

**REPORT OF THE NEW MEXICO PUBLIC REGULATION COMMISSION TO THE  
NEW MEXICO LEGISLATURE CONCERNING IMPACTS OF THE ADOPTION OF  
SENATE BILL 53 OF THE 2017 LEGISLATIVE SESSION**

*Executive Summary*

The New Mexico Public Regulation Commission (the “Commission”), pursuant to Section 63-9A-21 of the New Mexico Telecommunications Act, Sections 63-9A-1 *et seq.*, NMSA 1978 (the “Act”), provides the attached report to the Legislature concerning certain impacts of the adoption of Senate Bill 53 (“SB 53”) of the 2017 legislative session.

On April 6, 2017, the Governor signed SB 53 into law, thereby amending the Act in a number of ways, which amendments became effective on June 16, 2017. SB 53 was deregulatory in nature, lowering the level of regulation applicable to the only telecommunications carrier that is subject to the Act, CenturyLink, and narrowing the Commission’s areas of regulatory authority. The areas affected by SB 53 include the Commission’s jurisdiction over customer complaints, the Commission’s enforcement authority, and the Commission’s authority to review and disapprove rate changes.

SB 53 requires that the Commission report to the Legislature every three years as to the impact the amended Act on residential and business consumers in urban and rural areas of the state every three years, though this first report is at the two-year mark. The Commission collected information and recommendations from CenturyLink, Staff of the Telecommunications Bureau of the Commission, and interested persons such as the New Mexico Attorney General, for preparation of this report.

As required by SB 53, the Commission has reviewed and reported upon the impact of the amended Act upon rates, service quality, incumbent local exchange carrier employment, investment in telecommunications infrastructure, and the availability and deployment of high speed data services. With regard to such areas as employment, investment in telecommunications infrastructure, and the availability and deployment of high speed data services, one would not expect to see rapid and dramatic changes as a result of the amendments to the Act, and there are not yet any clear trends. With regard to rate changes, the Commission has indeed seen several notable rate increases since the adoption of SB 53, but there were also some decreases.

Finally, the Commission is currently in the process of amending its quality of service and consumer protection rules to conform to the amended Act. Also pending at the Commission is CenturyLink’s petition for designation of its residential telecommunications services as subject to “effective competition.”

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**I. Overview of SB 53**

On April 6, 2017, the Governor signed SB 53 into law, thereby amending the Act in a number of ways, which amendments became effective on June 16, 2017. The title of SB 53 was “An Act Relating to Communications; Amending, Repealing and Enacting Sections of the New Mexico Telecommunications Act to Provide for Public Regulation Commission Jurisdiction Over Incumbent Local Exchange Carriers and Their Investment in Telecommunications and Broadband Infrastructure.” Despite the title of SB 53, the amendments did not establish or expand Commission jurisdiction but instead narrowed the Commission’s regulatory authority with regard to the one telecommunications carrier subject to the Act, Qwest Corporation dba CenturyLink QC (“CenturyLink”). Moreover, SB 53 did not grant the Commission any jurisdiction to regulate broadband internet service, which the Federal Communications Commission (“FCC”) considers an interstate service, solely within federal jurisdiction.

The Act, as amended, applies only to “incumbent local exchange carrier[s],” defined as any carrier that “was designated as an eligible telecommunications carrier by the state corporation commission [in a named 1997 Commission proceeding] or that provided local exchange service in New Mexico on February 8, 1996; or [] became a successor or assignee of an incumbent local exchange carrier . . .” NMSA 1978, § 63-9A-3.H. Moreover, the Act does not apply to all incumbent local exchange carriers (known as “ILECs”), but only those “that serve fifty thousand or more access lines within the state . . .” NMSA 1978, § 63-9A-5.B. As noted above, that category includes only CenturyLink.<sup>1</sup>

SB 53 was expressly deregulatory in nature, reducing the level of regulation applicable to CenturyLink and narrowing the Commission’s areas of authority. Immediately prior to the effective date of the amendments to the Act, CenturyLink was regulated by the Commission as a “Mid-size carrier,” a designation that was removed from the Act by SB 53. NMSA 1978, § 63-9A-5.1 (repealed 2017). For additional historical information concerning previous legislative and regulatory regimes, please see **Exhibit “A”** hereto.

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<sup>1</sup> There are a number of ILECs serving fewer than fifty thousand access lines within the state. They are considered “rural ILECs,” and are subject to the Rural Telecommunications Act of New Mexico (the “RTA”), Sections 63-9H-1 *et seq.*, NMSA 1978. The RTA was not affected by the adoption of SB 53.

## **II. Deregulatory Changes Made by SB 53**

The deregulatory intent and effects of SB 53 can be seen from the language of the amendments. Section 63-9A-5 of the Act, titled "Regulation by commission," prior to the adoption of SB 53, read simply:

Except as otherwise provided in the New Mexico Telecommunications Act, each public telecommunications service is declared to be affected with the public interest and, as such, subject to the provisions of that act, including the regulation thereof as hereinafter provided.

NMSA 1978, § 63-9A-5 (1985).

SB 53 added several paragraphs and subparagraphs to this section of the Act. The section now specifically requires deregulatory efforts by the Commission as follows:

For incumbent local exchange carriers that serve fifty thousand or more access lines within the state, the commission shall adopt relaxed regulations that provide for:

(1) reduced filing requirements for applicants in rate increase proceedings under the New Mexico Telecommunications Act; and

(2) expedited consideration in all proceedings initiated pursuant to the New Mexico Telecommunications Act in order to reduce the cost and burden for incumbent local exchange carriers and other applicants.

NMSA 1978, § 63-9A-5.C (2017). As discussed in Section V, below, the Commission is currently conducting a rulemaking proceeding in accordance with SB 53.

SB 53 also added limiting language regarding the Commission's authority in the areas of consumer complaints and enforcement of quality of service standards, stating that the Act "does not diminish or expand . . ."

(3) the authority of the commission to resolve consumer complaints regarding basic local exchange service; *provided, however, that the commission's authority to resolve such complaints shall be limited to resolving issues of consumer protection and shall not include the authority to determine or fix rates, provider of last resort obligations or service quality standards except as expressly set forth in the New Mexico Telecommunications Act;*

(4) the authority of the commission to establish reasonable quality of service standards; *provided, however, that the enforcement of such standards shall be limited to the commission's fining authority set forth in Section 63-7-23*

*NMSA 1978 and the authority to seek an injunction set forth in Section 63-9-19  
NMSA 1978; . . .”*

NMSA 1978, § 63-9A-5.B (in relevant part) (italics added) (2017).

With regard to customer complaints (subparagraph 3, above), the amended Act does not include any express authority for the Commission to resolve complaints regarding rates, provider of last resort obligations, or service quality standards, so it appears that SB 53 effectively limits the Commission to consideration of complaints concerning consumer protection issues, such as billing errors, only. Thus, if a complaint is filed concerning the quality of a customer’s service, the Commission apparently has no authority to consider such a complaint, at least not on a formal basis.<sup>2</sup>

Perhaps the most significant changes made by SB 53 were in the area of rate increases. Under the “mid-size carrier” regulatory regime to which CenturyLink had previously been subject, the Commission was authorized to adopt and to apply rules “allowing reasonable pricing flexibility for non-basic services and prescribing an objective mechanism by which mid-size carriers may change prices for non-basic services . . .” NMSA 1978, § 63-9A-5.1.F(2) (2004). In addition, the Commission was authorized to suspend the “introduction of new services, withdrawal of existing services or price adjustments for non-basic services” upon “a finding that the tariff filing is not consistent with the public interest,” among other possible grounds. NMSA 1978, § 63-9A-5.1.G(3) (2004). With regard to basic services, such as residential local exchange service, the Commission was authorized to “adopt rules that prescribe reasonable price ceilings and the means to change prices for basic local services.” NMSA 1978, § 63-9A-5.1.D (2004).

In place of the above, the amended Act provides that, for any service “other than residential local exchange service,” any rate change tariff filed by the carrier “shall be effective after ten days’ notice to its customers and the commission.” NMSA 1978, § 63-9A-8.1.B (2017). As for residential local exchange service, the carrier may implement a rate increase after sixty days’ notice to all affected subscribers and after holding “public informational meetings.” NMSA 1978, § 63-9A-8.1.D & E (2017). The Commission may review such an increase “only upon written protest signed by at least one hundred affected subscribers or upon the commission staff’s own motion for good cause.” NMSA 1978, § 63-9A-8.1.F (2017).

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<sup>2</sup> The Commission’s Consumer Relations Division (“CRD”), established pursuant to Section 8-8-6.B of the Public Regulation Commission Act, Sections 8-8-1 *et seq.*, NMSA 1978, endeavors to resolve “informal” complaints between customers and regulated entities. Thus, CRD may help achieve resolution of a complaint before any determination regarding the Commission’s jurisdiction has been made in a formal proceeding before the Commission. This, however, requires the voluntary cooperation of the regulated entity. *See* Commission Rules of Procedure 1.2.2.14 NMAC (“Informal Complaints”) and 1.2.2.15 NMAC (“Formal Complaints”).

Finally, SB 53 expanded the circumstances under which the carrier may be found to be subject to “effective competition,” and potentially subject to an even lower level of regulation than is generally provided under the amended Act. This issue is further addressed in Section IV, below.

### **III. Impacts of SB 53**

In addition to the changes noted above, SB 53 adopted the following review and reporting requirements for the Commission:

The commission shall review the impact of provisions of the New Mexico Telecommunications Act on residential and business consumers in urban and rural areas of the state every three years, the first review to be completed by July 31, 2019, and shall report its findings to the legislature. The review shall investigate the impact on rates, service quality, incumbent local exchange carrier employment, investment in telecommunications infrastructure and the availability and deployment of high speed data services. The review shall also include a report on those wire center serving areas that have been deemed to have effective competition and any wire centers no longer subject to carrier of last resort obligations.<sup>3</sup>

NMSA 1978, § 63-9A-21 (2017).

In preparing this first report, the Commission undertook a thorough process of collecting, reviewing, and analyzing information, the vast majority of which was provided by CenturyLink itself. On December 14, 2017, Staff of the Telecommunications Bureau of the Commission (“Staff”) filed with the Commission a Petition to Open Docket to Facilitate Commission Review of Impact of Amendment to the New Mexico Telecommunications Act, commencing Commission Docket No. 17-00311-UT, a docket dedicated solely to collecting information and recommendations to provide a complete and accurate report to the Legislature. Within the docket, the Commission issued a number of orders to CenturyLink and Staff to provide information and recommendations for this report. In addition, the New Mexico Attorney General, the City of Albuquerque, the United States Department of Defense and all other Federal Executive Agencies, and the Communications Workers of America – District 7 (the “CWA”) participated in the proceeding. The Commission solicited information and recommendations from them as well.

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<sup>3</sup> The section also includes a provision allowing the Commission to reregulate basic local exchange service at any wire center for which deregulation has occurred following a finding of effective competition. NMSA 1978, § 63-9A-21 (2017). The Commission is authorized to do so “following a hearing and findings of fact and conclusion of law, after July 31, 2021 . . .” *Id.* At this time, there is nothing to report concerning this provision.

CenturyLink, by and large, complied with the Commission's requests for information, with a few exceptions, noted below. CenturyLink also claimed that certain detailed information provided to the Commission was confidential, pursuant to New Mexico's Uniform Trade Secrets Act, Sections 57-3A-1 *et seq.*, NMSA 1978. The Commission has found that none of the information provided in this report is trade secret or otherwise confidential as (1) the information provided herein is at a high level of generality and at a statewide, as opposed to local, level; and (2) CenturyLink failed to support its claims of trade secret with specific facts.

In general, as this report is provided at approximately the two-year mark following the adoption of SB 53, there are no clear trends in the areas of review. With regard to such areas as employment, investment in telecommunications infrastructure, and the availability and deployment of high speed data services, one would not expect to see rapid and dramatic changes as a result of the amendments to the Act. It is possible that clear trends in such areas may emerge by the end of the next reporting period, three years hence. All of the information discussed below concerns CenturyLink's operations in the State of New Mexico only.

The area in which one might expect to see a clear trend after the adoption of SB 53 is, of course, rates. As discussed above, SB 53 substantially increased CenturyLink's latitude to increase rates. The Commission has indeed seen several notable rate increases since the adoption of SB 53, but there were also some decreases, such as in extended area service rates.<sup>4</sup> Attached hereto as **Exhibit "B"** is a summary of rate change tariff filings by CenturyLink during the period from 2015 to the present.

In the area of service quality, the Commission collected three types of information: (1) quality of service standards or "metrics"; (2) numbers of complaints, whether informal or formal, lodged with the Commission against CenturyLink; and (3) outage reports.<sup>5</sup> Attached hereto as **Exhibit "C"** is a summary of CenturyLink's performance with regard to quality of service standards for the years 2015 and 2018. Though the Commission requested information for the years 2016 and 2017 and was assured by CenturyLink that such information was in the Commission's possession, the Commission has been unable to locate such information. Accordingly, the Commission has issued an order to CenturyLink to file the missing information with the Commission and to maintain and file with the Commission such information for the next, three-year reporting period.

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<sup>4</sup> With regard to all five areas of "impact" to be analyzed, the Commission generally requested information from the period of 2015 to the present, so as to allow for comparison of pre- and post-SB 53 trends. As noted in some of the exhibits and in this report, such information was, in some instances, not available to the Commission.

<sup>5</sup> In addition to the numerical data provided by CenturyLink, the CWA provided detailed comments including anecdotal reports, largely derived from customer complaints, as well as photographs and other indications of poor service quality, insufficient maintenance practices, and deteriorating local exchange infrastructure.

Attached as **Exhibit “D”** hereto is a summary of the number of complaints lodged with the Commission against CenturyLink for the period 2015-2018, as reported by CenturyLink, totaling 786. Exhibit D also includes complaints as reported by the Commission’s CRD for the same period, resulting in a different total count, of 512.

Attached as **Exhibit “E”** hereto is a summary of CenturyLink’s outage reporting for the years 2015-2018, broken down by the different categories of outage reporting.

With regard to CenturyLink’s employment within the state, there has been a decrease since 2017, but it is difficult to say whether this is directly tied to the adoption of SB 53. Attached as **Exhibit “F”** hereto are a table and a graph showing statewide CenturyLink employment numbers for the years 2015 through 2018.

With regard to the area of CenturyLink’s investment in telecommunications infrastructure, CenturyLink provided broadband investment numbers for the years 2015 through 2018. As essentially all infrastructure investment made by telecommunications carriers today includes broadband infrastructure, these numbers should be a good proxy for infrastructure investment by CenturyLink generally. Attached as **Exhibit “G”** hereto are a table and graph showing CenturyLink’s statewide annual broadband investment amounts. This is, in particular, an area in which it is unlikely that any clear trend would emerge this soon after the adoption of SB 53. Infrastructure investment is affected by a number of other variables such as (1) the availability and timing of state and federal subsidies (both of which CenturyLink receives); (2) the logistics of various projects; and (3) the granting of rights of way and other permits.

Finally, with regard to the area of the availability and deployment of high speed data services, it is also unlikely that any clear trend would emerge so soon after passage of SB 53. This area shares many of the same confounding variables as infrastructure investment, discussed above. Moreover, as discussed above, the Commission has not exercised any regulatory jurisdiction in this area due to the lack of any grant of jurisdiction by the Legislature and due to the FCC’s indications that state commissions may be federally pre-empted from doing so.<sup>6</sup> Attached hereto as **Exhibit “H”** are a table and graph showing CenturyLink’s broadband subscribership numbers for 2015 through 2018, broken down by residential and business subscribers.

With regard to this last point, the breakdown of information as to urban versus rural, and as to business versus residential, customers, the Commission has provided analyses based on such information where it was made available by CenturyLink. The Commission notes that, despite the clear language of the Act, CenturyLink has not maintained information in every

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<sup>6</sup> This has not prevented the Commission from *supporting* broadband access expansion through the Commission’s “Broadband Program,” pursuant to Section 63-9H-6.N of the RTA, NMSA 1978 (2017).

relevant area of analysis at such a level of specificity. Accordingly, the Commission has ordered CenturyLink to do so for the next, three-year reporting period.

#### **IV. Effective Competition**

As noted above, the Commission is to report on “those wire center serving areas that have been deemed to have effective competition and any wire centers no longer subject to carrier of last resort obligations.”<sup>7</sup>

On September 19, 2018, CenturyLink filed its Petition Requesting a Determination of Effective Competition for Retail Residential Telecommunications Services Pursuant to NMSA 1978, § 63-9A-8(C) (the “Petition”), commencing Commission Docket No. 18-00295-UT (the “EF Docket”). In the Petition, CenturyLink petitions the Commission for an order determining that, in each of CenturyLink’s New Mexico wire centers, all residential telecommunications services are subject to effective competition.

In the Petition, CenturyLink notes that the Act, as amended by SB 53, provides “essentially two tracks for determining effective competition in New Mexico,” including a “second, simpler test” that was not available prior to 2017. [Petition, p. 1, EF Docket.] The new test provides that effective competition is “presumed for all regulated telecommunications services provided by the incumbent provider” for any wire center in which the incumbent “provides basic local exchange service either separately or bundled to less than one half of the customer locations where such service is available at the time the petition is filed.” NMSA 1978, § 63-9A-8(C) (2017).

The EF Docket is currently scheduled for hearing with regard to its first phase (determination of whether effective competition exists in each relevant wire center) for September 25-27, 2019. The hearing examiner had initially set the first phase hearing for June 11, 2019, but the hearing examiner later found that CenturyLink had raised issues in its rebuttal testimony that should have been raised in previously filed direct testimony. CenturyLink itself proposed vacating the initial hearing to allow for time for the filing of additional testimony. Thus, the hearing delay resulted from CenturyLink’s filing of an incomplete Petition.

#### **V. Rulemaking**

A rulemaking proceeding is currently pending before the Commission to repeal existing rule 17.11.24 NMAC, “Quality of Service Standards Applicable to Mid-Size Carriers,” and to replace it with quality of service standards applicable to CenturyLink under the amended Act, as well as to repeal existing rule 17.11.25 NMAC, “Consumer Protection Standards Applicable to Mid-Size Carriers,” and to replace it with consumer protection standards applicable to

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<sup>7</sup> At this time, there is nothing to report regarding carrier of last resort obligations as CenturyLink has not requested relief from any such obligations.



CenturyLink under the amended Act. The Commission plans to conduct a rulemaking proceeding to repeal existing rule 17.11.23 NMAC, "Retail Service Pricing Standards for Mid-Size Carriers," as well. The Commission determined that, due to the fact that the amended Act is quite specific concerning procedures and standards for retail service pricing, the pricing rule proceeding was the least urgent of the three.

In the rulemaking proceeding, the Commission has received initial and response comments from interested persons, including CenturyLink, has conducted a public comment hearing, and has closed the record. The Commission expects to issue final rules soon. The Commission notes that there has been some delay in the rulemaking proceeding due to a number of factors, such as the understaffing of the Commission's Telecommunications Bureau and the press of telecommunications matters including another rulemaking necessitated by the adoption of Senate Bill 308 in the 2017 legislative session. Moreover, the Commission notes that, due to the 2017 amendments to the State Rules Act, the Commission determined that there was no basis for implementation of "interim" or "emergency" rules. NMSA 1978, § 14-4-5.6 (amended 2017). Thus, a complete, fully noticed rulemaking has been undertaken.

### **Exhibit A – Relevant Legislative and Regulatory History**

- Prior to 1998, all Incumbent Local Exchange Carriers (ILECs) in the state of New Mexico were regulated through rate-of-return regulation. At that time, the wireless and internet markets had not developed much.
- In 1998, the legislature passed the Rural Telecommunications Act of New Mexico, which relieved ILECs with fewer than 50,000 access lines from mandatory rate-of-return pricing regulation, and for the most part, consumer protection and quality of service rules.
- In 2000, the legislature passed the New Mexico Telecommunications Act, which relieved ILECs with over 50,000 access lines from rate-of-return regulation, and replaced that regulation with price-cap regulation and consumer protection and quality of service standards set by Commission order included in an Alternative Form of Regulation (“AFOR”). Over time, there were three consecutive AFORs. The first two covered Valor (eventually Windstream) and Qwest (eventually CenturyLink).
- In 2004, the Legislature created a special class of ILEC called a mid-size carrier, which served between 50,000 and 375,000 access lines in the state. Instead of AFOR regulation, the statute required specific price cap, consumer protection, and quality of service rules. At first, the category include only one qualifying carrier – Valor (eventually, Windstream).
- Over time, CenturyLink lost enough access lines to qualify as a mid-size carrier, and was recognized as such in Commission Case No. 14-00068-UT. As a result, CenturyLink became subject to the mid-size carrier rules which also applied to Windstream.
- During further proceedings in Commission Case No. 16-00003-UT in November 2016, it was reported that in Windstream had fewer than 50,000 access lines, causing them to be a “rural ILEC,” not a “mid-size carrier.”
- In the 2017 legislative session, SB 53 was passed, eliminating the mid-size carrier designation and creating a new regulatory regime for carriers serving over 50,000 access lines within the state – only CenturyLink.

## CenturyLink Rate Changes Years 2015 to 2018

Job#	Description	Effective	Details
NIM2015-003	Introduce Call Line Identifier	3/16/2015	an arrangement that attempts to trace and identify the origin of obscene, harassing, and/or nuisance types of telephone calls. Call Line Identifier is intended for use where tracing is required for an extended period of time
NM2015-007	Introduce Competitive	10/23/2015	competitive response options designed to induce retention or continuation of existing services
NM2015-009	Rate Increase	12/1/2015	Increase Non-pub from \$2.25 to \$2.47; non-list from \$1.40 to \$1.54
NM2015-012	Rate Increase	1/1/2016	Returned check fee from \$15 to \$18; late fee from 1.62% to 1.94%; D.A. from \$0.75 to \$0.90; NDA from \$1.06 to \$1.27; Complete-a-call from \$0.36 to \$0.42
NM2016-007	Introduce Centurylink Business Package and Bundle	8/22/2016	New bundled service for business customers
NM2017-011	Rate Increase	7/1/2017	Increase returned check fee from \$18 to \$25; late fee from 1.94% to \$7 or 4% of unpaid balance
NM2017-013	Non-regulated Rate Increase	7/15/2017	Increase non-regulated residence inside wire plans from \$6 to \$6.95 and discounted plans from \$2.99 to \$4.99
NM2017-014	Introduce Residence Bundle	9/16/2017	Introduce residence bundle
NM2017-016	Rate Increase	9/1/2017	Increase DA from \$0.90 to \$1.90; NDA from \$1.27 to \$2.27; Increase access lines and various bundles; decrease EAS. See Exhibit B-1.
NM2018-007	Introduce Residence Bundle	4/2/2018	New bundled service for residence customers
NM2018-009	Business Rate Increase	6/1/2018	Increase Centrex 21 M-M rates from \$46.95 to \$49.95; decrease 12-37 M rates; Increase/standardized 37+ Months rates with no demand to \$39.95
NM2018-011	Non-regulated Rate Increase	9/1/2018	Increase non-regulated discounted residence inside wire plan from \$6.75 to \$6.95
NM2018-016	Rate Increase	2/1/2019	Increase DA/NDA from \$1.90/ \$2.27 to \$2.90 and Complete-a-call from \$0.42 to \$1.42; late fee from \$7 or 4% of balances to \$8 or 5% of balance; returned check charge from \$25 to \$30; Varied business line, bundle, feature increases. See Exhibit B-2.
NM2018-017	Rate Increase	2/1/2019	Increase all directory listings by \$1.00

This chart displays all of CenturyLink's tariff filings with the Commission over the calendar years 2015 to 2018. The following Exhibit B-1 shows all of the tariff changes associated with CenturyLink's September 1, 2017 tariff filings, and Exhibit B-2 shows all of the tariff changes associated with CenturyLink's February 1, 2019 tariff filings.

CenturyLink Rate Changes Effective December 1, 2017

Service Description	USOC	Current	New	Difference	Percent Increase/Decrease
<b>Residential:</b>					
Flat Rate Service Primary	IFR	\$16.50	\$18.41	\$1.91	11.58%
Flat Rate Service Additional	AFH	\$16.50	\$18.41	\$1.91	11.58%
2-Party Line	2FR	\$10.15	\$12.00	\$1.85	18.23%
4-Party Line	4FR	\$8.95	\$10.75	\$1.80	20.11%
Measured Service Primary	LW1	\$7.37	\$9.37	\$2.00	27.14%
Measured Service Additional	AKN	\$7.37	\$9.37	\$2.00	27.14%
<b>Extended Area Service:</b>					
Clovis, Portales	ZNB	\$1.10	\$0.50	(\$0.60)	-54.55%
Albuquerque, Belen, Bernalillo, Estancia, Laguna-Acoma, Los Lunas, Moriarty, Mountainair, Pena Blanca, Tijeras	ZNB	\$0.52	\$0.25	(\$0.27)	-52.00%
Roswell	ZNB	\$0.28	\$0.25	(\$0.03)	-10.71%
Anthony, Chaparral, Hatch, La Mesa, Las Cruces, Santa Teresa	ZNB	\$0.15	\$0.00	(\$0.15)	-52.00%
Santa Fe, Los Alamos	ZNB	\$0.03	\$0.00	(\$0.03)	-54.55%
<b>Business:</b>					
Flat Rate Service Individual	IFB	\$34.37	\$35.00	\$0.63	1.83%
Flat Rate Service Additional	AFK	\$34.37	\$35.00	\$0.63	1.83%
Measured Service Individual	LMB	\$19.92	\$22.00	\$2.08	10.44%
Measured Service Additional	ALM	\$19.92	\$22.00	\$2.08	10.44%
<b>Computer Port Access:</b>					
Rate Group 1	IFA/AFV	\$30.06	\$35.00	\$4.94	16.43%
Rate Group 2	IFA/AFV	\$34.37	\$35.00	\$0.63	1.83%

Rate Group 3	IFA/AFV	\$39.41	\$35.00	(\$4.41)	-11.19%
Rate Group 4	IFA/AFV	\$44.45	\$35.00	(\$9.45)	-21.26%
<b>Secretarial Answering Service for Admin Use:</b>					
Rate Group 1	S3L	\$30.06	\$35.00	\$4.94	16.43%
Rate Group 2	S3L	\$34.37	\$35.00	\$0.63	1.83%
Rate Group 3	S3L	\$39.41	\$35.00	(\$4.41)	-11.19%
Rate Group 4	S3L	\$44.45	\$35.00	(\$9.45)	-21.26%
Stand-By Line	A2Y/TM	\$20.79	\$22.50	\$1.71	8.23%
2-Party Line	2FB	\$28.36	\$30.00	\$1.64	5.78%
Service Station Line	SBI	\$34.37	\$35.00	\$0.63	1.83%
Utility Line	AWL	\$26.00	\$28.00	\$2.00	7.69%
Joint User Service RG 3 Only	JUF	\$22.79	\$25.00	\$2.21	9.70%
<b>Flat Rate Trunks:</b>					
2-Way, 1-Way RG1	TFB/TFU TFN	\$30.06	\$33.00	\$2.94	9.78%
2-Way, 1-Way RG2	TFB/TFU TFN	\$34.37	\$35.00	\$0.63	1.83%
Hotel RG 1-4	TTT	\$15.77	\$18.00	\$2.23	14.14%
<b>Measured Trunks:</b>					
2-Way, 1-Way, Hotel	TVI/TVW	\$18.92	\$21.00	\$2.08	10.99%
1-Way In w/Hunting	TV4/TTT	\$26.92	\$29.00	\$2.08	7.73%
<b>Extended Area Service:</b>					
Clovis, Portales	ZNB	\$1.92	\$1.35	(\$0.57)	-29.69%
Albuquerque, Belen, Bernalillo, Estancia, Laguna-Acoma, Los Lunas, Moriarty, Mountainair, Pena Blanca, Tejas	ZNB	\$1.35	\$1.35	\$0.00	0.00%
Roswell	ZNB	\$0.28	\$0.00	(\$0.28)	-100.00%
Anthony, Chaparral, Hatch, La Mesa, Las Cruces, Santa Teresa	ZNB	\$0.25	\$0.00	(\$0.25)	-100.00%

Santa Fe, Los Alamos	ZNB	\$0.03	\$0.00	(\$0.03)	-100.00%
National Directory Assistance		\$1.27	\$2.27	\$1.00	78.74%
Directory Assistance		\$0.90	\$1.90	\$1.00	111.11%
Client Main Listing, bus	LBS	\$6.00	\$6.00	\$0.00	0.00%
Client Main Listing, res	LRS	\$1.62	\$2.62	\$1.00	61.73%
Add'l, Alt, Cross-Ref and Informational Listings, bus	CLT	\$3.12	\$3.12	\$0.00	0.00%
Add'l, Alt, Cross-Ref Listings, res	RLT	\$1.62	\$2.62	\$1.00	61.73%
Informational Listing, res	XLL	\$1.62	\$2.62	\$1.00	61.73%
Foreign Listing, bus	FAL	\$3.12	\$3.12	\$0.00	0.00%
Foreign Listing, res	FAL	\$1.62	\$2.62	\$1.00	61.73%
Alpha Listing, bus	RNCAF	\$3.12	\$3.12	\$0.00	0.00%
Alpha Listing, res	RNCAF	\$1.56	\$2.56	\$1.00	64.10%
Non-published listing, business	NPU	\$2.47	\$3.47	\$1.00	40.49%
Non-published listing, residence	NPU	\$2.47	\$3.47	\$1.00	40.49%
Non-listed service, business	NLT	\$1.54	\$2.54	\$1.00	64.94%
Non-listed service, residence	NLT	\$1.54	\$2.54	\$1.00	64.94%
WATS Listing	SZS	\$3.12	\$3.12	\$0.00	0.00%
Secretarial Bureau Listing	9FK	\$6.00	\$6.00	\$0.00	0.00%
E-mail Address Listing, business	EM6	\$6.00	\$6.00	\$0.00	0.00%
E-mail Address Listing, residence	EM6	\$1.50	\$2.50	\$1.00	66.67%
URL Address Listing, business	NL1	\$12.00	\$13.00	\$1.00	8.33%
URL Address Listing, residence	NL1	\$12.48	\$13.00	\$0.52	4.17%
Listing package, business	L9GEU	\$15.00	\$15.00	\$0.00	0.00%
Listing package, residence	L9GEU	\$10.50	\$11.00	\$0.50	4.76%
<b>Residential Obsolete Bundles:</b>					
Choice Home	PGO1H	\$30.99	\$32.99	\$2.00	6.45%
Choice Two-Line Home	PGO2H	\$41.99	\$45.99	\$4.00	9.53%
Choice Home	PGORA	\$31.99	\$33.99	\$2.00	6.25%
Choice Two-Line Home	PGORB	\$41.99	\$45.99	\$4.00	9.53%
Choice Home Plus	PGO1P	\$34.99	\$36.99	\$2.00	5.72%
Choice Two-Line Home Plus	PGO2P	\$44.99	\$48.99	\$4.00	8.89%
CustomChoice Complete w/VMS	PGOC7	\$39.95	\$41.95	\$2.00	5.01%
CustomChoice Complete w/o VMS	PGOCX	\$39.95	\$41.95	\$2.00	5.01%

2L Custom Choice Complete w/ VMS	PGOC8	\$49.95	\$53.95	\$4.00	8.01%
2L CustomChoice Complete w/o VMS	PGOCY	\$49.95	\$53.95	\$4.00	8.01%
CustomChoice	PGOCC	\$35.99	\$37.99	\$2.00	5.56%
CustomChoice Additional Line	PGOCA	\$32.99	\$34.99	\$2.00	6.06%
CustomChoice	PGOCH	\$29.95	\$31.95	\$2.00	6.68%
CustomChoice Additional Line	PGOCJ	\$26.95	\$28.95	\$2.00	7.42%
2-Line CustomChoice	PGOCG	\$42.99	\$46.99	\$4.00	9.30%
PopularChoice Complete w/VMS	PGOP7	\$35.99	\$37.99	\$2.00	5.56%
PopularChoice Complete w/o VMS	PGOPX	\$35.99	\$37.99	\$2.00	5.56%
2L PopularChoice Complete w/VMS	PGOP8	\$43.99	\$47.99	\$4.00	9.09%
2L PopularChoice Complete w/o VMS	PGOPY	\$43.99	\$47.99	\$4.00	9.09%
PreferredChoice Complete w/VMS	PGOFD	\$35.99	\$37.99	\$2.00	5.56%
PreferredChoice Complete w/o VMS	PGOFE	\$35.99	\$37.99	\$2.00	5.56%
2L PreferredChoice Complete w/VMS	PGOFA	\$44.99	\$48.99	\$4.00	8.89%
2L PreferredChoice Complete w/o VMS	PGOFB	\$44.99	\$48.99	\$4.00	8.89%
SelectPak Package	PGOVA	\$23.95	\$25.95	\$2.00	8.35%
SelectPak Package	PGOVC	\$26.95	\$28.95	\$2.00	7.42%
ValueChoice	PCV6X	\$27.99	\$29.99	\$2.00	7.15%
2-Line ValueChoice	PGOV5	\$37.99	\$41.99	\$4.00	10.53%
<b>Business Obsolete Bundles :</b>					
CustomChoice	PGOCM	\$15.58	\$17.00	\$1.42	9.11%
CustomChoice	PGOCL	\$20.58	\$22.00	\$1.42	6.90%
CustomChoice 1-Year	PGOCN	\$13.58	\$15.00	\$1.42	10.46%
CustomChoice 2-Year	PGOCO	\$11.58	\$13.00	\$1.42	12.26%
CustomChoice 3-Year	PGOCQ	\$9.58	\$11.00	\$1.42	14.82%
Business Line Plus	NLUDE	\$45.00	\$47.00	\$2.00	4.44%
Business Line Plus 1-Year	NLU DY	\$38.00	\$40.00	\$2.00	5.26%
Business Line Plus 2-Year	NLU DZ	\$38.00	\$40.00	\$2.00	5.26%
Business Line Plus 3-Year	NLU DL	\$38.00	\$40.00	\$2.00	5.26%
Choice	PGOBA	\$45.00	\$47.00	\$2.00	4.44%
Choice 2-Line	PGOBD	\$70.00	\$74.00	\$4.00	5.71%

**CenturyLink Tariff Changes Effective 2/1/19**

USOCS	Service	Old Monthly Rate	New Monthly Rate	Change	Percent Change
<b>Residential:</b>					
2FR	2-Party Line	\$12.00	\$14.00	\$2.00	16.67%
4FR	4-Party Line	\$10.75	\$12.75	\$2.00	18.60%
LWI	Measured Service Primary	\$9.37	\$11.37	\$2.00	21.34%
AKN	Measured Service Additional	\$9.37	\$11.37	\$2.00	21.34%
<b>Business:</b>					
LMB	Measured Service Primary	\$22.00	\$24.00	\$2.00	9.09%
ALM	Measured Service Additional	\$22.00	\$24.00	\$2.00	9.09%
<b>Computer Port Access:</b>					
A2Y/1TM	Stand-By Line	\$22.50	\$24.50	\$2.00	8.89%
2FB	2-Party Line	\$30.00	\$32.00	\$2.00	6.67%
AWL	Utility Line	\$28.00	\$30.00	\$2.00	7.14%
JUF	Joint User Service RG 3 Only	\$25.00	\$27.00	\$2.00	8.00%
<b>Flat Rate Trunks:</b>					
TFB/TFU TFN	2-Way, 1-Way RGI	\$33.00	\$35.00	\$2.00	6.06%
TTT	Hotel RG 1-4	\$18.00	\$20.00	\$2.00	11.11%
<b>Measured Trunks:</b>					
TV/TVW TV4/TTT	2-Way, 1-Way, Hotel	\$21.00	\$23.00	\$2.00	9.52%
TDV	1-Way in w/Hunting	\$29.00	\$31.00	\$2.00	6.90%
<b>Residential Obsolete Bundles:</b>					
PG0IH	Choice Home	\$32.99	\$35.00	\$2.01	6.09%
PG02H	Choice Two-Line Home	\$45.99	\$50.00	\$4.01	8.72%
PGORA	Choice Home	\$33.99	\$36.00	\$2.01	5.91%
PGORB	Choice Two-Line Home	\$45.99	\$50.00	\$4.01	8.72%
PGOIP	Choice Home Plus	\$36.99	\$39.00	\$2.01	5.43%



PGO2P	Choice Two-Line Home Plus	\$48.99	\$53.00	\$4.01	8.19%
PGOC7	CustomChoice Complete w/VMS	\$41.95	\$44.00	\$2.05	4.89%
PGOCX	CustomChoice Complete w/o VMS	\$41.95	\$44.00	\$2.05	4.89%
PGOC8	2L CustomChoice Complete w/VMS	\$53.95	\$56.00	\$2.05	3.80%
PGOCY	2L CustomChoice Complete w/o VMS	\$53.95	\$56.00	\$2.05	3.80%
PGOCC	CustomChoice	\$37.99	\$40.00	\$2.01	5.29%
PGOCA	CustomChoice Additional Line	\$34.99	\$37.00	\$2.01	5.74%
PGOCH	CustomChoice	\$31.95	\$34.00	\$2.05	6.42%
PGOO	CustomChoice Additional Line	\$28.95	\$31.00	\$2.05	7.08%
PGOCG	2-Line CustomChoice	\$46.99	\$51.00	\$4.01	8.53%
PGOP7	PopularChoice Complete w/VMS	\$37.99	\$40.00	\$2.01	5.29%
PGOPX	PopularChoice Complete w/o VMS	\$37.99	\$40.00	\$2.01	5.29%
PGOP8	2L PopularChoice Complete w/VMS	\$47.99	\$52.00	\$4.01	8.36%
PGOPY	2L PopularChoice Complete w/o VMS	\$47.99	\$52.00	\$4.01	8.36%
PGOFD	PreferredChoice Complete w/VMS	\$37.99	\$40.00	\$2.01	5.29%
PGOFE	PreferredChoice Complete w/o VMS	\$37.99	\$40.00	\$2.01	5.29%
PGOFA	2L PreferredChoice Complete w/VMS	\$48.99	\$53.00	\$4.01	8.19%

PGOFB	2L PreferredChoice Complete w/o VMS	\$48.99	\$53.00	\$4.01	8.19%
PGOVA	SelectPak Package	\$25.95	\$28.00	\$2.05	7.90%
PGOVC	SelectPak Package	\$28.95	\$31.00	\$2.05	7.08%
PCV6X	ValueChoice	\$29.99	\$32.00	\$2.01	6.70%
PGOVB	2-Line ValueChoice	\$41.99	\$46.00	\$4.01	9.55%
<b>Business Obsolete Bundles:</b>					
PGOCM	CustomChoice	\$17.00	\$19.00	\$2.00	11.76%
PGOCL	CustomChoice	\$22.00	\$24.00	\$2.00	9.09%

**Exhibit B-2**

PGOCN	CustomChoice 1-Year	\$15.00	\$17.00	\$2.00	13.33%
PGOCO	CustomChoice 2-Year	\$13.00	\$15.00	\$2.00	15.38%
PGOCQ	CustomChoice 3-Year	\$11.00	\$13.00	\$2.00	18.18%
NLUDE	Business Line Plus	\$47.00	\$49.00	\$2.00	4.26%
NLUDY	Business Line Plus 1 Year	\$40.00	\$42.00	\$2.00	5.00%
NLUDZ	Business Line Plus 2 Year	\$40.00	\$42.00	\$2.00	5.00%
NLUDL	Business Line Plus 3 Year	\$40.00	\$42.00	\$2.00	5.00%
PGOBA	Choice	\$47.00	\$49.00	\$2.00	4.26%
PGOBD	Choice 2-Line	\$74.00	\$78.00	\$4.00	5.41%

## Quality of Service Standards For CenturyLink QC - Years 2015 and 2018<sup>1</sup>

This chart compares CenturyLink QC's Quality of Service based on NMAC 17.11.22 - Mid-Size Carrier Quality of Service rule metrics for years 2015 and 2018.

Mid-Size Carrier Quality of Service Metrics	Standard	2015	2018
Percent Installation of Basic Service <sup>2</sup> in 5 Business Days	96%	99%	99%
Percent Installation of Designed Services <sup>3</sup> in 15 Business Days <sup>4</sup>	85%	99%	100%
Percent Installation of Designed Services in 45 Business Days <sup>5</sup>	85%	100%	100%
Trouble Report Rate <sup>6</sup>	5.00	1.25	1.25
Out-of-Service Cleared in 24 Hours	85%	85%	80%
Repeat Trouble Report Rate <sup>7</sup>	18%	5%	5%

1. Although CenturyLink stated in Case No. 17-00311-UT that calendar year 2016 and 2017 Mid-Size Carrier Quality of Service Reports were filed with the Commission, those reports could not be found.

2. Per the Mid-Size Carrier Quality of Service rule - NMAC 17.11.22.7.C - **basic local exchange service** means the customer's voice grade access to the public switched network, dual tone multifrequency (DTMF) signaling or its functional equivalent, and access to emergency services (911 and E-911), operator services, toll services, directory assistance, and toll blocking services for qualifying low income customers.

3. Per the Mid-Size Carrier Quality of Service rule - NMAC 17.11.22.7.L. - **designed services** means the provisioning of regulated circuits requiring treatment, equipment, or engineering design purchased from an ILEC's tariff or on an individual contract basis, including but not limited to analog private line services, DDS, DS-1 (including channelized), DS-3, ISDN-BRI, and special assemblies, where all facilities and equipment provided are physically located in the state of New Mexico.

4. Where CenturyLink facilities exist - See NMAC 17.11.22.14.C.

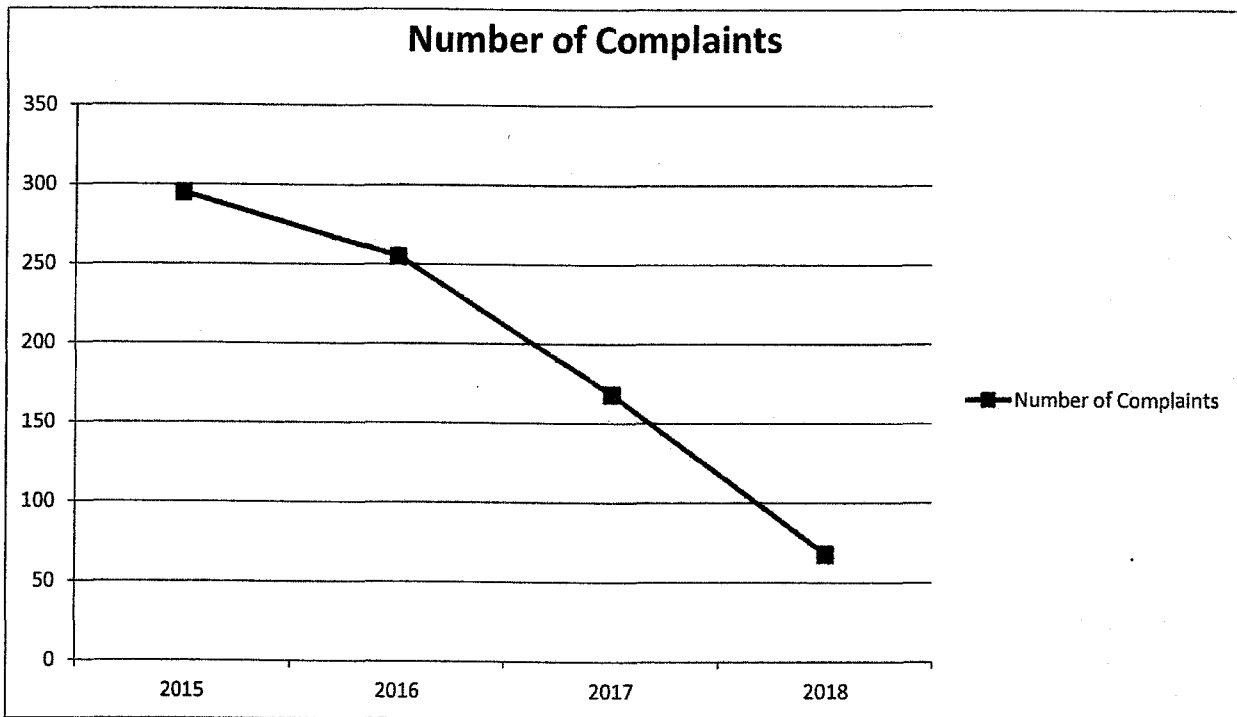
5. Where CenturyLink facilities do not exist and need to be built - See NMAC 17.11.22.14.D.

6. Per the Mid-Size Carrier Quality of Service rule - NMAC 17.11.22.7.W. - **trouble report** means notification of trouble or perceived trouble by a subscriber, third party, or employee acting on behalf of a subscriber to a LEC's repair office; it shall include troubles reported on access lines by the LEC's own retail customers and the retail customers of LECs that purchase wholesale services from the LEC but shall not include troubles associated with customers' unfamiliarity with new features or customer premises equipment, or extraordinary or abnormal conditions of operation.

7. Per the Mid-Size Carrier Quality of Service rule - NMAC 17.11.22.7.U. - **repeat trouble report** means a trouble report received within thirty (30) days of a closed trouble report on the same line regarding the same trouble.

**CenturyLink Complaints to the NMPRC Reported by CenturyLink 2015 - 2018**

Year	Number of Complaints <sup>1</sup>
2015	295
2016	255
2017	168
2018	68
<b>Total</b>	<b>786</b>



**1. Complaint by Type as Reported by NMPRC Consumer Relations Division 2015 to 2018**

Interruptions/Repair Delays: 101 complaints  
Billing: 215 complaints  
Dissatisfied with Treatment/Service: 172 complaints  
Wire Maintenance: 19 complaints  
Cramming/Slamming: 5 complaints  
Total complaints: 512

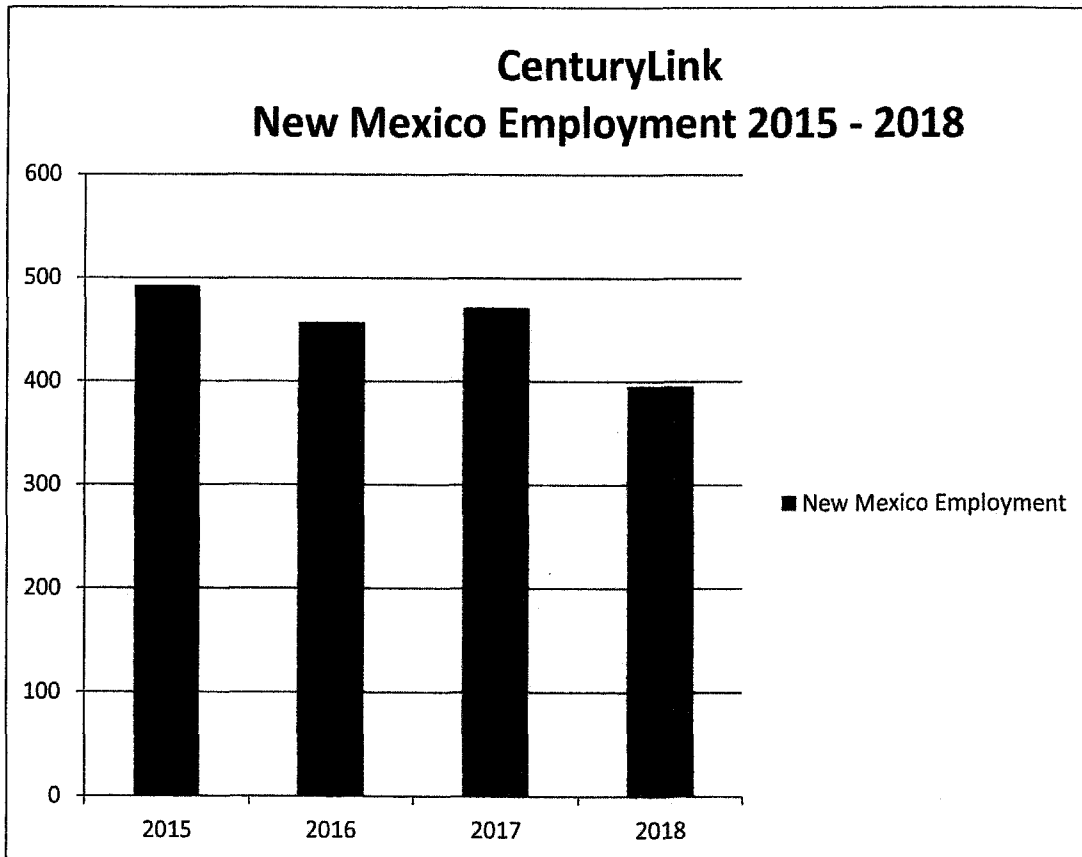
## Outage Reporting to the NMPRC by CenturyLink Years 2015 to 2018

CenturyLink QC reports service outages in compliance with NMAC 17.11.22.9 and NMAC 17.11.24.9 Outages, whereby service outages require reporting when more than 1,500 customers are affected. However, CenturyLink will sometimes report outages when fewer than 1,500 customers are affected. CenturyLink provides these outage reports via email to the Commission.

Date	Cause	Area	Services Affected	Number of Customers Affected	Resolution
3/12/2015	Fiber cut	Angel Fire and Red River	911, Toll	3413	Fiber Spliced
5/15/2015	Repeater failure	Albuquerque	DS1	1	Not stated
1/29/2016	Not stated	Rio Rancho	Toll	10,952	Not stated
1/29/2016	Not stated	Las Cruces	Toll	2,422	Self Restored
6/27/2016	PSAP equipment	Los Lunas	911, ALI & ANI Info	13,394	PSAP repaired CPE equipment
7/15/2016	PSAP equipment	Reserve	911, ALI & ANI Info	1,939	PSAP rebooted CPE equipment
7/20/2019	Unknown	Hobbs	911, ALI & ANI Info	23,964	Problem cleared In Testing of Equipment
11/24/2017	PSAP equipment	Albuquerque	911, ALI & ANI Info	147,095	Not stated
12/13/2017	AC Power	Rio Rancho	911, ALI & ANI Info	40,467	AC Power Restored
12/18/2017	Public severed copper cable	Albuquerque	911, ALI & ANI Info	40,467	Copper cable repaired
12/21/2017	Facilities damaged/cut	Espanola	911, E911	177,661	No actual loss of 911, auto reroute of 911
1/4/2018	AC Power	Los Lunas	911, ALI & ANI Info	4,472	AC Power Restored
7/5/2018	Failure of customer equipment	Los Lunas	911, ALI & ANI Info	9,980	Not stated
8/15/2018	Vandalism of 75 strand fiber	Bayard	Facility, Toll, DSL	1,176	Fiber spliced
8/21/2019	Fiber cut	Santa Fe	911, ALI & ANI Info	44,421	Fiber Spliced
9/28/2018	Carrier spans	Aztec	Toll	2,148	Carrier spans restored
10/8/2018	Commercial Power, customer CPE	Dulce	911, ALI & ANI Info	17,629	Power restored but links still down, customer CPE issue
11/24/2018	Vendor equipment	Alamogordo	911, ALI & ANI Info	155	Withdrawn, below reporting criteria
12/18/2018	Next-Gen 911 Vendor	NM and multi-state	911, ALI Info	424,308	Worked with NG911 vendor to resolve
6/10/2019	Not stated	Albuquerque	TSP	1	Not stated

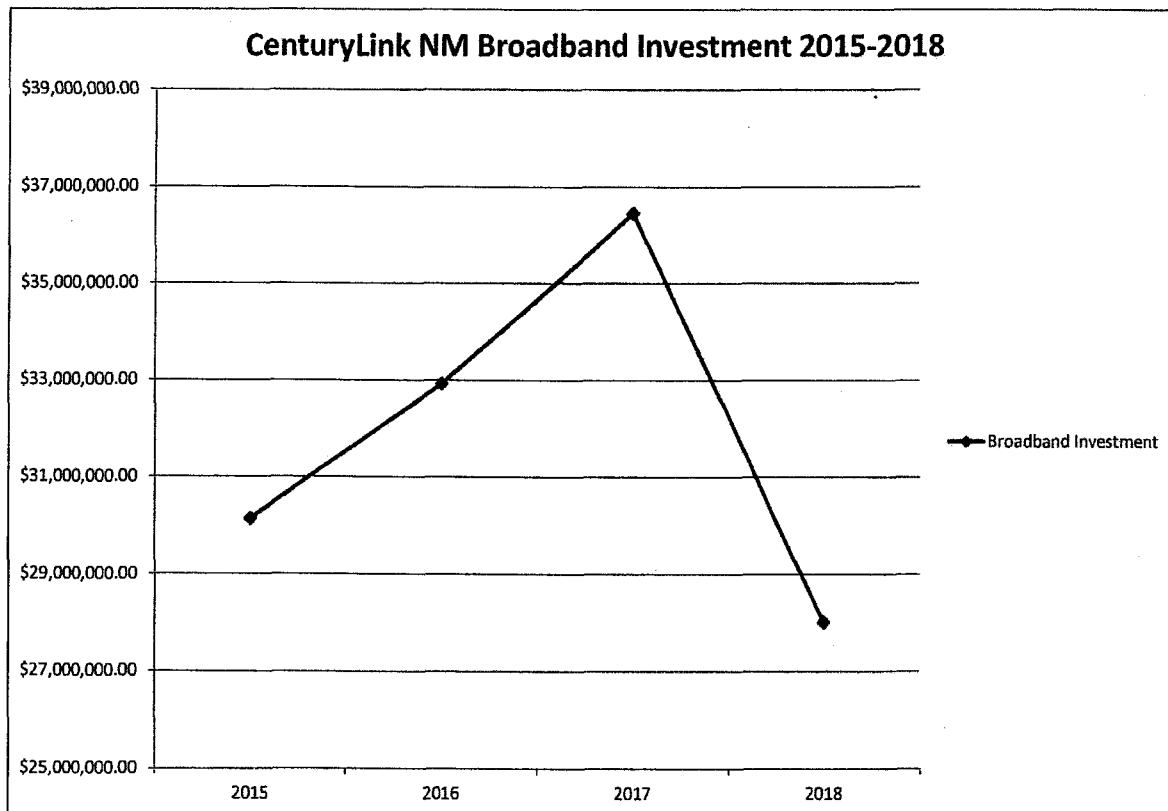
**CenturyLink New Mexico Employment Years 2015 to 2018**

Year	New Mexico Employment
2015	492
2016	457
2017	471
2018	395



## CenturyLink Broadband Investment in New Mexico Years 2015 - 2018

Year	Broadband Investment
2015	\$30,146,925.00
2016	\$32,925,076.00
2017	\$36,452,392.00
2018	\$28,016,280.00



# CenturyLink Broadband Subscribership Summary

Jun-2015 to Dec-2018

\* Results are for both CenturyLink QC and CenturyTel of Southwest, Inc.

Month - Date	Residential	Business	Total
Jun-15	228,594	21,542	250,136
Dec-15	225,667	21,090	246,757
Jun-16	221,817	20,741	242,558
Dec-16	217,363	19,934	237,297
Jun-17	214,515	19,332	233,847
Dec-17	209,191	18,683	227,874
Jun-18	203,970	17,669	221,639
Dec-18	198,264	15,725	213,989

