

**ILLINOIS CENTURY NETWORK**

**JANUARY 20, 2015 POLICY COMMITTEE MINUTES**

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

**Members Present (Springfield):**

Lori Sorenson, Central Management Services	Todd Jorns, Illinois Community College Board
Bonnie Styles, Illinois State Museum	Kathleen Bloomberg, Illinois State Library
Brent Engelman, State Board of Education	Mike Dickson

**Members on audio bridge:**

Vicki DeWitt	Dr. Alan Phillips, IL Board of Higher Education
Chet Olson	

**Members absent:**

Sean Vinck	Greg Wass
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**Staff and guests:**

Robin Woodsome, Central Management Services	Tom Oseland, Central Management Services
Judy Hessler, Central Management Services	Essam El-Beik, Central Management Services
Bill Buchanan	Carla Poani, AT&T

Lori Sorenson announced that Deb Kelley retired end of the year and Judy Hessler was replacing Deb as secretary to the Committee. Lori mentioned that Greg Wass had resigned from CMS. Greg was appointed to the Committee by the Governor and remains as the appointed Chair. Greg expressed his intent to resign from the Committee since he will not be working in a role directly tied to broadband. CMS will have to work with the Governor’s office on the appointment of a new chair.

**Minutes**

Bonnie Styles introduced the first item on the agenda, approval of the minutes from the October 20, 2014 meeting. A motion was made by Mike Dickson to accept the minutes. The motion was seconded by Todd Jorns. The motion carried.

**E-rate**

Tom Oseland reported that the 2013 E-rate funding year has concluded with a total reimbursement of a little over \$265 thousand. The 2014 funding year is in process with approximately \$1.2 million in E-rate funding approved. Tom estimates that the final amount received will be \$400 - \$500 thousand.

The 2015 funding year application window is open and the RTC staff has been actively responding to requests.

Essam El-Beik provided an update on the Federal Communication Commission’s (FCC) December 19, 2014 second Report and Order on E-rate Modernization. The first Report and Order released in July focused on internal connectivity within a school or within a library. The second Report and Order released in December focuses on the broadband to a school or library. It provides more options for schools and libraries in obtaining high speed broadband and also has a number of rule changes that ease the financial burden of the schools and libraries. Another key point with this second Report and Order is that the E-rate funding cap has been increased from \$2.4 billion per year to \$3.9 billion indexed to inflation. This is in addition to the additional \$1 billion that is being made available for funding year 2015 and funding year 2016. Essam made mention of the rule changes and summarized the highlights.

- Facilitate the construction of broadband infrastructure – elimination of the requirement that construction costs exceeding \$500 thousand be amortized over three years. The full cost of construction can be paid in the first year. The applicant's share of the construction costs can be paid for in installments over four years.
- Dark fiber receives equal treatment to lit fiber allowing schools and libraries to purchase dark fiber and have the construction of that dark fiber funded by E-rate, as well as the electronics required for lighting the dark fiber.
- Schools and libraries can self-construct their own broadband network where it is the most cost effective solution.
- E-rate will match state contributions to the non-discounted portion by providing an additional dollar-to-dollar match up to ten percent.
- Rule requiring recipients of another universal service program called the High Cost Program to offer high speed broadband in response to a posted form 470 at rates reasonably comparable to services in urban areas.

Lori reported that staff is working with the Illinois State Library to explore options for helping libraries through the E-rate process.

#### **Proposed Rate Change**

Lori reported that the rate changes approved at the previous meeting had been forwarded to the CMS Director's Office for approval to implement. The Director's Office is aware of the sense of urgency to announce the changes because of the open E-rate application window and to provide constituents time to plan.

#### **Adjourn**

Bonnie asked if there was any additional business to discuss. Hearing none, Bonnie asked for a motion to adjourn. Mike made the motion to adjourn at 3:04 PM. Kathy seconded the motion. The motion carried.