

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 L. 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

Page 3

House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1357

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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: .

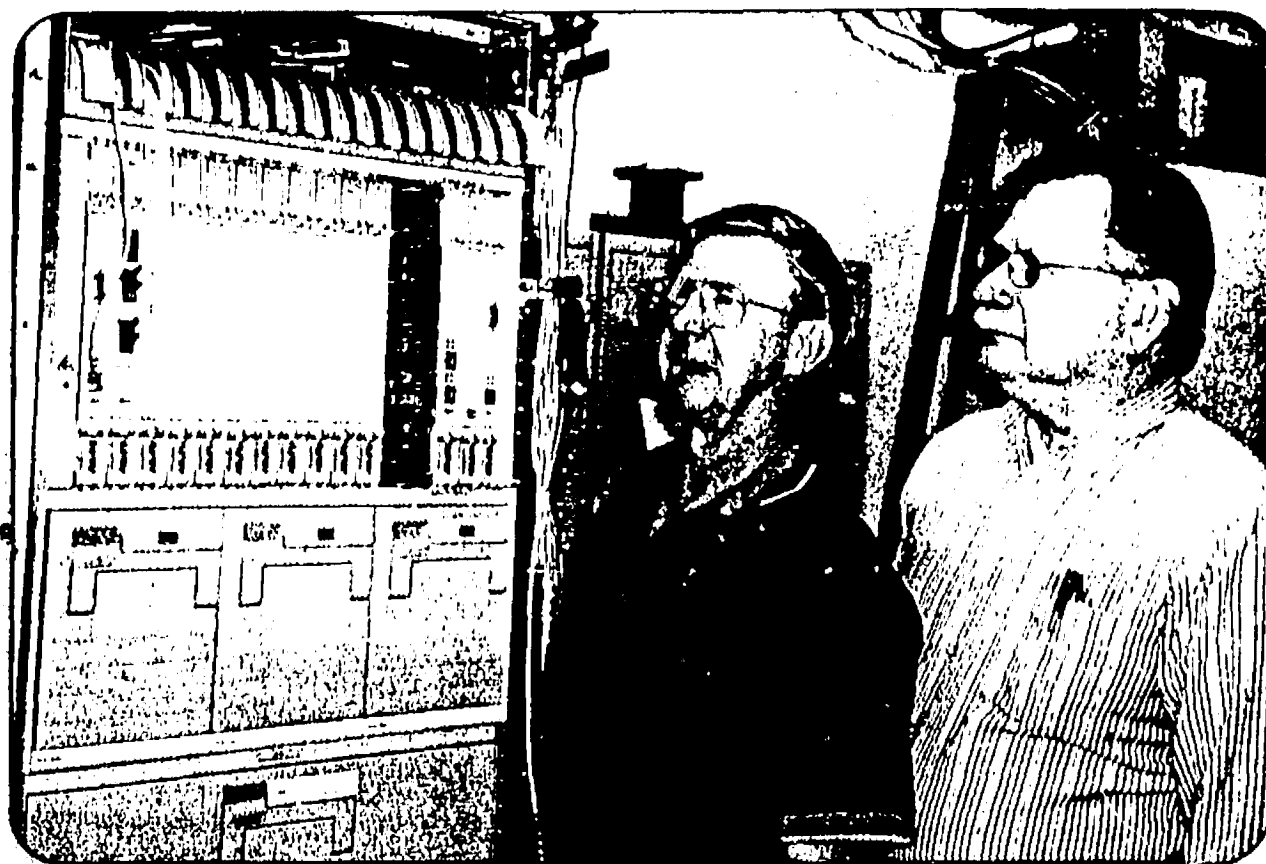
REPORT OF STANDING COMMITTEE

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-

This digital subscriber line device, aided by ATM switching, creates a highly powerful data transfer device for the telephone customer.

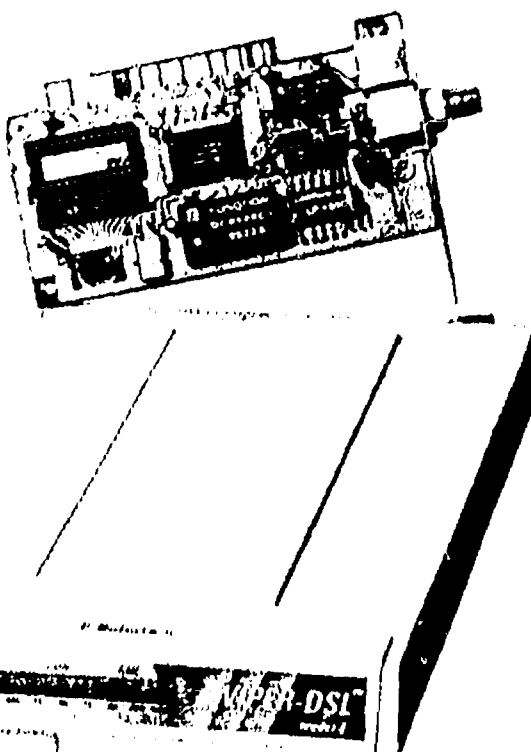
the-art fiber-optic transport facilities and switches that provide a wide variety of telecommunications services. These companies provide local, toll and broadband services to 242 of the 282 North Dakota telephone exchanges and interconnect these exchanges with fiber optic-based transport.

These companies include BEK Communications, Steele; Consolidated Telephone Cooperative, Dickinson; Dakota Central Telecommunications Cooperative, Carrington; Dickey Rural Telephone Cooperative, Ellendale; Inter-Community Telephone Co., Nome; Midstate Telephone Co., Stanley; Moore & Liberty Telephone Co., Enderlin (includes the related Griggs County Telephone Co., Cooperstown); North Dakota Telephone Co., Devils Lake; Northwest Communications Cooperative, Ray; Polar Communications, Park River; Red River Telephone Association, Abercrombie; Reservation Telephone Cooperative, Parshall; Souris River Telecommunications, Minot; United Telephone, Langdon; and West River Telecommunications, Hazen.

The Dakota Carrier Network companies provide local service to more than 90 percent of the state's geography. They serve more than 164,000 local lines with service ranging from broadband Internet access to multi-channel television to personal communications services to interactive video. The companies have invested more than \$600 million in modern telecommunications services. This investment includes local loop plant, digital switching offices, ATM and frame relay switches, and more than 8,100 route miles of fiber-optic cable. At last count, these companies employed more than 800 North Dakota-based employees, trained and technically up-to-date, to provide high-quality service.

These companies continue to invest in the telecommunications infrastructure serving North Dakota. From 1998-2000, they will have made capital investments of over \$138 million to modernize their facilities and provide new services in both urban and rural communities.

Dakota Carrier Network was formed not only



The companies have invested more than \$800 million in modern telecommunications services. This investment includes local loop plant, digital switching offices, ATM and frame relay switches, and more...

to interconnect these companies but also to provide broadband communications transport throughout North Dakota as well as connecting to the region. The broadband transport is in the form of redundant fiber-optic SONET rings designed for quality and reliability. The rings have been used to generate local economic development and are a vital link for those customers that require uninterrupted service for their communications networks.

These characteristics and now the ability to deploy ATM technology is a key asset in Dakota Carrier Network's recent bid to operate an information delivery network on behalf of North Dakota state government.

This spring, the state of North Dakota requested proposals from providers of information network operators for establishment of a statewide state-of-the-art communications network. The state has indicated bids will be evaluated and the bid recipient announced during the last week in June, which was prior to press time for this month's *North Dakota REC/RTC Magazine*. A report on the bid award decision will be carried in a future "Country Line" article. ♦

**Sponsored by the
North Dakota Association of
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Northwest Communications Cooperative
Ray

Polar Communications Cooperative
Park River

Red River Rural Telephone Association
Abercrombie

Reservation Telephone Cooperative
Parshall

Souris River Telecommunications Cooperative
Minot

United Telephone Mutual Aid Corporation
Langdon

West River Telecommunications Cooperative
Hazen

NDATC Officers

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David Crothers

NDATC Executive Vice President

"Country Line" provides telephone industry news affecting rural telephone cooperative subscribers

Dakota Carrier Network

Behind the Software... Behind the Hardware... Are People Dedicated To Your Fiber Optic Telecommunication Needs

Your business deserves the most contemporary computerized telecommunications network in the world...and we can provide that. But, more important is the network of people behind the network of wires, switches and cable...and we've got the best people in the industry.



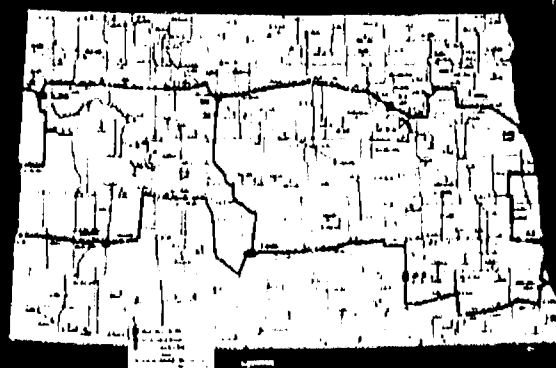
*Evan Hass
General Manager*

Starting with the 800+ people who work for our owners (15 local North Dakota telephone companies) and including the nucleus of 10 employees who work directly for Dakota Carrier Network...we are committed to your success.



*Don Pedersen
Operations Manager*

So, when you're ready for service from people who are committed to our region, Call DCN at 800-814-3333.



*Jody Sommer, Jesse Heck
Network Technicians*



*Gregg Retzer, Luckie Greig, Dan Tenderholt
Network Technicians*



*Duane Heier, Network Specialist
Vance Bjorn Dahl, Administrative Assistant
Kevin Koedinger, Marketing Manager*

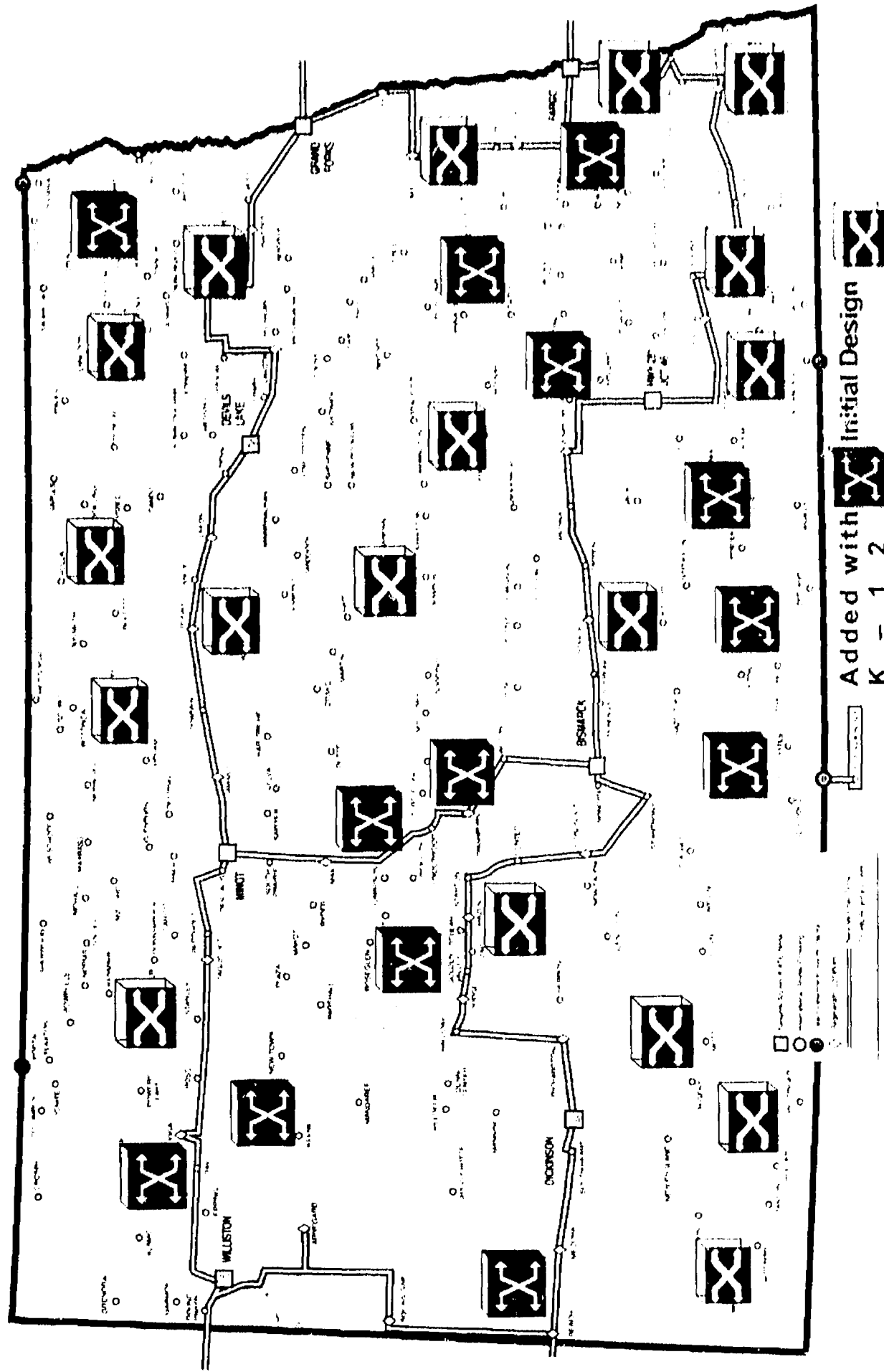
DCN

Dakota Carrier
Network

"Connecting North Dakota...and Beyond"
For More Information Call 1-800-814-3333
www.dakotacarrier.com

ND Independent Telephone Companies

ATM Edge Switches





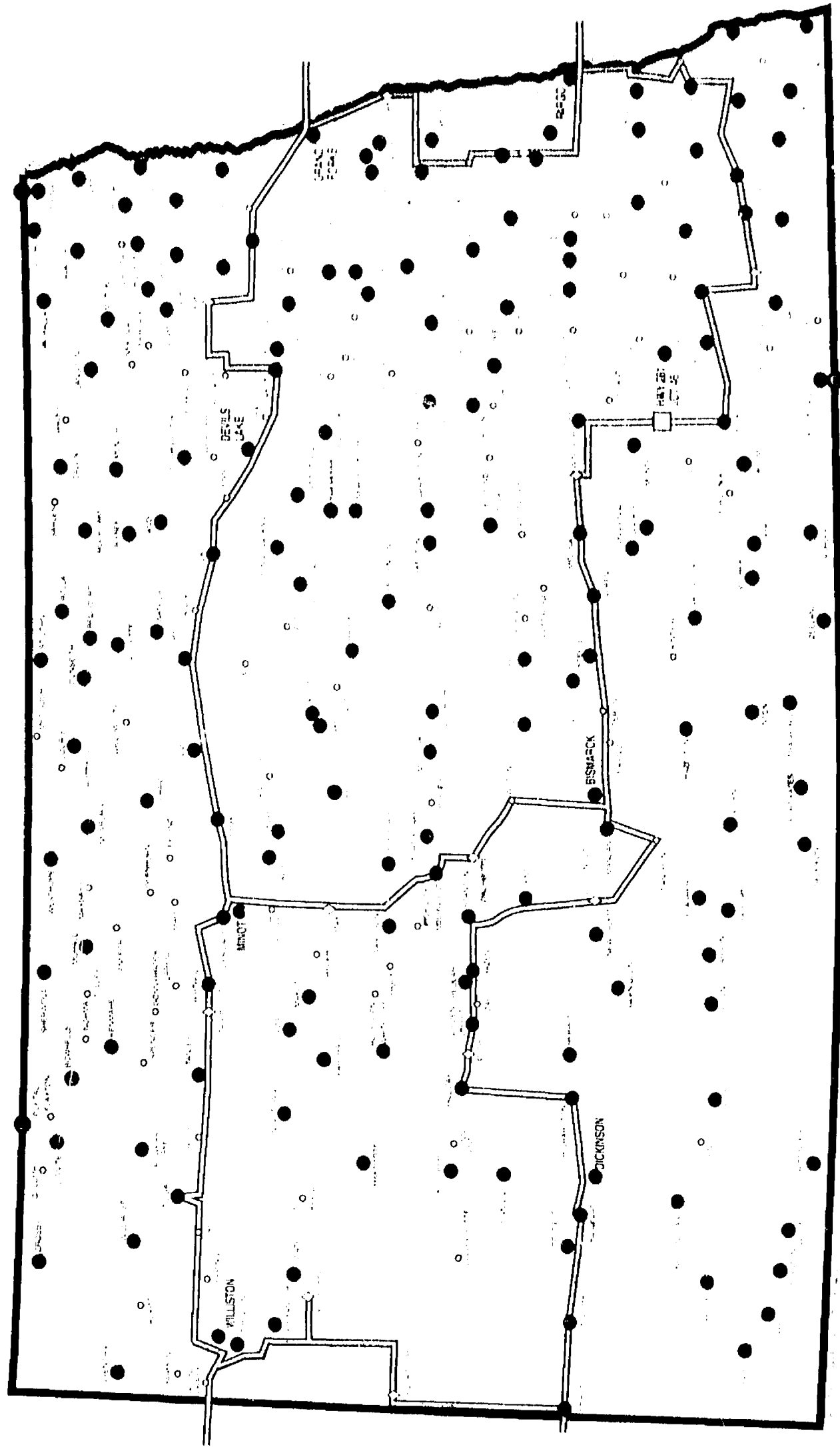
Backbone ATM Network

& Higher Education Locations

[illegible]

Dakota Carrier Network
800-814-3333
www.dakotacarrier.com

State of North Dakota
Network Circuit Locations



- City connections planned for Phase 1
- City connections planned for Phase 2

WHO IS DCN?

Dakota Carrier Network (DCN), LLC, a privately owned corporation, was formed by a group of local independent telephone companies which made a commitment to bring state-of-the-art telecommunications to the state of North Dakota. The fifteen telephone companies that comprise DCN represent all of the major local independent telephone companies. These companies serve over 164,000 customers in 244 communities—more than 85 percent of all the exchanges in North Dakota. DCN's partners serve the region, providing local telephone and private line service to over 65,000 square miles—90 percent of the total area of the state. The DCN companies currently have over 8,100 miles of fiber optic cable.

THE NETWORK

Dakota Carrier Network operates a 100-percent fiber optic communications network linking all regions of the state, including all of the major population centers. The network was initiated in 1992. Its 1,400-mile-long fiber optic-based facility is part of the existing Independent Local Telephone Company network, which has been serving customers for more than the past decade.

A state-of-the-art Optical Network (SONET) ring is used for the basic network design. DCN operates two SONET-based rings which provide this high capacity service. The transmission network is critically high quality optical fiber. World-class SONET equipment operating at 1.55 Gbps is used on the backhaul network. A private channel is provided with which all critical information is highest quality service. A ring connecting the facility

route can be found on the inside of this brochure.)

The Red River ring extends from Moorhead, Minn., to Jamestown, N.D., on to Bismarck, Minn., Devils Lake, Grand Forks and back to Moorhead. This creates a fully diverse fiber optic ring network. The eastern ring interconnects with ONVOY at Moorhead and East Grand Forks, Minn. A connection to the South Dakota Network (SDN) has been completed south of Ellendale, N.D., allowing connection to South Dakota locations.

The Badlands ring extends from Bismarck to Dickinson, N.D., and on to interconnect with the Montana Advanced Information Network (MAIN). The SONET ring is completed by routing from Dickinson to Williston, N.D., and returning through Minot and back to Bismarck. The western ring provides a diverse interconnection with the Montana MAIN network at Beach, N.D., and west of Williston. A connection to Saskatchewan, Canada, is in service through a Minot to Fort Laramie. The South Dakota Network is also accessible from the western ring south of Bismarck.

ACCESSING THE NETWORK

The major population centers of North Dakota are accessed through eight nodes. These nodes provide on/off ramps to the DCN network. These nodes are located at Moorhead, East Grand Forks, Jamestown, N.D., Devils Lake, Bismarck, Minot, Dickinson and Williston. These nodes are strategically located to provide service to all regions of the state as shown by the map on this brochure.

SERVICES AVAILABLE

Over 100 V, DSX and DSX are provided services available from DCN. An ATM Asynchronous Transfer Mode Network provides switched data services used by customers for their Wide Area Networks (WAN) to serve their data video and voice requirements. DCN partners interface with ISDN at their single point of contact for service provisioning and billing as requested by the customer.

NETWORK OPERATIONS

DCN operates a centralized Network Operations Center (NOC) located in Bismarck, N.D. Backup NOCs are located at Minot, N.D. and west of Williston. N.D. coverage is provided 24 hours a day. 7 days a week. 52 weeks per year. The NOC monitors the network performance to assure the highest quality of service and dispatches network maintenance technicians as required.

SERVICE COMMITMENTS

The services are available for emergencies and attention on a call out basis. 24 hours a day. DCN provides a 24-hour emergency response team available to the DCN local companies. Staff is available to provide immediate response and the highest quality service. DCN local companies have over 100 employees trained and ready to provide reliable service to the customer.



**Dakota Carrier
Network**

DAKOTA CARRIER NETWORK

PROVIDES QUALITY

BROADBAND AND ATM SERVICES

TO INTERMEDIATE CARRIERS

FOR BUSINESS AND

GOVERNMENT AGENCIES



*Connecting North Dakota
... and Beyond*



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INTERSTATE CONNECTIONS

