

**House Study Bill 532 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED IOWA  
TELECOMMUNICATIONS AND  
TECHNOLOGY COMMISSION BILL)

**A BILL FOR**

1 An Act relating to the provision of services through Iowa  
2 communications network connection facilities under specified  
3 circumstances.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8D.13, subsection 5, Code 2009, is  
2 amended to read as follows:

3 5. a. The state shall lease all fiberoptic cable  
4 facilities or facilities with ~~DS-3~~ sufficient capacity as  
5 determined by the commission for Part III connections, for  
6 ~~which state funding is provided. The state shall lease~~  
7 ~~all fiberoptic cable facilities or facilities with DS-3 or~~  
8 ~~DS-1 capacity for the judicial branch, judicial district~~  
9 ~~department departments of correctional services, and state~~  
10 ~~agency connections for which state funding is provided. In~~  
11 determining the capacity to be provided, the commission  
12 shall consult with the authorized users associated with  
13 the Part III connections, the judicial branch, the judicial  
14 district departments of correctional services, and state  
15 agencies associated with connections for which state funding  
16 is provided. Such facilities shall be leased from qualified  
17 providers. The state shall not own such facilities, except for  
18 those facilities owned by the state as of January 1, 1994.

19 The lease provisions of this subsection do not apply to a  
20 school district which elects to provide one hundred percent of  
21 the financing for the district's connection.

22 b. (1) Notwithstanding paragraph "a", the state may provide  
23 fiberoptic cable facilities or other facilities with sufficient  
24 capacity as determined under paragraph "a" in a manner other  
25 than pursuant to a lease if any of the following apply:

26 (a) An incumbent provider providing an existing leased  
27 connection terminates ownership of the leased connection.

28 (b) An incumbent provider providing an existing leased  
29 connection ceases to provide the necessary level of maintenance  
30 service associated with the leased connection.

31 (c) The commission determines that it is in the long-term  
32 best interest of the state to provide an existing or otherwise  
33 authorized network connection in a manner other than pursuant  
34 to a lease. In making this determination, the commission, at a  
35 minimum, shall consider the cost to taxpayers and the ability

1 of the network to provide a level of service necessary to meet  
2 the demands of network users.

3 (2) Prior to proceeding as permitted under subparagraph  
4 (1), the commission shall make a determination that an  
5 alternative cost-effective solution other than proceeding  
6 under subparagraph (1) is not available from a private  
7 sector qualified provider. For purposes of state ownership  
8 of a network connection, the commission shall also make a  
9 determination that utilization of a competitive bidding process  
10 would not be effective and is not in the best interest of the  
11 state.

12 (3) The commission shall by rule establish procedures and  
13 criteria for proceeding as permitted under subparagraph (1).  
14 The commission shall publish network connection changes made  
15 pursuant to this paragraph "b" in the commission's annual report  
16 related to the network.

17 EXPLANATION

18 This bill relates to the provision of services over  
19 presently leased Iowa communications network connection  
20 facilities. Currently, the state is required to lease all  
21 connections that apply to Part III connections, the judicial  
22 branch, the judicial district departments of correctional  
23 services, and state agencies that are paid for with state  
24 funding from qualified providers and is prohibited from owning  
25 such connections except for facilities owned by the state as  
26 of January 1, 1994. The bill authorizes the state to provide  
27 fiberoptic cable facilities or other facilities with sufficient  
28 capacity as determined by the Iowa telecommunications and  
29 technology commission, in consultation with authorized  
30 users, in a manner other than through a lease under specified  
31 circumstances. Provision other than through leasing will be  
32 permitted when an incumbent connection qualified provider  
33 terminates ownership of an existing leased connection, or  
34 ceases to provide the necessary level of maintenance service  
35 associated with an existing leased connection. Provision other

1 than through leasing will also be permitted when the state  
2 telecommunications and technology commission determines that  
3 such provision is in the best interest of the state.

4 Prior to proceeding with an alternative connection to an  
5 existing or otherwise authorized network connection, the  
6 commission shall determine that an alternate cost-effective  
7 solution is not available from a private sector qualified  
8 provider. The commission shall also determine that utilization  
9 of a competitive bidding process will not be effective and is  
10 not in the best interest of the state for providing an existing  
11 or otherwise authorized network connection. The commission is  
12 directed to establish by rule procedures and criteria for the  
13 process and to publish notice of the changes contained in the  
14 bill in the commission's annual report related to the network.

15 The bill additionally deletes specific reference to DS-3 and  
16 DS-1 facility capacity.