

2010 Federal government awards Oconee County a \$9.6M grant, while Oconee contributes more than \$5M in matching funds to the project overall called Oconee FOCUS (Fiber Optics Creating Unified Solutions). Just three out of every 10 Oconee residents had access to terrestrial broadband at the time

2014 The Journal reports on seven internet service providers sharing mixed views about working with the county on the project, concerns over last-mile service areas

April 2016 The Journal reports the county's internet venture was down nearly \$6M in the red, with then county administrator Scott Moulder saying Oconee was unable to recover user fees about "\$4.8M to \$4.9M" of fund it invested in the project

2018 Moulder expresses concern over fund balance due to earmarked funds for FOCUS broadband

2011 Oconee purchases 344.5 miles of broadband cable from Georgia company to construct 252-mile network costing \$2.1M

2015 Oconee County settles lawsuit with M2PNET for \$650K after it was alleged the county didn't live up to a contract to deliver dark fiber

September 2016 Oconee County and Seneca-based OneTone agree for service provider to take control of the county's broadband network in a 20-year lease period, totaling \$6.3M

BROADBAND IN OCONEE COUNTY — A TIMELINE

End in sight? County eyes broadband

County, utility co-op agree on incentive-laden deal to finish high-speed internet project as 20 percent of households don't have access

an ordinance swapping out OneTone Telecom's services to Blue Ridge under an amended and restated master network agreement between the county and Upcountry Fiber. Upcountry Fiber is a subsidiary of Blue Ridge Electric Cooperative and West Carolina Telephone Cooperative.

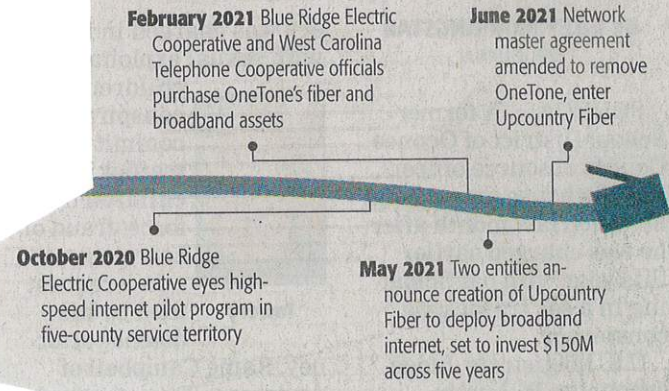
BY RILEY MORNINGSTAR
THE JOURNAL

WALHALLA — Oconee County and Blue Ridge

Electric Cooperative officials agreed to an incentive-laden deal last month for the utility provider now in control of

deploying broadband in the Golden Corner. At its June 15 meeting, Oconee County Council unanimously approved

THE DEAL
Even through swapping



completion

out providers, Oconee will lose money in its decade-plus venture to deploy broadband through investing more than \$6 million in the effort.

schedule agreement running to Jan. 1, 2037.

OUR VIEW
TO READ A RELATED EDITORIAL, TURN TO PAGE A4.

"I've got to give a lot of credit to Oconee County, (county administrator Amanda

On the new agreement's effective date, June 15, the county received \$250,000 as part of the lease fee

Brock) and members of council for identifying there is a need there,"

SEE BROADBAND, PAGE A5

BROADBAND: Upcountry Fiber owes county

FROM PAGE A1

Blue Ridge vice president of economic development and government relations Zach Hinton told The Journal. "We laid out a very good engineering and business plan to show how we could be good stewards of that asset."

Upcountry Fiber owes approximately \$4.85 million to the county, per the agreement. Annual payments of \$250,000 are due each year from 2022-2025, with \$10,000 annual payments due in 2026-2035. A balloon payment of \$3.5 million is due Jan. 1, 2036.

The balloon payment could be reduced, however, if Upcountry Fiber hits certain investment targets. Should it invest \$25 million in capital in the area and address 20 percent of the county's specific address points, the balloon payment would be reduced by \$1 million.

Oconee County administrator Amanda Brock told The Journal that OneTone, which was originally charged with deploying broadband in the area, had only paid back \$316,000 in a 20-year, \$6.3 million agreement. If Blue Ridge hits the maximum lease reduction incentive, it would only pay the county \$2.35 million.

THE NEED

The need for broadband internet in Oconee County hasn't shrunk through the years. If anything, the COVID-19 pandemic heightened the cry for better service.

Hinton said there are blocks in downtown Seneca and downtown Walhalla not hitting the Federal Communications

Commission's (FCC) minimum broadband standard requirements of 25 mbps download/3 mbps upload speed. Based on census block data from the FCC, Hinton estimated there were at least 6,000 locations in Oconee that don't have access to bare minimum broadband service.

"No municipality nor county council district is immune from this issue," he said. "I think that's why the council did the right thing and stepped up to the plate. That's why it was a unanimous decision."

Based on information from the National Telecommunications and Information Administration (NTIA), at least 21 percent of Oconee households didn't have internet access in 2019. The median speed in the county was 16.4 mpbs down/2.9 mpbs up.

Upcountry Fiber is planning to offer 200 mbps

down/200 mbps up at \$50 a month to customers.

Hinton said the hope is residents will eventually be able to call requesting service, with the company not turning anyone away.

"We're not that far away from that vision after we get ahold of this network," he said. "If a neighborhood or community reaches out, we want to be in position to go build it."

BACKGROUND

The U.S. Department of Commerce's National Telecommunications Information Administration (NTIA) awarded a \$9.6 million grant to Oconee in 2010 to build a 250-mile fiber trunk line to primarily connect schools, libraries, public safety and other government assets. Oconee contributed more than \$5 million in matching funds to the project. It also settled a lawsuit in the amount of \$650,000

in 2015 over failure to provide dark fiber.

In 2016, the county and Seneca-based OneTone Telecom agreed for the service provider to take control of the county's 252-mile broadband network that suffered nearly \$6 million in losses from its broadband project. In exchange for the lease of the network assets and other considerations, OneTone was set to pay Oconee lease fees for a 20-year period, totaling \$6.3 million. The largest payment would have been \$4.1 million on the 10th year.

A lease fee schedule for the county's FOCUS (Fiber Optics Creating Unified Solutions) proj-

about \$4.85M

ect showed the company made a \$200,000 down payment on the project. The first of six annual payments of \$316,000 was due in 2019. A balloon payment of \$4.104 million was due in 2025. Afterward, a \$10,000 payment was due each year until 2035, with a final payment of \$1 also due in that year. The total payback was expected to be \$6,300,001, according to the information provided by county officials.

In February, The Journal reported Blue Ridge and West Carolina Telephone Cooperative officials were purchasing OneTone's fiber and broadband network assets, which includes fiber

installations and electronic equipment to support the network. In May, Blue Ridge and West Carolina announced the creation of Upcountry Fiber to provide highspeed broadband internet to 1,800 square miles across rural and suburban areas of Anderson, Pickens, Oconee, northern Greenville and northern Spartanburg counties over five years. Blue Ridge serves 69,000 customers in the Upstate. A two-year feasibility study performed by the cooperative found some 27,000 people in its service area were "unserved or underserved."