

PRESS RELEASE

Contact:

Nicholas Green, City Manager, City of John Day: 541-575-0028

City of John Day Forges Partnership with Oregon Telephone Corporation and Seeks Broadband Infrastructure Grant to Boost Regional Economic Development and Public Safety

April 15, 2019—The City of John Day, Oregon, today announced it is applying for a \$3 million 2019 Community Connect Grant, offered by the Rural Utilities Service of the U.S. Department of Agriculture, to help construct a broadband network that would connect the unserved rural-frontier community of Seneca and nearby areas.

Under the plan, an established and well-known private partner, Oregon Telephone Corporation (OTC), would run the broadband business, offering high-speed internet service to up to 193 households and several businesses in Seneca and the surrounding area. The government's role would be limited to building and operating the fiber backbone—the broadband equivalent of constructing a road—connecting Seneca to an existing fiber connection near Burns, about 40 miles south of Seneca.

In addition to providing new broadband service to Seneca, the project would bring high-speed fiber optic cabling to the Devine Ridge cell site, Joaquin Miller Campground, and Crow Flats Guard Station. This will provide public safety benefits and provide an additional enhancement to promote tourism and related business development.

Finally, the project would provide ancillary benefits beyond the service territory. Expanding broadband infrastructure in the region would allow private service providers such as OTC to do more business, improve service, and assist regional growth and development.

Community Connect grants help fund broadband deployment in rural communities where it is not economically viable for private sector providers to deliver service. The proposed service area lies in Grant County and Harney County, the two most economically distressed counties in Oregon.

The majority of the service area has no cellular telephone service. The speed of internet service, where available, is generally less than 1.5 megabits per second (Mbps), leaving area residents and businesses unable to take full advantage of many online resources and business opportunities.

To carry out this project, John Day, Seneca, and Grant County created the Grant County Digital Network Coalition, an intergovernmental agency. Grant County Digital will be OTC's public partner.

This public-private partnership approach is optimal for this type of build, where capital costs are too high for a private provider alone to handle the necessary infrastructure costs, the addressable market is small, and both public and private interests can be better served by sharing resources.

To help close the digital divide, the City of John Day secured a \$1.8 million appropriation, representing seed money from the 2017 Oregon General Legislative Assembly to begin this project. The project enjoys the strong support of Link Oregon, the new collaboration between Oregon's research universities and state government.

Supporting the partnership between OTC and Grant County Digital is a well-rounded, highly experienced, and diverse group of professional services firms including Commstructure Consulting, a technical consulting services company based in Oregon City; CTC Technology & Energy, a consulting firm with qualifications and capabilities in broadband financial analysis, business planning, engineering, and network strategic planning; and the Cohen Law Group, a law firm specializing in telecommunications and broadband matters.