

MAR 16 1995

Place On Calendar

HOUSE FILE 461

BY COMMITTEE ON TECHNOLOGY

(SUCCESSOR TO HSB 78)

Passed House, ^(P.1259) Date 4/5/95
Vote: Ayes 96 Nays 0

Passed Senate, ^(P.1281) Date 4-18-95
Vote: Ayes 47 Nays 3

Approved May 1, 1995
^(P.1127) Passed 4-19-95
Vote 97-0

^(P.1336) Passed 4/20/95
Vote 50-0

A BILL FOR

1 An Act relating to the Iowa communications network by directing
2 the Iowa telecommunications and technology commission to
3 conduct studies concerning the possible sale of the network,
4 and the possible conversion of the network into a public
5 utility.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 461

1 Section 1. STUDIES.

2 1. a. The Iowa telecommunications and technology
3 commission established in section 8D.3 shall initiate and
4 complete a study concerning the possible sale of the network.
5 The study shall include a review of legal and practical issues
6 which may affect whether the sale of the network should be
7 approved or rejected, or which may affect the terms under
8 which a sale should be completed. The study shall include a
9 review of issues including all of the following:

10 (1) The effect of the sale on the tax-exempt bonds which
11 were issued for purposes of financing certain parts of the
12 network.

13 (2) The impact on existing telecommunications providers.

14 (3) The protection of state interests including the
15 assurance of affordable access to the network for public
16 entities, including Part III users which are not yet connected
17 to the network.

18 (4) The necessity of compliance with other applicable
19 state law.

20 (5) Issues relating to the use of public rights-of-way by
21 any potential buyer of the network.

22 (6) Benefits to Iowa businesses and citizens.

23 (7) Other relevant issues as identified by the commission.

24 b. The commission shall consult with other state agencies,
25 appropriate federal agencies, and private associations and
26 vendors in completing this study.

27 2. The commission, in consultation with the utilities
28 division of the department of commerce, shall study the
29 possible conversion of the Iowa communications network into a
30 public utility. The study shall include a review of legal and
31 practical issues identified by the commission and the division
32 which may affect such conversion.

33 3. The commission, prior to November 1, 1995, shall
34 complete the studies required by this Act and deliver a
35 written report including any recommendations related to each

1 study to the members of the house of representatives committee
2 on technology and the senate committee on communications and
3 information policy, the chief clerk of the house, and the
4 secretary of the senate.

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EXPLANATION

6 This bill directs the Iowa telecommunications and
7 technology commission established in section 8D.3 to initiate
8 and complete a study concerning the possible sale of the Iowa
9 communications network. The study is to include a review of
10 legal and practical issues which may affect the sale. The
11 bill lists certain issues which must be included in the study
12 and directs the commission to consult with other state and
13 federal agencies, and private associations and vendors in
14 completing the study.

15 The bill also directs the commission, in consultation with
16 the utilities division of the department of commerce, to study
17 the possible conversion of the network into a public utility.

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HOUSE FILE 461
FISCAL NOTE

A fiscal note for House File 461 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 461 requires the Iowa Telecommunications and Technology Commission to complete a study of the legal and practical issues related to the sale of the Iowa Communications Network (ICN). The Commission is directed to consult with other State and federal agencies, private associations, and vendors in completing the study.

In addition, the Commission is directed to study the impact of converting the ICN to a public utility. The Commission is to consult with the Utilities Division of the Department of Commerce in completing the study.

FISCAL IMPACT:

This bill does not have a significant impact on the General Fund. The Commission has legal help available on staff and may utilize the Attorney General's Office. The Commission may need to contract additional legal assistance at an estimated cost of \$25,000 to \$30,000.

SOURCES: Iowa Telecommunications and Technology Commission
Utilities Division, Department of Commerce

(LSB 1542hv, MAS)

FILED MARCH 31, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 461

S-3475

- 1 Amend House File 461, as passed by the House, as
2 follows:
- 3 1. Page 1, by inserting after line 17 the
4 following:
5 "() Providing redundancy for Parts I and II of
6 the network at no cost to the state by a purchaser of
7 the network."
8 2. Page 1, by inserting after line 22 the
9 following:
10 "() Providing for a long-term lease of capacity
11 sufficient to meet the needs of existing and future
12 educational users of the network identified in chapter
13 8D.
14 () Proposed terms and costs associated with the
15 use of public rights-of-way.
16 () A forecast of capacity requirements for the
17 next five to ten years and the manner in which such
18 capacity requirements can be satisfied.
19 () Terms of access for uses other than
20 educational uses.
21 () A listing of the compete inventory to be sold
22 including, but not limited to, the following:
23 (a) The transfer of existing manufacturers'
24 warranties.
25 (b) The transfer of existing agreements with other
26 network facility providers.
27 (c) Fiber optic cable facility characteristics
28 including sizing by cross section.
29 (d) Terminal and regeneration spacing.
30 (e) Operation and use of existing switches and
31 equipment.
32 () A review of whether a sale of the network
33 should be completed pursuant to a request for
34 proposals or by auction.
35 () A review of the impact of federal
36 communications commission policy and regulations on
37 the potential sale of the network in its entirety or
38 in parts, and a recommendation as to the manner in
39 which the network should be sold as a result of this
40 review."
41 3. By renumbering as necessary.

By DERRYL McLAREN
DONALD B. REDFERN

S-3475 FILED APRIL 18, 1995
ADOPTED

(p. 1279)

HOUSE FILE 461

S-3458

1 Amend House File 461, as passed by the House, as
2 follows:
3 1. Page 2, by inserting after line 4 the
4 following:
5 "Sec. _____. Notwithstanding any other provision of
6 law to the contrary, a connection to be made
7 associated with Part III of the Iowa communications
8 network shall not be completed or made through the use
9 of a fiber optic cable route used or to be used for
10 connecting an Iowa national guard facility to the
11 network, if the vendor completing such route submitted
12 a bid in response to the request for proposals issued
13 by the national guard on the basis of the purchase and
14 ownership of the route by the national guard and the
15 route, upon completion, is not owned by the Iowa
16 national guard, until such time as the studies
17 required by this Act are completed and such connection
18 is authorized by a constitutional majority of each
19 house of the general assembly and approved by the
20 governor."
21 2. Renumber as necessary.

By DERRYL McLAREN

S-3458 FILED APRIL 18, 1995
WITHDRAWN

(P.1279)

APRIL 20, 1995

SENATE AMENDMENT TO HOUSE FILE 461

H-3976

- 1 Amend House File 461, as passed by the House, as
2 follows:
3 1. Page 1, by inserting after line 17 the
4 following:
5 "() Providing redundancy for Parts I and II of
6 the network at no cost to the state by a purchaser of
7 the network."
8 2. Page 1, by inserting after line 22 the
9 following:
10 "() Providing for a long-term lease of capacity
11 sufficient to meet the needs of existing and future
12 educational users of the network identified in chapter
13 8D.
14 () Proposed terms and costs associated with the
15 use of public rights-of-way.
16 () A forecast of capacity requirements for the
17 next five to ten years and the manner in which such
18 capacity requirements can be satisfied.
19 () Terms of access for uses other than
20 educational uses.
21 () A listing of the complete inventory to be
22 sold including, but not limited to, the following:
23 (a) The transfer of existing manufacturers'
24 warranties.
25 (b) The transfer of existing agreements with other
26 network facility providers.
27 (c) Fiber optic cable facility characteristics
28 including sizing by cross section.
29 (d) Terminal and regeneration spacing.
30 (e) Operation and use of existing switches and
31 equipment.
32 () A review of whether a sale of the network
33 should be completed pursuant to a request for
34 proposals or by auction.
35 () A review of the impact of federal
36 communications commission policy and regulations on
37 the potential sale of the network in its entirety or
38 in parts, and a recommendation as to the manner in
39 which the network should be sold as a result of this
40 review."
41 3. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-3976 FILED APRIL 19, 1995

House Concurred

4-19-95

(P1726)

HOUSE FILE 461

H-3984

- 1 Amend the Senate amendment, H-3976, to House File
- 2 461, as passed by the House, as follows:
- 3 1. Page 1, by striking lines 3 through 7.
- 4 2. Page 1, by striking lines 14 through 31.
- 5 3. By renumbering as necessary.

By BRUNKHORST of Bremer
LAMBERTI of Polk

H-3984 FILED APRIL 19, 1995

Adopted 4/19/95 (P. 1726)

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 461

S-3502

- 1 Amend the Senate amendment, H-3976, to House File
- 2 461, as passed by the House, as follows:
- 3 1. Page 1, by striking lines 3 through 7.
- 4 2. Page 1, by striking lines 14 through 31.
- 5 3. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-3502 FILED APRIL 19, 1995

Senate concurred 4/20/95 (p. 1336)

HSB 78

Lamberti, Chair

Nutt

Weigel

TECHNOLOGY

Succeeded By

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
TECHNOLOGY BILL BY
CHAIRPERSON BRUNKHORST)

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the issuance of a request for proposals for
2 the sale of the Iowa communications network.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section ~~VS~~ REQUEST FOR PROPOSALS FOR SALE OF IOWA
2 COMMUNICATIONS NETWORK. The Iowa telecommunications and
3 technology commission established in section 8D.3 shall
4 develop and issue for response a request for proposals for the
5 sale of the Iowa communications network. The request for
6 proposals shall provide for the lease by the state of
7 sufficient capacity on the network for the continued use of
8 the network by public and private agencies as provided in
9 chapter 8D. The commission shall submit the proposed request
10 for proposals to the general assembly for review and approval
11 prior to the release of the request for proposals. The
12 proposal shall be referred to the senate committee on
13 communications and information policy and the house of
14 representatives committee on technology for review and
15 recommendation to each committee's respective chamber.
16 Approval for the release of the request for proposals shall be
17 pursuant to a concurrent resolution to be approved by both
18 houses of the general assembly during the 1995 regular session
19 of the general assembly.

20 The commission shall deliver a written report and all
21 proposals submitted in response to the request for proposals
22 for the sale of the network to the general assembly no later
23 than January 1, 1997. The commission shall not enter into any
24 agreement related to the proposals without prior authorization
25 by a constitutional majority of each house of the general
26 assembly and approval by the governor as provided in section
27 8D.3.

28 EXPLANATION

29 This bill directs the Iowa telecommunications and
30 technology commission established in section 8D.3 to develop
31 and issue for response a request for proposals for the sale of
32 the Iowa communications network. The request for proposals
33 shall provide for the lease by the state of sufficient
34 capacity on the network for the continued use of the network
35 by public and private agencies as provided in chapter 8D. The

1 request for proposals must be approved by the general assembly
2 prior to its release. The commission is directed to deliver a
3 written report and all proposals submitted in response to the
4 request for proposals to the general assembly no later than
5 January 1, 1997, and is prohibited from entering into any
6 agreement related to a proposal without prior authorization by
7 a constitutional majority of each house of the general
8 assembly and approval by the governor.

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HOUSE FILE 461

AN ACT

RELATING TO THE IOWA COMMUNICATIONS NETWORK BY DIRECTING THE IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION TO CONDUCT STUDIES CONCERNING THE POSSIBLE SALE OF THE NETWORK, AND THE POSSIBLE CONVERSION OF THE NETWORK INTO A PUBLIC UTILITY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. STUDIES.

1. a. The Iowa telecommunications and technology commission established in section 8D.3 shall initiate and complete a study concerning the possible sale of the network. The study shall include a review of legal and practical issues which may affect whether the sale of the network should be approved or rejected, or which may affect the terms under which a sale should be completed. The study shall include a review of issues including all of the following:

- (1) The effect of the sale on the tax-exempt bonds which were issued for purposes of financing certain parts of the network.
- (2) The impact on existing telecommunications providers.

(3) The protection of state interests including the assurance of affordable access to the network for public entities, including Part III users which are not yet connected to the network.

(4) The necessity of compliance with other applicable state law.

(5) Issues relating to the use of public rights-of-way by any potential buyer of the network.

(6) Benefits to Iowa businesses and citizens.

(7) Providing for a long-term lease of capacity sufficient to meet the needs of existing and future educational users of the network identified in chapter 8D.

(8) A review of whether a sale of the network should be completed pursuant to a request for proposals or by auction.

(9) A review of the impact of federal communications commission policy and regulations on the potential sale of the network in its entirety or in parts, and a recommendation as to the manner in which the network should be sold as a result of this review.

(10) Other relevant issues as identified by the commission.

b. The commission shall consult with other state agencies, appropriate federal agencies, and private associations and vendors in completing this study.

2. The commission, in consultation with the utilities division of the department of commerce, shall study the possible conversion of the Iowa communications network into a public utility. The study shall include a review of legal and practical issues identified by the commission and the division which may affect such conversion.

3. The commission, prior to November 1, 1995, shall complete the studies required by this Act and deliver a written report including any recommendations related to each study to the members of the house of representatives committee on technology and the senate committee on communications and

information policy, the chief clerk of the house, and the secretary of the senate.

RON J. CORBETT
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 461, Seventy-sixth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved May 1, 1995

TERRY E. BRANSTAD
Governor