Partnership for Rural Broadband

Together, electric co-ops and small rural telcos have what it takes to bring advanced broadband to underserved rural areas.

By Hilda Legg / *Broadband Communities*

No "one-size-fits-all" approach will address the needs of rural consumers and businesses yearning for better, more affordable connections. But, as someone who has spent a career focusing on rural infrastructure needs and community development, I want to shine a spotlight on one promising approach that could yield real benefits in terms of connectivity and contribute to the vitality of the rural United States. In rural areas where larger carriers have shown little incentive or ability to deploy robust broadband networks, one of the best solutions available is in partnerships between electric cooperatives and small rural telecom providers – two groups that share a commitment to the rural United States, have complementary strengths and are well positioned to make rural broadband a success.

There are many rural parts of the United States where robust broadband is already available – and these are often served by small, hometown telecom providers. In fact, almost 49 percent of their customers already have access to fiber-to-the-home networks, and nearly three-quarters have access to speeds the Federal Communications Commission considers "table stakes" for broadband.

But the broadband landscape in other rural areas is bleaker. Particularly where larger telecom carriers have not had an incentive to

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invest, rural broadband access lags far behind what's available in either urban markets or the rural areas that smaller telcos serve.

I look at this problem, and I see opportunities for rural consumers and businesses, for electric cooperatives, for the smaller telcos and for anyone willing to be creative and collaborative in overcoming challenges.

CHALLENGES FOR ELECTRIC COOPERATIVES

Electric cooperatives serve many rural areas that have inadequate broadband access. They have deep experience deploying infrastructure in rural areas, and some are already deploying and managing telecom networks. Many of their members would like to see them take an active role in providing broadband. However, entry into the retail broadband business is hardly easy.

Even where robust broadband doesn't exist, there's often a large incumbent with lots of resources and decades of experience – the kind that, faced with competition, might find a way to

Several rural electric co-ops have already entered into successful broadband partnerships with rural telephone companies.

quickly mobilize and compete. Gaining market share against an incumbent is a challenge for any new entrant in the telecom business, even one that has had a presence in a community for decades. Moreover, although every household uses electricity, not everyone adopts broadband, so in many cases co-ops must educate consumers about why they need broadband in the first place and then win customers over from the competition.

Then there are operating challenges and regulatory issues. Broadband technologies change fast, and regular training is a fact of life in the telecom business. Broadband providers face regulations that address everything from the actual deployment of their network facilities to the manner in which they manage their provision of service to customers. In addition, providers must deal with federal and state regulatory authorities.

Finally, in rural areas in particular, providers face the challenge of transporting increasing amounts of data to and from remote rural locations. Users who stream Netflix or conduct business rely on secure, unfailing connections to carry massive amounts of data from their homes and businesses to servers that may be hundreds or even thousands of miles away. Transporting this data demands specific expertise and includes significant costs even beyond the local network.

THE PROMISE OF PARTNERSHIPS

That's why some electric co-ops have turned to rural telcos for their expertise in providing broadband services. For example, Arrowhead Electric Cooperative in Lutsen, Minnesota, built a fiber-to-the-home network and then contracted with Consolidated Telephone Cooperative to deliver

services and provide technical support. And the Johnson County Rural Electric Membership Corporation in Franklin, Indiana, built its FTTH network as a joint venture with NineStar Connect (which is both a telephone co-op and an electric co-op) based on the fiber backbone that Johnson County REMC built to connect its substations.

Indeed, partnerships between small rural telcos and electric cooperatives are uniquely positioned to succeed where others have failed in reaching wide swaths of the rural United States. Electric co-ops are well-known, established and focused on delivering services to rural consumers in many communities that lack broadband.

Small telcos share the same rural roots along with track records of technological innovation and success in rural broadband. Tackling something as complex and challenging as rural broadband calls for an organization that has a proven track record rather than a startup or a company with experience only in settled markets.

Of course, a partnership won't work in every case, and each possible partnership could look different based upon the needs and capabilities of the parties involved – but knowing the electric cooperatives and the rural telcos as well as I do from years of working with both, I see their respective strengths and the significant promise in such opportunities. If these two groups working together and sharing a rural commitment can't get it done, I don't know who can or will! ❖

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