


e. KPU Telecommunications Division – May 2025 Report



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor & City Council Initials: 

FROM: Lacey G. Simpson, Acting General Manager File #: MGR25-367

DATE: June 12, 2025 Mtg. #: 06/18/25 MRe

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

Attached for City Council review is the May 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 – MAY 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 also added 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 is continuing to lobby for continued support of the Alaska Connect Fund and the importance of the future of the fund. Management is awaiting a decision by the U.S. Supreme Court 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. Additionally, the National Telecommunications and Information Administration (NTIA) has issued new guidance on the Broadband Equity Access and Deployment (BEAD) program. The new guidance makes the funding awards technology neutral, which eliminates the preference for building fiber infrastructure to receive funding. While KPU-Tel was not slated to receive BEAD funding, this could impact fiber infrastructure buildouts in Alaska.

OTHER REGULATORY ISSUES OF INTEREST ARE AS FOLLOWS:

The FCC released its fiscal year 2026 budget estimates to Congress on May 30, 2025, requesting \$416,112,000 in budget authority from regulatory fee offsetting collections. The FCC said this budget request represents an increase of \$25,920,000 from the FY 2025 appropriated level and will be used to support the following strategic goals: accelerating high-speed internet builds; promoting national security and public safety; protecting consumers and promoting free speech; and enhancing efficiency, accountability and reducing waste.

REPORTS AND FILING:

FCC EMPLOYMENT REPORT FILED:

KPU Telecommunications filed the FCC Form 395 Employment Report on May 9, 2025. This required report tracks carrier compliance with rules requiring recruitment of minority employees and also requires all common carriers to report any employment discrimination complaints they received during the past year.

STUDY AREA BOUNDARY CERTIFICATION:

KPU certified its annual study area boundary with the FCC. The FCC collects data on the study area boundaries of all incumbent local exchange carriers (ILECs) to use in the implementation of certain universal service programs.

ANNUAL RCC REPORT FILED:

KPU has filed its annual filing with the Regulatory Commissions of Alaska (RCA). 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 E911 DATA SUBMISSION TO THE STATE OF ALASKA 911 COORDINATOR

KPU submitted their information regarding collection of fees or charges established with 911/E911 services. This is an annual submission with a data range of the previous calendar year. The submission is emailed directly to the Alaska Statewide 911 Coordinator.

TELEPHONE ENGINEERING DEPARTMENT

SUMMARY

ENGINEERING:

- **4G/LTE:**
 - Passed monthly KPI report for Verizon.
 - Skagway cell site upgrade completed with 4 new AWS3 sectors.
- **IP ENGINEERING:**
 - 2x100G upgrade planning with CityWest.
 - BOM created for Cisco upgrade to 100G routers.
 - KPU Water migration project planning and configuration.
 - RFP 90% complete for border router replacement project
- **VOICE ENGINEERING**
 - Netsapiens server testing and tweaking in progress.
 - Migration of GCI trunks to Ketchikan completed.
 - Engineering with TNS and TelcoBridges on TCAP dips.
- **VIDEO ENGINEERING**
 - Added Local Weather channel to KPU TV+ streaming platform
 - Sold ½ of the Video Headend receivers.
 - Additional cleanup of video from core and distribution network.
- **SYSTEMS ENGINEERING:**
 - ArcGIS Enterprise Deployment Project started with MPower.
 - Storage Mapping and Z Drive Migration Discovery.
 - Data Center virtualization refresh project implementation in progress.
 - Time and Attendance project implementation in progress.
 - Splunk data feed integration for additional parts of the network.
 - Voice VM Back-up Integrity Verification Plan Pending ECG proposal.
 - Island Browser migration completed.
 - AD/Entra Auth restructure project initiated.
- **FACILITIES:**
 - Added Secondary DC power plant and battery bank to the Mountain Point Remote.

SERVICE DELIVERY & NETWORK OPERATIONS:

- 31 Resolved PBX tickets.
- 14 Service Orders.

OUTSIDE PLANT CONSTRUCTION AND SPLICING:

- **PROJECTS IN MAY 2025:**

- Cell site reconstruction in Skagway is completed.
- Cross-training on pole transfers between Construction, Installation & Repair.
- Firehall cell site overheating issues.
- 2 job orders completed.
- ESRI migration support for a separate instance at KPU-Tel.
- Truck Barn electric work completed.
- Grant Street MDUs completed.

- **INSTALLATION AND REPAIR:**

The installation and repair crews completed:

- 47 Service orders
- 68 Trouble tickets
- 9 Fiber drops

OSP INSTALLATION & REPAIR SCORECARD: MAY 2025	SO	TT	FD
EMPLOYEE			
Ryan C	1	10	
Ricky C		2	
Brad C		1	
Von D			
Jon D			
David F			
Ryan J			
Alan M	4	44	
David F / Ryan C	42	11	9
TOTAL	47	68	9

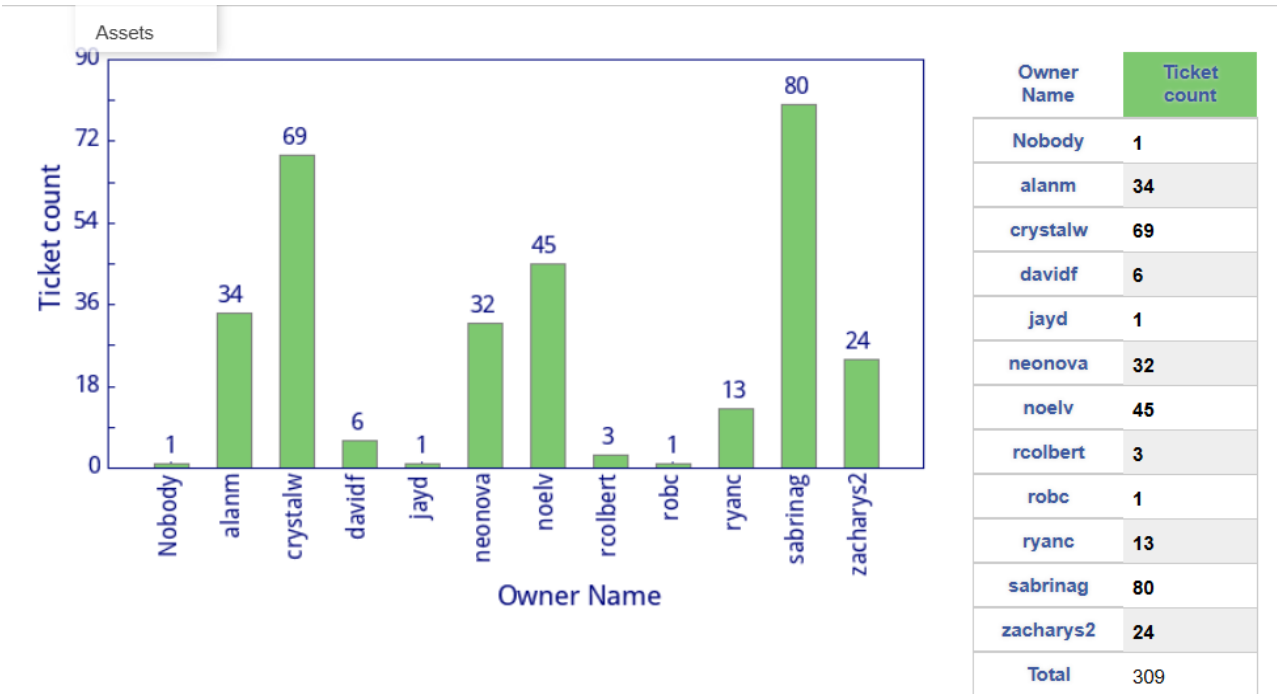
2025	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
SO	50	109	67	44	47							
TT	44	67	54	53	68							
FD	7	10	10	10	9							
TOTAL	101	186	131	107	124							

CSS OVERVIEW:

- **TOTAL CSS CALLS:**

Calls to Customer Support (May 2025)

- Total Calls to 225-2111 = 283
- Calls forwarded to NeoNova 984-244-5721 = 72
- Calls Answered by Customer Support = 211



Query: Status != 'SPAM' AND Status != 'rejected' AND Queue != 'OPS' AND Queue != 'PBX' 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 Resolved < '2025-06-01' AND Resolved > '2025-05-01'

Group «KPU CSS»

2025/05/01 - 2025/05/31 ☐ Compare to previous period

+ Add filters

Search

OVERVIEW

SENTIMENT

CALLS

CALLS

1,275

USERS

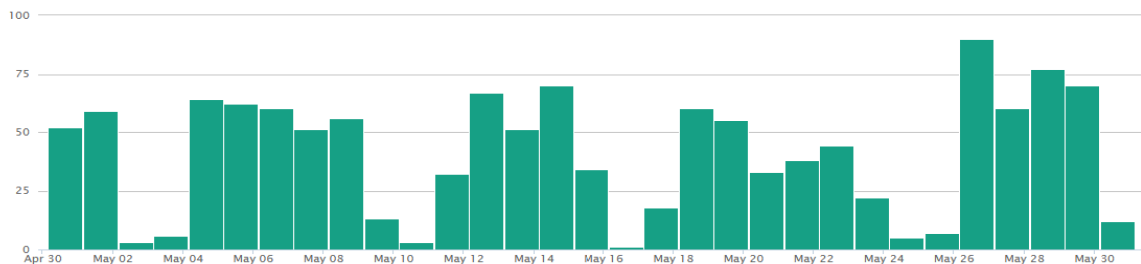
5

AVG DURATION

2:13

CALL TIME, MINUTES

2,847



USER	TOTAL CALLS	AVG DURATION	CALL TIME, MINUTES	
Crystal Williams	170	2:15	383	View
Noel Velez	230	1:49	419	View
Robinson Cruz	463	2:22	1,097	View
Sabrina Gartner	221	2:38	584	View
Zachary Stewart	191	1:54	363	View