


- b.** Amendment No. 8 to LTE in Rural America Master Agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless

TRANSMITTAL MEMORANDUM

7b

TO: The Honorable Mayor & City Council Initials: 
FROM: Delilah A. Walsh, General Manager File #: MGR24-394
DATE: June 24, 2024 Mtg. #: 07/09/24 NBb
RE: **Amendment № 8 to LTE in Rural America Master Agreement between City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership, dba Verizon Wireless**

At its meeting of March 21, 2013, the City Council adopted a motion approving in second reading Ordinance No. 13-1718 that provided in part for the approval of the LTE in Rural America Master Agreement between City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless. The last amendment to this agreement, № 7, was approved by City Council at its meeting of December 2, 2021.

The motion detailed below was prepared at the request of Telecommunications Division Manager Dan Lindgren, who asked that it be placed before the City Council for consideration at its meeting of July 9, 2024. If adopted, the motion provides for approval of Amendment № 8 to the LTE in Rural America Master Agreement. Since revised price terms are considered proprietary, the packet version of Amendment No. 8 has been redacted. A non-redacted version of Amendment No. 8 is available for Council review at the City Clerk's Office.

Additionally, the General Managers office has scheduled an executive session for the July 9, 2024, meeting in the event that Councilmembers have questions and/or concerns regarding the terms of Amendment No. 8 before consideration of the recommended motion below.

Mr. Lindgren did an excellent job negotiating the next three-year term of this agreement, and I commend his efforts toward the final agreement. I concur with his recommendation for approval.

A motion has been prepared for Council consideration.

Recommended Motion: I move the City Council approve Amendment № 8 to the LTE in Rural America Master Agreement between City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless and authorize the General Manager to execute the amendment on behalf of the City Council.



Memorandum

To: Delilah Walsh, KPU General Manager

From: Dan Lindgren, KPU Telecommunications Division Manager

Date: June 21, 2024

Subject: **Approving Amendment No. 8 to LTE in Rural America Master Agreement between City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership, dba Verizon Wireless**

The purpose of this memorandum is to request City Council approval of Amendment No. 8 to LTE in Rural America Master Agreement between City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless.

Background:

On March 7, 2013, and March 21, 2013 the City Council approved Ordinance number 13-1718 in first and second reading - that allowed the KPU General Manager to execute the LRA Master Agreement with an effective date of April 22, 2013.

Subsequently, throughout 2013 and early 2014 KPU Telecommunications engaged various contractors and engineering efforts necessary to design, construct, install and/or otherwise implement the 4G/LTE network.

On May 1, 2014 the City Council was provided a status report on the 4G-LTE project - informing Council of the pending launch of the system. The system was in fact turned up on May 5th, 2014 via a primary system consisting of 4 tower/radio locations.

During the remainder of 2014 additional 4G LTE sites were added to ensure coverage throughout the Ketchikan area.

In May, 2015 KPU Telecommunications added equipment and 4G LTE service to Skagway, Alaska.

On December 20, 2018 the City Council approved Amendment No. 5 to LTE in Rural America Master Agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless. Amendment No. 5 changed the rate structure to a fixed

monthly amount instead of the previous usage-based rate structure. Amendment No. 5 expired at the end of 2021.

On December 2, 2021 the City Council approved Amendment No. 7 to LTE in Rural America Master Agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless. Although the 3-year rate changed Amendment No. 7 continued the rate structure of a fixed monthly amount instead of the previous usage-based rate structure. Amendment No. 7 is set to expire at the end of 2024.

KPU has continuously operated and expanded the 4G-LTE network providing great service to Verizon customers and KPU and is a tremendous success story for the community.

Approving Amendment No. 8 to LTE in Rural America Master Agreement (Agreements)

The Master Agreement as amended by Amendment No. 7 includes rate re-openers at 3-year intervals, the second of which requires negotiation in 2024 for rates in 2025 to 2027. Accordingly, KPU has concluded the negotiation of Amendment No. 8 to the LTE in the Rural America Master Agreement. Amendment No. 8 is included in the packet (items considered to be Trade Secrets have been redacted), and staff recommends City Council approval of Amendment No. 8.

It is recommended that an executive session be established for the July 9, 2024, City Council meeting so that the non-redacted versions of the Agreements may be perused by the City Council if desired.

Recommended Motion:

I move that the City Council approve Amendment No. 8 to the LTE in Rural America Master Agreement between City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless.

Cc: Lacey Simpson, KPU Assistant General Manager
Michelle Johansen, City Finance Director

AMENDMENT NO. 8
TO
LTE IN RURAL AMERICA MASTER AGREEMENT

This Amendment No. 8 to LTE in Rural America Master Agreement (this “Amendment”), dated as of July 10, 2024, is entered into by and between CITY OF KETCHIKAN d/b/a KETCHIKAN PUBLIC UTILITIES, a municipal corporation of the State of Alaska (“Lessee”), and CELLCO PARTNERSHIP, a Delaware general partnership doing business as Verizon Wireless (“VZW”; each of Lessee and VZW, a “Party”).

R E C I T A L S

WHEREAS, the Parties have entered into that certain LTE in Rural America Master Agreement dated as of April 22, 2013 (as amended, the “Master Agreement”);

WHEREAS, the Parties wish to make certain amendments to the Master Agreement as set forth in this Amendment;

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants, agreements and conditions herein contained, and intending to be legally bound, the Parties agree as follows:

1. The Master Agreement is amended as follows:
 - (a) The first three sentences of Section 5.5 of Schedule 2.4 are deleted in their entirety and replaced with the following:

“Lessee will settle its account with VZW on the basis of billing information received as of the Close of Billing. VZW will prepare invoices on a monthly basis and each such invoice shall reflect all charges relating to the Roaming Service for which Authorized Roamer billing information was forwarded to Lessee during the previous Billing Period. VZW will settle its account with Lessee on the basis of [REDACTED]. Lessee will prepare invoices on a [REDACTED] basis reflecting [REDACTED].”
2. The Master Agreement is amended by replacing the existing Attachment 1 to Schedule 2.4 with the Attachment 1 to Schedule 2.4 attached to and hereby made a part of this Amendment.
3. The revised rates established by this Amendment shall become effective as of [REDACTED] and shall remain in effect until the earlier to occur of (i) the renegotiation of price terms as set forth in Section 2.5.2 of the Master Agreement and (ii) the termination of the Master Agreement in accordance with its terms.

EXECUTION COPY

4. The Master Agreement shall continue in full force and effect in accordance with its terms, as amended hereby.

5. This Amendment may be executed in any number of counterparts and either Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Each Party agrees that the delivery of this Amendment by facsimile or electronic delivery in portable document format shall have the same force and effect as delivery of original signatures and that each Party may use such signatures as evidence of the execution and delivery of this Amendment by all Parties to the same extent that an original could be used.

[Signature page follows]

EXECUTION COPY

IN WITNESS WHEREOF, the Parties have duly executed this Amendment as of the date first written above.

CELLCO PARTNERSHIP
d/b/a VERIZON WIRELESS

By: _____
Name: Christopher D. Emmons
Title: VP - Devices, Accessories & Roaming

CITY OF KETCHIKAN
d/b/a KETCHIKAN PUBLIC UTILITIES

By: _____
Name: Delilah Walsh
Title: City Manager/KPU General Manager

Attachment 1 – Rates and ChargesLTE Roaming Service – Data:

<u>Serving Carrier</u>	<u>Geography (A)</u>	<u>Rate/MB (B)</u>
------------------------	----------------------	--------------------

VZW	Community of Interest Markets	
-----	-------------------------------	--

VZW	National Markets	
-----	------------------	--

<u>Serving Carrier</u>	<u>Geography (A)</u>	<u>Fee</u>
------------------------	----------------------	------------

Lessee	Lessee Markets	
--------	----------------	--

LTE Roaming Service – VoLTE:

<u>Serving Carrier</u>	<u>Geography (A)</u>	<u>Rate/Minute (B)</u>
------------------------	----------------------	------------------------

VZW	Overlap Markets	
-----	-----------------	--

VZW	All Other Markets – Domestic Calls	
-----	------------------------------------	--

VZW	All Other Markets – Calls to Puerto Rico, Mexico and Canada	
-----	---	--

VZW	All Other Markets – Calls to Networks/ Countries listed on Appendix A	
-----	--	--

VZW	All Other Markets – Calls to Networks/ Countries listed on Appendix B	
-----	--	--

VZW	All Other Markets – Calls to Networks/ Countries listed on Appendix C	
-----	--	--

VZW	All Other Markets – All other international destinations	
-----	--	--

<u>Serving Carrier</u>	<u>Geography (A)</u>	<u>Monthly Fee (B)</u>
------------------------	----------------------	------------------------

Lessee	Lessee Markets	
--------	----------------	--

EXECUTION COPY

(A) Geography

Community of Interest Markets means those portions of the VZW Territory in the State of Alaska that do not constitute part of the Lessee Markets, and the VZW Territory in the States of Washington and Oregon.

National Markets means all of the VZW Territory other than the Community of Interest Markets.

(B) Charging Principle

Billing for data roaming where VZW is the Serving Carrier will be for Lessee's aggregate monthly data usage, rounded up to the next megabyte. Data usage per subscriber will be reported on a fractional megabyte basis. Billing for VoLTE Service roaming where VZW is the Serving Carrier will be on a per-call basis, rounded up to the next minute. VoLTE Service usage per subscriber will be reported on a per-call basis, rounded up to the next minute.

Billing for data roaming and VoLTE Service roaming where Lessee is the Serving Carrier will be on a monthly basis.

Short Messaging Service (SMS) on the LTE System:

If SMS is enabled on the LTE System, then the Parties shall compensate each other for SMS based on "bill and keep". Billing for SMS messages will be based on the indirect routing capability and each Party will bill its own subscribers. The Serving Carrier shall not bill the Home Carrier for mobile originated or mobile terminated SMS messages of Authorized Roamers.

EXECUTION COPY

Appendix A

CNTRY CODE	DIAL_ DIGITS	COUNTRY_NAME		CNTRY CODE	DIAL_ DIGITS	COUNTRY_NAME
BTG	88210	Global Mobile Satellite		PR4	875	Global Mobile Satellite
ELL	8812	Global Mobile Satellite		PR5	876	Global Mobile Satellite
ELO	8813	Global Mobile Satellite		PR6	877	Global Mobile Satellite
EMS	88213	Global Mobile Satellite		SAT		Global Mobile Satellite
GEL	8813	Global Mobile Satellite		TST	88216	Global Mobile Satellite
GIO	8817	Global Mobile Satellite		UPT	878	Global Mobile Satellite
GIR	8816	Global Mobile Satellite		MRE	874	Inmarsat
GMI	8810	Global Mobile Satellite		MRI	873	Inmarsat
GMO	8811	Global Mobile Satellite		MRP	872	Inmarsat
GOL	8818	Global Mobile Satellite		MRS	870	Inmarsat
GOO	8819	Global Mobile Satellite		MRW	871	Inmarsat
IMS	62868	Global Mobile Satellite		ITN	88222	International Networks
PR1	88233	Global Mobile Satellite		SMO	378	San Marino
PR2	979	Global Mobile Satellite		SMR	378	San Marino
PR3	808	Global Mobile Satellite		TKL	690	Tokelau

Appendix B

CNTRY CODE	DIAL_ DIGITS	COUNTRY_NAME		CNTRY CODE	DIAL_ DIGITS	COUNTRY_NAME
ASC	247	Ascension		MDV	960	Maldives
CXR	618	Australian External Territories		NRU	674	Nauru
CCK	0061	Australian External Territories		NIU	683	Niue
COK	682	Cook Islands		NFK	1	Australian External Territories
CUB	53	Cuba		PRK	850	North Korea
DGC	246	Diego Garcia		PNG	675	Papua & New Guinea
EST	372	Estonia		STP	239	Sao Tome & Principe
FLK	500	Falkland Islands		SYC	248	Seychelles
GRL	299	Greenland		SLB	677	Solomon Islands
GNB	245	Guinea Bissau		SHN	290	St. Helena
LVA	371	Latvia		SPM	508	St. Pierre & Miquelon
LTU	370	Lithuania		TLS	670	East Timor
MDG	261	Madagascar		TUV	688	Tuvalu

Appendix C

CNTRY CODE	DIAL DIGITS	COUNTRY_NAME		CNTRY CODE	DIAL DIGITS	COUNTRY_NAME
ALB	355	Albania		KIR	686	Kiribati
DZA	213	Algeria		LBY	218	Libya
AZE	994	Azerbaijan		LIE	423	Liechtenstein
BGR	359	Bulgaria		MKD	389	Macedonia
BFA	226	Burkina Faso		MHL	692	Marshall Islands
CPV	238	Cape Verde		MRT	222	Mauritania
CAF	236	Central African Republic		MCO	377	Monaco
TCO	235	Chad		MNE	382	Montenegro
CO3	2693	Comoros		MAR	212	Morocco
CO4	2691	Comoros		MOZ	258	Mozambique
CO5	2694	Comoros		MMR	95	Myanmar
CO6	2695	Comoros		OMN	968	Oman
CO9	2699	Comoros		PLW	680	Palau
COM	2697	Comoros		SEN	221	Senegal
COG	242	Congo		SRB	381	Serbia
COD	243	Dem. Rep. Congo		SLE	232	Sierra Leone
DJI	253	Djibouti		SOM	252	Somalia
PYF	689	French Polynesia		TGO	228	Togo
GAB	241	Gabon		TON	676	Tonga
GMB	220	Gambia		TUN	216	Tunisia
GIN	224	Guinea		TCA	1	Turks & Caicos
GUY	592	Guyana		VUT	678	Vanuatu
HTI	509	Haiti		WSM	685	Samoa
CIV	225	Ivory Coast		ZWE	263	Zimbabwe