

September 28, 2020

Before the NM Legislature Science, Technology and Telecommunications Committee

Talking Points of PRC Commissioner Fischmann

(These comments are my own and not those of the full commission)

State law requires PRC to balance three goals: 1) a robust and universally available network, 2) the consumer interest in affordable rates and 3) the industry interest in obtaining a reasonable return on its investment. Economic viability of telecom networks is dependent on population density, and as a sparsely populated state, New Mexico has always had trouble attracting investment in its networks. Marketplace conditions and subsequent legislation have gradually reduced the PRC's role in regulating telecommunications.

Telecom Bureau Staff reviews numerous filings as part of state obligations to implement federal and state regulatory requirements. PRC approves applications for eligible telecommunications carriers (ETC), a Federal designation required to receive various types of Federal and state subsidies. PRC also administers the ~\$30 million "State Rural Universal Service Fund" (SRUSF). These programs make at least some basic form of connectivity available in most parts of the state through 1) direct subsidy to rural local exchange carriers, and 2) a discretionary grant program for specific broadband projects (which currently has more applications than funds).

The PRC is expediting the process to become an ETC through a current rulemaking in order to broaden eligibility for service expansion subsidies and increase competition. We have already conducted an expedited hearing so that Kit Carson coop can participate in the Broadband Program and seek funding for internet infrastructure investment. Similar dockets are underway for several other broadband providers. It will take numerous networks, and collaborations between networks to meet New Mexico's needs.

Regarding the state's largest provider, CenturyLink has appealed the last two PRC decisions on how to implement SB 53 (2017) and is refusing to supply data required under existing PRC Quality of Service rules. This data might help determine whether there are areas of the network where voice service is inadequate and better inform how Federal and State subsidy funds should be invested. We are awaiting court rulings.

Future legislative and policy efforts should:

- Focus more on building high speed broadband infrastructure and less on specific services
- Evaluate how existing state telecom and broadband programs should be administered to improve coordination and collaboration
- Incent monopoly network owners, whether telecom, electric, or natural gas to share common infrastructure to lower costs, and remove market and regulatory barriers to such collaboration.
- Empower DoIT to coordinate a broadband working group that develops strategies for stimulating investment in high capacity New Mexico broadband networks.

