**Sidebar: BARC Electric’s investment in broadband is transforming rural life**

BARC Electric General Manager Mike Keyser says the utility cooperative is “in the quality of life business.” The 2,000 members of the rural Shenandoah Valley, Virginia community served by the cooperative got quite a boost when the co-op board voted to add broadband to its services.

While large electric and cable companies scoop up lucrative populated areas to provide broadband services, rural areas are often left behind, leaving local businesses without the tools they need to stay competitive and students without reliable digital access to information. Federal Communications Commission data indicates that 39 percent of rural Americans do not have access to broadband service, compared to 4 percent of city dwellers.[[1]](#footnote-1) Utility cooperatives like BARC help address inequities in areas deemed “unprofitable” by investors.

Lack of access to broadband affected overall business sustainability in BARC’s service area and hampered educational achievement for area youth. As a utility, BARC knew their business could only grow at the rate of business and household formation, so if these declined, so would the co-op. While the challenges of financing, building and maintaining a whole new communications system was daunting for the small co-op, BARC leaders also realized their future depended on it. As Keyser put it, “It became apparent that this one is on us, no one else is going to do it.” Not only that, but “it was our heritage, it is our mission” to serve the community in this way.

Motivated by community need and free of investor demands for immediate returns, the cooperative could take a longer view of its broadband investment. While investor-owned utility services aim to recoup investments in three to four years, member-owned cooperatives can finance capital costs over ten years or more.

The community benefits of BARC’s decision to provide broadband services extend far beyond the ability to stream Netflix. Broadband access boosted Rockridge County Elementary School’s internet speed from 3 megabytes to 250 overnight at a fraction of the previous cost. Local businesses now have internet access to meet their business needs.

As the BARC example shows, utility cooperatives are vital to the long-term economic health of rural communities. Their unique ability to succeed without an excessive drive for profits allows for a more community-based model of service, ensuring that when the cooperative succeeds, everyone else does too.

1. Tucker, Russell, Joe Goodenbery and Katherine Loving. “The Digital Divide” *Cooperative Business Journal*, Fall 2018, p.20. [↑](#footnote-ref-1)