

# The Viability of Rural Broadband

*Written by Geoff Daily – August 31, 2007*

*NOTE: The Monticello city-wide fiber optic system would be modeled after the Hiawatha Broadband business.*

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I thought rural communities didn't have enough Internet-savvy customers to turn a profit.

I thought big cities and their white collar suburbs were the most viable areas to support fiber deployment.

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For example, Hiawatha has realized take rates in excess of 70% across their networks.

Along with us on our journey was Christopher Mitchell from the Institute for Local Self-Reliance, and he shared that in talking with the people from Cedar Falls, IA he learned that they've been able to realize a take rate of more than 80% in their Fiber To The Home network. (As a point of comparison, I've heard take rates of 10-15% being cited as success stories in larger communities.)

The primary reasons cited by Gary Evans and Dan Pecorina as to how they accomplished this is simply better service at a better price, and that makes a lot of sense as these communities are often not given as much attention by larger network operators, and the lack of competition that's common in these areas does not lend itself to low rates for services. They're eager to have another choice.

Of course, it's not just that. Another thing that impressed me about Hiawatha was their emphasis on community. They make a point of setting up offices in every town they enter, and stock it with employees they hire from the community (they joked during our visit that all their customers in Wabasha, a community of 2500, have the cell phone numbers of Hiawatha's office manager and tech guy). As we toured their headquarters they pointed out where they store Winona's Christmas lights. At their video production studio, they discussed the candidate forums they put on during the election season.

This is a company that's deeply embedded in its community. This is a company that's found success deploying and operating a fiber network in rural America. So the next time someone tells you rural areas can't support a business wanting to deploy FTTH, let them know about Hiawatha Broadband Company.

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*AppRising delivers insight into new broadband applications, exploring their impact on networks and their implications for public policy.*