

# PLAYING A WAITING GAME

## Huawei blacklist could put a damper on progress for rural broadband

By JADE MCDOWELL  
STAFF WRITER

In a storage room at Eastern Oregon Telecom, a wide stack of cardboard boxes each bear the flower-shaped Huawei logo.

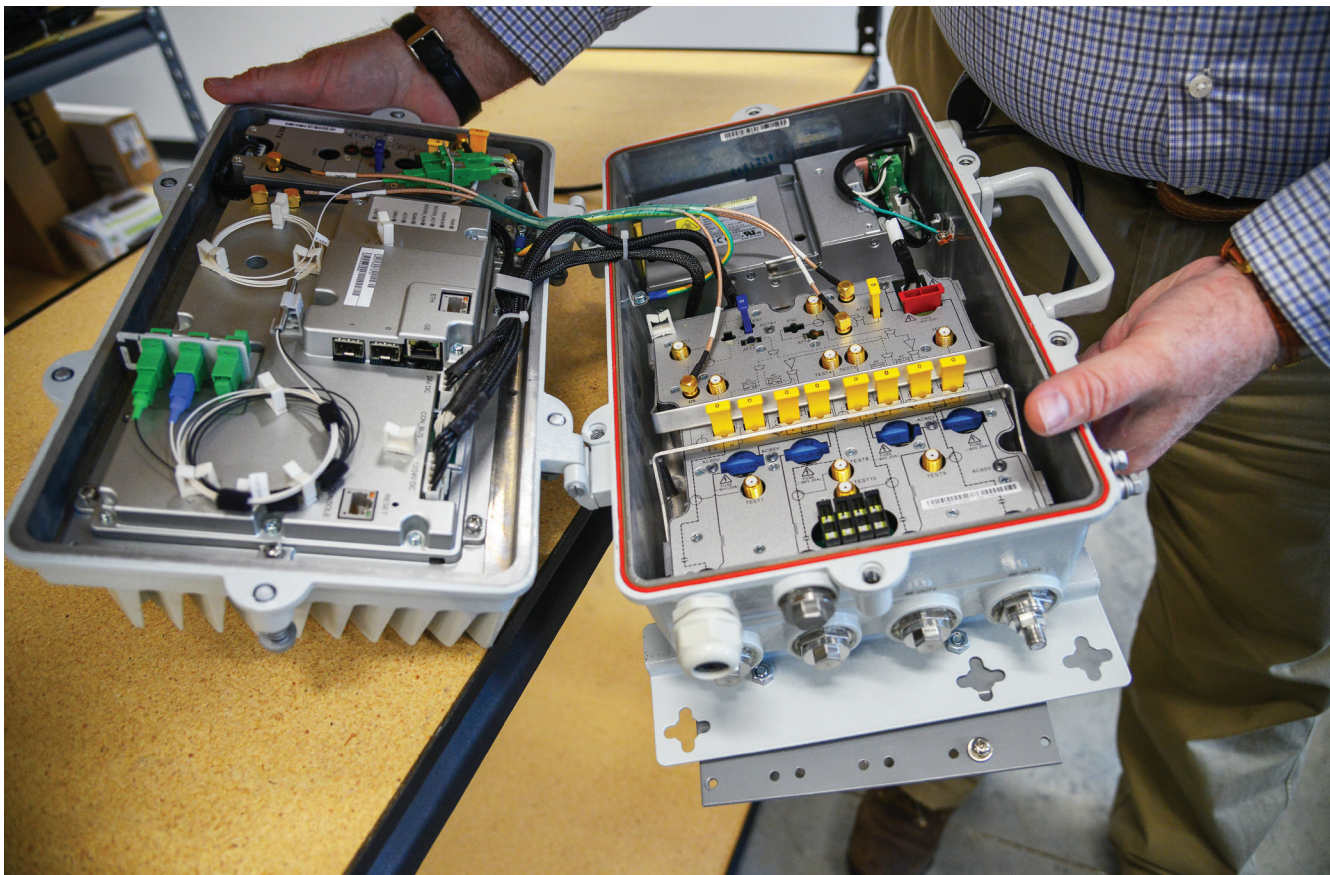
The equipment inside was originally destined to become part of EOT's growing broadband network. But after the Trump administration placed the Chinese-based Huawei on a trade blacklist, the equipment may be destined to stay in the box.

Eastern Oregon Telecom CEO Joseph Franell and other internet service providers who rely on Huawei's inexpensive products are waiting for clarification on what the blacklist means. There has been talk of forcing providers to not only stop installing new Huawei equipment, but also rip out and replace what they already have in their systems.

"There are lots of ambiguous mandates out there," Franell said.

It started in April 2018, when the Federal Communications Commission posted a notice of proposed rule-making, signaling the government was considering a restriction of certain types of gear from Huawei based on worries that the Chinese company could pose a national security threat. Later Congress included language in the 2019 National Defense Authorization Act excluding technology from Huawei and ZTE, another Chinese tech company, from all government systems.

Last week President Donald Trump issued an executive order banning purchase of communications equipment from companies considered by the administration to pose a national security threat, and the Department of Commerce placed Huawei on a trade blacklist. In a White House speech Trump called Huawei "very dangerous" but also said that he could see the tech company



Eastern Oregon Telecom CEO Joseph Franell shows one of the company's cable modem termination systems they purchased from Huawei.



Eastern Oregon Telecom CEO Joseph Franell has been an outspoken critic of the Trump administration's ban on technology made by Huawei.

included in a trade deal.

Franell said many Huawei products are 40% cheaper than he can get anywhere else, and they sometimes makes products he can't buy from a U.S.-based company. He showed off a cable modem termination system that he pushed Huawei to start exporting to the United States after seeing one during a tour of a facility in China.

"Cisco makes cable modem termination systems, but they don't make them like this," he said. "These are remarkably scaleable. [Huawei] brought this equipment to the United States on my request, and

now I don't know if I'll get to keep it."

In addition, he said, Huawei equipment is the most reliable in his network. In the past five years he has only had one equipment failure from a Huawei piece — a level of reliability he said he has not been able to find elsewhere.

There are concerns within the government, however, that infusing crucial rural networks with technology from China could open up those networks to spying and sabotage via "back doors" installed in the hardware.

"The U.S. Government has determined that there is reasonable cause to believe



Boxes of electronic components from the Chinese telecommunication giant Huawei sit idle in a store room.

that Huawei has been involved in activities contrary to the national security or foreign policy interests of the United States," the Department of Commerce report read.

Franell acknowledged spying is a possibility — the United States was caught installing its own back doors in exported technology in the past, and it stands to reason other countries would employ similar techniques. He said if there were ever any evidence that were happening with Huawei, he would move to purge the risk from his network without waiting for the govern-

ment to give the direction.

If the government forces rural internet providers to replace all the Huawei equipment in their systems, Franell said it wouldn't put EOT out of business.

"For us, it would be a distraction," he said. "But for some other companies it could be catastrophic."

Replacing \$500,000 worth of Huawei equipment would likely cost about \$1.2 million for a company to purchase more expensive parts from other companies, reengineer their system and expend the labor for the installations, he estimated.

Even if the government reimburses them afterward, he said, "If you're into it for \$20 million, where do you get the money?"

It could easily put some rural providers out of business.

### Importance of rural internet

Eastern Oregon's most rural cities know the struggle it can be to get the internet service so important to modern life, and the last thing they want to do is go backward in that effort.

Debbie Sutor, mayor of Adams, said she is excited that Eastern Oregon Telecom will be extending fiber internet to every home and

business in Adams, Weston and Athena this year. Internet access opens up opportunities for the town's 350 residents to see a doctor from another city over video chat, telecommute to a higher-paying job, shop online for items not found in town or get a college degree without leaving home.

"Adams is a very small rural town, and this will expand our borders," she said.

The town currently has only a single internet provider with what she described as very slow and unreliable wireless internet.

"Any time we have weather conditions it will go out," she said.

Jennifer Spurgeon, mayor of Weston, also described struggles in her town of almost 650 residents, some of whom can't event access the unreliable wireless internet due to geographical constraints.

"It's hard to quantify the time lost to the slow-speed internet," she said, noting that her husband, a real estate appraiser, spends many hours of his job waiting on documents to upload or download.

Athena mayor Rebecca Schroeder echoed those thoughts.

"It's a real positive," she said of faster internet. "People can work in a small town, live in a small town and be part of the fabric of the community and yet take their business to the next level."

Farmers also benefit from rural internet access, as the technology allows them to tap into precision irrigation, self-driving tractors, long-distance monitoring of field conditions and other cutting-edge agricultural technology to boost productivity and efficiency.

Franell said that EOT is starting out with fiber-to-home connections in Eastern Umatilla County, but in the future the company will likely extend wireless internet outside city limits for agricultural use as well.

He said he plans to complete a survey of residents of Athena, Weston and Adams to gauge their internet literacy, then provide some classes on how they can better use their new, faster internet connection.

# City council adopts new budget \$1 million smaller

By JADE MCDOWELL  
STAFF WRITER

The Hermiston City Council adopted a budget on Monday night that was roughly \$1 million smaller than the current fiscal year, thanks to several large construction projects that are now off the books.

Revenue increases from the city's growth were balanced by a 25% increase in costs associated with the Public Employees Retirement System.

Mayor David Drotzmann said the state needs to get PERS spending under control soon, before the day comes when the city is forced to make cuts to services such as parks or police. He said the city was lucky to have increases in property tax revenue to assist in covering the rising costs.

"A lot of other rural cities aren't that fortunate," he said.

Beyond increased property taxes, the city has turned toward other ways to fund

projects. The adopted 2019-20 budget included several major water and sewer projects, in part funded by a March increase in water and sewer rates.

While residents have been encouraging each other on social media to ask the city council to rethink its utility rate increases on Monday, only one person actually showed up to voice a complaint. She said she had been "shocked" to see her bill almost double and was concerned about the increase's impact on residents.

During time for council comment at the end of the meeting, councilor Rod Hardin said he was sympathetic to the problem, as his own increase in his water bill has caused him to rethink his water usage habits.

"It's a challenge, but seeing what we have on the budget as far as water projects and sewer projects, it needs to be done," he said. "I understand it, but it does hurt."

Before Monday's regu-

lar meeting, city councilors spent an hourlong work session discussing the strategic plan for the Eastern Oregon Trade and Event Center.

They agreed that getting water rights to the new fairgrounds should be the top priority, as it would feed into other goals such as landscaping.

Previously one of the council's top goals had been creating an RV park at the site that could rent out spaces year-round and bring in revenue to make EOTEC self-sustaining. But after a disagreement about where the park should be located derailed plans to complete the park this summer, they sent it to their EOTEC advisory committee.

The committee is recommending that the city do some minor upgrades — limited electricity and a dump station — to the grassy area currently serving as an RV park during the Umatilla County Fair, and put plans to build a full RV park next to the rodeo arena

on hold indefinitely.

Councilor John Kirwan supported moving the RV park down on the strategic plan's goals list and moving a proposed multi-sport, sports field area up the list. He pointed out that no organizations had expressed interest in helping fund an RV park, but several entities had already said they would be willing to make a significant investment in fields

that could bring major tournaments for sports, such as lacrosse, to Hermiston.

He and Drotzmann both pointed out the economic benefits of bringing in more sports tournaments, and of giving more of the community a reason to feel ownership over EOTEC.

Other councilors voiced their own opinions about what should work its way up the priority list — Doug

Primmer said the city needed to beef up its security at EOTEC to protect what was already invested, while Jackie Myers said the hard-to-find location needed more signs pointing people in the right direction.

Councilors also agreed that a marketing plan, new fair offices, landscaping and more meeting space should be high priorities in the strategic plan.

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