

RURAL BROADBAND INSIGHTS FOR CLOSING THE DIGITAL DIVIDE



WITH PARTNER JONATHAN CHAMBERS

Co-ops Connect FYI

By Jonathan Chambers • Apr 26, 2024

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Why Not 100 Percent?



Several weeks ago, I celebrated in this column a number of electric co-ops that have built fiber networks to 100 percent of their members. Conexon is fortunate to have worked with more than 20 such co-ops to date and are looking forward to at least 20 more co-ops achieving that milestone this year.

Last year, I was at Central Virginia Electric Cooperative (CVEC), as it celebrated a significant milestone: 20,000 subscribers for its Firefly

Fiber Broadband service, 4,500 miles of fiber construction, and line of sight to reaching 100 percent of its members.

- (CVEC now is building another 4,500 fiber miles from its system to unserved areas in neighboring co-op and IOU service territories, having completed what it set out to do six years ago.)

In my remarks to assembled CVEC staff, board, community leaders, and partners, I observed that 50 percent of co-op members taking Firefly service was a terrific achievement.

“But what about the other 50 percent?” I asked only half in jest.

- Firefly’s internet service is better than any of the alternatives.
- The pricing is better.
- The customer service is better (with superior ACSI scores).
- The members trust CVEC.
- And the members own their own network.

When there was nothing but degrading copper networks delivering slow-to-no internet access, who stepped up?

The co-op, as it did 85 years ago and has continued to do every year since.

So why use a competitor’s service?

The Bottom Line



Why doesn't every co-op member subscribe to their co-op's broadband service?

To me, that's the goal. Every member should subscribe to the co-op's broadband service because it is in their own and their community's interest.

When Conexon produces a business plan for a co-op broadband business, we project customer take rates based on the level of anticipated competition. While initial take rates increase over time, we typically cap our assumed take rate at 60 percent of the meter locations in an electric distribution network.

Who is doing better than 60 percent? I'm curious.

- I do not have the benefit of a longitudinal study of co-op broadband subscribers; the time is still too brief for one.
- Still, some of our clients have been in the broadband business for up to 10 years. I know that we exceed 60 percent in some feeders, even within two years.

Are there co-ops with member subscription rates higher than 60 percent? I'd love to hear from you, celebrate your success, learn

from your experience, and share with others the story of such remarkable achievements.

A Codicil to Last Week's Column



The House and Senate passed foreign aid bills for Israel and Ukraine.

Mike Johnson's speakership was threatened, specifically by Marjorie Taylor Greene, but he remained firm. When asked about trying to oust the Speaker, Greene said she wanted members of Congress to hear from folks "back home."

Well, Conexon has invested a lot of money in Greene's district. We employ a lot of people there. Here's what I know about the folks who work for us. They put community and country first. They are hard-working. And, for us to do our jobs, we need a functional government.

So, if anyone is asking, the folks I know from "back home" would prefer a little less drama from Congress. Personally, I support Mike Johnson.

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