City of Bloomington: Bloomington Digital Underground Advisory Committee

Date of Record: May 5, 2005

Prepared By: Matt Nagle, ITS/SPEA Intern
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Summary

Bloomington Underground Advisory Committee (hereafter "Committee") meeting held Thursday May 5, 2005 at 4:00 p.m. in the McCloskey Room of City Hall at Showers, 401 N. Morton St., Bloomington, IN.

Roll Call

Committee Members Present
        Linda Williamson, Bloomington Economic Development Corporation
        Bruce Myers, Kiva
        Charlie Webb, CallNet
        Eric Ost, TCC

Committee Members Absent
        Brian Kleber, Small Business Development
        Mark McMath, Bloomington, Bloomington Hospital

Vacancy
        IU Appointee

City of Bloomington Staff Present
        Rick Dietz, Director Bloomington ITS
        Rick Routon, Assistant Director Bloomington ITS

Guests Present
        David Ernst, HoosierNet
        Bret Skilbred, InfoComm Systems
        John Conley – Smithville Digital
        Matt Pierce – State Legislature

Handouts

1. May 5, 2005 Meeting Agenda
2. April 7, 2005 Minutes

Minutes

Meeting called to order at 4:00 p.m.

I.   Review of April Minutes
   a. Eric Ost and Charlie Webb recommended that the April minutes be reviewed to verify names attributed to statements.
   b. Minutes approved pending this review.

II.   Cooperation between HoosierNet and BDU
   a. David Ernst summarized the memorandum sent by HoosierNet to the BDU Committee, requesting access to BDU fiber infrastructure and for the Committee to adopt policies that encourage private business access.
   b. David Ernst stated that HoosierNet communicated with Smithville Digital about servicing the Monroe County Public Library (the Library) offices.
      i. David Ernst stated that a BDU conduit currently runs to the Library and is used by the City of Bloomington and by the Monroe County School Corporation.
      ii. David Ernst added that he wanted to avoid public issues (e.g. street work) that would cause undue problems.
      iii. David Ernst stated that HoosierNet hoped to have access by 2006 (i.e. not an immediate timeline).
   c. Charlie Webb asked if HoosierNet wanted access to the Telecomm Hotel.
      i. David Ernst replied that Telecomm Hotel access is the primary goal.
      ii. David Ernst stated that, ideally, they would like a policy that encourages access for all businesses.
   d. Eric Ost asked if, from a business perspective, it would make more sense for HoosierNet to work with another company and if Smithville already had cable running to the library.
      i. David Ernst replied that HoosierNet had not considered other opportunities.
      ii. John Conley stated that Smithville Digital does not have fiber running to the Library and that the Telecomm Hotel was the next-nearest connection point.
   e. Bret Skilbred asked if current BDU policies permitted these actions.
      i. Rick Dietz responded that it was Council's intent to consider projects on an individual basis considering the public benefits of each proposal and that the Committee did have the power to handle this request immediately.
   f. David Ernst asked how HoosierNet would qualify, given current policies.
      i. Bret Skilbred replied that non-profit entities or telecommunications providers qualify to own or lease fiber.
      ii. Rick Dietz added that HoosierNet is in a unique position because of their status as both non-profit and an IT provider.
      iii. Ron Walker stated that the options where a service provider leases the cable and the option where HoosierNet would classify as an internet service provider are affected by a contract between the City of Bloomington and ION. Smithville Digital would have to agree to this contract if they were to provide the service on behalf of HoosierNet.
   g. David Ernst asked how pricing and future communications would work.
      i. Rick Dietz replied that the BDU Committee advises the Board of Public Works and they would make the recommendation.
      ii. Bret Skilbred stated that the City Council then sets pricing policies.
   h. Charlie Webb asked Smithville about pricing for using a HoosierNet agreement as precedent for future policies. Specifically, Charlie Webb felt that the BDU Committee should set a "middle ground" pricing policy where telecommunications providers would profit from using BDU fiber and would not view the BDU pricing as competitive.
      i. Ron Walker replied that the BDU Committee, in keeping with its charter goals, should consider the public interest (affordable telecommunications, etc.) as a primary concern and view private interests later.

      ii. Charlie Webb responded many more businesses use fiber than private consumers do, so this market segment would provide the best return. However, the Committee should distinguish between the public interest and private benefits.

i. Charlie Webb stated that the Committee should prevent litigious actions because of undercutting competition.

j. Bret Skilbred stated that the Committee should look at the project from a "cost to the city" perspective because of the difficulty in establishing market value for fiber.

k. David Ernst stated that, in his opinion, setting low costs for fiber access would appeal to local providers who could benefit in decreased operating costs and an increased customer base.

      i. Ron Walker added that large providers such as SBC and Verizon would likely oppose a project like BDU because of their substantial investments in unshared infrastructure.

      ii. Ron Walker stated that the BDU project is unique in that a shared, open-access infrastructure would benefit nearly everyone involved.

l. Bruce Myers wanted to clarify the purpose of BDU meetings – in particular, Bruce Myers asked if all service providers should be invited and if the BDU Committee should actively invite providers.

      i. David Ernst suggested that the Committee just make the meetings more visible and to make the mission of the BDU more clear to the public.

m. Charlie Webb stated that his biggest concern was with ION and contractual disputes with BDU policies.

      i. Rick Dietz listed three primary concerns to address before the next meeting

            1. Logistics – what HoosierNet needs for their connectivity

            2. Legal – clarifying the City/ION contract and understanding how it applies to HoosierNet

            3. Financial – establishing prices

      ii. David Ernst stated that the legal concerns were most important to him.

n. Bruce Myers asked how actively inviting providers to future meetings.

      i. Rick Dietz responded that he could post a message identifying and describing the BDU goals and highlighting the public nature of the meeting.

o. Rick Dietz asked what actual obligations the Committee should take in informing the public about these meetings.

      i. Eric Ost stated that the Committee should increase its visibility. Eric Ost also stated that the Committee should give all providers the opportunity voice their opinions so they cannot contest policies later. However, the Committee should not have to create a formal invitation list, but rather should just make the information readily available.

      ii. Rick Dietz indicated the ITS would enhance the BDU and Committee webpages on the City website.

III. BDU Strategic Plan and Initiatives

a. Bret Skilbred stated that he spoke with SBC government specialist Steve Powell. Bret Skilbred stated that Steve Powell reiterated SBC corporate strategy and could not change that strategy.

      i. Bret Skilbred stated that Steve Powell would meet with the BDU Committee with systems engineers.

b. Bret Skilbred talked about changes made to the Strategic Business Plan including:

      i. Overlaying the Parks & Recreation trail map with BDU map coverage

      ii. Changing the expiration date of the contract with ION to February 2006

      iii. Creating fiber-optic connections for the City & Monroe County School Corporation through HoosierNet

      iv. Add cellular networks to the "wireless" section of the Business Plan

      v. Add Indiana Fiberworks to infrastructure mapping

c. Eric Ost asked to include the BDU meeting minutes and the contract as part of an historical perspective in the Strategic Plan.

d. Eric Ost asked that the three original goals of the BDU proposed to the City Council be included in the Strategic Plan.

e. Rick Dietz brought up changes necessary to the mission statement to encapsulate the duties and goals of the BDU Committee.
   i. Bret Skilbred agreed that all Committee members would have to agree to the mission to justify future courses of action.
   ii. Charlie Webb asked whether the wording in the mission statement to "facilitate telecommunications advancement" goes beyond the true scope of the BDU Committee.
   iii. Eric Ost stated that the mission did seem broad but could be a good descriptor of BDU goals. Eric Ost asked about the discussions to join the BDU Committee with the Telecommunications Council.
   iv. Bret Skilbred stated that, while the Telecommunications Council charter deals with specific Council initiatives, the BDU mission deals with a concrete asset (fiber network).
   v. Bruce Myers suggested that the mission statement be amended to reflect the nature of the asset.
   vi. Bret Skilbred noted that the Strategic Plan was an agreement between the City of Bloomington and InfoComm, where InfoComm presented its findings and the BDU Committee accepted, modified, or rejected those findings.
   vii. Rick Dietz stated that the goals originally proposed to the City Council have been articulated in different ways and that an articulation of goals and a mission statement are different things.
f. Bret Skilbred stated that the Committee should now evaluate the Migration Plan in which strategies formulated to accomplish goals that meet the mission statement are brought about.
   i. Bret Skilbred stated that, based on his discussions with Rick Dietz and Rick Routon, the Migration Plan should include a pricing model to exhibit actual usage rates.
      1. Bret Skilbred, Charlie Webb, and Rick Dietz agreed that a pricing model should be included in the Migration Plan as a reference for future negotiations.
   ii. Bret Skilbred stated that the BDU Committee should evaluate changes in policies that will move the project forward towards stated goals and the mission.
   iii. Bret Skilbred stated that the BDU Committee should also finalize elements of the Growth & Governance sections (i.e. relative responsibilities once the migration has occurred).
      1. Rick Dietz stated that the relationship between the BDU Committee and the Telecommunications Council should be included in this analysis.
   iv. Bret Skilbred stated that the BDU Committee might need to organize a master plan in terms of engineering and fiber mapping.
      1. Rick Dietz stated that these items are worthwhile to mention but the city government departments should gather these materials.
   v. Bret Skilbred referenced pricing models from social service entities.
      1. Charlie Webb asked if the pricing model should include the reference to the social service entity, or, more generally, the entity to which the model is assigned.
      2. Rick Dietz stated that the Committee should have a real world example and then extrapolate models to more universal applications.
      3. Rick Dietz asked if HoosierNet would like to serve as the example.
         a. David Ernst stated that he did not mind having his company referenced in a model.
   vi. Bret Skilbred asked about solidifying the relationship with county and/or other government agencies (i.e. should the BDU Committee set pricing models for government agencies?).
      1. Charlie Webb stated that he thought it would benefit the Committee to have specific models for different market segments.
      2. Eric Ost stated that these models should include costs of investments, maintenance, etc. and should be tiered (e.g. residential, government, private).

       vii. Bret Skilbred asked if the Committee should develop a standard partnership agreement between the city and infrastructure users.
1. Charlie Webb stated that policy points that other communities have developed should be included as a reference.
2. Eric Ost stated that the agreements should stress open access & fair transit policies. Eric Ost further stated that the BDU Committee would not want political considerations to factor into contract agreements in the future (e.g. favored entities).

g. Rick Dietz referenced the issues of infrastructure ownership, asking specifically whether the city should own 100 percent of the assets or if it should be sold to third parties (implicating issues of neutrality).
   i. Matt Pierce spoke about State Legislature action on telecommunications deregulation.
   ii. Matt Pierce mentioned several bills about deregulation, specifically one where large providers (SBC, Verizon, etc.) would have to submit to standard franchising procedures to enter into an existing market.
   iii. Matt Pierce stated that a new consumer counsel was created to monitor deregulation.
   iv. Matt Pierce summarized that providers were acting to protect market share.

h. Bret Skilbred asked about clarifying "right-of-way" issues for providers to install new infrastructure.
   i. Eric Ost referenced a city ordinance that requires the requesting entity to prove that they cannot use existing infrastructure. Eric Ost recommended that the BDU Committee enforce a similar policy to its fiber infrastructure.

i. Bret Skilbred asked about connectivity issues (i.e. identifying dormant buildings for possible use or existing infrastructure to connect to).
   i. Eric Ost stated that an opportunity might exist with PEG bandwidth provided by cable companies.

j. Bret Skilbred recommended considering connections with Ellettsville to establish future relationships.

k. Rick Dietz stated that the Committee should invest in exploration into the new technology park that relates to the discussion of right-of-way access.
   i. Bret Skilbred stated that the technology park could serve as a pilot for open access and could prove (or disprove) the viability of an open access model.

Meeting adjourned at 5:55 pm.

Minutes submitted by Matt Nagle