

---

---

**IOWA UTILITIES BOARD**  
**Telecommunications Section**

**TO:** The Board

**FROM:** Joni Nicoll, Project Manager, Equipment Distribution Program  
Amy Christensen, Dual Party Relay Council Chair

**SUBJECT:** Recommendation Regarding Funding for Wireless Devices in Iowa's Equipment Distribution Program in Fiscal Year 2016

**DATE:** November 5, 2015

**I. Background/Analysis**

In May 2015, the Iowa Utilities Board (Board) approved the addition of 64 gigabyte Wi-Fi iPads and iPad minis directly into Iowa's existing equipment distribution program (EDP), to become effective July 1, 2015, the first day of Fiscal Year 2016 (FY'16). The Board restricted the amount that could be used from the FY'16 equipment budget for the distribution of iPads to \$65,000. There was such great demand for the equipment that by mid-August 2015, the amount allocated for iPads was depleted.

On October 6, 2015, staff prepared a memo to the Board for the Board's October 20, 2015, Board meeting.<sup>1</sup> The memo gave four recommendations from the Dual Party Relay Council (Council or DPRC) and Board staff that would allow additional funding for iPad vouchers in the EDP during FY'16. The recommendations were:

- Place a cap of 10 iPad vouchers that can be issued per month
- Use the existing Fiscal Year 2016 equipment budget of \$315,000 to include the purchase of iPads<sup>2</sup>
- Cancel all Focus Group meetings and instead rely on surveys for feedback
- Reallocate the \$16,000 budgeted for Focus Groups to the equipment budget for purchase of iPads

These recommendations were discussed at the October 20 Board meeting. After discussion, Chair Huser and Board member Wagner<sup>3</sup> agreed with the recommendations that the scheduled Focus Group meetings be cancelled and

---

<sup>1</sup> This memo was also accessible to the public via the Board website.

<sup>2</sup> There is no increase proposed in either the FY'16 total equipment budget or the overall FY'16 Relay Iowa/Iowa Equipment Distribution Program budget.

<sup>3</sup> Board member Libby Jacobs was not present, as she was attending a meeting out of town.

the \$16,000 budgeted for Focus Groups be allocated to the equipment budget for iPad distribution. Chair Huser recommended the Board delay its vote on the other recommendations until it had more information on the additional funding request due to potential impacts on the EDP budget and telephone company billing assessments. She proposed that the item be taken up again at the Board's December 15, 2015, meeting and Board member Wagner agreed.

After the October Board meeting, staff asked Chair Huser if she wished to meet with staff regarding any questions she might have about the issues yet to be decided. Chair Huser said she had no further questions and would be willing to act upon the other recommendations sooner than the December Board meeting if the other Board members' questions/concerns were addressed prior to that time. Staff informed Chair Huser that staff had already scheduled a meeting with Board member Wagner and that a meeting would be scheduled with Board member Jacobs in the near future.

Staff met with Board member Wagner on October 22 to address his specific questions about the impact of the requested increase on the EDP budget and the telephone company assessments. Staff clarified that there would be no increase in the FY'16 DPRS budget or assessments, as the Council/staff recommendation merely allows the use of the existing equipment budget for a controlled distribution of iPads. Staff also explained how the assessed and billed amounts to telephone companies are calculated, and that the FY'16 assessments have already been billed and thus would not change for the remainder of this fiscal year. At the conclusion of the staff meeting, Board member Wagner indicated that his questions had been answered and his concerns were alleviated. He also indicated that because of the length of time that some iPad applicants had been on the waiting list, he is willing to act upon the request for additional iPad funding sooner than the December 15 Board meeting.

Staff also met with Board member Jacobs on November 4 to give an overview of the October 20 meeting and to provide an opportunity to address any questions she had regarding the Council/staff recommendation. She indicated that she had no concerns with allowing the additional funding pursuant to the Council/staff recommendation and is also willing to expedite the decision due to the length of the waiting list.

In addition, Council member Pat McGowan, who represents telecommunications companies on the DPRC, informed staff that he has discussed the reasoning behind the recommendation for additional iPad funding with Dave Duncan, the CEO of Iowa Communications Alliance (ICA). Mr. Duncan was present at the Board's October 20 meeting. Mr. McGowan also stated that an article, summarizing the discussion on iPad funding from the October 20 Board meeting, appeared in the weekly ICA newsletter on October 23, 2015. This newsletter is distributed to all ICA members.

It may be helpful to give the Board an update on the most recent statistics regarding the iPad waiting list. Due to the reallocation of \$16,000 from focus groups to equipment, 13 people on the waiting list have now been issued iPad vouchers. As of October 30, 2015, there are 45 qualified applicants on the waiting list, totaling about \$57,000. On average, four people are added weekly to the waiting list.

Staff believes there is consensus among the Board members to expedite its decision and proposes that the iPad funding issue be placed as an administrative item on the November 17, 2015, Board meeting agenda, rather than on the December 15 meeting agenda.

## **II. Recommendation**

Allow the use of the existing Fiscal Year 2016 equipment budget to include the purchase of iPads and limit the issuance of iPad vouchers to ten per month. Direct the Project Manager to inform the administrator of the Iowa Equipment Distribution Program of the Board's decision.

/jln

**IOWA UTILITIES BOARD**  
**Telecommunications Section**

**TO:** The Board

**FROM:** Joni Nicoll, Project Manager, Equipment Distribution Program  
Amy Christensen, Dual Party Relay Council Chair

**SUBJECT:** Update on Recommendation Regarding Funding for Wireless Devices  
in Iowa's Equipment Distribution Program in Fiscal Year 2016

**DATE:** November 23, 2015

**I. Background/Analysis**

The purpose of this memo is to provide updates to the Board members regarding the funding recommendation for wireless devices in the Iowa Equipment Distribution Program (EDP). It supplements the staff memo to the Board dated November 5, 2015.

Since the November 5 memo was prepared, staff has had conversations with two telecommunications company/association representatives. Earlier this month, staff reached out to Wayne Johnson, State Regulatory Affairs Director for CenturyLink,<sup>1</sup> to see if there were any outstanding questions regarding the Dual Party Relay Council/staff recommendation to allow the use of the existing Fiscal Year 2016 equipment budget to include the purchase of iPads and limit the issuance of iPad vouchers to ten per month. Mr. Johnson responded that CenturyLink is in support of the goals of the EDP for the population it is intended to serve, with the understanding that there are proper controls in place to manage the growth and to limit fraud.

On November 18, 2015, staff also met with Dave Duncan, CEO of Iowa Communications Alliance (ICA), to address any remaining concerns that he or his member companies might have. After the discussion, Mr. Duncan stated that he now better understands how the assessments are calculated and understands that there will be no increase in Fiscal Year 2016 billings to any of Iowa's telecommunications carriers. He also affirmed that the ICA members are not opposed to the iPad program, realizing this technology makes mobile communications possible for a population that could not access the mobile network prior to the change in the Iowa EDP.

---

<sup>1</sup> CenturyLink is the biggest wireline contributor to the Dual Party Relay Service fund.

Finally, as of November 20, 2015, the iPad waiting list contains 54 qualified applicants, totaling about \$68,000. There continues to be an average of four people added weekly to the waiting list.

Staff's recommendation remains unchanged and proposes that the iPad funding issue be placed as an action item on the December 15, 2015, Board meeting agenda.

## **II. Recommendation**

Allow the use of the existing Fiscal Year 2016 equipment budget to include the purchase of iPads and limit the issuance of iPad vouchers to ten per month. Direct the Project Manager to inform the administrator of the Iowa Equipment Distribution Program of the Board's decision.

/jln