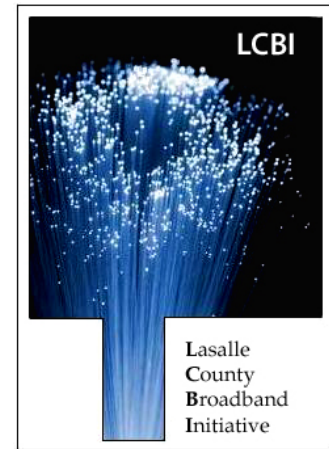


LASALLE COUNTY BROADBAND GRANT...

LaSalle County Broadband Initiative (LCBI)
Nearly \$16 million in Federal and State Funding

February 23, 2011



HISTORY

The U.S. Commerce Department's National Telecommunications and Information Administration (NTIA) is utilizing approximately \$4 billion of American Recovery and Reinvestment Act (ARRA) funds to provide funding for the Broadband Technology Opportunities Program (BTOP). BTOP provides grants to support the deployment of broadband infrastructure, enhance and expand public computer centers, and encourage sustainable adoption of broadband service. LCBI, as part of the IBOP-NW project is a recipient of these funds.

The LCBI project started with a handful of local leaders identifying the need for accessible, affordable, high-speed internet access. It quickly became very clear that the project should include all of LaSalle County and become a model for the entire North Central IL Council of Government's (NCICG) region.

LCBI was inspired by the funding success of the DeKalb Advancement of Technology Authority (DATA) project application filed in the first BTOP round. The DATA project extends into northern LaSalle County - connecting Leland and Earlville. LCBI is following the model established in neighboring DeKalb County - a public private partnership. The private partner is DeKalb Fiber Optic.

The LCBI group, with the North Central IL Council of Governments (NCICG) as the lead agency, worked closely with NIU on an application for second-round BTOP funding. During this very intense process the LCBI group was asked to join a federal and state effort to create large a large REGIONAL project. LCBI joined with six (6) counties in the Blackhawk Hills Network (JoDaviess, Stephenson, Carroll, Ogle, Whiteside and Lee counties), the City of Rockford/Belvidere, and Northern Illinois University (NIU) in a joint application.

NIU quickly agreed to lead the regional NW-IBOP project and act as the grant applicant for the group. This regional cooperative group applied together for the Federal funding portion of the project under the temporary name IBOP-NW. Individual applications to the State of Illinois for matching funds had already been filed but the State fully supported the new model. NIU has been the State of Illinois leader in building broadband networks to benefit education, health care, and economic development. The key NIU figure in this effort has been Herb Kuryliw, NIU Chief Network Architect, who played the lead role in helping LaSalle County assemble the information they would need for the grant application.

The NCICG team worked closely with NIU to develop the environmental, technical, spatial and narrative aspects of the application. Mr. Kuryliw and the NIU team then fused the LCBI, Blackhawk Hills and Rockford pieces into one cohesive plan and competitive grant proposal.

During the application development process, and continuing since then, LCBI has evolved into a growing collaborative made up of representatives of: Northern IL University, LaSalle County, LaSalle County Municipalities, NCICG, IL Valley Community College, Health Care Providers, Education, Public Libraries, Internet Service Providers, Agriculture, Emergency Services, Private Industry & Business and Community Support Organizations.

In September 2010 NIU received \$46.1 million in federal dollars matched with nearly \$14 million in state capital funds and \$6.5 million in local share (public and private) funding for the project.

PROGRAM OBJECTIVES

- To build public/private partnerships with local businesses and providers of broadband services in order to deliver a wholesale broadband service or dark fiber optic connectivity in a non-discriminating business model.
- To utilize existing not-for-profit networks and technologies largely through NIU and other major universities and the State of Illinois. These networks will allow public and private entities to connect to terabit networks for wholesale transport services or bulk rate internet services from bulk rate service providers.
- To enable five (5) hospitals and their satellite sites and other healthcare providers to better connect, (e.g. sharing patient medical records between their campuses and medical staff in the field).
- To connect school districts locally with a dark fiber solution allowing the schools to upgrade speeds locally, when required, without re-negotiations of costly contractual service agreements. The LCBI project will allow school districts to interconnect at gigabit and greater speeds. The LCBI project also allows sharing of data resources and services between schools over a backbone network that will be created over a dark fiber regional backbone. The schools will be able to access educational services from NIU, IL Valley Community College and the LaSalle County Regional Office of Education.
- To create a cooperative for the purpose of providing enhanced broadband access at reduced cost to the rural community. Special attention will be given to bring service to the un-served portions of the County. Greater access will provide agriculture operations with more efficient production and marketing opportunities.
- To connect libraries in the County with enhanced broadband connectivity. Providing enhanced broadband opens a world of possibilities such as distance education classes, videoconferencing and enhanced training capabilities. People depend on public libraries for free access to computers, the Internet and the world of resources available online. Whether completing a college degree through distance education, getting homework help, applying for jobs, applying for Medicare drug benefits or researching and writing a business plan,

providing high-quality access to the Internet is critical to meeting the diverse information needs of library users.

- To interconnect municipalities and provide a backbone infrastructure for emergency services and disaster recovery. The connectivity will allow local governments to integrate with LaSalle County services and provided the required transport speeds to deliver GIS imaging and data back-up services.
- To enhance the operations of critical social service providers. A unique aspect of the LCBI is to recognize and include fourteen (14) Social Service Agencies from across the County as Community Anchor Institutions. These include service providers for individuals with disabilities, mental health agencies, United Way offices, Youth Services and the Red Cross. It is a high priority with the LCBI that people with disadvantages have the same opportunities to telecommunicate.

PROJECT PLAN

The LCBI project is a coordinated broadband plan for the entire county to promote low cost, high speed broadband for not-for-profits while creating an environment that will allow for-profits to take advantage of low-cost broadband services and fiber. Lack of access to high speeds hinders the development of education, healthcare and business models that require broadband in much greater and more flexible capacities. The LCBI project will create a fiber optic network throughout the county allowing for unrestricted speeds over dark fiber for anchor institutions and private businesses.

The LaSalle County portion of the project will include installation of over 190 miles of fiber. The plan calls for installation of a 144 fiber optic system. Forty-eight (48) strands of the fiber will be publicly owned. The grant funds will also be used to directly connect over 200 Community Anchor Institutions (CAIs). The CAIs are: Municipal and County facilities, Schools, Hospitals, Emergency Services (Police, Fire and 911), Libraries, State and Federal facilities, and several non-profit service providers.

The plan will provide the not-for-profit members with fiber optic connectivity at the cost of a shared maintenance for the fiber to each facility anticipated to be equivalent or less than what they are paying annually for low speed connectivity. The network will interconnect to over eight (8) major not-for-profit networks that can provide low-cost broadband at wholesale rates to participants. Private businesses will have the opportunity to expand the fiber network and obtain high-speed wholesale rate broadband. In effect, the sustainable plan will reduce the costs for non-profits as private business utilizes the network.

The LCBI organization is made up of public and private entities with experienced providers of technology within the consortia. These include NIU, which will continue to enhance the DeKalb County DATA model to be used by LaSalle County and eventually other counties. For the private sector aspect of the model, DeKalb Fiber Optic LLC will maintain the fiber cable and provide services over the fiber infrastructure for the LaSalle County organization under contract with the County. Wireless applications will be provided by local ISPs.

PROJECT UPDATE

Since the announcement, much has happened to move the project forward. September 1, 2010 started a thirty-six (36) month grant period that the National Telecommunications and Information Administration (NTIA) prescribed for this project.

The following is an update on the broadband grant project:

1. Development of a not-for-profit (NFP) to operate and manage the system.

- During the grant application process there was discussion of eventually forming a not-for-profit (NFP) to be an umbrella entity for the newly formed IBOP-NW group.
- It was decided by the group of four (4) entities involved (NIU, LaSalle County, Blackhawk Hills RC & D, and the City of Rockford) to establish the NFP before the project began. The NFP will have the sole purpose of overseeing the 48 public strands of fiber that will be installed.
- The IBOP-NW group organized a Project Management Team consisting of two (2) voting members from each of the four (4) entities involved - NIU, LaSalle County, Blackhawk Hills RC & D, and the City of Rockford. The Management Team has been working on the NFP process and several other project matters. LaSalle County representatives will be LaSalle County Board Chairman and the NCICG Executive Director (the NCICG Economic Development Director will also attend all Management meetings).

2. Not-for-profit name, incorporation and bylaws.

- After much discussion the NFP has been named iFiber (Illinois Fiber Resources Group). The iFiber name is geographically broad enough to include other counties in the region in the future.
- The Management Committee developed a set of by-laws for the organization that are close to being completed. Incorporation papers were filed. The NFP has been incorporated and established. The group will be exploring the possibility of establishing iFiber as a 501-C3 with the IRS.
- NIU is working with NTIA to establish iFiber as the new sub-recipient on the grant and has received preliminary approval.
- A draft Request for Qualifications (RFQ) for fiber optic cable has been prepared and is being reviewed. A technical committee has been established to review proposals and make recommendations.
- NIU has prepared contracts for project engineering and program outreach for each of the iFiber entities. NCICG and LaSalle County will work together to fulfill the contract requirements.
- iFiber website - A model has been developed and will soon be available on-line. The RFQ will be posted on the website.

3. Environmental Assessment

- Determination of emergency procurement process for environmental assessment (EA) contractor.
- NIU is bound by the specific terms of the grant agreement with NTIA.

- The six (6) month timeframe for the EA caused a need for emergency procurement.
- The Request for Qualifications (RFQ) to conduct the EA was posted and distributed as broadly and as thoroughly as possible.
- The three (3) most responsive and qualified firms were then interviewed (Ben Wilson of NCICG attended the interviews representing LCBI).
- A contract was awarded to Baxter & Woodman (consulting engineers)
- The environmental assessment has been submitted to NTIA.
- Approximately 15% of the entire region will require a historical/archaeological assessment.
- We are working with NTIA to receive partial clearance for construction on the remaining

4. Next Steps

- The iFiber Management Team will meet again in March to begin to discuss and develop fee structures, to review and finalize by-laws and to review results of the environmental assessment.
- Other Committees will be: Technical/Engineering Team, Operations Team, Outreach Team and Public Relations Team.

iFiber Funding Breakdown

<u>iFiber</u>	Total - \$ 68,530,276
1) US Department of Commerce - National Telecommunications and Information Administration	\$ 46,114,026
2) Illinois Broadband Deployment Program	\$ 14,000,000
3) Local Funding Sources	\$ 8,416,250
<u>LCBI Portion</u>	Total - \$18,888,543
1) US Department of Commerce - National Telecommunications and Information Administration	\$ 13,188,074
2) Illinois Broadband Deployment Program	\$ 3,777,709
3) Local Funding Sources	\$ 1,922,760

NOTE:

The above figures for LCBI are a close approximation based on cost estimates and other predictions for costs made during the application process. The State agreed to a 20% contribution and LCBI committed to raising at least 10% from local sources.

LCBI - A growing collaborative made up of representatives of:
***Northern IL University *LaSalle County *North Central IL Council of Governments*LaSalle County
 Municipalities*Health Care Providers *Education*Public Libraries*Internet Service
 Providers*Agriculture*Emergency Services*Private Business and Industry
 *Community Support Organizations**