both of the prior 2 Policy Board packets. These activities are undertaken in addition to and in conjunction with the canvassing efforts taking place at this time.

In the interest of time and in order to maximize customer acquisition, staff has recently hired Ms. Safiya Noble, whose most recent professional background is as a marketing professional, as a project specialist to coordinate all outreach and customer acquisition activities and to do so in conjunction with those underway by the Graduate School of Library and Information Science. Dr. Gant and Ms. LaEisha Meaderds will continue to direct the canvassing activities and will work directly with Ms. Noble on a broader communications plan.

The City has also entered into a contract with Mr. Christopher Hamb of Chrisp Media to deliver a grassroots outreach campaign to supplement the canvassing efforts. His immediate responsibilities will include outreach efforts through print, direct mail, and the UC2B.net website. Chrisp Media will also develop a comprehensive strategy and execution plan for implementation of the grassroots marketing and outreach efforts that reach premises in the 11 Census Blocks, with support from the UC2B Project Specialist.

To support the plan, we will be developing a grassroots marketing kit of tools that can be used to demonstrate the value of the Internet, as well as the affordability of UC2B, which can be used by canvassers in their door to door efforts through the Fall of 2012. Chrisp Media, under the direction of the Project Specialist, will:

- Develop a calendar of grassroots marketing events
- Create yard signs and door hangers to promote early adoption
- Create window clings and other novelty out of home advertising at the Community Anchor Institutions
- Post signage near dig-sites, etc.
- Develop direct mail pieces
- Enhance the Website: email, social media, websites – including daily and weekly updates

- Staff, along with UC2B brand ambassadors, all relevant designated community events
- Assist with and create enhancements to the UC2B brand ambassador training
- Propose UC2B branded giveaways
- Manage UC2B YouTube channel and its content development
- Create a “DJ chatter” program across all relevant radio stations
- Attend and market UC2B at sampling events at bars, restaurants, community events, sporting events and other relevant venues

The Project Specialist and Chrisp Media, along with a group of stakeholders, have prepared an RFP for Marketing Services and will interview and recommend a firm that will develop a brand identity for UC2B. The selected firm will develop an urban- and general market-relevant brand identity for the UC2B project that will include a color scheme and motifs to be repeated on outreach, advertising and educational materials, the web site, social media and PowerPoint presentations, which will create a recognizable identity for the UC2B brand, while retaining some of the equity we have in the current marks.

All of the above described services are to be delivered as soon as possible with the bulk of the work occurring between June and September.

More specifically and because UC2B has not yet fully defined its customer target beyond the NTIA definitions of underserved and the geographic boundaries of the 11 Census Blocks, we believe we need to quickly focus on developing a profile of the types of customers we are trying to speak to, so that our messages are relevant. We need to do this with accurate data, as well as our experiential knowledge in multicultural marketing from our new contractor, Mr. Christopher Hamb, our Canvassing Director Ms. LaEisha Meaderds, and Ms. Safiya Noble, the UC2B Project Specialist.

Initial data collected from the canvassers of the UC2B 11 Census-Block potential customer base reflects the following:

- Almost half of the potential customer base is being serviced by Comcast, followed by AT&T, and almost half of these customers report that they feel their current service is good.
- For those who do not have Internet service, most of them say it is an issue of affordability (40%), although another large percentage (21%) feel that the Internet is not relevant. Many people use the Internet at work (27%), and the majority use the Internet at the library (47%) or at school (27%).

In the very near future, staff will have a detailed briefing from GSLIS about the data collection so that it can help us build a customer profile or series of profiles and relevant messaging.

Over the next two weeks and consistent with the above and attached, we will also develop some initial messages that can be fully integrated into the canvassing effort to drive customer acquisition, as well as some grassroots sales and outreach activities with community anchor institutions that want to support subscription efforts. Additionally, we will need to redesign the

UC2B.net website to serve as a sales and acquisition portal upon receipt of the customer service agreements from legal counsel.

Immediately, we are focused on flooding the market with two efforts: 1) a public relations campaign, which is an awareness effort about the value of broadband for the canvassers' door to door acquisition effort, and 2) a direct customer acquisition campaign driving subscription. In essence, there will be a first wave of public relations activities while the marketing agency works on the graphic design and development of the professional subscription materials and ads, and then a second wave of direct UC2B subscription activity.

The public awareness campaign is going to focus on what broadband can do for residents, businesses, and community anchor institutions using the primary message of "Broadband Connects Me" to a variety of things that people care about. This public awareness campaign is intended to prime potential customers by closing the knowledge gap about the power of big broadband.

Tactics of the public relations plan include immediate attention on:

- developing a postcard to households alerting them of their upcoming subscription window and utilizing the "Broadband Connects Me" message
- designing and printing yard signs and door hangers about how subscribing can help connect residents and organizations to things they may care about
- developing posters that can be hung at Community Anchor Institutions
- seeding stories in the News-Gazette about the canvassers and the UC2B project
- designing and implementing a sales force competition among the canvassers to generate excitement about customer sign ups

The direct customer acquisition effort will have a primary message of "Sign-up for UC2B" with greater attention on price point, affordability and the benefits of having a UC2B broadband connection. We expect this outreach campaign to be rolled out as soon as possible, in concert with the public relations effort.

We believe that focusing on the benefits and value of having big broadband from a human-interest perspective (public relations campaign) and then following up with a strong push on how UC2B is affordable and beneficial (direct acquisition campaign), is the right way to approach our potential customer base. Our over-arching messages are clear: "big broadband connects me to the things and people I care about," and "UC2B is the affordable, state-of-the-art Internet Service Provider I can count on." Our goal is to help iterations of these broader messages penetrate the potential customer base throughout the Spring, Summer and Fall of 2012.

There is a lot to be done, and these efforts have not been mapped against the latest construction and installation calendar we received on May 3rd. To the degree that we can accelerate the hiring of the marketing and outreach advertising agency, we will, and we will keep the Policy Board informed of the progress of the campaign as we test, measure, track, and evaluate our success.



MEMORANDUM

TO: UC2B Policy Board
CC: UC2B Marketing and Outreach Subcommittee
FROM: Richard Schnuer *RS*
DATE: April 8, 2012
SUBJECT: Expanded Outreach and Customer Acquisition Program

A. Introduction: This memo recommends an expanded outreach and customer acquisition program for retail customers. This program would complement and expand current activities rather than replace them. The proposal has the following two components:

1. Public communications media
2. Direct cooperation with faith-based organizations and other anchor institutions in the designated census areas

These recommendations come from preliminary discussions with several people including Policy Board Member Bowersox, UC2B Principal Investigator Mike Smeltzer, and a meeting of members of the UC2B Marketing and Outreach Subcommittee. (It was not an official meeting due to lack of a quorum.) Additionally, the Marketing and Outreach Subcommittee will discuss this recommendation at its April 10 meeting, and I can share any input to the Policy Board at its meeting on Wednesday April 11.

B. Recommended Action: I recommend that the Policy Board 1) approve the expanded Outreach and Customer Acquisition Program (as may be amended by the Board at its meeting) and 2) authorize staff to implement the program.

C. Proposal:

1. Outline of the recommended expanded outreach program:
 - a. Communicate with residents and businesses in the designated census areas via commercial communications media. This includes:
 - Development of a comprehensive Communications Plan by a firm that specializes in such work and would be subject to approval by UC2B. The cities of Champaign and

Urbana have used the services of such firms to communicate with the public on several issues including the recent referendum on electric aggregation. I have attached a Request for Proposals (RFP) for that effort. Page 3 outlines the services requested for that outreach effort, and I believe that UC2B would want similar services.

- Direct communications to potential UC2B customers using commercial communication media such as radio and TV advertisements, ads on and in MTD buses, and direct mailings.
 - The communications plan would encompass current activities to ensure that 1) the activities complement one another, 2) there are no gaps in communications, and 3) there is no unnecessary duplication of activities, and 4) the look and feel of outreach media is consistent among all activities.
 - GSLIS would be involved in all critical aspects of development and implementation of the plan.
- b. Direct cooperation with faith-based organizations and other organizations in the UC2B service area. Policy Board members may be aware that over a year ago approximately 15 pastors of churches in the UC2B service area sent a letter to UC2B stating their interest in the UC2B project and their willingness to support it. This component of outreach would establish a direct, ongoing relationship between UC2B, these churches, and other interested anchor institutions in the designated census areas. Each organization would designate someone to serve as a point of contact (POC) with UC2B. The POC's would:
- Receive training similar to canvassers and respond to questions regarding UC2B services
 - Distribute UC2B customer acquisition information
 - Promote UC2B within their organizations in other ways
 - Sign up UC2B customers
 - If desired, arrange for presentations by UC2B representatives at the organizations

In regard to this recommendation, a member of the Marketing and Outreach Subcommittee also suggested that UC2B provide an incentive for these organizations to maintain a continuing relationship with UC2B, for example, discounted UC2B services.

2. How the expanded outreach plan would be carried out:

- a. The Lead Agency would issue an RFP to develop an outreach plan and would convene a group of people (e.g., Marketing and Outreach Subcommittee Members) to evaluate the RFPs and select a firm. As noted above, the attached RFP would be used as the model for the UC2B RFP.
- b. The Lead Agency for Operations would hire a part-time staff member to:
- Serve as liaison between the UC2B Coordinator, the Marketing and Outreach Subcommittee, and the firm developing the Outreach Plan
 - Perform various tasks to implement the plan such as procuring services from communications media
 - Establish and support the direct outreach relationship between the faith-base and other anchor institutions in the designated census organizations, although, once the

relationship has been established, GSLIS might assume day-to-day interaction with these organizations.

D. Timeline. If the program is approved it should be implemented as soon as possible. An RFP for a firm to develop an Outreach and Customer Acquisition Plan could be issued by the end of next week and a firm selected by the end of April. I believe that the selected firm can deliver its recommendations by mid-May. Similarly, cooperative outreach efforts with anchor institutions could be established within weeks; however, I recommend starting with just a few organizations to iron out any wrinkles.

E. Funding. The UC2B budget includes \$80,000 for outreach and customer acquisition that has not yet been allocated. I believe that this amount would cover the costs of the program described above. However, I cannot speak confidently until we get further into the planning process. Given the anticipated cost to retain a qualified firm, UC2B staff has the authority to contract with the selected firm without action by the Champaign City Council.

F. Staffing. As discussed above, this memorandum recommends that UC2B establish a part-time, temporary staff position to coordinate aspects of the recommended program and to serve as liaison to faith-based and other anchor institutions that desire to support UC2B's customer acquisition efforts. UC2B staff is authorized to employ someone for up to six months without action by the Champaign City Council.

G. Public Input. When this program was discussed with members of the Marketing and Outreach Subcommittee, a member of the Subcommittee suggested the following:

- That UC2B get the operations plan defined and in place soon so that it can be part of the customer acquisition process.
- Outreach to businesses that may wish to sell services over the UC2B network. At least one company, Consolidated, has already expressed interest in this. We have not discussed the method of accomplishing this. Perhaps we should retain a broker who would be familiar with firms that might wish to contract with UC2B. The broker could both identify and negotiate with the firms based on guidelines set by UC2B.

I believe these are good points. The first is clearly a priority of the Policy Committee and must be coordinated closely with the Outreach and Customer Acquisition Plan. The second is also important but is outside the scope of this memorandum because it focuses on acquisition of customers in the designated census areas.

Reviewed by:



Teri Legner, UC2B Coordinator for Operations

Attachment: Municipal Aggregation Marketing RFP

Fin/shared/misc/UC2B/Outreach/Outreach Proposal 12.04.08

REQUEST FOR PROPOSALS

Proposals for the following item(s) or service are sought:

Brand and Website Development for Electric Aggregation Referendum Campaign

Requesting Department:

Planning Department
Attention: Bruce Knight
102 N. Neil Street
Champaign, IL 61820
(217) 1403-8800

Date of Request:

January 3, 2012

The original plus one (1) copy of your proposal(s) MUST be submitted to the Requesting Department at or before the date and time specified below to receive full consideration:

PROPOSAL DUE DATE: 1/13/12

PROPOSAL DUE TIME: Noon PREVAILING TIME

All proposals submitted in response to this Request shall be irrevocable for a period of One Hundred Twenty (120) days after the proposal due date and may not be withdrawn by the Vendor during this period. After such time has elapsed, the Vendor may withdraw the proposal if it has not been selected prior to the request to withdraw. Such withdrawal shall be requested in writing.

The City reserves the right to waive technicalities or to accept or reject any proposal or combination of proposals based upon the City's determination of its best interest.

SECTION 1. GENERAL PROVISIONS

1.1 Vendor Questions

ALL questions pertaining to this Request (RFP or RFQ) must be submitted in writing at least five (5) business days prior to the deadline for submission to:

Bruce Knight
Planning Director
City of Champaign
102 N. Neil Street
Champaign, IL 61820
Facsimile: 217-403-8810
Email: bruce.knight@ci.champaign.il.us

Vendors are prohibited from contacting staff of the City of Champaign regarding this Request except as specifically set forth herein. Failure to comply with this provision may result in rejection of any or all proposals.

1.2 Proposal Content and Format

Your proposal(s) must include the following information:

Section 1 **Vendor Information:**

- (A) Name, address, phone number and website of the Vendor;
- (B) Name of the contact person for the Vendor;
- (C) Document the availability of all persons assigned to the project and whether the Vendor has sufficient resources to complete the project within the City's time constraints.
- (D) A Statement of Qualifications, including a narrative or other statement by the firm of its qualifications for the proposed project.

Section 2 **Acknowledgments:**

Acknowledgment of any response to questions or addenda sent by the City.

Section 3 **Proposal Information:**

The proposal shall contain at a minimum the following:

- (a) General information about the items or services proposed;
- (b) Detailed technical response to each and every requirement listed in the Specifications;
- (c) Detailed costs and charges;
- (d) If a proposal form is provided, any additional information required by the City in the Proposal Form.

Section 4 **Attachments:**

- (a) A copy of all standard Vendor or manufacturer warranties must be included or will NOT be considered part of this contract.
- (b) The Vendor must submit completed contract documents along with the proposal to receive full consideration unless otherwise stated in the Specifications.
- (c) Any other documents required by the Specifications.

Section 5 References:

List of two (2) references that may be contacted. Include the name, address, phone number, website and a contact person for each reference.

1.3 Evaluation Criteria

The City will conduct an evaluation of the proposal(s) submitted. The evaluation will be based on criteria set forth in Champaign Municipal Code Section 125-38 and the Specifications.

1.4 Rights to Submitted Materials

All proposals, responses, inquiries, or correspondence relating to or in reference to this Request, and all reports, charts, displays, and other documentation submitted by the Vendor shall become the property of the City when received and shall not be returned to the Vendor. The City reserves the right to use the material or any ideas submitted in this proposal in response to the Request whether amended or not. Selection or rejection of any proposal does not affect this right.

1.5 Proprietary Information

Any restrictions on the use of information contained within a proposal shall be clearly stated as such within the proposal. The City will only be able to comply with a request for confidentiality to the extent allowed by law.

1.6 Cost of the Vendor to Respond

The City is not responsible for any cost incurred by a Vendor in the process of responding to this Request or for any pre-contract costs incurred by any Vendor participating in the selection process.

1.7 Public Advertising

The Vendor is specifically denied the right to use the name of the City of Champaign for public advertising or reference in any form or medium without the express written permission of the City.

1.8 Termination

The City reserves the right to terminate the selection process at any time, to reject any or all proposals and to award a contract in the best interest of the City of Champaign.

City of Champaign Electric Aggregation Project: Municipal Electric Aggregation (MEA) is an opt out program that allows local governments the option to bundle together, or aggregate, residential and small commercial retail electric accounts and seek bids for a cheaper, and possibly cleaner, source of power. Right now, these Ameren customers obtain power at a fixed rate, regulated and set annually by the Illinois Commerce Commission. In contrast, large industrial and commercial customers can utilize the open market to obtain a lower rate and save money on their electric bills. By bundling residential and small commercial accounts, municipalities can achieve the same type of savings. The Champaign City Council has passed a resolution to initiate a referendum vote to allow the City to establish a MEA program. Under State law, the City is not allowed to advocate for the referendum question, but can act to inform and educate the voters about the question. The purpose of this RFP is to select a company to develop an easy to understand brand identity for this project, and design a website that will serve as the primary tool in the educational program.

Developing a brand identity – The selected firm will develop a brand identity for the electric aggregation referendum project that will include a color scheme and motifs to be repeated on educational materials, the web site, social media and PowerPoint presentations, which will create a recognizable identity for the program. Several alternatives will be provided for review and modified based on input from the City.

Design of a web site– The firm will design a web site that will contain all of the educational materials for this question in a user friendly and engaging format. This site may be shared by multiple area municipalities that are all working on similar projects in their communities.

Ownership – The City will own all products of this work, including, but not limited to, the logo and program identity. The marketing firm will provide electronic copies of all work that may be used by the City in developing additional materials in-house. Electronic files must be compatible with Adobe InDesign.

Schedule – The schedule for the selection process is as follows:

DATE	ACTIVITY
December 21, 2011	1. Request for Proposals issued.
January 4, 2012	2. Responses due.
January 5, 2012	3. Follow up questions via telephone.
January 6, 2012	5. Notification of selection.
January 11, 2012	6. Scope of work and fee negotiated.
January 13, 2012	7. Contract delivered for signature and notice to proceed.
February 10, 2012	8. Project Completion

Note: Dates are subject to revision

Selection Criteria – The following selection criteria will be used to evaluate the responses:

1. General professional experience of the firm including experience of the principals (particularly with similar projects) and references. (20 points)
2. Qualifications of personnel assigned to this project including review of samples of work, experience with similar projects, and review of resumes. (30 points)
3. Ability to achieve project goals including adequacy of staff and resources – history of company, number of years in business, number of employees, number of employees able to take on this project in the event any of the assigned personnel are no longer available. (30 points)
4. Location of the firm – preferably a firm in the Champaign-Urbana area, so that staff are readily available to meet as the project progresses. (20 points)

May 3, 2012

Dear UC2B Policy Committee,

As we light up the UC2B gigabit fiber-optic network, one of the frequent questions is, *"What will our community do with this next-generation connectivity? How will this new echelon of broadband transform our community?"*

An initiative called US Ignite is being created to form a national network that will answer these questions. US Ignite is forming a network of the new gigabit communities that have deployed the fastest broadband in the U.S. UC2B and the University of Illinois could join US Ignite as an official "test bed" site for gigabit applications.

These applications will fall into priority areas including Health Care, Workforce Development, Clean Energy, Advanced Manufacturing, Emergency Preparedness and others. Joining this test bed could bring transformative applications, research opportunities, economic development, and a national spotlight to the twin cities and the University.

US Ignite is a national initiative launched as a non-profit 501(c)(3) organization by the National Science Foundation and the White House. They are holding a launch event in Washington, D.C. on May 23, 2012 and they are seeking communities to officially join as founding members. Joining US Ignite comes with the following commitments: (1) A commitment to provide at least 100 locations (homes or anchor institutions) on a tested network capable of at least 100 Mbps speed. UC2B exceeds this size and speed. (2) A commitment to install special networking equipment—called a GENI Rack—to connect to the national high-speed research network. The University has already made the commitment to install this equipment and connect this to the UC2B network. (3) A financial contribution of \$0.02 per capita annually, which is roughly \$2,400 for Urbana-Champaign. The University of Illinois has agreed to make this contribution for the first one-year membership so that our community can begin participating in US Ignite as a founding member.

How does Urbana-Champaign benefit from US Ignite participation?

For the residents of Champaign-Urbana who are on UC2B, this provides an opportunity to pilot test new technologies. It is a chance to explore the cutting-edge applications in this new era of big broadband. For the whole community, being part of this new national network will bring research opportunities to the campus that can grow into local economic development activity. Being part of US Ignite will also bring national exposure to UC2B and help put Urbana-Champaign on the map as a region with some of the fastest broadband in the U.S.

How does the University of Illinois benefit from US Ignite participation?

For the campus research community, US Ignite presents opportunities for new research projects and funding. There is an opportunity for coordination to align researchers across campus around the common themes of broadband and to use

UC2B as a way to engage the community. There is also an opportunity to take advantage of the synergy around big data and big broadband, with UC2B, NCSA, and projects such as Blue Waters Petascale Computer. This campus can be a leader in the national conversation about the applications of next-generation broadband and in keeping the U.S. at the forefront of emerging technologies.

How does US Ignite benefit from UC2B and the University joining?

US Ignite wants to spur the development of new gigabit applications, but they need cities and regions with gigabit connectivity to act as a test bed for new technologies. UC2B makes an ideal test bed location that is unique in the whole nation for a variety of reasons. UC2B is coming online this year with roughly 2,700 homes and anchor institutions around C-U connected at gigabit symmetric speeds with fiber-optic broadband to each home or building. This alone makes Urbana-Champaign unique. Combine this with the presence of NCSA, the new Blue Waters Petascale Computer coming online this year, and our top-ranked CS school and research activities. This synergy makes Urbana-Champaign a very attractive location for being a test bed for new gigabit applications. It also makes this campus a great place to do more of this research and to nurture and commercialize the technologies that arise.

What will on-going participation look like?

US Ignite holds regular conference calls and conferences for communities to learn about new gigabit applications and how to deploy them in their community. US Ignite also facilitates funding and competitive challenge grants to stimulate new activity in its focus areas. US Ignite has a multi-year plan to facilitate deployment of 50-60 new gigabit applications spread across all the sectors listed above (Health Care, Clean Energy, et cetera). To best take advantage of US Ignite, we plan to develop a strategy for on-going coordination between the community, UC2B, and campus researchers. Selection of a point person to act as the liaison between our community and the national US Ignite network is a key step.

I believe that it is important for UC2B, our University and our community to participate in US Ignite. This community invented the first Web Browser (NCSA Mosaic), and before that invented the LED. We now have the fastest research supercomputer in the world and one of the fastest fiber-optic networks, and we are poised to remain a leader in the era of Big Data and Big Broadband.



Brandon Bowersox-Johnson