

Benefits to Minnesotans of Communications Infrastructure Public-Private Partnership

To Minnesota:

Infrastructure access and bandwidth capacity will be available to much of the state that might otherwise never be built.

- Private sector is market driven/only goes to profitable areas of the state
- Government has the responsibility and opportunity to provide a state wide infrastructure
- The proposed network promotes competition throughout the state=lower rates for the users.

Taxpayers savings will be realized by state government having access to the proposed system for voice, data and video needs - savings of \$5 million/year.

Local access line business for local telephone companies will increase.

Freeway safety in Minnesota will be preserved by offering exclusive (one vendor, one time) access to Minnesota's freeways for construction.

- Because of the large volume of traffic served, freeway operation safety is paramount.
- Accident rates on the Interstate system is 0.9 compared to 2.2 for all public roads
- Safety would be jeopardized on freeways if they were opened up to all telecom providers (anyone at anytime)

Economic development for Minnesota is improved through lower cost access to high bandwidth telecommunications facilities.

The state wide telecommunications infrastructure development will be completed at no cost to the state taxpayers, telephone rate payers or local units of government. This investment will be between \$150 and \$200 million dollars.

Further enables the development of Telework (telecommuting) centers statewide.

To Mn/DOT

Connections to ITS applications and special fiber needs of the Traffic Management Center

Direct high capacity connections to district offices and other facilities

COMMUNICATIONS INFRASTRUCTURE PUBLIC-PRIVATE PARTNERSHIP

Mn/DOT, in partnership with the Department of Administration, is acting on the need for fiber optics and wireless communications networks statewide. Minnesota, and especially rural Minnesota, needs the access, bandwidth, lower costs, telecommuting and economic development opportunities that these networks can provide.

The passing of the 1996 Telecommunications Act increased the competition timeline to install the communications systems of the future. The state realized that only a short window of opportunity existed to offer a private communications partner a one time access right to its 1,000 mile freeway system and give Minnesotans something of value in return.

Through a competitive bidding process the state selected the team of International -Communications Systems (I.C.S.) and Stone & Webster to install the 96 fiber ribbon cable communications network on the states' 1,000 miles of freeways, and on enough trunk highway mileage statewide to directly connect all of Mn/DOT's 17 district offices and DOA's 13 Mnet HUB sites.

Under the proposed public/private partnership, the State of Minnesota granted I.C.S./Stone & Webster the right to install fiber optic cable within the state's freeway right of way. In return, state government will receive access to the 1,900 hundred mile high-speed communications network at no cost. Furthermore, I.C.S./Stone & Webster agreed to develop its network not only in the metropolitan areas of the state, but also in the less populated areas of Greater Minnesota. State government use would represent up to 25 percent of the network's total available capacity. The vast majority of the network's capacity would be available for private use.

"This innovative public/private partnership agreement is a new way to leverage the state's assets to accomplish state agency goals of providing more efficient, responsible services to Minnesotans through the wise application of technology," said DOA commissioner Elaine Hansen, "Improving Minnesota's telecommunications infrastructure also positions the state to remain in the forefront of communications technology, which is critical in attracting and retaining businesses in Greater Minnesota."

"Minnesota's freeway right of way is an extremely valuable asset for communications technology providers," said Mn/DOT Commissioner James Denn. "It is clearly in the state's best interest to explore ways to utilize this asset to improve our communications infrastructure and provide more efficient service to state taxpayers."

Negotiations to develop a partnership agreement between the state and I.C.S./Stone & Webster began on December 18, 1996. The goal of all involved parties is to have an agreement in place in 1997, with construction beginning in 1998. Soon, Minnesotans and the state will experience the benefits of this public/private partnership.