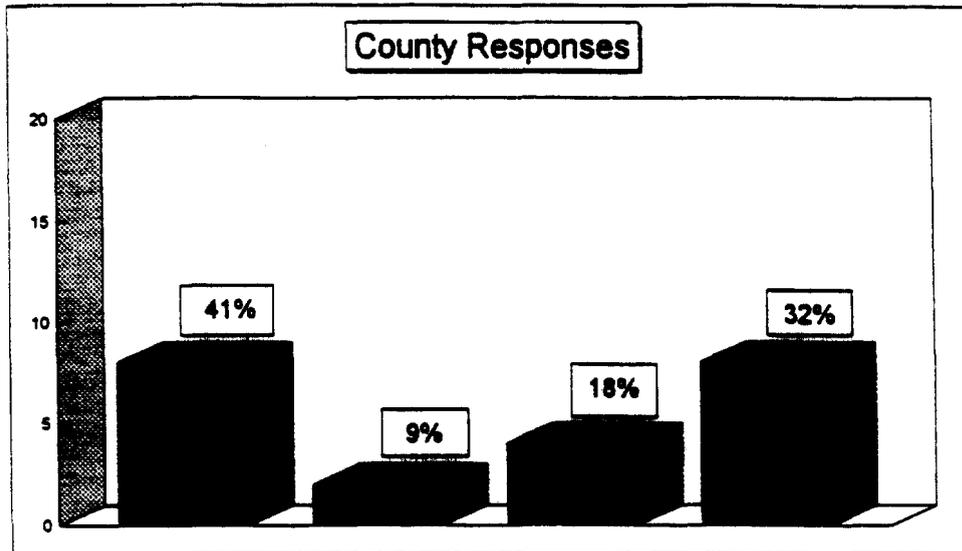


SURVEY QUESTION 5A

For eligible facilities that are not expected to submit technology needs requests, what is your opinion regarding the following statement:

In general, the reason for not submitting a technology needs request is that the necessary internal infrastructure (such as computer hardware and software, etc.) is too costly and not currently in place.



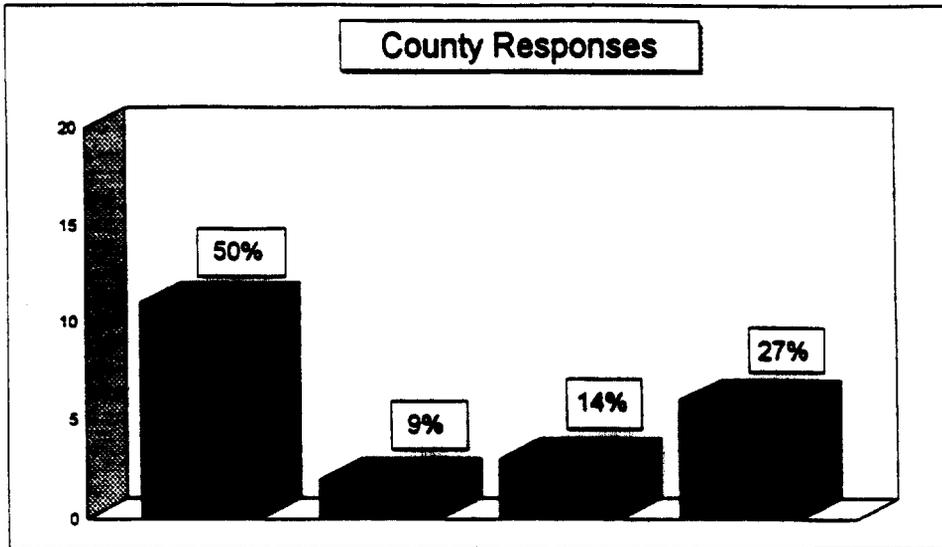
Strongly Agree	Moderately Agree	Mildly Agree	Disagree
BREVARD	HERNANDO	BRADFORD	FLAGLER
CITRUS	LEON	DUVAL	GADSDEN
HENDRY		SUWANNEE	HIGHLANDS
JEFFERSON		WASHINGTON	LIBERTY
LAKE			MADISON
OKALOOSA			ORANGE
PALM BEACH			PASCO
SANTA ROSA			TAYLOR
8	2	4	8

TOTAL AGREE	14	64%
TOTAL DISAGREE	8	36%
TOTAL RESPONDENTS	22	

SURVEY QUESTION 5B

For eligible facilities that are not expected to submit technology needs requests, what is your opinion regarding the following statement:

In general, the reason for not submitting a technology needs request is that the total cost of advanced telecommunications infrastructure will exceed the allotted \$20,000.



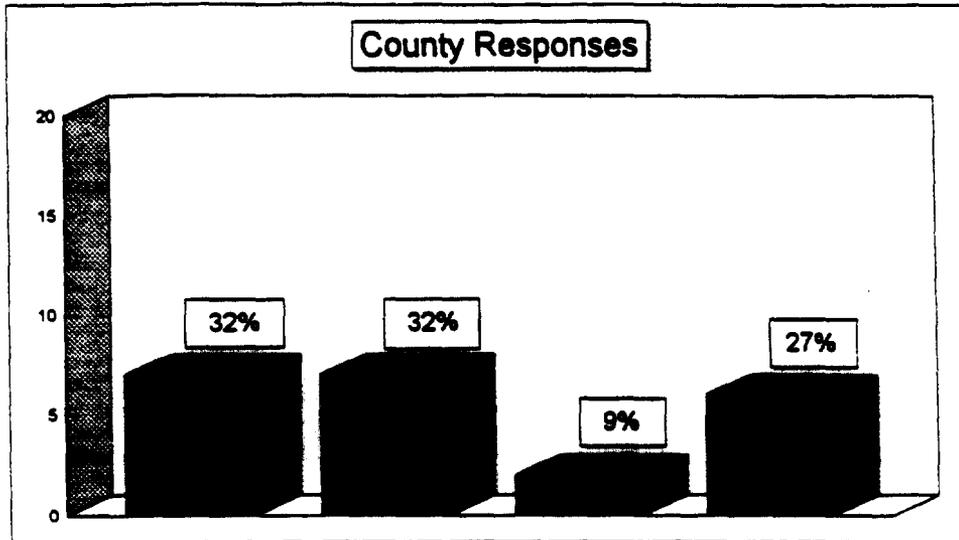
Strongly Agree	Moderately Agree	Mildly Agree	Disagree
CITRUS	BREVARD	BRADFORD	HIGHLANDS
DUVAL	HENDRY	FLAGLER	LEON
GADSDEN		WASHINGTON	LIBERTY
HERNANDO			MADISON
JEFFERSON			PASCO
LAKE			TAYLOR
OKALOOSA			
ORANGE			
PALM BEACH			
SANTA ROSA			
SUWANNEE			
11	2	3	6

TOTAL AGREE	16	PERCENTAGE	73%
TOTAL DISAGREE	6		27%
TOTAL RESPONDENTS	22		

SURVEY QUESTION 5C

For eligible facilities that are not expected to submit technology needs requests, what is your opinion regarding the following statement:

In general, the reason for not submitting a technology needs request is that ongoing service charges for advanced telecommunications services will be too costly.



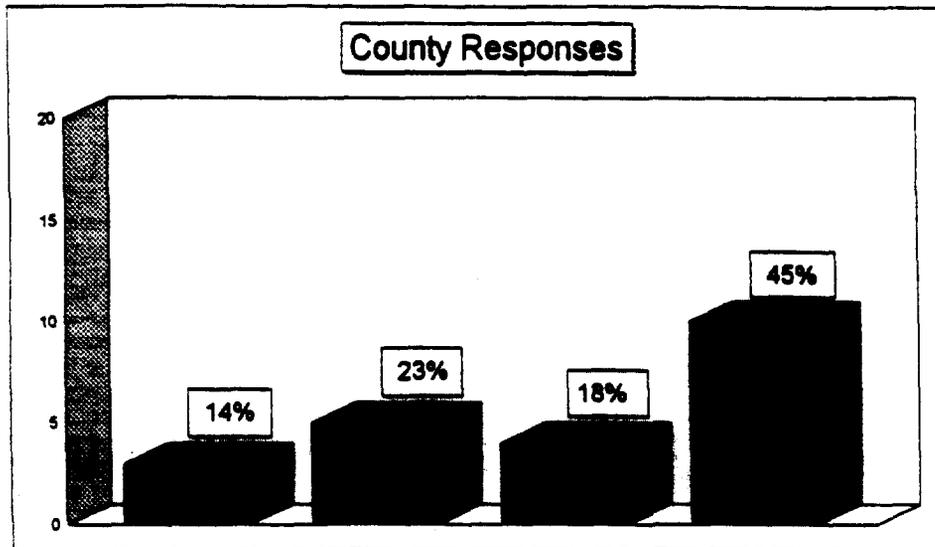
Strongly Agree	Moderately Agree	Mildly Agree	Disagree
BREVARD	BRADFORD	FLAGLER	GADSDEN
CITRUS	DUVAL	HENDRY	HERNANDO
LAKE	JEFFERSON		HIGHLANDS
PALM BEACH	LEON		MADISON
PASCO	LIBERTY		ORANGE
SANTA ROSA	OKALOOSA		TAYLOR
SUWANNEE	WASHINGTON		
7	7	2	6

TOTAL AGREE	16	PERCENTAGE	73%
TOTAL DISAGREE	6		27%
TOTAL RESPONDENTS	22		

SURVEY QUESTION 5D

For eligible facilities that are not expected to submit technology needs requests, what is your opinion regarding the following statement:

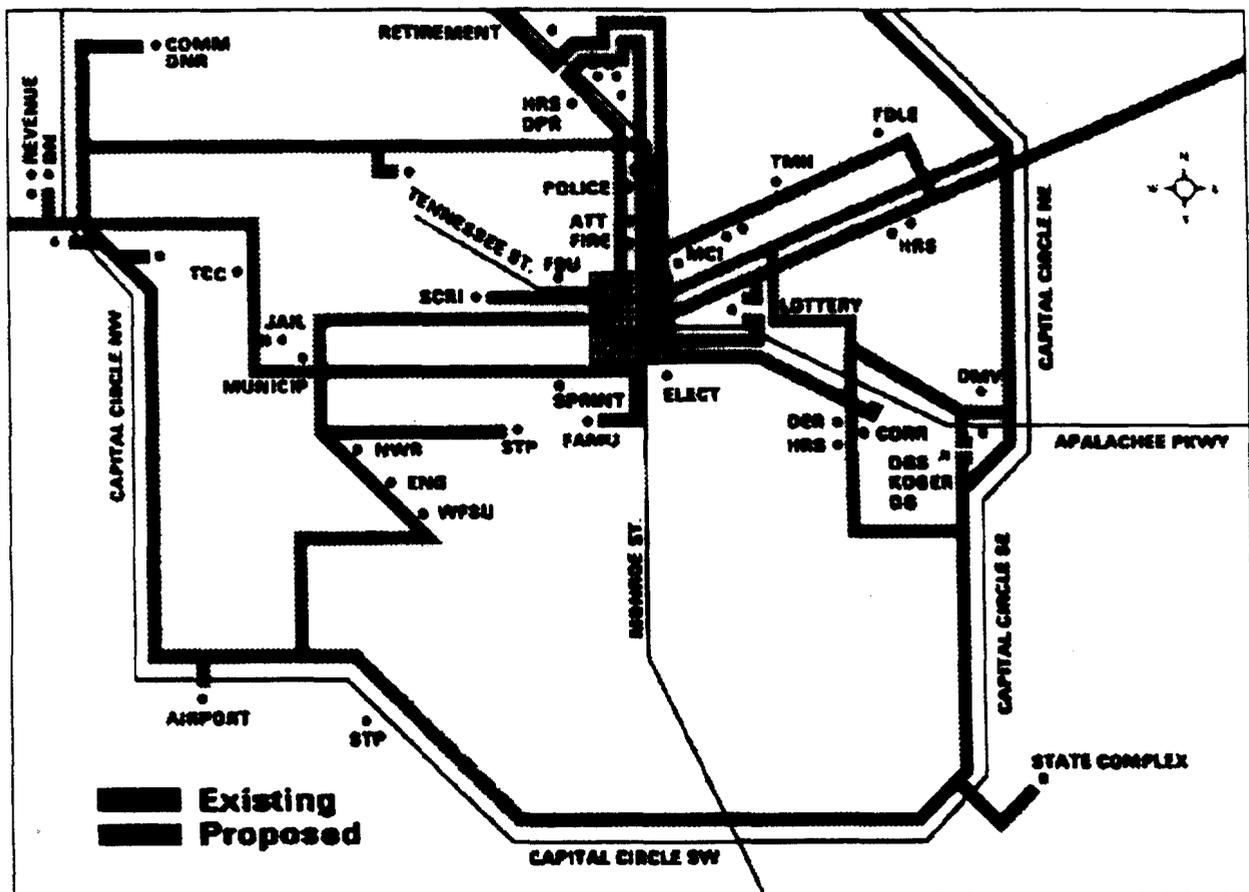
In general, the reason for not submitting a technology needs request is that the advanced telecommunications infrastructure expenditure is not a priority because other educational expenditures are more important.



Strongly Agree	Moderately Agree	Mildly Agree	Disagree
BREVARD	CITRUS	BRADFORD	FLAGLER
JEFFERSON	DUVAL	GADSDEN	HENDRY
PALM BEACH	LAKE	LEON	HERNANDO
	OKALOOSA	LIBERTY	HIGHLANDS
	PASCO		MADISON
			ORANGE
			SANTA ROSA
			SUWANNEE
			TAYLOR
			WASHINGTON
3	5	4	10

TOTAL AGREE	12	PERCENTAGE	55%
TOTAL DISAGREE	10		45%
TOTAL RESPONDENTS	22		

A MAP OF THE TALLAHASSEE SPRINT/CENTEL METROPOLITAN AREA NETWORK



Source: Sprint/Centel Internet Home Page
<http://www.cntfl.com>

**SURVEY OF STATE COMMISSIONS
PLANS TO FOSTER EDUCATIONAL INFRASTRUCTURE DEVELOPMENT**

STATE: _____
CONTACT: _____
TITLE: _____
TELEPHONE: _____
DATE: _____

1. **Has your commission implemented any plans to foster educational infrastructure development?**
(If yes) Please provide a copy of the plan(s).

2. **Has your commission approved any LEC tariffs that provide discounts to educational entities (eg. universities, colleges, K-12, libraries, and teaching hospitals)?**
(If yes) Please provide a copy of the tariff(s).

3. **In your state, are there any pending tariffs for educational discounts?**
(If yes) Please provide a copy of the tariff(s).

4. **In your state, are there any mechanisms besides tariffs being used to provide discounts to educational entities?**
(If yes) Please provide a copy of the documentation.

STATE SURVEY RESULTS OF CALIFORNIA²

In its "Universal Service Report to the [California] Legislature," the California Public Utilities Commission (CPUC) noted:

" . . . commenters suggested ways to promote advanced telecommunications services. Libraries and schools are logical first access points for Californians to new technologies. One option to bring advanced services to schools and libraries is a grant program funded by either a surcharge on telecommunications customers or carriers, or taxes on the sale or manufacture of advanced telecommunications products. Another option is to provide discounts to schools and libraries on telecommunications services. The Commission is exploring these options.³

In August 1994, the CPUC approved Pacific Bell's "Education First" initiative, subject to certain conditions. The company's intent was to wire schools and libraries to the information superhighway. As a part of the initiative, Pacific Bell is providing \$100 million in communications services. Through the end of 1996, the firm is offering to install up to four ISDN lines free of charge and to waive one year's usage charges for all 7,400 public K-12 schools, public libraries and community colleges in its service territory. Pacific Bell has also received regulatory permission to extend its offer to 1,200 private, non-profit K-12 schools. In addition, Pacific Bell is planning to file with the CPUC a proposed discounted "educational access rate."

²See Attachment 3-2B for a broader history of the educational and telecommunications infrastructure pursuits in California.

³February 12, 1996 issue of the NARUC Bulletin, pp. 5-6.

STATE SURVEY RESULTS OF INDIANA

By Order No. 39705, the Indiana Utility Regulatory Commission authorized Rate Cap Regulation for Ameritech on June 30, 1994, and ordered Ameritech to help develop telecommunications infrastructure. The Indiana plan contains provisions that promote advanced telecommunications links, including fiber optics for schools, hospitals and major government centers. Ameritech's shareholders are to provide \$20 million of advanced telecommunications infrastructure per year from 1994 to 1999 (\$120 million total). The order also mandated that Ameritech contribute \$5 million per year from 1994 through 1999 (\$30 million total) to a non-profit organization in order to fund information processing telecommunications equipment purchases, and training which would enable schools to take advantage of broadband and digital technology.

STATE SURVEY RESULTS OF NEBRASKA

The Nebraska Public Service Commission (NPSC) encouraged telecommunications providers to discount tariffs for educational entities. There is currently at least one tariff that provides discounts for educational entities. The NPSC has mandated that the charges of Digital Data Services and High Capacity Services which are used to provide educational interactive video services are to be discounted by 50% when sold to the State of Nebraska, any Nebraska Public School District, any Educational Service Unit, or any Nebraska Post Secondary School. Educational Interactive Video Services that use transmission methods other than Digital Data or High Capacity Service are priced on an individual-case basis.

The tariff also seems to contain a discount that applies to Internet access used by educational entities. The specific information on the amount of the discount was not available at the this time; however, it is apparent that Internet access is an important issue for the NPSC. The Nebraska legislature has encouraged all public school districts to have a direct connection to a statewide public computer information network by June 30, 2000. The NPSC has stated that those opportunities should be available to the general public as well. The NPSC contacted the Nebraska Telephone Association (NTA) to inquire about any efforts the Association has made to implement local access for Internet users in Nebraska. As of December 1995, the NPSC was trying to coordinate efforts with the NTA to determine the feasibility of statewide Internet access on a local basis.

STATE SURVEY RESULTS OF NEW JERSEY⁴

On June 14, 1995, the New Jersey Board of Public Utilities approved a Bell Atlantic New Jersey (BA-NJ) tariff that will foster educational infrastructure development. BA-NJ introduced a service entitled Interactive Distance Learning Service (IDLS). The service allows for simultaneous interconnection of multiple customer locations for the purposes of distance learning or teleconferencing. Up to four locations can be connected for simultaneous interactive communication. IDLS is offered on a countywide and on a LATA-wide basis.

The tariff provides discounts to both the countywide and the LATA-wide systems for those school districts determined by the New Jersey Department of Education to be "special needs districts" pursuant to NJSA 18A:7D-3. The rate for a countywide system is \$1,050.00 (\$995.00 for special needs districts) per month, per facility with unlimited usage. The rate for a LATA-wide system is \$1,350.00 (\$1,295.00 for special needs districts) per month, per site.

Even though this service's main purpose is for distance learning, IDLS can be used for teleconferencing as well. Commercial and non-educational government institutions may purchase IDLS capabilities for teleconferencing purposes according to special contract individual case basis rates.

⁴See Attachment 3-2F for a broader history of the educational and telecommunications infrastructure pursuits in New Jersey.

STATE SURVEY RESULTS OF NEW YORK⁵

On August 16, 1995, the New York State Public Service Commission adopted a Performance-Based Incentive Regulatory Plan for NYNEX. Part of the plan provides for the distribution of \$50 million over five years beginning September 1, 1995, for: (1) advanced telecommunications infrastructure, (2) customer premises equipment, and (3) related training in economically disadvantaged areas within New York state that otherwise would not receive this kind of technology if deployment was exclusively market driven. The plan also established a Diffusion Program Committee to solicit and evaluate proposals and make awards not to exceed \$10 million in any single year.

The plan also defines eligible entities. Proposals may be submitted by non-profit organizations; state colleges, universities, hospitals, clinics and libraries, small businesses, and public institutions with the exception of state and federal agencies, offices, public benefit corporations, councils, boards, authorities, and commissions.

Fund allocation is another important issue that was addressed by the plan. Diffusion Program project funds can only be used to assist public institutions, non-profit organizations, or small businesses which deliver advanced telecommunications for the benefit of economically disadvantaged areas. Approximately 80 percent of these funds must be directed to urban/suburban areas, and approximately 20 percent shall be directed to rural areas.

⁵See Attachment 3-2G for a broader history of the educational and telecommunications infrastructure pursuits in New York.

STATE SURVEY RESULTS OF OHIO

The Public Utilities Commission of Ohio approved Ohio Bell's application for Alternative Regulation in November, 1994, with an effective date of January, 1995. That election brought several responsibilities. The company must deploy broadband facilities to all hospitals, libraries, county jails, and state, county and federal court buildings. Ohio Bell must convert all analog central office switching systems to digital switching systems, equip all switches that serve customer lines with Signaling System 7, and transport 97 percent of the company's interoffice circuits over fiber optic facilities. In addition, the company commits to extending the availability of integrated services digital network (ISDN) technology to all network access lines within four years of the effective date of the plan. Ohio Bell must provide a 10 percent discount to state-chartered educational institutions for regulated services. Additionally, Ohio Bell must also provide \$18,000,000 to a fund that will be used to assist schools in deploying distance learning technology.⁶

The distance learning fund is to be administered by the Ohio Superintendent of Public Instruction who shall award grants. The funds granted to schools shall be used for: (1) the purchase of distance learning equipment related to network usage not necessarily related to the usage of the company's network, or (2) payment of charges associated with Ameritech's advanced video service or other distance learning services provided by the company. The administrator of the fund must give priority to low-wealth schools or to school districts where 30 percent or more of the population receives Aid to Families with Dependent Children.

There is also a provision for funding community computer centers. The company committed to provide funding of \$2,200,000 for 14 community computer centers located in seven Ohio cities. The community computer centers will bring together hardware, software, network access, and training. To be eligible for funding, the center shall be housed in a location

⁶The definition of distance learning used by the Ohio Public Utilities Commission for purposes of funding equipment or services, entails, " the creation of a learning environment involving a school setting and at least one other location outside of the school. Typically, information available at one site is accessed at the other. Access to such educational applications can include one-way or two-way transmission of data, voice and video--singularly or in appropriate combinations."

OHIO, *continued.*

that is readily accessible to the community it serves, open after school hours, located in a low-income neighborhood, and contain an appropriate number of computer workstations.

Ohio Bell will also underwrite a team of company experts for six years who will be available to assist educators in developing and using distance learning applications. The team will also help educators develop teaching methods, and assist them with logistics and training. The team will work with the Ohio Department of Education and the educational institutions to determine how the facilities and network will be deployed. Further, the team will work to establish partnerships with other businesses and government agencies to seek grants to help finance basic video equipment for distance learning applications.

STATE SURVEY RESULTS OF OKLAHOMA

In an agreement between the Oklahoma Corporation Commission (OCC), South Western Bell Telephone (SWBT), and others in Case PUD890000662, several telecommunications issues were addressed. The OCC Order No. 396704 dated October 30, 1995, calls for SWBT to contribute a total of \$3 million over a three-year period to the Oklahoma Education Fund for Telecommunications Services and Equipment (\$1 million each year in 1996, 1997 and 1998). This fund will be administered by the State of Oklahoma, to allow educational institutions to purchase telecommunications services and/or telecommunications equipment from SWBT, or from other vendors for use in SWBT exchanges, for distance learning.

Internet access is also addressed in the settlement agreement. Beginning January 1, 1996, SWBT agrees to furnish, at no charge, intraLATA long distance services to provide Internet connections to all public and private universities, colleges, high schools, libraries and vo-techs served by SWBT until OneNet connections are available or until January 1, 1999, whichever occurs first.⁷

⁷OneNet is a state wide video, data and voice network that operates 24 hours a day, 7 days a week. It offers full motion video to/from any site on the network. OneNet also offers high speed internet access. It is open to state government, education, video conferences, and town meetings.

STATE SURVEY RESULTS OF RHODE ISLAND⁸

In August, 1992, the Rhode Island Division of Public Utilities and Carriers (Division), the Rhode Island Consumers' Council, and New England Telephone and Telegraph Company (NET) entered into a settlement agreement. On October 6, 1992, by Order No. 14003, the agreement was approved by the Rhode Island commission. Among other things, this agreement included commission findings on the form of regulation for NET (which is the sole local exchange carrier in Rhode Island) and infrastructure deployment.

The alternative form of regulation approved for NET was a four-year price regulation trial wherein regulation was streamlined through the employment of a rate adjustment mechanism based on a predetermined formula. In addition, there is an incentive for NET to share excess earnings. However, prior to the application of this mechanism, certain changes were ordered to occur. They included the following:

- a. *Introduction of a Business Selective Calling Service which includes significant discounts for directly dialed calls to selected exchanges;*
- b. *Elimination of the monthly charge for residential and business touchtone;*
- c. *Reduction of the message unit allowance in the Measured Business Rate;*
- d. *Increase in the message unit allowance for Lifeline customers;*
- e. *Modification of some calling areas; and*
- f. *Development of an outreach program to promote NET's Lifeline, Statewide Calling and Selective Calling Plans.*

The overall estimated effect of the price regulation trial with its adherent changes is a \$16 million annual revenue reduction to NET. Even under these circumstances, it is expected that NET will meet its commitment to the approved infrastructure deployment plan (which was not assigned a dollar value in the settlement agreement). If NET does not comply with the material terms of the agreement and does not act in good faith relative to its commitments on Infrastructure Investment and Trials and Marketing Programs, the Division may apply for an end to the agreement.

Under the agreement, NET is required to accelerate infrastructure deployment by:

- a. *Converting all remaining analog switches to digital by 1996;*

⁸The Rhode Island plan described herein expired 12/31/95. A similar plan is pending approval.

RHODE ISLAND, *continued.*

- b. *Using fiber in all cable expansion and replacement projects unless clearly uneconomic or not feasible;*
- c. *Complete fiber connectivity and diverse routing (by ring architecture) to and from all Rhode Island central offices (except Block Island) by 1994;*
- d. *Install SS7 in all Rhode Island central offices by 1994; and*
- e. *Install Integrated Services Digital Network (ISDN) in twelve Rhode Island central offices by 1996.*

In addition to the requirements to accelerate infrastructure deployment, the agreement includes a NET investment in marketing and technology trials. The trials include:

- a. *A field trial of Asymmetrical Digital Subscriber Line Technology;*
- b. *A public education trial using Voice Messaging Service;*
- c. *Additional small business and public education which may include such things as public school and library access in addition to distance learning;*
- d. *A trial to provide data network access to public and state-approved, not-for-profit schools and public libraries at no charge by NET.*

STATE SURVEY RESULTS OF TENNESSEE⁹

Throughout Tennessee, the Tennessee Public Service Commission (TPSC) has discounted several services in order to foster educational infrastructure development. The TPSC has lowered the rate of an in-classroom telephone line for computer communications. This rate consists of:

- \$11 monthly flat fee, and
- Usage rate per minute cost capped at a maximum of \$6.00 per month (Time/Day discounts do not apply)

There is also a single-line ISDN discount. An ISDN line placed in Tennessee schools can provide students and teachers flexibility in curriculum development. An array of services such as conferencing (both voice and data), accessing large volumes of information from databases and video capability can all be handled on a single ISDN line. The basic ISDN (BRI) fee consists of:

- \$13.85 monthly flat rate, plus residential rate
- installation charges have been waived through year-end 1995.

Special discounts are offered for telephone lines used in computer-based parent involvement programs. Reduced rates are also offered for T-1 service used in interactive video distance learning programs. The specific rates for these services are available from each local telephone company.

⁹See Attachment 3-21 for a broader history of the educational and telecommunications infrastructure pursuits in Tennessee.

STATE SURVEY RESULTS OF WEST VIRGINIA

The legislature of West Virginia passed Senate Bill 520 (West Virginia Code §24-2-3c) on March 9, 1990, requiring the West Virginia Public Service Commission to cease regulating the rates of services it determines to be subject to workable competition. To that end, Bell Atlantic of West Virginia (BAWV) entered into a stipulation with the West Virginia Public Service Commission and the Consumer Advocate Division (CAD). BAWV has to aid in the state's efforts to ensure that the modern telecommunications network that is needed becomes available. BAWV committed to invest at least \$375 million in the network from 1995 through 1999. BAWV also agreed to extend broadband access (defined as at least T-1, 1.544 mbps service) within ten days of request to all schools, universities, colleges, libraries, hospitals and state and county offices within the BAWV service territory.

The initiative known as "World School" is an educational initiative that will apply to all public, primary, and secondary schools in BAWV's service territory by the end of 1996, or as soon thereafter as is reasonably practicable. It is estimated that the total cost of the "World School" education initiative will be \$8 million to \$11 million for BAWV.

Among the services to be provided under the "World School" initiative is 56 kbps Frame Relay Service for the purpose of allowing the schools to connect to at least 1 Internet access provider in the state. The monthly rate for the first line at each school will be \$114. The monthly rate for each additional line will be \$150 or the prevailing interstate rate, whichever is lower. The installation charge will be no more than \$820 per line.

Another service to be provided under the "World School" initiative is 1.544 mbps Frame Relay Service. The monthly rate for each line will be \$390. The installation charge will be \$950 per line.

**A HISTORY OF THE EDUCATIONAL AND TELECOMMUNICATIONS
INFRASTRUCTURE PURSUITS IN TEXAS**

The Texas Public Utilities Commission provided a summary of House Bill 2128, enacted in May of 1995, which included a section entitled, "New Technology and Infrastructure." The following is the content of that section:

The Telecommunications Infrastructure Fund (TIF) created by this legislation will amass **\$150 million annually for ten years**. Its purpose is to provide funding through grants and loans for projects that will utilize the advanced telecommunications system in Texas for public purposes. Two separate accounts are established: one is funded by telecommunications providers other than cellular carriers and is earmarked for equipment purchases and wiring for public schools; the other portion is funded by cellular carriers, and may be used for equipment, wiring, program development, training, or any statewide telecommunications network, as well as for public education. The TIF will be administered by a nine-member board, appointed by the legislative leadership and the Governor.

The bill lays out 10 policy goals for the development of an advanced telecommunications infrastructure in the state. Telephone companies that elect into incentive regulation are required to meet certain infrastructure goals, including customer access to end-to-end digital connectivity, digital switching offices, and broadband interoffice facilities. Electing carriers are also required to provide broadband access upon request to educational institutions, libraries, telemedicine centers, public or not-for-profit hospitals, and other locations, at discounted rates and with no special construction charges. If a carrier does not elect into an incentive regulation plan but makes a six-year infrastructure modernization commitment, and if the carrier agrees not to increase rates during the same period, then that carrier is also exempted from complaints or hearings related to its rates, revenues, or rate of return for the same six years.

A HISTORY OF THE EDUCATIONAL AND TELECOMMUNICATIONS
INFRASTRUCTURE PURSUITS IN *CALIFORNIA*

There has been much legislative, commission, and industry activity in California concerning a strategy for successfully developing the state's telecommunications infrastructure.

In 1989, Pacific Bell initiated its "Advanced Telecommunications Deployment Plan." The plan calls for achieving 100 percent ISDN (integrated services digital network) availability for Pacific Bell customers by 1997. Given that Pacific Bell is California's largest local exchange carrier, the commitment is of a very large magnitude. In its plan, Pacific Bell also committed \$1 billion to reaching 100 percent digital switching by 1997.

By the early 1990's, Assembly Bill 1289 had been enacted and California's commission was specifically directed to begin proceedings to consider an infrastructure strategy for the state. As a direct result of the legislation, the commission in 1993 issued a report to the Governor entitled, *Enhancing California's Competitive Strength: A Strategy for Telecommunications Infrastructure*. This extensive report contains specific recommendations on how to successfully realize the benefits of the telecommunications network of the future. In the report, the commission suggests that accomplishing its objectives would depend on streamlining regulation and providing a proper funding mechanism.

The report also contains a recommendation to establish, as soon as feasible, the California Telecommunications Task Force (CTTF). The CTTF is now in place and has produced a draft document outlining its recommendations on how to devise and implement the means necessary to bring appropriate telecommunications technologies and services to public institutions such as schools, libraries, and community centers. Once this document has been finalized, it will be reviewed by the California legislature.¹⁰

In 1994, Pacific Bell announced plans to provide broadband capabilities to half its

¹⁰The CTTF is not the only group in California pursuing the implementation of telecommunications technologies and services for use by public institutions. Governor Pete Wilson created the Governor's Council on Information Technology, a group of experts directed to draft a visionary plan for California's schools and government agencies in the Information Age. A document was recently released entitled *Getting Results--A Report of the Governor's Council on Information Technology*.

CALIFORNIA, *continued.*

customers within the next decade and to all residential customers by 2015. In December, 1994, Pacific Bell launched its "Education First" initiative, the largest private-sector initiative to date to connect all California schools and libraries to the information superhighway. This initiative involves more than 20 vendors and 11 demonstration schools and libraries.

As a part of the initiative, Pacific Bell is providing \$100 million in communications services. Through the end of 1996, the firm is offering to install up to four ISDN lines for free and waive one year's usage charges for all 7,400 public K-12 schools, public libraries and community colleges in its service territory. Pacific Bell is seeking regulatory permission to extend its offer to private, non-profit K-12 schools. Other current regulatory efforts include an attempt to formalize an "educational access rate."¹¹

Under the "Education First" initiative, Pacific Bell is also installing intra-building wiring at up to two locations at each public school or library. In addition, Pacific Bell is providing \$5 million to help raise the funds needed to wire the remaining classrooms.

Many vendors are also actively involved in the "Education First" initiative. AT&T, MCI, and Sprint are supplying free or discounted ISDN services. Other support is being provided by various vendors in the form of:

- Computers, software, and connection hardware;
- Internet access;
- ISDN connection products;
- Videoconferencing hardware; and
- Desktop conferencing.

Pacific Bell is not the only California local exchange carrier that announced plans to significantly upgrade its network. GTE committed to spend \$80 million over a three-year period in order to carry video services in sixteen southern California communities.

¹¹ "Education First: California Connectivity," *The Technological Horizons in Education Journal*, March, 1995.

**A HISTORY OF THE EDUCATIONAL AND TELECOMMUNICATIONS
INFRASTRUCTURE PURSUITS IN *GEORGIA***

The Georgia General Assembly stated in Senate Bill 137 enacted in April, 1995, that:

Investment in the telecommunications infrastructure required to further economic growth in Georgia and to meet the growing demands of Georgia's consumers will be encouraged through competition.

Subsection (a) of Code Section 46-5-165 states that:

Any Tier 1 local exchange company may elect to have alternative regulation if it commits to providing basic local exchange services upon reasonable request and to invest \$500 million per year for five years to improve and strengthen telecommunications services in Georgia.

The General Assembly also found that:

A tier 1 local exchange company shall provide an annual report with quarterly updates to the commission regarding its investment commitment as prescribed in subsection (a) of Code Section 45-5-165. Contributions to infrastructure for distance learning and telemedicine by a Tier 1 local exchange company shall be considered an investment credit toward the required investment commitment of such Tier Company.

A HISTORY OF THE EDUCATIONAL AND TELECOMMUNICATIONS
INFRASTRUCTURE PURSUITS IN *IOWA*

In Iowa's House File No. 518 (enacted in May, 1995), a local exchange carrier is required to make provisions for encouraging the modernization of its telecommunications infrastructure prior to operating under price regulation. This includes a requirement that the local exchange carrier develop and file with the Iowa Utilities Board an increased modernization plan.

House File No. 518 also sets forth prescribed procedures to the Iowa Utilities Board for evaluating whether to approve a price regulation plan proposed by a local carrier. Among other things, the board is directed to consider the extent to which the price regulation plan would encourage investment in communications infrastructure, efficiency improvements, and technological innovation.

**A HISTORY OF THE EDUCATIONAL AND TELECOMMUNICATIONS
INFRASTRUCTURE PURSUITS IN *MINNESOTA***

Minnesota Senate File No. 752, was enacted in May, 1995, and contains requirements for telecommunications infrastructure improvements as a part of the conditions for approving an alternative plan for regulating telephone companies. Such a plan is required to include an outline of the company's commitment to invest in telecommunications infrastructure improvements over a period of no less than six years. The investment plan is also expected to include all of the following:

- (1) a description of the level of planned investment in technological or infrastructure enhancement;
- (2) a description of the extent to which planned investment will make new telecommunications technology available to customers or expand the availability of current technology;
- (3) a description of the planned deployment of fiber-optic facilities or broad band capabilities to schools, libraries, technical colleges, hospitals, colleges and universities, and local governments in this state (Minnesota).

Senate File No. 752 also contains some guidelines for revenue recovery. An approved alternative regulation plan may allow changes in rates for price regulated services after three years to reflect:

- (1) substantial financial impacts of government mandates to construct specific telephone infrastructure and increases or decreases in state and federal taxes, if the mandate applies to local telephone companies and the company would not otherwise be compensated through some other manner under the plan;
- (2) changes in jurisdictional allocations from the Federal Communications Commission, the amount of which the telephone company cannot control and for which equal and opposite exogenous changes are made on the federal level.

There is also a Minnesota Statute that encourages basic infrastructure development. Section 237.065 of the Minnesota Statutes states that each telephone company which provides local telephone service in a service area that includes a public school that has classes within the ranges from kindergarten to 12th grade shall provide, upon request, additional service to the