



IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

Richard L. Bruner
CHAIR

Kathleen Kohorst
Kelly Dolan Lange

Timothy L. Lapointe
Robert F. Holz

Mary Mosiman
Robert von Wolffradt

Ric Lombard, 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

June 15, 2017 Minutes

FINAL

To ensure the most efficient use of State resources, the June 15, 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.

I. Roll Call:

- **Commissioners Present:**

Richard Bruner, Chair (on-site)
Kelly Dolan Lange, Member (video)
Timothy Lapointe, (video)
Robert von Wolffradt, Ex-Officio (phone)
Bob Holz, Member (on-site)

Commissioners Absent

Kathleen Kohorst, Member
Mary Mosiman, Ex-Officio

Iowa Communications Network Staff Present:

Ric Lombard, Executive Director (video)
Deb Evans, Chief Financial Officer
Mark Johnson, Chief Administration Officer
Randy Goddard, Business Services Bureau Manager
Scott Pappan, Engineering Bureau Manager
Mark Lumsden, Broadband Information Center Operations Bureau Manager
Mike Cruise, Finance Bureau Manager
Dave Marley, Network Operations Center (NOC) Bureau Manager
Jessica Jensen, Executive Administrator
Lori Larsen, Communications Lead
TJ Boulet, Legislative Liaison
Karen Alessio, Secretary 2 (Recorder/Minutes)

- **Guests:**

Ray Warner, Aureon Networks

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Grimes State Office Building, 400 E. 14th Street, Des Moines, IA 50319 Phone: 515-725-4692 Fax: 515-725-4727 www.icn.iowa.gov

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II. Call to Order:

- Chair Bruner called the meeting to order at 10:30 a.m. It was noted that a quorum of members was present for the meeting.

III. Approval of April 20, 2017 Meeting Minutes:

- Chair Bruner requested a motion to approve the April 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 Lange – Yes
Commissioner Lapointe – Yes
Commissioner Bruner – Yes

IV. New Business:

- **Commissioner Holz Introduction – Chair Bruner**

I am pleased to introduce a new commissioner, Bob Holz. I've had the opportunity to work with Bob on numerous occasions over the years. I believe the Commission will enjoy getting to know him as a person and appreciate his counsel as well. Welcome Bob, please take a moment and tell us about yourself.

COMMENTS:

Commissioner Holz: I have been working in communications for 50 years. I am originally from Dubuque, graduating from Loras College and the University of Iowa's College of Law. I have been a member of the Davis Brown Law Firm since 1967 and a member of the Iowa Bar Association. My wife and I live in Des Moines and we have 2 daughters; one living in Boone and the other in Minneapolis. In my spare time I enjoy playing tennis and golfing. I look forward to meeting everyone further.

Chair Bruner: Thank you Bob. Welcome aboard. We are glad to have you serving on the ITTC.



• **Commissioner Term Update – Jessica Jensen**

Following is an updated status regarding the terms of the Commissioners currently serving on the ITTC:

- Commissioner Tim Lapointe – Reappointed in 2017
- Commissioner Bob Holz – Appointment is subject to Senate confirmation in 2018
- Commissioner Kate Kohorst - Reappointment in 2018
- Chair Dick Bruner – Reappointment in 2019
- Commissioner Kelly Lange – Reappointment in 2020

• **ICN Progression from Broadband Technology Opportunities Program (BTOP) to Jekard – Director Lombard**

HISTORY AND TIMELINE FOR JEKARD

CREATING A PATHWAY FOR THE FUTURE OF THE ICN!



2010 – 2013: ICN awarded a Federal Broadband Technology Opportunities Program (**BTOP**) grant. ICN upgrades Layer 1 to **Adva Optical Platform**; Layer 2 aggregation switches to **Brocade**, and Customer Premise Equipment to **Ciena**, and converts 150+ locations from leased circuits to leased dark fiber service. The BTOP grant and implementation begins the long-range roadmap of moving the network from a TDM based system to an IP based system.

2012: **Darmstadt, Germany** –Software-Defined Networking (SDN)/Openflow World Congress. First white paper on Network Functions Virtualization (NFV) is released. Begins the new era of Software Defined Networking (SDN)/NFV for telecom operators.

2013: **Brocade** announces the End-of-Life (EOL)/ End-of-Service (EOS) for their aggregation switches. ICN begins planning and saving fiscal assets as deferred maintenance for Layer 2 replacement. Director Lombard holds operations management from engaging in SDN conversations until the industry trend matures.

2014: ICN begins reviewing and assessment of SDN/NFV and ICN’s organizational/network readiness for the future.

2015: ICN begins development of project to upgrade the network core from 40Gb to 100Gb+ to include Layers 1- 3. Research, vendor engagements, and proof-of-concepts begin.

June 2016: ICN selects new core vendors – Ciena Waverserver for Layer 0/1 and Juniper Networks for a combined Layer 2/3. Upgrade will enable a 200Gb core for the network. ICN develops a complete SDN/NFV implementation concept.

Aug 2016: INTERCONNECT 2016. ICN announces to customers, partners, and stakeholders plans for the new core with two phases. Phase A enabling a fast 200Gb core; Phase B enabling flexible SDN/NFV services.

Dec 2016: First Ciena Waverserver is installed and turned-up enabling first 200Gb span on the network.

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Feb 2017: ICN launches and announces Jekard. Jekard is the ICN's intelligent fabric providing STRONG virtual services, FLEXIBLE customer control, and FAST operational orchestration, POWERED by the new dynamic core.

ICN selects the following partnerships for Jekard:

- **ServiceNow** – Organizational orchestration
- **Aeritae** – ServiceNow integrator
- **CenturyLink** (existing contract) – Managed Voice Provider
- **SpeakPR** – Marketing
- **Fiber Network Services** (existing contract) – ICN's maintenance provider
- **Adva, Ciena, Juniper** – Core equipment manufacturers
- **Cisco** – Network orchestration

May 2017: ICN Leadership plans the blueprints for both the legacy world for sun setting and the Jekard new world.

June 2017: New ICN JEKARD LAB comes online.

July 2017: First test network orchestrated self-provision circuit in ICN lab.

Aug 2017: INTERCONNECT 2017 - Planned General Availability announcement for Jekard services – July 2018.

Nov 2017: ERATE order availability for new JEKARD services for the Education Sector with enable dates of July 2018.

Aug 2018: INTERCONNECT 2018 - Planned SUNSET Announcements for the ICN Green Earth legacy products, services equipment.

July 2019: End-of-Life (EOL) ICN old Green earth legacy products, services equipment.

March 2020: End-of-Service (EOS) ICN old Green earth legacy products, services equipment.

COMMENTS:

Chair Bruner: Excellent presentation. The handout does a thorough job explaining the history and timeline of Jekard.

- **Jekard Update – Mark Lumsden**

The core of the Jekard lab is a virtual infrastructure and is ready for the implementation of the new components. ICN's partnership with Aeritae is very much engaged through a process called Value Stream Mapping. Value Stream Mapping is a management method for analyzing the current state and designing a future state for the series of events that take a product or service from its beginning to the customer. ICN's goal is to transition to the Jekard platform in as clean and efficient manner as possible. As a result, there will be minimal waste and the process will be streamlined. The next step is the integration between Service Now, which is the organizational orchestration and the Cisco piece, which is the transport aspect of the equipment. A lot of activities are taking place in the lab as the progress has been steady.

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COMMENTS:

Chair Bruner: Mark will be leaving the ICN at the end of the month. He accepted the position as Chief Information Officer (CIO) with Buena Vista University. The ICN has appreciated your work thus far and we wish you the best. Thank you.

Mark Lumsden: Thank you.

- **FirstNet Imminent Update – Director Lumbard**

After four years of conversation & planning the time has arrived where FirstNet's State Plan will be released to Iowa as to what AT&T and FirstNet's plan will be. The plan will include AT&T's plan to deliver a Nationwide Broadband Network for Public Safety in the State of Iowa. It is anticipated that the plan will be released in mid-June which will begin an aggressive process of evaluation and analysis by the FirstNet Broadband Committee. AT&T's solution will be evaluated and should the solution be adequate and honorable to Public Safety stakeholders in the State of Iowa, the FirstNet Broadband Committee will submit to the Iowa Statewide Interoperable Communications System Board (ISICSB) approval which will be submitted to the Governor's Office. It is possible that once the Governor approves that plan, provided that it is effective, that the first day of her signature would allow for public safety stakeholders in Iowa to immediately subscribe to FirstNet. AT&T will be utilizing their existing commercial infrastructure with over 90% coverage geographically and that plan will be augmented over the next five years covering around 98 percent coverage in the State of Iowa. The Single Points of Contacts (SPOC) meeting was held in Dallas, Texas earlier in the month. It was obvious how AT&T and FirstNet have created solutions for Public Safety. I believe this process will usher in a new era of communications for Public Safety, and I believe it is quite significant. AT&T is providing mobile vehicles, applications, and application development opportunities for the Public Safety industry to design their own applications. In addition, they have a dedicated Cyber Security operation and a dedicated Customer Service operation for FirstNet. AT&T is making a difference in the FirstNet conversation. Iowa will likely be at the forefront in the initial state plans due to the preparedness in the State of Iowa. If the plan is acceptable, I fully believe that Iowa will be one of the first states to implement FirstNet.

COMMENTS:

Chair Bruner: I believe Monday, June 19, may be a possible release date.

Director Lumbard: That is correct.

- **FY18 Annual Secluded Strategy Sessions – Director Lumbard**

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The annual Leadership Strategy Sessions have been completed. The leadership teams underwent two types of meetings. Business Services included a full review of revenue processes, a sales engagement plan, and how products are delivered to customers. A day and a half was spent on deep analysis of the process and the necessary revisions were made. A sales engagement plan was set for the next 12 months. The Leadership sessions followed and this was a time where the leadership team can conduct business and make adjustments regarding the upcoming changes in the framework of the ICN. This has been the most active and vibrant leadership framework the ICN has had thus far. Thirty-six out of thirty-nine pieces of business will have active changes made within the next 12 months. Many of these changes will be released at the All Hands Meeting on Tuesday, July 11. As the Director, I do not vote in the Leadership meetings. I facilitate the leadership environment and the process but it is the leaders who put the actions and motions together as well as the business plans and collaborate. The information is then presented to the group regarding what business items need to be completed to make the best ICN possible for the future. I believe that you will be pleased when hearing the changes that will be taking place in the future of the ICN.

- **Financial Report – Mike Cruise**

The May Budget-to-Actual Report Lead Schedule for 2017 was presented. The monthly Operating margin for May contributed to a positive cash flow for the month. Year-to-date Operating Margin is \$76,644.95 with a positive margin percentage of 2.78%. May represents the fifth consecutive month for positive monthly margins. The Year-to-date totals for the month ending in May with overall cash from Operations is (-\$1.4M) with overall margin percentage of (-4.5%) which is favorable to the budgeted percentage of (-13%) through May.

- **Financial Drill Down – Internet – Deb Evans**

Internet Services was the Line of Business that was highlighted. ICN's channels of business are Healthcare, Public Safety, Government, and Education. The reason for doing the drill down by service is to look at all expenditures associated to the service and determine if they are applied to the correct service or more items can be applied directly so that allocations being applied can be reduced. We can then understand our margin for individual services. Education is ICN's largest user for Internet with the Operating Margin of \$3,325,668.15 with the Gross Margin of \$3,508,775.75. Finance has identified areas that should be directly allocated or should be a direct expense. Those adjustments will be done in July, so a decrease in margin will appear. As Finance continues to identify areas and categorize them either in a channel or a service, ICN will have a much clearer picture of how services and channels are doing.

COMMENTS:

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Chair Bruner: Thank you Deb. This is a fairly new process and improving with each month. The idea behind this approach is to see how our services are doing.

- **Administrative Rules Update– Mark Johnson**

Under Iowa Code section 17A.7, each state agency is required to do a five year rolling review of its administrative rules. Specifically, as the review relates to the “identification and elimination of all rules of the agency that are outdated, redundant, or inconsistent or incompatible with stature or its own rules or those of other agencies”. July 1 of this year ends the first five year period, and the ICN proposes the following changes:

1. 751 Chapter 1 – Description of Organization – Amendment will be proposed to identify the current administrative elements of the ICN, given the establishment of a Security Bureau and other structural changes being made.
2. 751 Chapter 7 – Authorized Use and Users – Definition of “state communications” will be amended to address the legislative change made in 2017 Iowa Acts HF 467 the enables the ICN to provide law enforcement communications systems.
3. 751 Chapter 15 – Advisory Councils, Committee and Groups – During the 2017 Legislative Session, funding for the Regional Telecommunications Council (RTCs) was not appropriated to the Department of Education (DOE). Discussions will begin with DOE to determine appropriate and necessary revisions to these rules. The RTCs are established under the ICN’s authorizing statute in Code section 8D.5.

Over the last 12-18 months, significant organizational changes have been implemented to address the continually changing environment that faces telecommunications common carriers, as well as the ICN in its role as a state agency. Organizational changes have been made as a result of the increasing cybersecurity threats that face our network and our users. The ICN has also aggressively engaged in establishing partnerships with the private sector to provide greater value to our users and the State as a whole. As a result, the ICN makes the following findings with the respect to its administrative rules.

1. 751 Chapter 1 – Description of Organization – Establish definitions for the ICN’s “carrier operations” and “agency operations” as contemplated by Iowa Code section 8D.3, subsection #1, which provides, in part: “The management, development, and operation of the network shall not be subject to the jurisdiction or control of any other state agency. However, the commission is subject to the general operations, practices, and procedures which are

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generally applicable to other state agencies.” Additional conforming changes may be necessary.

2. 751 Chapter 5 – Purchasing – Adopt rules that allow the ICN to use a contractor that has been sourced by another public entity or provider. E.g. If a city has a preferred vendor under contract or if another telecommunications provider has a contractor selected and the ICN wants to locate in the same trench where that vendor or provider is installing fiber assets or conduit, allowing us to engage that vendor or provider to complete our work will save time and resources, and furthers the goal of “digging once” in the same area.

This summary will be provided to the Administrative Rules Committee and the Governor’s Administrative Rules Coordinator once finalized.

COMMENTS:

Commissioner Lapointe: Regarding the Advisory Councils has it been determined that those were not of sufficient use to justify additional funding or time through the RTC’s? The ICN used to have an active Advisory Council framework and reports from the RTC; it appears there has not been a lot of that activity for the past few years.

Mark Johnson: It has been somewhat a mixed bag in terms of the RTC’s and their involvement. The funding has slowly been reduced through the years. When the funding was originally appropriated to the ICN to manage, ICN collaborated with the DOE to have the funds transferred to them as it is an educational function. A significant amount of time was spent making sure all the RTC’s were appointed as there was difficulty in getting the various groups to appoint members to each of the regional councils. The funding was distributed based upon a funding strategy as to how the funding would be divided; some councils spent the funds, and some did not, and those funds were returned. During the Legislative Session, due to the budget cuts it may have appeared as one of the budget items that could be eliminated.

Commissioner Lapointe: Is that something that would be required to keep our common carrier status?

Mark Johnson: I do not believe so. When the Network was created and the Education Telecommunications Council was established, there were other advisory groups that were allowed because it was seen as an Education Network. The RTC’s were created to provide input from the various regions through the Area Education Agencies (AEAs). I am not aware of any requirement specifically to those specific types of Advisory groups necessary for our common carrier status.

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Director Lombard: There was a significant amount of time researching the past legislative session on the requirements and ICN's common carrier status, and I can assure you that our common carrier status is secured.

Commissioner Lapointe: Thank you. It has been awhile since this has been discussed.

V. Adjournment

Commissioner Lapointe moved that the meeting be adjourned. The ITTC meeting adjourned at 11:16 p.m.

ATTESTED TO:

A handwritten signature in black ink that reads "Richard L. Bruner". The signature is written in a cursive, flowing style.

Richard Bruner, Chair, Iowa Telecommunications and Technology Commission

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