Council to hold 2nd public hearing on broadband lease

BY STEVEN BRADLEY
THE JOURNAL

WALHALLA — County council will hold a second public hearing tonight on an ordinance that would hand over operations of the county's $15 million broadband network after tweaks were made to the agreement to reflect federal feedback at its last meeting.

In addition to third and final reading of the ordinance to lease Oconee's 250-plus-mile Fiber Optics Creating Unified Solutions network to OneTone Telecom of Seneca, council will consider first and final reading of a resolution to execute a Memorandum of Understanding that would allow OneTone to "immediately commence performance of certain operational aspects" of the deal as both parties await federal permission for the county to lease the network.

The MOU is necessary because the county is not permitted to execute a lease of "all or substantially all" of the network assets without a waiver from the National Telecommunications and Information Administration and the National Oceanic and Atmospheric Administration, due to the grant funding that helped initially fund the project.

At council's last meeting on Aug. 16, county attorney David Root estimated the time frame to finalize the federal review process at 45 to 60 days.

Council deferred third and final reading of the ordinance upon county administrator Scott Moulder's recommendation due to amendments based on NTIA feedback.

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Moulder said the amendments primarily reflected the language of the agreement to clarify what was required by OneTone in terms of complying with the grant that initially helped fund the project.

"It didn't change the deal in any way," he told The Journal after the Aug. 16 meeting.

Moulder said another amendment was made to specify how OneTone would handle non-School District of Oconee County schools in terms of connecting to the network, basically setting a "market rate" for the service.

In exchange for the lease of network assets, OneTone Telecom of Seneca would pay Oconee a total of $6.3 million over a 20-year term, beginning with an initial down payment of $200,000 on Sept. 1.

The services that would be offered by OneTone, as required by the Network Master Agreement in its current form, are direct fiber services, wireless services, voice services, rack space, redundant connections and email services.

The contract also requires that OneTone must also make capital investments for network infrastructure expansion totaling at least $1 million over the first three years of the deal.

Upon the effective date, the county would assign its existing customer agreements to OneTone, and OneTone will assume all such agreements, including payment terms, for the duration of their contracts or until those customers elect to enter into different contracts with OneTone.

sbradley@upstatetoday.com