

**Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 E. 14th Street, Des Moines, IA 50319**

FINAL

July 19, 2012

To ensure the most efficient use of State resources, the July 19, 2012, ITTC meeting was held via a conference call pursuant to Iowa Code section 21.8. A video conference call 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 at the Grimes State Office Building.

Commissioners Present

Richard Bruner, Chair (on-site)
Kathleen Kohorst, Member (on-site)
Shannon Cofield, Member (on-site)
Robert R. Hardman, Member (via videoconference, Cedar Falls)
Timothy Lapointe, Member (on-site)
David A. Vaudt, Ex-Officio Member (on-site)

Iowa Communications Network Staff Present:

Dave Lingren, Executive Director
Mark Johnson, Administration Director
Will Walling, Network Operations and Engineering Director
Deb Evans, Finance Manager
David Marley, Network Operations and Engineering Manager
Phil Groner, Business Services Manager
Tami Fujinaka, Government Information Officer
Lori Larsen, Public Information Officer
Jeannie Patterson, Technical Services Specialist
Molly Critchon, Intern
Carmelita Doke, Receptionist (Recorder/Minutes)

Guests:

Meghan Gavin, Attorney General's Office
Emily Harper, Attorney General's Office
Marcia Tannian, Legislative Services Agency
Kathy Goebel, RTC 5 (via videoconference)
Sheila Navis, RIITA

Call to Order

Chair Bruner called the meeting to order at 10:02 am. It was noted that a quorum of members was present for the meeting.

Approval of the 5/17/2012 Meeting Minutes

Commissioner Lapointe moved to approve the May 17, 2012, meeting minutes as read. Commissioner Cofield seconded the motion: A roll call vote was taken. Minutes were approved unanimously.

Commissioner Hardman – Yes
Commissioner Lapointe – Yes
Commissioner Cofield – Yes
Commissioner Kohorst – Yes
Commissioner Bruner – Yes

Old Business

BTOP Grant Update – Dave Lingren

ICN is in the final implementation year of the Broadband Technology and Opportunities Program (BTOP) project. The completion date for the BTOP project is June 30, 2013. Over 50 percent of the installation is complete and the remainder will be done before the June 30, 2013, deadline.

Sale/Lease RFP Update – Dave Lingren

The Sale/Lease Request for Proposal (RFP) also has the completion target date of June 30, 2013. Completion of the RFP is on schedule. Fiberutilities Group and ICN staffs are in the process of gathering the information that is required to be included in the RFP and a bidder's library. The RFP will need to communicate to a potential buyer or lessor the complex operational details of the ICN including billing and other details.

RTC Allocation Process Update – Lori Larsen/Tami Fujinaka

As part of the Regional Telecommunications Councils' (RTC) appropriation allocation process, ICN staff conducted 15 training sessions during June for RTC support staff providing video scheduling, local area network (LAN)/ wide area network (WAN) Internet, and video classroom technical support, as well as RTC Coordinators. The training sessions were held to ensure that those involved with the support services funded by the allocation process, received consistent messages and materials for the support services tracking and reporting that their RTC will need to implement to obtain funding. The training was conducted utilizing video conferencing and ICN staff received vital input from the support staff regarding the tracking. All 51 persons participating in the training were invited to take a short six question survey regarding the training experience. There were 12 participating respondents with two respondents indicating that the material provided was beneficial.

ICN staff sent an email, to all RTC members, which included a one-page document describing some of the requirements of the RTCs and the Education Telecommunications Council (ETC).

June Education Telecommunications Council (ETC) Meeting – Tami Fujinaka

In June, the ETC meeting was attended by ICN staff members. Lori Larsen and Tami Fujinaka provided a presentation similar to that presented to the ITTC in May 2012. ICN staff also participated in a meeting with the Technical Information Exchange (TIE) group, specifically to answer questions regarding the video classroom support tracking mechanism.

ITTC Subcommittee Meeting Members – Lori Larsen

The members of the Subcommittee are:

- Dr. Robert Hardman representing the Iowa Telecommunication and Technology Commission (ITTC)
- Ken Colwell of St. Ambrose University representing the Educational Telecommunications Council (ETC)
- Kent Johnson of University of Northern Iowa (UNI) representing the ETC
- Mark Greenwood of North Iowa Area Community College (NIACC) representing the Community Colleges
- Lori Larsen representing the Iowa Communications Network (ICN)

The first meeting is scheduled for August 24, 2012, in Cedar Falls. The agenda for this meeting will include reviewing the allocation process and the RTC plans.

RTC Vacancies – Lori Larsen

Prior to May 2012, there were a total of 30 vacancies on the 15 RTCs. By statute, the nine appointing authorities are to have one member on each of the fifteen RTCs. With a collaborative effort of Iowa Public Television (IPTV) and ICN staff members, there are only 16 vacancies left to fill.

RTC coordination is a function that is assigned to ETC and IPTV pursuant to Section 8D.5, Code of Iowa. ICN staff has been working with RTC Coordinators, appointing authorities, the ETC members and IPTV to ensure that there is a voting quorum to approve the plans. The plans must be approved by a voting quorum of the total membership of six of the nine positions.

ICN will receive the RTC scheduling, LAN/WAN, and classroom support tracking beginning in August. The tracking will include July support information. The purpose is to receive more frequent and consistent information from each of the support functions involved in the allocation process.

New Business:

DOC Inmate Calling – Dave Lingren

The Department of Corrections (DOC) has been receiving complaints from the public regarding the \$.17 to \$.19 per minute rate that inmates have to pay to make calls which also includes a \$2-\$3 initiation fee. The Department is considering changing service providers. The fees that are charged to the inmate not only cover the charges to cover the calls and the specialized system used to monitor and allocate inmate funds for the charges, but to also partially fund the DOC's Offender Education Program. The program's purpose is to minimize offender reentry to the penal system. ICN has reduced rates during the last few years and has requested that DOC equally reduce their rates to respond to rate criticism, and they have not done so. In order to retain 'inmate service', ICN has been requested to and has agreed to reduce rates from \$.11 per minute to \$.07 cents per minute to decrease the per-minute charge to the inmates with the understanding that this rate structure will be reviewed in six months.

The DOC's 'inmate service' is the latest in a series of state agencies wanting to utilize an independent telecommunications provider other than the ICN. ICN staff drafted an administrative rule amendment to clarify that "ICN shall be the telecommunication provider for all state agencies in all locations." The Governor's Office asked that ICN remove the amendment from the proposed administrative rule amendments and ICN complied.

The Governor's Office wants cost reduction in government, more efficiency in government and more involvement with the private sector enterprise in conducting business rather than state government involvement. To further that goal, ICN is developing a managed services concept that would outsource telephone service to a private provider with the ICN administering the telecommunications enterprise. The per-month per phone rate will be reduced so government would be able to reduce their costs and ICN would still be able to maintain an operational margin. Under the concept, all state agencies would participate in the Executive Branch program, eliminating the disparate systems that state agencies have been implementing.

Q. How far does this category in the Administrative Rules for certified users go in protecting the ICN in this kind of environment? And explain the difference in the use of universal platforms and making them mandatory with all agencies?

A. State Agencies are not certified users. They are authorized users; there is no waiver requirement for them. Unified communications will allow each state agency to communicate to ICN their needs and what they are trying to accomplish. This would eliminate agencies finding an independent system not compatible and interoperable with other government agencies. It would be cost-effective for the government. Savings would be incurred on several aspects of the telecommunications services such as long distance, maintenance, purchase assistance, repairs, 'moves, adds and changes' expenses. Another advantage would be for a state

employee who services different offices within the state. The employee could connect their phone system into the Ethernet system, log in, and they would have a profile that follows them. This would reduce the requirement for multiple phones which would be a cost saving element, too.

Q. What has happened to the Department of Administrative Services (DAS) initiative to require all agencies to use the same system?

A. DAS doesn't have the authority to provide telecommunications services. The purchasing authority is through DAS or ICN. The current administrative rule clearly says that ICN has to provide services to all agencies located on Capitol Complex. There was a conflict of opinion of where an agency would purchase a service due to their location.

Q. When is a decision expected to be made?

A. The decision for the loss of revenue for ICN has been made. Iowa Workforce Development (IWD) has decided to go with a provider other than the ICN. In six-months ICN will re-evaluate the negotiations with IWD in the aspect of the telecommunications system they will go with.

K-12 Connections Report – Lori Larsen

April through June 2012, IPTV and ICN's initiative of K-12 Connections produced over 1,578 video hours, an increase of 551 hours compared to this time last year. The program surpassed the base hours estimated and finished hitting the incentive for the fiscal year with over 6,410 hours, which is an increase of 2,024 hours from FY 2011. In June, IPTV and ICN agreed to carry out this great program for fiscal year 2013, with the same base rate and incentive hours as previous years.

Upcoming summer sessions include: Reading with The Animal Rescue League, Teach Children to Save, and Reading with an Archaeologist. IPTV has a strong schedule lined up with a collaborative marketing effort that should result in increased hours. There was a 2,024 hour increase in video usage between FY 2011 and 2012 for this program.

Approval of ITTC Regulatory FY13 Plan – Tami Fujinaka

The Commission is required to annually submit a regulatory plan by August 1 listing each regulatory action, potential administrative rule addition or rule change currently under active consideration or development by the ITTC during the next fiscal year. ICN staff will be proposing that the following rule changes be considered later in the meeting. The changes are included in the report draft the ITTC received prior to the meeting.

- Item 1: The amendment aligns the rule with the ICN's current organizational structure.
- Item 2: The amendment aligns the laws passed last year regarding the "certified user" found in section 8D.9 Code of Iowa. Private colleges are no longer certified users and do not have to obtain waivers to utilize services from telecommunications providers other than the ICN.
- Item 3: The amendment aligns the rule with the RTC providing guidelines regarding minutes and agendas electronically to the ICN for posting on the ICN website at least one week prior to their meetings. The amendment also requires submission of advisory group meeting minutes to the ICN, for posting on the ICN website within 60 days of the meeting.

Commissioner Hardman moved to adopt the ITTC Regulatory plan as presented. Commissioner Kohorst seconded the motion. A roll call vote was taken. The ITTC Regulatory plan was approved unanimously.

Commissioner Hardman – Yes

Commissioner Lapointe – Yes
Commissioner Cofield – Yes
Commissioner Kohorst – Yes
Commissioner Bruner – Yes

Approval of Notice Administrative Rules Amendments – Tami Fujinaka

The ITTC was asked to approve noticing the proposed amendments to the ITTC current Administrative Rules in the Iowa Administrative Bulletin. The amendments are the same as the Items included in the Regulatory Report just passed by the Commission. The notice is the first step to adopt the amendments.

If approved today, the amendments will be submitted to the Legislative Services Agency to notice in the August 8 Iowa Administrative Bulletin and will be filed July 20, 2012.

Commissioner Cofield moved to notice the administrative rules amendments as presented. Commissioner Lapointe seconded the motion. A roll call vote was taken. The motion to notice the administrative rules amendments was approved unanimously.

Commissioner Hardman – Yes
Commissioner Lapointe – Yes
Commissioner Cofield – Yes
Commissioner Kohorst – Yes
Commissioner Bruner – Yes

Customer Surveys Results – Tami Fujinaka

Four surveys were sent to specialized groups within the ICN customer base to measure satisfaction of services provided. ICN wanted responses from the specific groups that deal with ICN functional area employees and the different services offered. The different group contacts were the support contacts, technical support contacts, billing contacts and video scheduling contacts. A total of 2,975 participant surveys sent out with over 300 responses received, representing a 13 percent response rate overall.

For the purpose of analysis, the results of all surveys were aggregated. The 2012 ICN Customer Surveys continue to indicate satisfaction rankings for the most part over 90 percent for the telecommunications services and customer service provided by the ICN. The overall satisfaction level customer service rankings by functional area were all over 90 percent with the highest score obtained by the Network Operations Center (Service Desk). The Billing area score was the lowest but demonstrated an increase in satisfaction of over ten percent between 2011 and 2012 surveys.

The surveys also asked for rankings for the services provided by the ICN. The satisfaction scores for the services were for the most part comparable with scores from last year. Authorized users were also surveyed regarding the impact a possible sale or lease of the ICN could have on their organization. Approximately 50 percent believed that there would be an impact on their organization's ability to accomplish their mission.

Q. Is the ICN staff responding to specific comments and what is being done to the fiber to the courthouses, specifically in the Fourth Judicial District?

A. All of the projects that ICN is working on address the user issues. BTOP addresses the core bandwidth issues and the ability to provide IP video services to our customers which is also addressed by the VSP project. When addressing high bandwidth fiber, the question is who pays for the fiber?

ICN Account Consultant, Joe Tjaden, has been working with the Fourth Judicial Districts to upgrade their networks from a T1 based network to higher bandwidth Ethernet networks. This would include the Fourth Judicial District in Council Bluffs.

Video Service Project Update – Phil Groner

ICN has encountered technical delays deploying the VSP (Video Service Project) Video over IP service. There are two devices and applications where problems have been encountered.

- 1) A problem with the unified communication device at the core of the Polycom suite of products that makes it interact with voice, video and data. It also interacts with other data platforms such as the Microsoft platform and other platforms.
- 2) ICN has also been experiencing technical problems for several months with the management device that pulls the directory, pulls reports and scheduling services.

These problems have been escalated to technical resources within Polycom. A meeting is scheduled for Monday, July 23, 2012, with ICN Executive Director Lingren and Director Walling to meet and discuss the problems ICN has encountered with Polycom management. It will be stressed that Polycom will need to resolve these issues and that delivery of ICN services has been delayed because of these equipment problems. Hopefully these discussions will result in a formalized plan and knowledge of when these technical problems are going to be resolved. ICN will have to adjust completion dates for our VSP schedule.

Q. Are there any performance penalties included in the terms of the contract?

A. There are performance penalties in the contract with Polycom. Polycom has 180 days after the equipment arrives for it to be up and running. There is a penalty per day after that date which is July 26, 2012. This will be brought to their attention at the scheduled meeting on Monday.

Action for Waiver Approval – Phil Groner

Iowa Western Community College is seeking a waiver for Internet services. They are a current Internet customer of the ICN and they are seeking 200 mgs of capacity. ICN provided them with our price and they also received a price from Fox Communications at a lower monthly cost. ICN is working with them and making sure they know the impact that when a customer moves their network from us, they have to acquire and implement new IP numbers. As an Internet customer of the ICN, they currently receive their IP numbers from the ICN. When they transition to another Internet service provider, their current numbers will remain with the ICN. This will represent a significant cost to the Community College.

Commissioner Kohorst moved to adopt the waiver as presented; Commissioner Hardman seconded the motion. A roll call vote was taken. The waiver was approved unanimously.

Commissioner Hardman – Yes
Commissioner Lapointe – Yes
Commissioner Cofield – Yes
Commissioner Kohorst – Yes
Commissioner Bruner – Yes

Other Business – Dave Lingren

The ICN Staff/ITTC event is scheduled to take place after the September ITTC meeting. As a reminder, casual attire is appropriate for this event.

ICN is continually adjusting rates. During the past 12 months, data rates have been reduced by 31.9 percent. This is a public relations opportunity that is untapped but will be revealed with the ICN 2.0 initiative. ICN will present the value proposition of ICN 2.0 to different target audiences.

ICN had a public relations opportunity for Dave to be interviewed on Mediacom's News leaders program. The interview will be aired on Mediacom for an entire month from July 23 – August 13, 2012 and will be televised on Mediacom Channel 30. This was a great opportunity for ICN to illustrate the value of the Network.

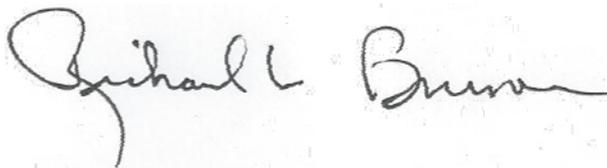
Q. Are there any concerns for the June 30, 2012 budget?

A. The FY 13 budget will be challenging. The costs for project consultation contracts are approaching the \$70,000 - \$80,000 range for projects such as the Sale/Lease RFP, BTOP and Iowa Rural Health Telecommunications Project (IRHTP). At the same time, we have not fully recognized all of the personnel reduction costs. However, with the new healthcare connections, ICN will start to see some revenue increases.

Adjournment

Commissioner Lapointe moved that the meeting be adjourned. The ITTC meeting adjourned at 11:15 am.

ATTESTED TO:



Richard L. Bruner, Chair, Iowa Telecommunications and Technology Commission