



October 3, 2022

Debbie Donehey
Rappahannock Board of Supervisors
3 Library Road
Washington, VA 22747

Chairwoman Donehey:

The NSVRC 2022 Accelerated Fiber Deployment Initiative (“Initiative”) is one of the most significant broadband infrastructure projects in Virginia history, involving eight counties, three electric utilities and over \$300 million in capital investment. The Northern Shenandoah Valley Regional Commission (“NSVRC”) has informed APB Partners Valley, LLC (“APB”) that Rappahannock County (the “County”) did not make timely payment of its initial obligation due to NSVRC in its capacity as Fiscal Agent for the Initiative in accordance with the terms of the Fiscal Agent Agreement dated as of June 28, 2022.

An infrastructure project of this size and scope cannot be financed and completed without certainty that each partner will timely meet its financial obligations. An actual or perceived unwillingness of the County to fulfill its financial obligations may negatively affect the terms on which the Initiative can be financed and could therefore have implications for other participating Counties.

The County has failed to meet its first obligation under circumstances that raise the potential that the County may be unwilling or incapable of timely fulfilling its related obligations in the future. In order to limit the risk to other participating counties and other partners, APB has informed NSVRC that, after completing design activities, APB will not commence construction activities in Rappahannock County until such time as 100% of the County’s local matching commitment has been received by NSVRC. If the County takes prompt action to demonstrate its commitment to the project and certainty that future obligations will be met, this sequencing determination will be revisited.

The County accepted an invitation to join a regional initiative and related governance structure developed by NSVRC and APB in collaboration with seven other counties. The County has consistently demonstrated a lack of confidence in the team and project approach established for the Initiative by all other stakeholders.

The County should select a strategy for bridging the digital divide that is consistent with the County’s goals and preferred approach. If participating in the Initiative is not consistent with the County’s preferences, APB will support a timely request from the County to withdraw from the Initiative without penalty. Virginia is expected to receive significant additional funding through the Broadband Equity, Access, and Deployment (“BEAD”) Program, which could be available for the County to leverage in partnership with another provider.

The successful realization of this regional Initiative depends on the sustained commitment of all partners to the agreed framework and approach.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Zaruba', with a long horizontal flourish extending to the right.

Mark Zaruba
General Counsel

Copy: Northern Shenandoah Valley Regional Commission