

COMMUNICATIONS NETWORK, IOWA[751]

Regulatory Analysis

Notice of Intended Action to be published: 751—Chapter 11
“Asset Ownership and Demarcation”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 8D
State or federal law(s) implemented by the rulemaking: 2024 Iowa Acts, Senate File 2370

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

July 15, 2026
1 to 2 p.m.

ICN Director’s Conference Room
Grimes State Office Building
Des Moines, Iowa

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Iowa Communications Network no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Lori Larsen
400 East 14th Street
Des Moines, Iowa 50319
Phone: 515.725.4713
Email: lori.larsen@icn.state.ia.us or lori.larsen@iowa.gov

Purpose and Summary

Pursuant to Executive Order 10, the agency proposes to rescind Chapter 11 and adopt a new chapter in lieu thereof. The chapter describes the asset allocation and ownership in which the network is administered throughout the State. This proposed rulemaking eliminates language that is overly restrictive or obsolete and shortens the chapter.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
There is no direct cost associated with the proposed rulemaking.
 - **Classes of persons that will benefit from the proposed rulemaking:**
All individuals within the State benefit from a well-run and organized State communications network.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
There is no quantitative impact; this chapter simply provides organizational structure for the agency.
 - **Qualitative description of impact:**

The qualitative impact is positive; the rulemaking simplifies the regulatory environment by removing obsolete language and providing clearer guidance on asset allocation and ownership for the network.

3. Costs to the State:

• **Implementation and enforcement costs borne by the agency or any other agency:**

There are no costs to the State or the agency associated with this rulemaking.

• **Anticipated effect on State revenues:**

There are no anticipated effects on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

This rulemaking has no costs associated with it and ensures the agency has a basic structure.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

The agency seeks to implement these rules in a minimally intrusive and minimally prescriptive manner while still fulfilling the responsibilities of maintaining a well-run State communications network.

6. Alternative methods considered by the agency:

• **Description of any alternative methods that were seriously considered by the agency:**

No other methods were considered because the rules are required to establish the basic regulatory framework mandated by Iowa Code chapter 8D.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

• Establish less stringent compliance or reporting requirements in the rulemaking for small business.

• Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

• Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

• Establish performance standards to replace design or operational standards in the rulemaking for small business.

• Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

There is no expected impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 751—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11
ASSET OWNERSHIP AND DEMARCATION

751—11.1(8D) Asset ownership.

11.1(1) Network backbone. The network backbone (Part I) and the regional aggregation points (Part II) are the property of the state of Iowa and are managed and maintained by the commission.

11.1(2) Last mile connections. Part III connections (the “last mile” to the authorized user) may be owned by the state, leased from private telecommunications providers, or owned by the authorized user.

a. State-owned. Where the commission has constructed and owns the Part III connection, the commission is responsible for maintenance up to the demarcation point.

b. Leased. Where the commission leases the Part III connection from a third-party provider, maintenance and repair responsibilities are governed by the terms of the lease agreement between the commission and the provider.

c. User-owned. Where the authorized user owns the connection (e.g., fiber installed by a school district), the authorized user is solely responsible for maintenance and repair.

751—11.2(8D) Demarcation point.

11.2(1) Definition. The demarcation point (demarc) is the physical point where the commission’s responsibility for the network ends and the authorized user’s responsibility begins.

11.2(2) Location. Unless otherwise specified in a service agreement:

a. Fiber connections. The demarc is the termination panel or optical network terminal (ONT) installed by the commission at the authorized user’s facility.

b. Equipment. The commission retains ownership and maintenance responsibility for the electronics (routers, switches) provided by the commission to deliver service up to the hand-off port on that device.

11.2(3) Internal wiring. The authorized user is responsible for all internal building wiring, cabling, cross-connects, and power beyond the demarcation point.

751—11.3(8D) Equipment return and liability.

11.3(1) Access. Upon the termination of service, the authorized user shall permit the commission reasonable access to the premises to remove state-owned equipment.

11.3(2) Liability. The authorized user constitutes a bailee of state property located on the user’s premises. The authorized user shall be liable for the cost of repair or replacement of any state-owned equipment that is lost, stolen, or damaged due to the negligence or willful misconduct of the user or its agents.

751—11.4(8D) Surplus property. The commission shall dispose of obsolete or excess network assets in accordance with rule 751—17.3(8D).

These rules are intended to implement Iowa Code section 8D.3.