


TRANSMITTAL MEMORANDUM

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TO: The Honorable Mayor & City Council Initials: 

FROM: Lacey G. Simpson, Acting General Manager File #: MGR25-222

DATE: April 11, 2025 Mtg. #: 04/17/25 MRe

RE: **KPU Telecommunications Division Manager's Report – March 2025 Report**

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Attached for City Council review is the March 2025 report from KPU Telecommunication Division Manager Dan Lindgren. Should the City Council have questions regarding the report, staff can respond accordingly.



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## **TELECOMMUNICATIONS DIVISION MANAGER'S REPORT**

### **OPERATIONAL ISSUES – MARCH 2025**

#### **TELECOMMUNICATIONS DIVISION MANAGER**

##### **SUMMARY**

The KPU Telecommunications Division continues to be in good shape both operationally and financially. It will be key to continuing the legislative efforts outlined below to continue the long-term success of the Division.

#### **KETCHCAN1:**

Subsequent to the repair of various terrestrial fiber optic cables in southern British Columbia (due to flooding in late December 2021), KetchCan1 continues to perform flawlessly. I have been in continued discussions regarding our capabilities with multiple potential partners in hopes of selling wholesale services on cable. We are anxiously awaiting the completion of the Connected Coast project in Canada that will improve the redundancy and resiliency of our transport through Canada. We will be completing some work in Canada to improve resiliency between our cable landing location and CityWest.

#### **4G-LTE:**

KPU has negotiated new rates with Verizon that will be in effect through 2027. We have added the AWS 3 spectrum to some of our high-volume sites, allowing for a 33% increase in connections. This spring we will add 9 sectors to downtown to alleviate congestion, and 4 sectors to Skagway. We are looking at options to improve coverage to the Ketchikan High School and the UAS campus.

#### **FIBER TO MULTI-DWELLING UNITS (MDU):**

We continue to make progress installing fiber within MDU buildings. We have completed Tongass Townhomes and are presently working on 690 S Yorktown Dr. and 2708 Halibut Rd., providing each residence with a fiber optic cable so that they have access to our higher-speed Internet services. We have developed a new promotion focused on MDUs and placed doorknockers on all of the completed MDU buildings in order to sell new services and faster Internet speeds to those customers.

#### **PERSONNEL:**

I continue to be impressed with the Telecommunications Division's employee work ethic and dedication. We have a culture in the Telecommunications Division where every employee is valued.

At present, the following positions remain vacant:

- There is an open Combination Technician position that we plan to convert to an Apprentice Position. We expect to have some impending retirements that drive the need to get positioned to have some talent in the employment pipeline.

The labor market has changed significantly since the rebound from the pandemic with low unemployment and new employee expectations for flexibility. The City needs to develop work-from-home policies to meet these expectations or risk not being competitive in the labor market. In a 2024 Zoom survey, 43% of all survey respondents view flexible work as a basic expectation versus a perk, and 70% would consider leaving their current job for a more flexible working environment. In a 2023 Gallup study, among employees with remote-capable jobs, 91% prefer to work either fully remote (30%) or in a hybrid arrangement (61%).

#### **LEGISLATIVE:**

I continue to be engaged on legislative and regulatory issues working with the Alaska Telecom Association - participating in video meetings in Juneau and DC (with Alaska's Congressional Delegation and staff) - regarding Alaska telecommunications/broadband funding issues which may affect KPUTel indirectly or directly. Approximately 29% of KPUTel's annual revenue is derived from USF (Federal) and AUSF (State) - and the 'ground' under these programs is always shifting and requires constant attention - particularly now that proposed federal infrastructure legislation has billions of dollars targeted toward broadband - it is critical to ensure that the Alaska Plan is not altered or threatened via the legislative process.

#### **ALASKA CONNECT FUND (ACF):**

The Alaska Telecom Association (ATA) filed a petition with the FCC on January 4, 2023 to establish a successor to the Alaska Plan that is presently set to expire at the end of 2026.

After close to two years of extensive discussion with the FCC and state delegation, the FCC adopted the Alaska Connect Fund order on November 1, 2024 and released the 163-page order on November 4, 2024. The order covers a 10-year period bifurcated by a 4-year ACF Transition from 1/1/25 to 12/31/2028 and a Fixed ACF Support of 6 years from 1/1/29 to 12/31/34. During the ACF Transition, carriers will receive a 30% increase in USF support and continue the same buildout obligations and regulatory reporting requirements. The FCC delegated authority to the FCC Wireline Competition Bureau to determine the details of how Fixed ACF Support will be distributed. Industry will have the opportunity to participate in the process to determine how to distribute Fixed ACF support in the future. KPU only participates in the Fixed ACF.

The Alaska Connect Fund order was published in the Federal Register on 12/31/24, which allows the 30% increase to be paid for January 2025.

#### **STATE LEGISLATIVE FLY-IN:**

The Alaska Telecom Association annual state legislative fly-in was held on March 4-5 in 2025. ATA executives meet with state legislators over 2 days. This is an opportunity for industry to update and educate legislators on our industry. Building these relationships is an important effort that pays dividends when state action is necessary on telecom related issues. Most recently, the state passed a resolution supporting the continuance of universal service funding in the US Supreme Court.

#### **UNIVERSAL SERVICE FUND (USF) COURT CASE:**

The fifth Circuit held that the combination of delegation of the USF to the FCC and Universal Service Administrative Company (USAC) violated Article I of the Constitution. The Sixth and Eleventh Circuits previously denied similar challenges to the USF contribution.

Supreme Court to review these issues and decide USF constitutionality by the end of June 2025. Impact on USF programs could be profound based on the outcome of this case. Amicus briefs were filed in January, and oral arguments were heard on March 26<sup>th</sup>. The industry is cautiously optimistic that the court ruling will result in a positive outcome for retaining ongoing USF support.

## **REGULATORY UPDATE**

### **SUMMARY**

On March 26, 2025, the United States Supreme court heard oral arguments in the case regarding the Universal Service Fund (USF) and the contributions from telecommunications carriers. In 47 U.S.C. 254, Congress required the Federal Communications Commission (FCC) to operate the universal service subsidy programs using mandatory contributions from telecom carriers. The FCC has administered the USF for decades with support from the Universal Service Administration Company (USAC). The outcome of this case is very important to not only KPU-Tel, but numerous other telecom companies throughout the country that rely on USF funding to be able to provide customers with affordable connectivity. Although it is difficult to definitively determine how the justices will vote, several industry associations feel that the outcome will uphold the constitutionality of the USF. KPU-Tel management is continuing to work with both state and national telecom associations on potential next steps to prepare for the Supreme Court's decision that is expected to be released in late June or early July.

#### **OTHER REGULATORY ISSUES OF INTEREST ARE AS FOLLOWS:**

On March 20, 2025, the FCC issued an order streamlining procedures to ease copper retirement within carriers' service areas.

#### **REPORTS AND FILING:**

##### **FUSC RATE CHANGE:**

On March 17, NECA filed a revised tariff based on the FCC Public Notice released on March 13, 2025, increasing the Federal Universal Service Charge (FUSC) from 36.3% to 36.6%, effective April 1, 2025.

##### **ANNUAL FCC FORM 499A FILED:**

KPU Filed the Form 499A- annual filing- to the FCC on March 25, 2025. The 499A is an annual report that contains revenue information from the preceding year. KPU's Universal Service Fund billing amount is derived from this report.

##### **ANNUAL FCC CIRCUIT CAPACITY DATA REPORT COMPLETED:**

On March 11, 2025, KPU completed the data collection for international submarine cable or satellite facilities pursuant to 47 CFR 43.82. This data collection is submitted directly to the FCC.

##### **ANNUAL FCC RECORDKEEPING COMPLIANCE CERTIFICATION FILED:**

On March 11, 2025, KPU certified its compliance with the rules set forth in sections 14.31(a) of the Commission's rules, 47 C.F.R §14.31(a). The certification is completed at the FCC website.

## **TELEPHONE ENGINEERING DEPARTMENT**

### **SUMMARY**

#### **ENGINEERING:**

- **4G/LTE:**
  - 100% monthly KPI report for Verizon in March.
  - Research on the cost of offering 4G at the High School is ongoing.
  - All prep work completed with Verizon for cell site upgrades downtown and in Skagway.
- **IP ENGINEERING:**
  - IPTV router and switch configuration cleanup are 85% complete.
  - Q1 Alaska Connect Fund testing complete and passed. Q2 testing in April.
  - KPU Water upgrades are in progress.
  - Extrahop Sensor Upgrade project on hold by Extrahop due to software bugs.
  - Microsoft 365 tenant integration with Extrahop in progress.
  - BGP and bandwidth adjustments for additional internet capacity completed.
- **VIDEO ENGINEERING:**
  - Castus streaming problems on the KPUTV+ app being worked on.
  - All video headend equipment is up for surplus/sale.
- **VOICE ENGINEERING**
  - Broadworks voicemail redundancy issues are actively being worked on.
  - Syniverse discontinuing SS7 services impact analysis in progress.
  - FCC PSAP outage alert mandate updates.
- **SYSTEMS ENGINEERING:**
  - COK/KPU tenant integration scope ongoing.
  - Splash Access for Paid Wi-Fi project go live test date mid-April at the Plaza Mall.
  - Island Enterprise Security browser setup and user testing 50% complete.
  - iSeries Post migration checklist is 75% complete.
  - Data Center virtualization projects RFP awarded pending Council approval.
  - Time and Attendance project implementation ongoing.
  - ESRI KPU-Tel instance architectural changes in progress.
  - Semperis Directory Services Protector Security posture enhancements.
  - Updated 13 windows servers and removed several legacy VMs from the Main Datacenter cluster.
  - Voice VM Back-up Integrity Verification Plan/Process 50% complete.
- **FACILITIES:**
  - Central Office Headend removal is in progress.
  - A new Fiber distribution frame was installed in the Main CO for 2,500 fibers.

#### **SERVICE DELIVERY & NETWORK OPERATIONS:**

- 43 Resolved PBX tickets.
- 10 Service Orders

## OUTSIDE PLANT CONSTRUCTION AND SPLICING:

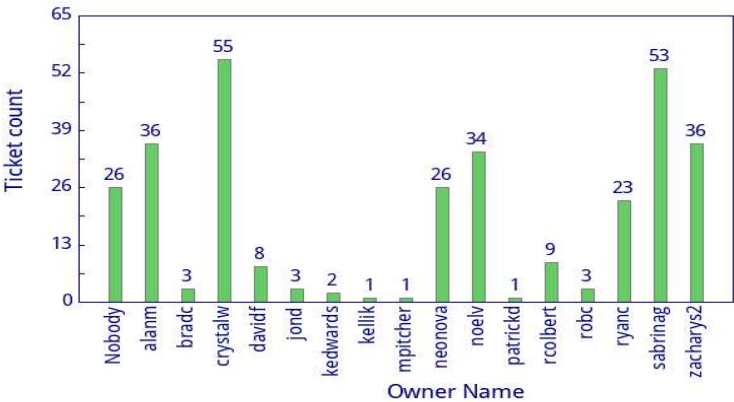
- **PROJECTS IN MARCH 2025:**
  - 3242 Baranof and 560 Thatcher MDU's completion is expected in April.
  - 2708 Halibut MDU project to be accomplished in April.
  - Truck Barn heaters and electricity are to be installed in April.
  - Truck Barn concrete pad for the condenser units have been poured.
  - 5 fiber job orders completed.
  - Engineering oversight of Metlakatla fiber land at Mountain Point.
- **INSTALLATION AND REPAIR:**  
The installation and repair crews completed:
  - 67 Service orders
  - 54 Trouble tickets
  - 10 Fiber drops

OSP INSTALLATION & REPAIR SCORECARD: MARCH 2025	SO	TT	FD
<b>EMPLOYEE</b>			
Ryan C	6	2	
Ricky C	8	6	2
Brad C			
Von D	1		
Jon D			
David F		2	
Ryan J			
Alan M	5	27	
Ricky C / Ryan C	8		2
David F / Ryan C	1	12	4
David F / Ricky C	34		
David F / Ricky C / Ryan C	4	2	
Brad C / David F		1	
Brad C / Von D		1	
Alan M / Ricky C		1	
Von D / Ryan J			1
Ryan J / Bill M / Ricky C / David F			1
<b>TOTAL</b>	<b>67</b>	<b>54</b>	<b>10</b>

2025	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
SO	50	109	67									
TT	44	67	54									
FD	7	10	10									
<b>TOTAL</b>	<b>101</b>	<b>186</b>	<b>131</b>									

CSS OVERVIEW:

- **TOTAL CSS CALLS:**  
Calls to Customer Support (March 2025)
  - Total Calls to 225-2111 = 258
  - Calls forwarded to NeoNova 984-244-5721 = 102
  - Calls Answered by Customer Support = 156



Owner Name	Ticket count
Nobody	26
alanm	36
bradc	3
crystalw	55
davidf	8
jond	3
kedwards	2
kellik	1
mpitcher	1
neonova	26
noelv	34
patrickd	1
rcolbert	9
robc	3
ryanc	23
sabrinag	53
zacharys2	36
Total	320

Query: Status != 'SPAM' AND Status != 'rejected' AND Queue != 'PBX' AND Queue != 'OPS' AND Queue != 'CompHQ' AND Queue != 'Customerservice' AND Queue != 'MSM' AND Queue != 'Maintenance' AND Queue != 'BattRep' AND Queue != 'Support\_Level3' AND Queue != 'Billing' AND Queue != 'CustAtRisk' AND Queue != 'Test2' AND Queue != 'Support\_Level2' AND Resolved < '2025-03-31' AND Resolved > '2025-03-01'

