

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

June 19, 2008

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan
Conflict of Interest Statute

Action

Requested: Authorization for the University to Enter into a License Agreement with the Michigan Information Technology Center Foundation (University of Michigan Employees John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig, Board Members; and Betty J. Burke, Facilities Manager)

Background:

The University's Information Technology Communication Services department wishes to enter into a license agreement that will permit Michigan Information Technology Center Foundation (MITC) installation of a fiber optic cable within an existing University tunnel, telecommunications manhole and duct system for the Michigan Light Rail Project, a direct fiber path to Chicago, Illinois.

The proposed license agreement falls under the State of Michigan Conflict of Interest Statute as John L. King, Douglas E. Van Houweling, Donald J. Welch, Barbara S. Nanzig, and Betty J. Burke are University employees and would be a party to the license agreement by virtue of their position as board members and facilities manager of MITC. However, the statute allows University employees to participate in such license agreements, if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the license agreement to the official body that has power to approve the license agreement, which disclosure shall be a matter of record in its official proceedings.
- b) The license agreement is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the license agreement.
 - ii) The terms of the license agreement, including duration, financial consideration between the parties, facilities or services of the public entity included in the license agreement, and the nature and degree of assignment of employees of the public entity for fulfillment of the license agreement.
 - iii) The nature of any pecuniary interest.

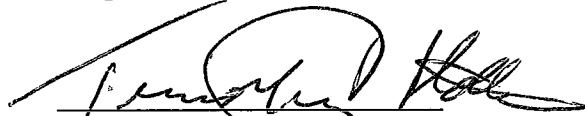
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the license agreement are the Regents of the University of Michigan and its Information Technology Communications Services department and the Michigan Information Technology Center Foundation.
- ii) The service to be provided is a license agreement for fiber optic cable installation within a University tunnel, telecommunications manhole and duct system for 25 years.
- iii) The pecuniary interest arises from the fact that John L. King, Douglas E. Van Houweling, Donald J. Welch, Barbara S. Nanzig, and Betty J. Burke, University of Michigan employees, are members of the board of directors and facilities manager of Michigan Information Technology Center Foundation.

John L. King, Douglas E. Van Houweling, Donald J. Welch, Barbara S. Nanzig, and Betty J. Burke have met state law requirements with the disclosure of their pecuniary interest, and their formal appointment arrangements with the University of Michigan.

We recommend that the Regents approve the license agreement between the University of Michigan and the Michigan Information Technology Center Foundation.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

June 2008