



IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

Richard L. Bruner
CHAIR

Kathleen Kohorst
Kelly Dolan Lange

Timothy L. Lapointe
Robert F. Holz

Mary Mosiman
Robert von Wolfradt

Ric Lumbard, Executive Director

Governor Kim Reynolds

Lt. Governor Adam Gregg

Iowa Telecommunications & Technology Commission

Grimes State Office Building, 1st Floor

400 E. 14th Street, Des Moines, IA 50319

August 17, 2017 Minutes

FINAL

To ensure the most efficient use of State resources, the August 17, 2017 ITTC meeting was held via telephonic conference pursuant to Iowa Code section 21.8. A telephonic conference also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance via Phone Bridge.

- **Roll Call:**

- **Commissioners Present:**

Richard Bruner, Chair (on-site)
Kelly Dolan Lange, Member (phone)
Kathleen Kohorst, Member (video)
Bob Holz, Member (on-site)
Timothy Lapointe, Member (video)
Robert von Wolfradt, Ex-Officio (on-site)
Mary Mosiman, Ex-Officio (phone)

Iowa Communications Network Staff Present:

Phil Groner, Chief Operating Officer, Acting Executive Director
Deb Evans, Agency Division Administrator
Mark Johnson, Chief Administration Officer, Interim Carrier Division Administrator
Randy Goddard, Business Services Officer
Scott Pappan, Carrier Services Officer
Mike Cruise, Finance Services Officer
Dave Marley, Field Services Officer
Jessica Jensen, Executive Administrator
Lori Larsen, Communications Lead
TJ Boulet, Legislative Liaison
Karen Alessio, Secretary 2 (Recorder/Minutes)

Guests:

Sean Cory, Century Link

- **Call to Order:**

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- Chair Bruner called the meeting to order at 10:34 a.m. It was noted that a quorum of members was present for the meeting.

- **Approval of July 20, 2017 Meeting Minutes:**

- Chair Bruner requested a motion to approve the July 20, 2017 meeting minutes. Commissioner Holz moved to approve the minutes. Commissioner Lange seconded the motion. The motion was passed unanimously.

Commissioner Holz – Yes
Commissioner Kohorst – Yes
Commissioner Lange – Yes
Commissioner Lapointe – Yes
Commissioner Bruner – Yes

- **New Business:**

- **Agency Division Update – Deb Evans**

- A change has occurred in the Agency Services Division of the ICN. Contracting has been moved under Finance and moving forward will report to Mike Cruise.
- The official State Book Close date is August 31, 2017. Both the Generally Accepted Accounting Principles (GAAP) and the State-wide Cost Allocation Plan (SWCAP) are to be completed in October. A meeting with the Auditors was held on August 14 to close the Fiscal Year 2016 books, while work has begun on the Fiscal Year 2017 audit.
- Details are being finalized on the contract for the new financial system, which was a Request for Proposal (RFP) that was awarded earlier in the year.
- Business Services is making progress on two RFP's; one due September 1, 2017 and the second due November 3, 2017. Business Services is developing six new services that the ICN can provide to customers. These services must be approved by the Development, Testing, Acceptance, and Production (DTAP) process which includes all of the bureaus of the organization. Next week ICN's premier network-based DDoS mitigation service, BoronDDoS, will go before the Executive Team for approval; there are several more services forthcoming.

COMMENTS:

Chair Bruner: What financial software is Finance contracting with?

Deb Evans: Calero is what Finance will be using.

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Chair Bruner: That will bring everything together?

Deb Evans: It was difficult to find a financial system that could handle the payables, finances, and billing but this system does have API's that connect. It may be challenging when Finance connects into the new organizational system Service Now.

Chair Bruner: So Calero is a good fit for the ICN's financial needs?

Deb Evans: Yes.

- **Financial Report – Mike Cruise**

The July Budget-to-Actual Report Lead Schedule for 2017 was presented. The monthly Operating Margin for July contributed to a positive cash flow for the month. Year-to-date Operating Margin is \$45,015.14 with a margin percentage of 1.75%. Year-to-Date totals for the month ending in July with overall cash from Operations (-\$227,679.50) with an overall margin percentage (-8.70%). The negative balance reflects incurred expenses in the first two months of the fiscal year. The final Fiscal Year 2017 report will be available at the October 19, 2017, ITTC Meeting.

- **Capital Plan Review – Deb Evans**

The Fiscal Year (FY) 2017 Capital Spending Plan is near completion; however, Finance is waiting to receive a few remaining invoices, so these figures are preliminary. The budgeted items that were cancelled are not a result of ICN not completing the task, but the organization seeking different solutions by saving money to accomplish those tasks.

COMMENTS:

Chair Bruner: Finance is doing a better job estimating cost.

Deb Evans: Yes, we are.

Chair Bruner: It appears that our core came in close to what was expected as it was a big number.

Deb Evans: Yes it did.

- **Video Rates for FY 19 – Randy Goddard**

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September is the time of year when the Commission reviews the video rates for FY 19, which will begin on July 1, 2018. The sunset date for Moving Picture Experts Group (MPEG) to be cycled out of the Network is June 30, 2018. Currently there are 90 MPEG sites still connected to the platform. Those customers have been contacted and several are not using their video classroom. Those customers will be offered the opportunity to upgrade their equipment to Internet Protocol (IP) which will prepare them for ICN's new Managed Video Service, Pexip, which ICN's Carrier Services Production Group has reviewed, and is actively testing. This new product has similar functions to Zoom, and has a few of the same capabilities like scheduling and recording. In FY 17, video had approximately \$400,000 in revenue with \$380,000 in expenses, which left a \$20,000 operating margin for the videoconferencing product line. LightSpeed IP video had over 12,000 hours of MPEG based on old structure built for hourly rates. Moving forward with IP, a flat rate per month is established with unlimited usage. Projections for FY 18 after sunsetting MPEG, ICN incurred some of the expenditures that are associated with the MPEG product. Projections on the MPEG product are \$347,000 and revenue is dropping slightly as classrooms are being removed. Expenses have dropped to \$240,000 as those service agreements will not be renewed, which will leave \$100,000 margin. Projected revenue for FY 19 is down due to the competitiveness of the industry. Based on 160 subscriptions there would be \$230,000 in revenue with \$200,000 in expenses, which equals to \$30,000 margin. ICN plans to maintain the same IP Video flat rate that was established earlier in the year at a 25% decrease versus the previous year at \$116.25. This rate is comparable with other IP video services that are available.

COMMENTS:

Chair Bruner: The ICN is competitive with the rate at \$116.25?

Randy Goddard: Yes, we are competitive. In comparison to GoToMeeting, which is an online meeting, desktop sharing, and video conferencing software that enables the user to meet with other computer users, customers, and via the Internet in real time. Their cost is between \$1,200 and \$1,400 for an annual subscription?

Chair Bruner: In regards to the customer reaction, are you seeing any resistance by getting rid of MPEG?

Scott Pappan: The ICN has gone from a video hardware platform to a virtual platform. With Technology Center (TC) Reliance, which is the same software that is being used, the customer will have the same experience.

Chair Bruner: So the service moves to IP and the customer cannot tell the difference?

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Randy Goddard: The IP platform adds functionality.

Chair Bruner: It sounds as though there should not be much reaction.

Tim Lapointe: How does the sunseting of the MPEG affect the video classroom? I believe that the video classrooms are becoming obsolete.

Randy Goddard: Yes, the video classrooms are becoming obsolete. Currently there are 90 classrooms still remaining on MPEG. For those customers continuing to use the MPEG codec they can replace it with an IP codec in the classroom, they will not see a change. The customers will experience the same features like reliability, the ability to schedule in advance, and the ability to record the session.

- **ERC Event – Karen Alessio**

On Thursday, September 21, the ICN's Employee Recognition Committee (ERC) will be hosting the annual Fall Event. The theme this year is Picnic in the Park. The event will be held from 11:30 am – 3:00 pm at Birdland Park – Ding Darling. Lunch will consist of grilled brats, burgers, and hot dogs as well as a variety of covered dishes provided by the employees of the ICN. The afternoon will include Years of Service Awards, Co-Worker Shout Outs, and Team Building Games. The Commissioners will be ERC's special guests.

- **Carrier Division Update – Mark Johnson**

Most of the staff relocations for the Carrier Services Division have been completed. We continue to meet the demands on the ongoing Network Operations as well as providing support for the Away Team in the creation of Jekard. With the new structure, meetings are taking place on a regular bases with ICN's Carrier Services Officer, Scott Pappan, Securities Services Officer, Ryan Mulhall, and Field Services Officer, Dave Marley so effective collaboration is taking place and everyone in the ICN is aware of what is happening in the various areas. In addition to preparing for Jekard, the ICN is also actively engaged in the development of the service offerings that have been previously mentioned, also responding to opportunities to provide existing service to the ICN customers. The ICN is also in the process of evaluating whether to engage some professional services with the Engineering and Operations areas. The final decision will depend upon what the actual resource needs are and the net financial impact associated with procuring those resources versus the impact on revenue and margin.

COMMENTS:

Chair Bruner: The ICN may need to hire consulting resources?

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Mark Johnson: It would likely be Engineering resources.

- **Jekard Update – Phil Groner**

The ICN is in the process of upgrading their infrastructure to the Network; that process began at the end of last calendar year. Several spans of the Network have been upgraded to 200 Gb links. At that point it has been necessary to go back and begin doing the power and heating, ventilation, and air conditioning (HVAC) assessment on the Network and all the points of presences (POP). That assessment was contracted through Olson and Engineering will be completed at the end of this month; in addition the ICN will receive their recommendation and begin implementing all the power and HVAC requirements that are POP sites to accommodate layer two and layer three networking equipment for the upgrade.

ICN is continuing to work with Aeritae Consulting Group on the ServiceNow implementation. ServiceNow will serve as the central orchestration point so ICN can consolidate the 40 plus systems used today down to hopefully no more than four or five systems total. The Away team has been working on the Incident Management System within ServiceNow. This is the ticketing system when users and customers call into the Network and report a trouble ticket to track and resolve that issue, as well as change management when changes to the Network are necessary as there is a systematic approach to accomplish that.

In regards to the Network orchestration, in some cases, Jekard will allow customers to order a service and an automatic provision for that service through the Network. The Away Team is working with Cisco and their reseller to do scopes of work to develop this and get it into the lab and begin testing the processes and systems for that. The ICN has been moving forward with Jekard, the process has been work intensive since it is an entire revamp of how ICN will operate for our organization, customers, and Network.

- **Product Launch Update – Scott Pappan**

The ICN is proud to launch a new DDoS mitigation service called BoronDDoS. The acronym DDoS stands for Distributed Denial of Service, for example, when a customer's IP Network is flooded with data, the Network is unusable. The official start date for the new service is Friday, September 1, 2017, as the DTAP will be completed by the end of month. Randy Goddard and Scott Pappan will have an opportunity to present the new product to ICN's Executive Team. The Carrier Services Production team has been testing the DDoS mitigation service since March 1, 2017. In addition ICN has been managing every IP within the State of Iowa's Network. In the last six months, almost 27,000 DDoS attacks have occurred on the Network. The average duration of a DDoS attack is approximately 4 ½ minutes. The longest DDoS attack was 12 hours and the largest DDoS attack was 10 Gb of

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bandwidth during that 12 hour period. Throughout that attack the Network was managed, operational, and ran with ease. The new service was modeled after looking at Microsoft and how they managed their security. The eight elements of the BoronDDoS service include: Design, Install, Configure, Administration, Monitor, Maintenance and Support, Mitigate, and Cleanse. Randy Goddard will describe the different service levels.

Randy Goddard: After the new service BoronDDoS is approved by ICN's Executive Team, it will become an official product for our customers. Part of that launch includes reaching out to existing test customers. Area Education Agencies (AEA's) and colleges have been feeling the effect as the AEA's aggregate Internet traffic for K-12 schools. ICN offers two levels of DDoS mitigation security services; Battalion Level (Gold) and the Platoon Level (Silver). The first level Battalion Plan includes the automatic detection and mitigation plan. A one-time monthly fee is charged and support is provided with no additional interaction by the customer. The second level Platoon Plan includes the monitoring and detection planning. When an attack is detected, ICN will contact the customer and determine if the impact is substantial enough for the ICN to mitigate on their behalf. An Event Fee will be charged for that service. There may be users who will not purchase any security services; ICN will offer emergency DDoS mitigation services to those in need. Part of the new service is explaining to the customer what happens should the customer choose not to subscribe. In order to protect its network ICN may have to black hole or block the infected traffic. The ICN would mitigate the bad traffic before it begins to impact ICN's other customers.

COMMENTS:

Chair Bruner: It looks like a great product. Hopefully the customers are ready for the new product. I believe that the word gets around when there has been a DDoS attack.

Scott Pappan: One customer called in with a concern requesting that ICN mitigate the traffic. The customer stated that they were down a couple of minutes, when in fact the attack lasted more than 12 hours. After the service was mitigated no one had an inclination that the Network incurred a 10 Gb hit and the ICN mitigated all of the traffic and kept the Network running flawlessly.

Chair Bruner: How many IP address are in the state government?

Scott Pappan: There are more than 27,000 IP addresses in state government. The ICN uses the Gigamon which is a piece of equipment that copies traffic. When ICN is alerted of an event, the traffic is then shifted to the DDoS Mitigation equipment and it is cleaned and returned into the flow of traffic.

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- **Des Moines Fire Department Recognition and Presentation – Jessica Jensen**

The Des Moines Fire Department (DMFD) would like to recognize the ICN and Department of Public Safety (DPS) employees who assisted in their efforts when Director Ric Lumbard experienced a medical emergency. The event will take place Thursday, August 31, 2017 from 10:30 am – 11:30 am in the Grimes State Office Building, Room B100. Those who were involved will be presented with a certificate. The Fire Department will also be communicating on how to react to traumatic situations and bring awareness to events of that nature.

COMMENTS:

Chair Bruner: Would you please mention who will be in attendance from the Fire Department.

Jessica Jensen: The Fire Chief will be presenting the awards; the Assistant Fire Chief will be present also. In addition, 15 members of the Fire Department will be in attendance as well as members from DPS. ICN's leadership team, as well as the ITTC Commissioners is welcome to attend.

- **Gigabyte News Magazine – Phil Groner**

Business Review USA and Gigabit Magazine will be publishing an article on the ICN's efforts to move to a new orchestration and Software Defined Network for the future. Director Ric Lumbard provided interviews and information back in June. The article will be published on September 1, 2017, and Commissioners will receive a copy of the article.

Update – The ICN interview is located on page 118-129.

<http://www.businessreviewusa.com/magazine/issue?id=12458201/52657710>

COMMENTS:

Chair Bruner: Thank you Phil. It is a pretty well-known magazine to be featured in.

- **Adjournment:**



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Commissioner Kohorst moved that the meeting be adjourned. The ITTC meeting adjourned at 11:10 a.m.

ATTESTED TO:

A handwritten signature in black ink that reads "Richard L. Bruner". The signature is written in a cursive style with a large initial "R".

Richard Bruner, Chair, Iowa Telecommunications and Technology Commission

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