

Red Tape Review Rule Report (Due: September 1, 20 26)

Department Name:	Iowa Communications Network (ICN)	Date:	5/13/2026	Total Rule Count:	3
IAC #:	751	Chapter/ SubChapter/ Rule(s):	Chapter 12	Iowa Code Section Authorizing Rule:	8D.3
Contact Name:	Lori Larsen	Email:	Lori.larsen@icn.state.ia.us	Phone:	515-725-4713

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The chapter describes the methodology for establishing self-sustaining rates for services on the statewide network, outlines notification procedures for rate adjustments, and provides a clear process for resolving billing disputes.

Is the benefit being achieved? Please provide evidence.

Yes. The qualitative impact is positive; the rulemaking simplifies the regulatory environment by removing obsolete language and providing highly transparent guidance on rates and rate disputes. It successfully establishes cost-recovery principles ensuring no state subsidy for federal/health connections, guarantees comparable rural and urban educational pricing, and streamlines the billing dispute appeal process by adopting the uniform contested case rules.

What are the costs incurred by the public to comply with the rule?

There is no direct cost associated with the proposed rulemaking.

What are the costs to the agency or any other agency to implement/enforce the rule?

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

Do the costs justify the benefits achieved? Please explain.

Yes. This rulemaking ensures the agency has a basic administrative structure for financial operations and has no additional compliance costs associated with it.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

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. No other methods were considered as the proposed rulemaking is necessary to comply with Executive Order 10's mandate to streamline and modernize existing rules.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes. 751—Chapter 12 (Entire legacy chapter). The previous iteration of the chapter contained repetitive statutory recitations regarding specialized rate categories, legacy billing models, and overly bureaucratic internal dispute

protocols. Unnecessary phrasing and redundant administrative layers were eliminated to simplify the rate-setting and dispute-resolution structure.

RULES PROPOSED FOR REPEAL (list rule number[s]):

Rescind 751—Chapter 12 in its entirety

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

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.

12.2(1) *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 they have 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 section 8D.3

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	3
Proposed word count reduction after repeal and/or re-promulgation	756
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	23

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

Yes. We recommend a comprehensive update to Iowa Code Chapter 8D to modernize the statute, streamline legacy code, and align the agency's authorizing framework with current technology and state government structures.