

RA 26-117

COMMUNICATIONS NETWORK, IOWA[751]**Regulatory Analysis**

Notice of Intended Action to be published: 751—Chapter 12
“Rates and Rate Disputes”

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 12 and adopt a new chapter in lieu thereof. The chapter describes the rates and rate disputes for the statewide network. 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 rates and rate disputes.

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 12 and adopt the following **new** chapter in lieu thereof:

CHAPTER 12
RATES AND RATE DISPUTES

751—12.1(8D) Rate methodology.

12.1(1) Cost recovery. The commission shall establish rates for all services based on the actual cost of operation, maintenance, administration, and capital investment required to provide the service. Rates shall be designed to be self-sustaining and consistent with the state's financial capacity.

12.1(2) *Educational priority.* In establishing rates for educational users, the commission shall ensure that rural communities have access to services comparable to those provided in urban areas, consistent with Iowa Code section 8D.3(1) “a.”

12.1(3) *Federal and health users.* Rates for federal agencies, hospitals, and physician clinics shall be established at a level that ensures, at a minimum, there is no state subsidy related to the cost of the connection or use of the network, consistent with Iowa Code section 8D.3(3) “i.”

751—12.2(8D) Rate increase notice. The commission shall provide notice to authorized users of any general rate increase at least 30 days prior to the effective date of the increase.

751—12.3(8D) Rate dispute resolution.

12.3(1) *Review.* An authorized user who believes the user has been billed an incorrect rate or charge may request a review by the executive director. The request must be in writing and include the specific invoice and the basis for the dispute.

12.3(2) *Determination.* The executive director or designee shall review the dispute and issue a written decision to the authorized user.

12.3(3) *Appeal.* If the authorized user is dissatisfied with the executive director’s decision, the user may file a notice of appeal in accordance with the contested case procedures in 7—Chapter 2506.

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