

EC Fiber Progresses in Barnard

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BARNARD — After a slow start, EC Fiber has finally got the ball rolling as investors and customers have begun signing on for its fiber-optic lines that can deliver movies and TV shows as well as upload large data files to rural areas bypassed by high-speed Internet service.

So far, 135 home and business owners, mostly in Barnard, have signed up for EC Fiber's broadband service, and plans are under way to expand into Chelsea, Vershire, Stratford and Tunbridge, and later, to Norwich and Thetford.

But at a roll-out cost of \$20,000 per mile of and a decided lack of support from both federal funding and private lenders, EC Fiber's goal of provid-

It Connects About 25% Of Homes in Its Reach

ing municipally-owned, high-speed internet to 23 east-central Vermont towns is dependent on local financial support. Yet despite the recession, the grassroots finance model seems to be taking root: Barnard residents have thus far contributed more than \$1.2 million for a 41-mile loop that passes some 400 homes and businesses.

"There are pockets of people who worked together with their friends or neighbors to raise funds so (EC Fiber) can come to them sooner," said Kim Furlong, co-owner of the Barnard General Store. "The way they've approached this is so

community-friendly."

The Barnard General Store, which includes an Internet cafe, switched from satellite internet to EC Fiber's broadband in August, and Furlong says the change in speed and customer service has been "astounding."

"It really measures up to what they say," she commented. "As soon as we push a button, we're where we want to be. We like it so much we just got it at home as well."

EC Fiber charges \$90 a month for full telephone service and an Internet connection at 5 megabytes per second. (Faster speeds up to 10 megabytes per second are also available at a higher cost.) A similar package from Fairpoint Communications, which offers DSL Internet, costs between \$80 and

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\$100 per month, but is unavailable or frustratingly slow in many rural areas.

Those areas are precisely the market gaps EC Fiber is targeting. Though it works off existing utility poles, many areas of the 41-mile loop and its offshoots in Barnard, Bethel and Royalton didn't have any pre-existing options for high-speed Internet access.

Julie Berlin, a web designer and developer who moved to Barnard from Somerville, Mass., in 2005, said EC Fiber has been a godsend for her business, Help Me Julie. Previously, she was paying \$70 a month for satellite Internet access that was only one-tenth the speed of EC Fiber's broadband, and she also had to put up \$800 for the satellite dish installation. Whenever she needed to upload files, she had to drive to another town, and she often lost her connection in bad weather.

"I am so happy," Berlin said of her EC Fiber contract. "It's so much easier and so much less of a headache. All of our friends who aren't on it yet are just waiting for it to get to them."

So far, 26 miles of the Barnard loop have been completed. It's expected to be totally finished in April, and EC Fiber hopes to pick up another 30 customers. As they gain customers, they'll get a better deal on broadband, and speeds will increase. Chief Operating Officer Tucker Crunkstank said yesterday. To make the investment worth their while, the venture needs to average about six customers per mile, he said.

When EC Fiber first formed in 2008, the plan was to take out a \$90 million loan and have the entire 23-town area covered within three years. But when the financial markets crashed, organizers were forced to seek out more creative solutions. Hence the community financing model was born.

Under it, groups or individuals must invest at least \$2,500 in the company, though it still means they will have to pay for Internet service. Nor does an investment guarantee that service will extend to their particular location. But if the venture succeeds, participants could see their investment grow in value, especially if EC Fiber can tap the public markets again.

"The expectation is at some point we'll have built enough and have enough of a track record that we'll be able to go back to the credit markets and raise a larger sum" and expand the network much faster, Chief Executive Officer Tim Nulty said.

If a group of residents is within a few miles of an existing EC Fiber cable, they can contact the company at its central office in Royalton and find out the cost of extending the network to their homes; then work together to raise the money. They're also required to come up with an additional 24 percent that goes "into the pot" to help under-funded neighborhoods, Nulty said.

"We can go anywhere if we have the money," he added. "And people are willing to spend money to build this when they see it coming to them. It's not a luxury for most people. It's some-

thing they really need."

To decide where to build next, Nulty and Crunkstank consider population density, current service options and investment opportunity. Community delegates for EC Fiber in Stratford, Tunbridge, Chelsea and Vershire have suggested that there's enough of an interest and a need to build a 30-mile loop there, much of it on backroads. The loop is being called Phase Three, and applications to use the utility poles are already submitted, though the final locations and length of the loop will be dependent on community investment. But EC Fiber is hopeful.

"It looks like it's going to continue to continue to take off and grow like crabgrass," Nulty said. "The response in those four towns has already been good. The probability that we'll raise the minimum amount to do the minimum loop is pretty high."

Expanding the network will be less expensive than the initial start-up in Barnard because the central facility is already built, Nulty said. And once Phase 3 is complete — construction work is expected to start in the fall of 2012 — another phase will begin, likely in Norwich and Thetford.

"It just depends on how fast the money comes in," Crunkstank said. "We've got a process down now. If we keep things fairly streamlined we'll be building 20-mile stretches every four months or so. We'll keep doing this as long as we have to."

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