Oconee County keeps broadband project alive

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WALHALLA — Oconee County officials are moving ahead with an almost $15 million broadband project despite concerns over a shaky U.S. economy.

The County Council approved two contracts Monday night totaling about $3 million that saved the project.

IT Director Mike Powell said after the vote that had council delayed voting on the contracts this week the project would have certainly died.

Powell said that OFS, the company that is providing fiber optic cabling for the 270-mile broadband network to the county for $2 million, said Oconee would have had to wait 30 weeks to get its fiber if it did not put in a purchase order this week.

The project is anchored by a $9.6 million federal grant Oconee received last year. The grant requires that the network be completed by August 2013.

A 30-week delay would have almost guaranteed that the project would not have been completed on time.

Council approved a $2.7 million contract with Network Controls & Electric of Greer, S.C., to install fiber optic cabling for the first phase of the project covering 95 miles. Network Controls submitted the lowest bid at $5.44 per foot.

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FILE ART

Oconee County Council approved two contracts Monday night totaling about $3 million that saved the broadband project.

BROADBAND: 'We all see the benefits'

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Councilmen also voted to award a contract worth $296,208 to Geovision of Silva, N.C., for engineering services on the remaining portion of the network. Geovision submitted the lowest bid at 33 cents per foot. The company also did the engineering services for the first 100 miles.

The vote on each contract was 4-1 with Councilman Wayne McCall voting no each time. McCall is worried that the cost of the project could escalate beyond its $14.6 million projection and fears getting taxpayers stuck with a money-losing venture at a time when the U.S. economy appears to be teetering.

Councilman Paul Corbeil said he wished the county could have pursued the project with private partners up front as an added financial safeguard.

"I believe we all see the benefits of broadband," Corbeil said. "My concern is with the financial picture."

Nonetheless, Corbeil voted to proceed based in part on projections showing the project would break even after four years and show a profit in its fifth year of operations. The grant requires the county to run the project for at least 10 years.

Powell said the county has letters of intent from businesses interested in paying to use Oconee's middle-mile (or trunk line) broadband network.

"They're just waiting for us to put the fiber in the ground to sign contracts," Powell said.

Network Controls CEO Brad Cunningham said he expects the first phase to be completed by February.

County Administrator Scott Moulder said the county expects to be soliciting bids for the second phase by the end of the year, before the first phase is completed.

Moulder said 70 percent of phase 1 was designed to include the most expensive portion of the project to avoid sticker shock when the remaining two phases are bid out.

Cunningham said it is Network Controls' intent to bid on the other two phases.

By establishing the middle-mile network, Oconee is putting an expensive piece of infrastructure in place that would allow Internet service providers to ride the system for a fee and expand to areas without services. Potentially, this could drive competition and lower rates.

The system also would link at no cost all schools in the county, Tri-County Technical College, all fire stations, Red Cross shelters and public safety institutions.

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