


TRANSMITTAL MEMORANDUM

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TO: The Honorable Mayor & City Council Initials: 

FROM: Lacey G. Simpson, Acting General Manager File #: MGR25-316

DATE: May 9, 2025 Mtg. #: 05/15/25 MRd

RE: **KPU Telecommunications Division – April 2025 Report**

Attached for City Council review is the April 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 – APRIL 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. We will be asking for more capacity from our partner in Canada to accommodate our growing bandwidth needs for our customers.

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. In April we added 7 new sectors to serve the downtown area. We will add 2 additional sectors downtown to alleviate congestion and 4 sectors to Skagway in mid-May. 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 19 projects covering 550 units, 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 26th. The industry is cautiously optimistic that the court ruling will result in a positive outcome for retaining ongoing USF support. We are expecting the Supreme Court ruling in late June or early July.

REGULATORY UPDATE

SUMMARY

KPU-Tel management traveled to Washington, D.C. last week with the Alaska Telecom Association (ATA) and representatives from several other Alaska broadband companies. Management was able to meet with the Alaska Delegation as well as senior staff from Chairman Carr's office of the Federal Communications Commission (FCC). The purpose of the meetings was to lobby for continued support of the Alaska Connect Fund and to discuss the future of the fund. Discussions also centered around the oral arguments that were heard by the U.S. Supreme Court on March 26, 2025, regarding the administration of the Universal Services Fund (USF). KPU-Tel relies on this funding support to provide the best internet possible in Ketchikan at affordable rates. 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 will continue 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 April 30, 2025, the Senate Committee on Commerce, Science and Transportation approved President Trump's nomination of Oliva Trusty to be an FCC commissioner. Trusty's nomination now goes before the full Senate.

REPORTS AND FILING:

QUARTERLY REVENUE REPORT FILED:

KPU Telecommunications filed their 499Q Revenue report on April 22, 2025. The 499Q is a quarterly report which contains revenue information from the preceding quarter.

QUARTERLY PERFORMANCE MEASURE METRIC SUBMISSION:

KPU submitted its quarterly Performance Measure filing. The Federal Communications Commission (FCC) adopted requirements that recipients of high-cost support test their broadband networks for compliance with the appropriate speed and latency metrics, and report and certify the results.

QUARTERLY RCC REPORT FILED:

KPU filed its quarterly filing with the Regulatory Commissions of Alaska (RCA) on April 10, 2025. The Regulatory Cost Charge is a surcharge applied to all regulated in-state retail customer billings to pay the local and long-distance phone companies' share of the budget of the Regulatory Commission of Alaska.

ANNUAL FCC RATE INTEGRATION CERTIFICATION FILED:

KPU filed their long-distance rate integration pursuant to 47 C.F.R 64.1900, on April 8, 2025. This is filed electronically with the FCC.

TELEPHONE ENGINEERING DEPARTMENT

SUMMARY

ENGINEERING:

- **4G/LTE:**
 - 99.99% monthly KPI report for Verizon.
 - 7 sectors added downtown from 6 to 13.
 - 2 additional sectors are in preparation for the Landfill to be completed later this summer.
 - Skagway cell site upgrade to be completed in May.
- **IP ENGINEERING:**
 - Q2 Alaska Connect Fund testing completed.
 - Extrahop Sensor Upgrade project completed.
- **VOICE ENGINEERING**
 - Netsapiens server configuration is complete.
 - TNS and TelcoBridges testing TCAP dips for 800 Services and LNP (Local Number Portability) with SIP to SS7 ISUP messaging.
 - VPN connectivity in progress with Intrado for a new E911 SIP Trunk.
- **SYSTEMS ENGINEERING:**
 - CoK / KPU tenant integration scope in progress.
 - Splash Access for the Paid Wi-Fi project integration is complete.
 - iSeries Post migration checklist is complete.
 - iSeries Sandbox design in progress.
 - Data Center virtualization refresh project RFP approved and started.
 - The Time and Attendance project will go live for Customer Service in May.
 - EntraID cybersecurity updates are in progress.
 - Voice VM Back-up Integrity Verification Plan/Process 60% complete.
 - Island Browser migration in progress.
- **FACILITIES:**
 - New Adtran chassis installed and operational to fuel additional growth.
 - A new fiber frame was installed for 3,000 additional fibers, leaving the Central Office.

SERVICE DELIVERY & NETWORK OPERATIONS:

- 37 Resolved PBX tickets.
- 12 Service Orders.
- Outdoor Wi-Fi access added to Berths 3 & 4 and Eagle Park.

OUTSIDE PLANT CONSTRUCTION AND SPLICING:

- **PROJECTS IN APRIL 2025:**

- Competent Rigger class completed.
- The new Taquan Air building is completed.
- Firehall cell site added sectors for Verizon.
- Skagway cell site rebuild preparation is in progress.
- 2708 Halibut MDU completed.
- 5 job orders completed.
- ESRI migration support to separate instances at KPU-Tel within the data center is ongoing.
- The Back Island project is waiting for government approval for a change order to add conduit to the pier.
- Truck Barn heaters and electric, with electricians completing the work in mid-May.
- Truck Barn residing is to start mid-May.

- **INSTALLATION AND REPAIR:**

The installation and repair crews completed:

- 44 Service orders
- 53 Trouble tickets
- 10 Fiber drops

OSP INSTALLATION & REPAIR SCORECARD: APRIL 2025	SO	TT	FD
EMPLOYEE			
Ryan C	8	2	1
Ricky C	1	3	
Brad C			
Von D			
Jon D			
David F	5	2	1
Ryan J			1
Alan M	1	44	
Brad C / Von D	1		
David F / Ryan C	28		1
David F / Ricky C		2	3
Ricky C / Ryan J			1
Ryan C / Ricky C / David F			2
TOTAL	44	53	10

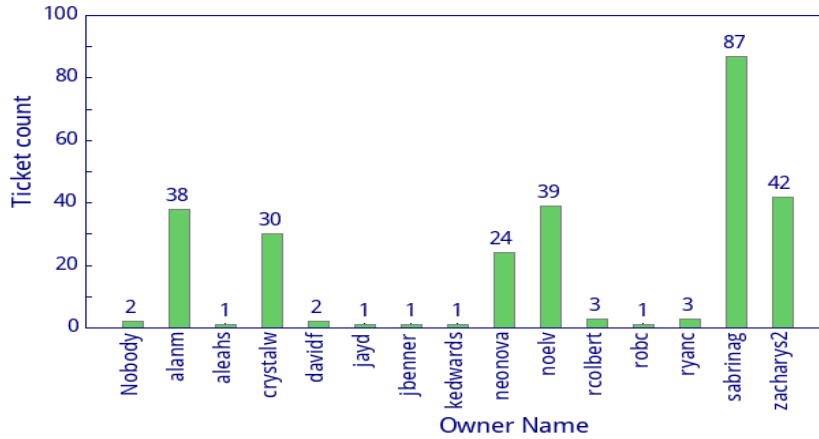
2025	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
SO	50	109	67	44								
TT	44	67	54	53								
FD	7	10	10	10								
TOTAL	101	186	131	107								

CSS OVERVIEW:

- TOTAL CSS CALLS:**

Calls to Customer Support (April 2025)

- Total Calls to 225-2111 = 328
- Calls forwarded to NeoNova 984-244-5721 = 75
- Calls Answered by Customer Support = 253



Owner Name	Ticket count
Nobody	2
alanm	38
aleahs	1
crystalw	30
davidf	2
jayd	1
jbenner	1
kedwards	1
neonova	24
noelv	39
rcolbert	3
robc	1
ryanc	3
sabrinag	87
zacharys2	42
Total	275

Query: Status != 'SPAM' AND Status != 'rejected' AND Queue != 'OPS' AND Queue != 'CompHQ' AND Queue != 'Customerservice' AND Queue != 'MSM' AND Queue != 'Maintenance' AND Queue != 'BattRepl' AND Queue != 'Support_Level3' AND Queue != 'Billing' AND Queue != 'CustAtRisk' AND Queue != 'Test2' AND Queue != 'Support_Level2' AND Queue != 'PBX' AND Resolved < '2025-04-28' AND Resolved > '2025-04-01'

Group «KPU CSS»

2025/04/01 - 2025/04/30 ☐ Compare to previous period

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OVERVIEW

SENTIMENT

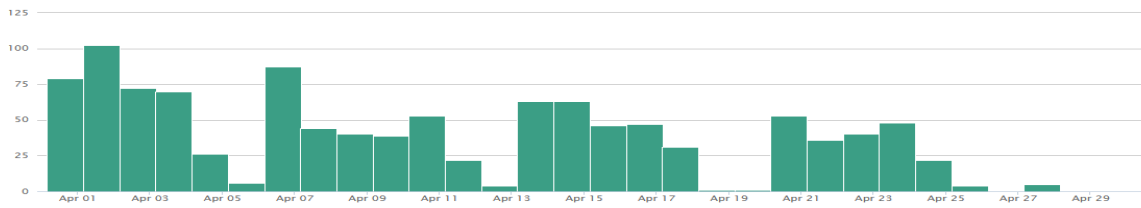
CALLS

CALLS
1,104

USERS
6

AVG DURATION
2:32

CALL TIME, MINUTES
2,809



USER	TOTAL CALLS	AVG DURATION	CALL TIME, MINUTES	
Aleah Slattery	43	4:40	201	View
Crystal Williams	90	1:45	158	View
Noel Velez	200	2:06	423	View
Robinson Cruz	308	2:38	812	View
Sabrina Gartner	269	2:46	746	View
Zachary Stewart	194	2:24	468	View