



February 24, 2011

Diane Kohn, Administrator
Division of Enterprise Technology
Department of Administration
101 E. Wilson
Madison, WI 53703

Dear Diane:

Members of the Executive Committee of the BadgerNet Advisory Council are very disappointed that the BCN fiber grant was declined because the various parties could not resolve their differences. Moving forward, we hope that all parties will work together to ensure that our schools and libraries will ultimately receive the bandwidth they need at an affordable cost.

As a follow-up to the grant announcement, the committee held a conference call on February 16. The purpose of the call was to discuss issues and questions we have on the BCN contract extension and related concerns. Our purpose is not to insert ourselves into contract negotiations—which would not be appropriate—but rather provide DOA advice per the Advisory Council's charter. We ask that you take these issues into consideration in your negotiations with the Wisconsin BadgerNet Access Alliance (WBAA).

1) Who will pay for fiber when it is needed by a BCN customer, either at a current copper-served site or at a new site? In addition to typical bandwidth demand trends, there will undoubtedly be new initiatives and services over the duration of the contract extension that will require many copper-served sites to upgrade to fiber. Under the existing contract when a site received a bandwidth increase that required fiber, WBAA installed that fiber and the cost was covered by the contract.

- a) We think when fiber is required that the cost should continue to be covered by the contract.
- b) If the above recommendation is not possible, we suggest that DOA consider a new TEACH program to support any needed fiber installs. We suggest that some of the \$5 million that was reserved for the grant match be used for this program (see #6). To help stretch available TEACH funding, we note that fiber installation costs are E-rate eligible. Also, sites needing fiber are more likely to be in larger communities where fiber is often closer to the school or library building and thus less expensive to install.
- c) If a school or library must pay for the fiber, they should own it. If the school or library leaves the BCN they should have the right to receive services over this fiber from any competing provider or any other entity.

2) What is the status of high definition video?

- a) We seek confirmation that high definition video and any requisite hardware or other infrastructure will be included in the contract extension. Some of the distance education networks have already made substantial investments in HD equipment.

- 3) Will non-agency BCN customers have to commit to stay on the BCN for the length of the contract extension (November 2016)? We ask this question because during grant discussions (last summer) there was some talk about this making this a requirement for schools and libraries.
 - a) We do not support making this a requirement. The best way to ensure that schools, libraries, and other BCN customers stay on the BCN is for the network to provide high quality bandwidth at affordable costs. Assuming the contract extension achieves this, there will be no need for such a requirement.
 - b) When this was discussed last summer any commitment was to be waived if the school or library received a better offer from a competitor. While we do not support requiring such a commitment, if one is required it should have an “opt-out” provision to protect BCN customers and their local taxpayers.

- 4) We seek assurances that the intent of the contract extension to get us to the bandwidth levels stated in the grant (20Mbps at \$100/month libraries; 100Mbps \$250/month school and library head-ends) can be done within the context of current TEACH statutory language. (We know that Bob Bocher has contacted you on this issue but want to document it in this correspondence.)
 - a) While we do not think any statutory changes are needed, if DOA does make such a determination please let us know as quickly as possible so that we can work with our constituent groups to work for the needed change.
 - b) We are also concerned that library system head-end circuits will likely need to be larger than 100Mbps to accommodate their member libraries’ bandwidth increases. (Some head-ends aggregate circuits from over 50 libraries). We ask DOA/TEACH to consider some special pricing for the seventeen library systems.

- 5) The grant had \$816,000 to pay for routers. Given the intent of the contract extension to get us to the bandwidth levels stated in the grant, some of our schools and libraries will need new routers.
 - a) We request that \$816,000 out of the \$5 million held for the grant match (see #6) be allocated to pay for routers.

- 6) What is the status of the \$5 million in TEACH reserves that was to be used as the grant match?
 - a) We *strongly believe* that this funding must be retained by TEACH and used to help support bandwidth, fiber installs, router purchases and other costs directly associated with providing services to TEACH customers on the BCN.

- 7) Agreement on the contract extension before the 2011 federal E-rate application cycle is important.
 - a) We strongly encourage DOA and WBAA to reach agreement on the bandwidth cost reductions in the near future so there is time to inform the school and library community on the impact of such reductions on their TEACH supported bandwidth before the March 24 E-rate application deadline. If this timeline is not met, some schools and libraries will seek additional bandwidth outside of the BCN, which ultimately may be more costly to the network and the school in the long run.

- 8) Review of the draft terms and conditions of the contract extension.
 - a) We think it will be helpful if the Advisory Council can review the draft terms and conditions before they are finalized. As stated above, our purpose is not to be involved in

contract negotiations but we may be able to provide you and DOA staff with useful suggestions as negotiations continue.

9) In the original contract UW institutions were given “special rates,” particularly at higher bandwidths. These rates were not postalized. This was done in part because higher education did not qualify for federal E-rate discounts.

a) We suggest that the UW Colleges get the same monthly 100Mbps rates as the school districts.

10) Like our schools and libraries, state agencies are also struggling with respect to this fiscal year’s budget as well as the upcoming biennial budget. We want to state on record that a good BCN contract extension with significantly lower rates will help *all* BCN customer groups.

11) We want to work with DOA to ensure that our schools and libraries get the information they need.

a) As contract negotiations proceed, we offer our support to work with you and DOA staff to ensure that our schools and libraries have accurate information.

We very much appreciate your attention to the above issues. Please let me know if you have any questions and keep me informed as contract negotiations move forward. In particular, please let me know if the Advisory Council can be of assistance to you.

Sincerely,

Timothy C. Schell
Chair, BCN Advisory Council

cc: Jodi Jensen
Mike Mietz
Nan Linde
BCN Advisory Council