

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1357

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1357

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1357

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/2/01

Tape Number	Side A	Side B	Meter #
1	X		1789-3839
2	X		1572-1921
Committee Clerk Signature <i>Robin D. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order. All members were present during the testimony.

In favor:

REP. GULLESON introduces the bill to the committee, GULLESON is one of the main sponsors on the bill. GULLESON talks about the phases that have connected many cities. This bill provides additional direction. Getting technology to every city is vital. It is apparent that we leave no one behind. Insuring that all have access. Request of the legislature is to leave no city behind.

REP. DEVLIN asks about the fiscal note. GULLESON replies that it is a state intent.

REP. BELLEW asks about line 24, please define "cities". GULLESON replies that it is an incorporated city.

REP. HAAS asks about the law in 1999, isn't the provision already there? Is this a duplication of what we already have in statute? GULLESON replies that it is a further verification.

REP. CLARK asks about the smallest city, would you extend an offer to them as well?

GULLESON replies that she assumes that they could extend the offer. REP. CLARK asks if she would be opposed to an amendment? GULLESON replies that she would really rather not state a size. REP. CLARK asks if the smallest city wanted the service then we would be obligated to provide it? GULLESON replies then we would.

REP. DEVLIN asks if we are opening ourselves up for criticism? GULLESON replies that they are by passing cities along the way, GULLESON sees this bill as giving a clear direction in goals the state has.

Neutral:

JERRY FOSSUM, ITD

FOSSUM states that this bill needs further clarification. 194 communities have been selected because either they have a government office, a higher education campus, a high school, or a public library, or a direct county seat. We need clarification under this bill. FOSSUM also talks about the fiscal note.

REP. M. KLEIN asks how many cities are hooked up right now? FOSSUM replies that in Phase I there is over 64 communities, they have many schools asking to get connected.

REP. METCALF asks how many elementary school are being left out that could possibly be included? FOSSUM replies that they have not really counted that far yet.

REP. HUNSKOR asks what is done when you go out and look at these schools, that may be closed within a year or so, do you allow them on this? FOSSUM replies that is not really his position to make that decision.

Neutral:

CONNIE SPRYNCZYNATYK, ND LEAGUE OF CITIES

SPRYNCZNATYK states what she loves about this bill is the information of technology. The cities also recognize that the state is struggling to find the money to fund the broad band technology. There is going to be some local payment. Recognize that this also important to the community.

REP. M. KLEIN asks if this is sort of a recognition of the larger cities subsidize the smaller ones, are you recommending that? SPRYNCZNATYK replies that the reality is that the larger cities do subsidize the smaller ones. Uses an example in Minot Magic fund.

Being no further testimony the hearing was then closed .

Committee action: (Later in the day.) REP. HUNSKOR is absent.

REP. HAAS motions for DO NOT PASS, seconded by REP. BRUSEGAARD. The roll call was taken with 13 YES, 1 NO, 1 ABSENT AND NOT VOTING. The motion carries. The CARRIER of the bill is REP. HAAS.

HB 1357: DO NOT PASS 13-1

CARRIER: REP. HAAS

FISCAL NOTE
 Requested by Legislative Council
 01/22/2001

Bill/Resolution No.: HB 1357

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						\$7,671,250
Expenditures						\$7,671,250
Appropriations						\$7,671,250

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
							\$7,671,250	

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1357 needs further clarification. The bill states "ITD shall provide access to the wide area network to each city in the state by July 1, 2004". Does this mean each city government or to any state, county or educational facility in the city? Today, ITD provides access to state agencies and county government in 64 cities. If phase 2 of the wide area network gets funded this session, an additional 130 cities (K-12 / Libraries) will be connected (194 cities total). The fiscal note above assumes the worst case - ITD needs to deploy 361 additional ATM T-1 circuits to city government.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

A decision would need to be made as to who will fund this investment - state, cities or a combination of the two.

ITD operates as a special fund and this fiscal note assumes the cities will pay the whole amount. ITD would purchase the one-time equipment, routers & switches (361 cities x

\$10,000 per location = \$3,610,000). ITD would acquire the ATM T-1 circuits from Dakota Carrier Network, current provider under contract (361 cities x \$500/circuit/month x 18 months = \$3,249,000). We are estimating 18 months because in order to complete all cities by July 1, 2004 we will need to start connecting cities on July 1, 2003. ITD would acquire additional bandwidth for internet access (361 cities x \$25/city/month = \$162,450). Technical network support is estimated at \$649,800 (361 cities x \$100/city/month). The total cost for the 2003-2005 biennium is \$7,671,250. This amount would then be billed back to the cities.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenses to ITD are as stated above in the revenue section. The technical network support would be provided by ITD and another group yet defined (possibly the Assn of Counties staff). ITD would request 2 FTE's for a cost of \$241,338 and the balance from the revenue stated above \$649,900 is \$408,562 would be paid to the support group yet defined.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

ITD's appropriation would be special funded unless the state agrees to pay for some of these costs and then that amount would be general funded. The total estimated costs would be \$7,671,250.

Name:	Mike J. Ressler	Agency:	Information Technology Department
Phone Number:	701-328-1001	Date Prepared:	01/26/2001

Date: 2-2-01

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1357

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Haas Seconded By Brusegaard

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY		✓			
REP HUNSKOR					
REP METCALF	✓				

Total (Yes) 13 No 1

Absent 1

Floor Assignment Rep. Haas

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 2, 2001 11:49 a.m.

Module No: HR-19-2208
Carrier: Haas
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1357: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman)
recommends **DO NOT PASS** (13 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING).
HB 1357 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

HB 1357

Dakota Carrier Network's Evan Haas (left) and Don Pedersen admire the asynchronous mode transfer switching mechanism recently installed in their Bismarck headquarters. This unit is manufactured by Nortel. (Photo by Kent Brick)



'ATM' keys Dakota Carrier Network progress

For Dakota Carrier Network, a key to growing is the "ATM" technology. Their "ATM" is not the cash-spouting machinery that people have made an integral part of their errands for the day. Rather, "ATM" for Dakota Carrier Network refers to "asynchronous transfer mode" network switching that will be critical to modernizing the company's regional information transport system.

"The ATM switching technology is very important to us," says Evan Haas, Dakota Carrier Network general manager. "ATM switching technology means better Internet service and the de-

ployment of DSL (direct subscriber line) services to communities, businesses and government agencies all across the state," Haas says.

Dakota Carrier Network has installed ATM network switches at Bismarck, Fargo and Grand Forks. These switches are the initial phase of building a statewide ATM network. The net-

work will connect to existing member-company ATM networks and will expand to the Dakota Carrier Network locations at Devils Lake, Jamestown and Williston.

The ATM network is designed to handle data, voice and video service for customers throughout North Dakota. ATM switches located at all of the Dakota Carrier Network nodes provide the access to the cell-based network. They will be located at Bismarck, Fargo, Grand Forks, Minot, Jamestown, Devils Lake, Dickinson and Williston. Dakota Carrier Network member-companies are also placing ATM switches in their networks that

"ATM switching technology means better Internet service and the deployment of DSL (digital subscriber line) services to communities, businesses and government agencies all across the state."

—Evan Haas, general manager, Dakota Carrier Network

will allow customers outside of the eight nodes to gain access to the network.

ATM service will be used by customers to connect their data networks. It allows businesses to build their wide area networks (WAN) and also use ATM service for video and voice. This is a high-speed service that enables new applications, such as the use of multimedia to the desktop. The

ATM backbone will also be used to more effectively provide Internet services marketed by Internet service providers.

The ATM network is built on the Dakota Carrier Network SONET rings that already provide high-quality ring reliability throughout North Dakota. ATM service is built with that same quality and reliability needed by today's customers.

State-of-the-art service

Dakota Carrier Network and its 15 member companies serve communities with state-of-

