INFORMATION TECHNOLOGY COUNCIL OF NORTH DAKOTA

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Testimony of Deana Wiese
Information Technology Council of North Dakota

Interim Information Technology Committee
March 13, 2014

Chairman Weisz and members of the Interim Information Technology Committee:

My name is Deana Wiese, and I am the executive director of the Information Technology Council of North Dakota (ITCND). Thank you for the opportunity to provide information on the Dakota Fiber Initiative, which ITCND is championing.

ITCND was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. Today, ITCND has nearly 90 member organizations, with representatives from industry, government and education.

Background

The objective of the Dakota Fiber Initiative is to "*provide affordable, world-class internet speed and reliability to every individual in the state of North Dakota*." The Dakota Fiber Initiative was rolled out during Sen. Hoeven's Technology Conference in late August 2013 when Doug Burgum shared his vision for North Dakota to have the highest speed and greatest bandwidth internet infrastructure in the world by 2015 through partnerships with the public and private sector.

Following the conference, Burgum held a meeting to further identify the supply and demand issues regarding broadband in North Dakota. ITCND was approached as a logical champion for the initiative because of its infrastructure development goal of working for affordable access to state-of-the-art voice, video and data service for all North Dakotans. In addition, ITCND is a statewide entity that represents both the supply and demand side of the broadband issue.

Although North Dakota currently has significant bandwidth coverage across the state, initial discussions point to the issues of inadequate speed, affordability of adequate speed, and assurance that capacity can meet future demands. Both broadband supply and demand data exists, but there is a need to compile the existing information, identify gaps in coverage, and address affordability issues.

The Dakota Fiber Initiative will be approached in three phases: 1) Pilot 1 (Fargo/West Fargo) Feasibility, Assessments and Implementation Facilitation, 2) Pilot 2 (other metro areas) Feasibility,

Assessments and Implementation Facilitation, and 3) Statewide Feasibility, Assessments and Implementation Facilitation. ITCND will be the coordinating entity for both the supply and demand sides of this initiative.

Accomplishments to Date

Since updating this committee in December, several steps have been initiated with many ongoing. Pledges have been secured for Phase 1, which includes broadband supply and demand assessments. An Advisory Committee meeting was held Jan. 23. Action steps identified included moving forward with 1) a request for proposals (RFP) for a lit building map for Fargo and West Fargo to determine the supply of broadband services, which was issued Feb. 24, and 2) an RFP to identify the broadband demand and economic impact in that area, which is currently being developed.

Gary Inman, ITCND president, also provided a presentation to the North Dakota 2020 & Beyond Technology Infrastructure Committee on Jan. 23. North Dakota 2020 & Beyond was commissioned by the 2011 North Dakota Legislature and is a joint initiative with Governor Jack Dalrymple, Greater North Dakota Chamber and North Dakota Economic Development Foundation. The Technology Infrastructure Committee is tasked with identifying steps that should be taken by the State of North Dakota to grow technology infrastructure within the state and become a model for connectivity. Action steps for the Dakota Fiber Initiative from that meeting included:

- Defining the problem (broadband supply/need)
- Marketing the initiative (website, social media, etc.)
- Researching policy incentive options to ensure future construction is fiber ready
    - Making permanent (or extending) the sales and use tax exemption for equipment used in telecommunications infrastructure development
    - Using current Renaissance Zones program or developing a “wire” zone using the same structure
    - Developing a state program for urban areas similar to the federal program used for rural broadband build out
    - Pursuing legislation to require conduit to be part of infrastructure development when new roads/bridges are built in communities

A demonstration was also hosted by Dakota Carrier Network on Feb. 28 to showcase how different bandwidth capacities impact the user experience. More than 20 stakeholders attended that demonstration, and we hope to be able to provide it for this committee in the future.

Next Steps

Upon completion of the supply and demand assessments for the Fargo and West Fargo area, the Advisory Committee will recommend next steps based on the results. Discussions will be facilitated with the appropriate stakeholders to address gaps identified with the intent of identifying cost-effective solutions. ITCND will also be researching the policy incentives previously mentioned to determine which may be the most effective to incentivize fiber rollout in the gaps identified through the broadband supply assessment. We will then begin Phase 2 (based on funding), which will identify additional gaps in other urban areas across the state. This will lead to Phase 3 where statewide analysis will take place.

Summary

Thank you for the opportunity to brief you on the Dakota Fiber Initiative. We welcome the opportunity to provide the broadband capability demo and an update at a future meeting. Any input you might have regarding the initiative would be welcomed as well.

Also attached are the broadband comparisons you had requested.

I'd be happy to answer any questions.

BROADBAND COMPARISONS
March 2014

NORTH DAKOTA COMPARISON			
CITY/STATE	**UPLOAD**	**DOWNLOAD**	**VALUE**
Bismarck	31.59 Mbps	11.18 Mbps	$1.55 USD (July 2013)
Dickinson	17.18 Mbps	2.29 Mbps	N/A
Fargo	21.54 Mbps	8.8 Mbps	$4.05 USD
Grand Forks	32.22 Mbps	14.82 Mbps	$1.61 USD (January 2014)
Jamestown	15.48Mbps	1.54 Mbps	N/A
Mandan	23.85 Mbps	6.78 Mbps	N/A
Minot	27.59 Mbps	5.31 Mbps	$1.64 USD
Wahpeton	22.99 Mbps	4.63 Mbps	N/A
West Fargo	28.38 Mbps	7.83 Mbps	N/A
Williston	21.28 Mbps	4.07 Mbps	N/A
REGIONAL COMPARISON			
NORTH DAKOTA	23.3 Mbps	8.1 Mbps	$2.76
South Dakota	20.5 Mbps	6.3 Mbps	$1.80
Minnesota	21.1 Mbps	6.2 Mbps	$2.95
Montana	14.5 Mbps	3.7 Mbps	$5.33
GLOBAL COMPARISON			
NORTH DAKOTA	23.4 Mbps	8.1 Mbps	$2.76
United States	21.9 Mbps	6.9 Mbps	$3.6 0
Global	17 Mbps	7.6 Mbps	$6.52

SOURCE: Ookla Net Index Explorer (All data is of March 2014 unless otherwise indicated.)

NOTE: This data captures real-time user information. It is indicative of services purchased from those completing the Ookla speed test, but is not indicative of all services available.

DEFINITIONS:

Household Download Index

The value is the rolling mean speed in Mbps over the past 30 days. Only tests taken within 300 miles of the server are eligible for inclusion in the index.

Household Upload Index

The value is the rolling mean speed in Mbps over the past 30 days. Only tests taken within 300 miles of the server are eligible for inclusion in the index.

Household Value Index

The value is the median cost in US dollars per Megabit per second. Only survey responses for tests taken within 300 miles of the server are eligible for inclusion in the index.

BROADBAND COMPARISONS
March 2014

DOWNLOAD – ND CITIES

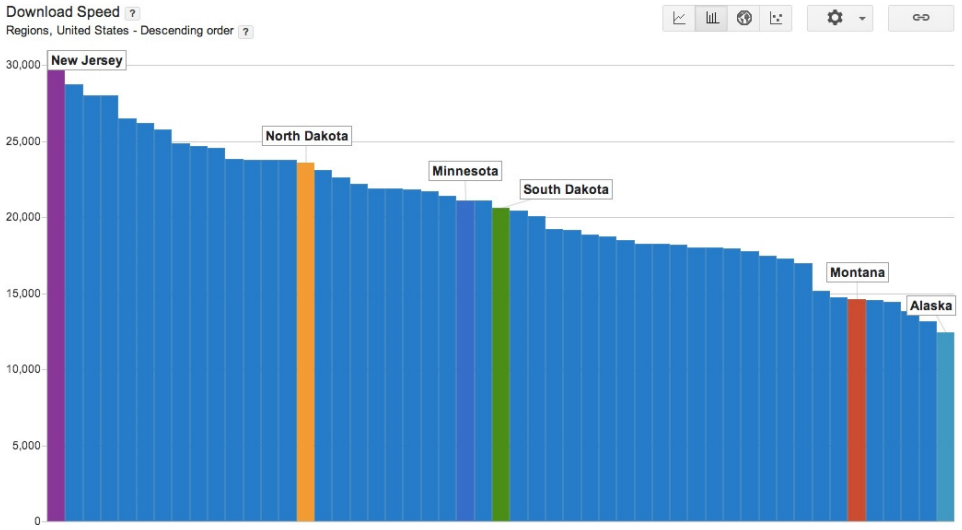
TOP CITIES

11 CITIES IN NORTH DAKOTA

COUNTRIES | STATES | CITIES

1. Grand Forks, ND	32.22 Mbps
2. Bismarck, ND	31.59 Mbps
3. West Fargo, ND	28.38 Mbps
4. Minot, ND	27.59 Mbps
5. Mandan, ND	23.85 Mbps
6. Wahpeton, ND	22.99 Mbps
7. Fargo, ND	21.54 Mbps
8. Williston, ND	21.28 Mbps
9. Dickinson, ND	17.18 Mbps
10. Jamestown, ND	15.48 Mbps
11. Tioga, ND	10.03 Mbps

DOWNLOAD – NATION (ND ranks 16 of 51)



Source: Ookla Net Index Explorer
(All data is of March 2014 unless otherwise indicated.)

Prepared by ITCND – Dakota Fiber Initiative