

COLUMBIA COUNTY BROADBAND

Follow-up Discussion

April 22, 2026

Why a Community-Owned Network?

Why was the County was interested in this model in the first place

- Local control over service priorities, expansion decisions, and long-term network stewardship
- Public-benefit focus rather than pure profit maximization, especially for high-cost and rural areas
- Non-profit operating model can better align with service goals where commercial incentives are weakest
- Creates a long-term public infrastructure asset rather than a one-time subsidy for a private provider
- Potential to keep more benefits and future revenues in the community instead of exporting them elsewhere
- Greater ability to coordinate broadband with other public objectives such as economic development, resilience, and equity

Takeaway

A community-owned network is not simply an internet service business. It is a long-term infrastructure strategy that gives the community more influence over where service goes, how it is priced, and who benefits over time.

Of Note...

This distinction matters most in the highest-cost locations, where a purely commercial model is least likely to invest.

What Happens If the County Does Not Continue?

The opportunity moves to another provider, if there are any "takers"

- If the County declines to proceed, the Oregon Broadband Office would offer the project opportunity to other awardees
- Those alternate awardees are likely to be commercial providers rather than a community-owned or non-profit model
- The County would lose the ability to influence build priorities, service timing, pricing approach, and long-term governance
- The County would also lose potential reimbursement for project-related costs
- There is no assurance another provider would be interested

If the County Steps Back

The state attempts to reallocate this opportunity to other BEAD recipients. No change can be made to the offering, negotiations are closed.

Implication for High-Cost Areas

Even if a commercial provider is willing to take the award, they are unlikely to prioritize future builds to higher cost areas. No opportunity for LID options for customers. 1522 sites not awarded to a fiber provider.

Recap: Where the Project Stands Today

The issue is now financing, not community need or BEAD application and award

- The original network operator ceased operations, requiring replacement engineering, updated financial modeling, and a search for a new operating partner
- Updated project costs are roughly 30% higher than originally estimated
- Interest rates have increased significantly, pushing debt service above what the current model can support
- Current modeling shows about \$1.5 million per year in revenue versus more than \$3 million per year in debt service using revenue bonds
- To restore viability, the project would need progress in one or more of these areas: reduce build cost/total capital that must be borrowed, reduce the cost of borrowing, find private investment

Current Financial Gap

Estimated annual revenue: about \$1.5M
Estimated annual debt service: more than \$3M

As currently structured, the project does not pencil.

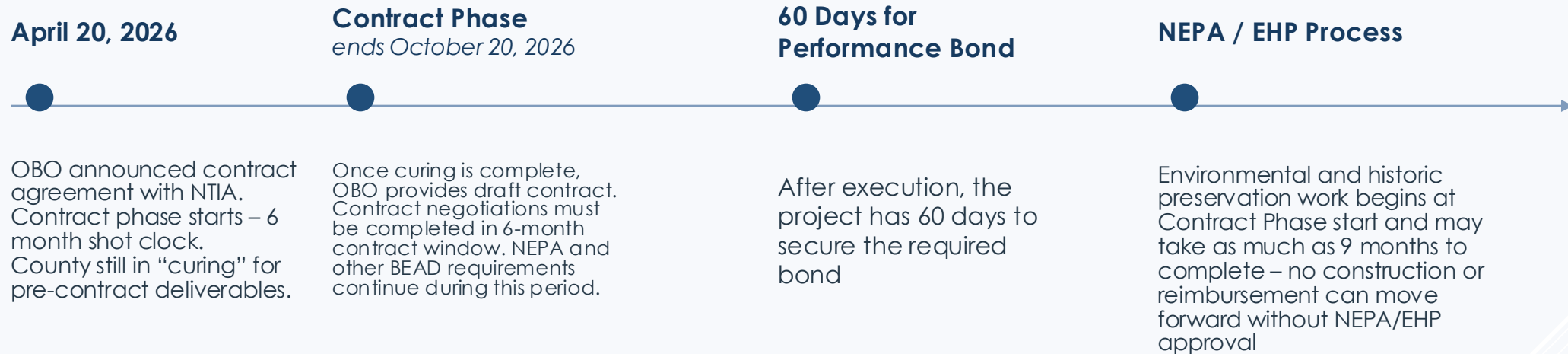
Ways Viability Could Improve

Potential levers include scope reduction, lower-interest borrowing such as USDA financing, additional grants to reduce capital need, a phased financing approach, or private interest and investment.

Timing: BEAD Contract and Project Window

There is only a limited window to preserve options

Indicative timeline



Decision Implication

A prolonged delay could leave neither the County nor an alternative provider enough time to step in effectively before the contract window closes.

Where Could the County Go From Here?

The remaining options are limited, and each is affected by timing

Option A 45-Day Feasibility Push

- Time-limit additional work to no more than 45 days
- Focus on cost reduction, lower-interest financing, grant opportunities, and private investment
- Purpose is to determine whether a revised project can become financially workable
- Costs minimized – go/no go decision at end of 45 days

Option B In-depth Discussions with Stakeholders

- Outreach could continue to utilities or other public entities
- However, any alternate lead would face the same core issues of project cost, financing, and time
- Even if interest exists, a transition may not be practical within the remaining BEAD timeline

Option C End County Participation

- Potentially redirect remaining Title 3 funding if BOC and Counsel confirm that is allowable
- Accept loss of control over the future broadband outcome in the project area
- Inform OBO of withdrawal from applications

What Is the Board's Direction?

The next step is fundamentally a choice about control, risk, and timing

Direction Request

1. A short, disciplined 45-day effort to test whether the project can be restructured into feasibility;
2. Additional limited outreach to determine whether another public entity could realistically assume the lead role within the remaining window; or
3. An end to County participation at this stage.

Key Decision Question

Does the Board want to preserve the possibility of a community-owned broadband outcome long enough to test feasibility, or step away now and allow that opportunity to move elsewhere?

- If the Board values a community-owned model, the remaining realistic next step is a very short, bounded feasibility effort
- If the Board does not want to preserve that option, the cleaner alternative is to step away promptly so the state can move the opportunity elsewhere
- Because of the BEAD timeline, a delayed decision may eliminate both paths

Is the cost and the risk worth the potential of preserving a community-owned outcome?