

Introduced by:	Mayor
Date:	09/19/17
Hearing:	10/10/17
Action:	Enacted
Vote:	7 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2017-19-08**

**AN ORDINANCE APPROPRIATING \$67,500 TO PROVIDE FUNDING FOR
POTENTIAL SETTLEMENT OF A DISPUTE WITH INTERIOR TELEPHONE
COMPANY AND MATANUSKA TELEPHONE ASSOCIATION**

WHEREAS, Interior Telephone Company (“ITC”) and Matanuska Telephone Association (“MTA”) are local exchange carriers providing telephone service within the Kenai Peninsula Borough (“borough”); and

WHEREAS, the borough owns and operates a network which it upgraded in 2008 that receives from telecommunications carriers 911 calls dialed by members of the public and distributes them to Public Safety Answering Points within the borough; and

WHEREAS, ITC and MTA allege that the borough is responsible for charges ITC and MTA claim to have incurred to transport 911 calls from ITC and MTA central offices to borough owned equipment which directs 911 calls to Public Safety Answering Points; and

WHEREAS, in February of 2017 MTA and ITC filed formal complaints against the borough with the Regulatory Commission of Alaska (“RCA”) seeking full payment of all such charges dating back to 2008; and

WHEREAS, the RCA granted the borough’s motion to dismiss these complaints for lack of jurisdiction, which does not necessarily prevent MTA and ITC from filing other cases for these claims against the borough in different forums; and

WHEREAS, the parties are attempting to resolve this dispute and time is of the essence due to the ongoing monthly charges MTA and ITC are incurring, and contend KPB must pay, that are the core of the dispute; and

WHEREAS, resolution of this dispute involves both technical and financial aspects; and

WHEREAS, the technical aspects of this settlement are requiring unexpected additional time to resolve; and

WHEREAS, appropriating the funds necessary to pay the amounts the parties expect to ultimately agree upon, without waiting for the technical issues to be fully resolved, will greatly advance this long-running dispute towards resolution as

appropriation of funds will enable the parties to focus full attention on the technical issues, without worries that, if the technical issues are resolved to the mutual satisfaction of all parties, the financial aspect of the potential settlement will then evaporate, rendering worthless the parties' efforts to resolve the technical issues; and

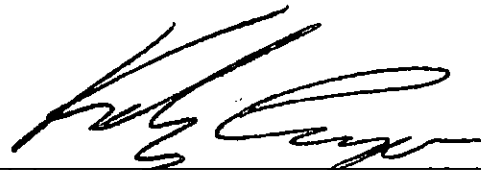
WHEREAS, while appropriation of funds is not a guaranty that the borough will pay those funds, because no settlement will be final and binding in any respect (financial or technical) until all issues (both technical and financial) are resolved and documented in a complete settlement agreement, assembly appropriation of these funds removes an important uncertainty and thereby substantially advances settlement discussions;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ASSEMBLY:

SECTION 1. The sum of \$67,500 is hereby appropriated from the General Fund fund balance to account no. 100.11310.17RCA.49999 to provide funds for the borough's financial portion of the settlement of the above-described dispute with MTA and ITC. The expenditure of any of these funds is contingent upon a full settlement of these disputes.

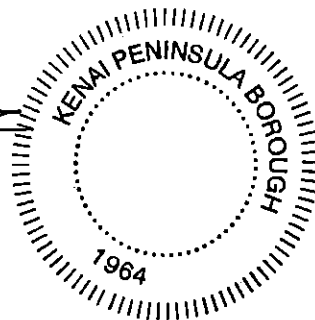
SECTION 2. That this ordinance shall become effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 10TH DAY OF OCTOBER, 2017.



Kelly Cooper, Assembly President

ATTEST:


John Blankenship, MMC, Borough Clerk

Yes: Bagley, Carpenter, Dunne, Fischer, Hibbert, Ogle, Cooper
No: None
Absent: Schaefer