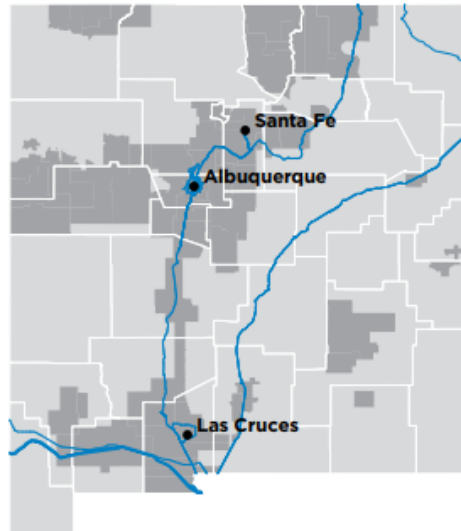


LUMEN: FURTHERING HUMAN PROGRESS THROUGH TECHNOLOGY

Impact in New Mexico

- More than **400,000** connections statewide
- More than **\$25 million** annual salaries
- More than **\$46 million** investment in 2020
- Nearly **350** employees in New Mexico
- Nearly **9,000** fiber route miles
- More than **5,000** on-net buildings



■ Core Fiber
■ CenturyLink Territory



Lumen: All products & services for Enterprise Market



Quantum Fiber: Fiber-based services to Mass Markets (home & small business)



CenturyLink: Copper-based services to Mass Markets (home & small business)

Phrases from the NM Rural Telecom Act, Purpose section--63-9H-2

- ...maintain for rural customers availability of access to telecommunications services at affordable rates.
- ...further the policy of this state to encourage competition and reduce regulation in the telecommunications industry
- ...allow an orderly transition for rural telephone carriers from a regulated telecommunications industry to a competitive market environment consistent with the federal act
- ...allowing access by the public to resulting rapid advances in telecommunications technology
- **Disparate regulatory treatment for rural telephone carriers requires relaxed regulation for rural telephone carriers with the objective of reducing the cost of regulation...**

Phrases from the NM Telecom Act, Purpose section—63-9A-2

- ...maintain the availability of access to telecommunications services at affordable rates
- ...encourage competition in the provision of public telecommunications services
- ...allow an orderly transition from a regulated telecommunications industry to a competitive market environment
- ...allowing access by the public to resulting rapid advances in telecommunications technology
- **It is further the intent of the legislature that the encouragement of competition in the provision of public telecommunications services will result in greater investment in the telecommunications infrastructure in the state, improved service quality and operations and lower prices for such services.**

Background

- CenturyLink in New Mexico has lost a significant number of voice landline customers--- from approximately 900,000 in the year 2000 to 160,000 in 2021. A reduction of about 82%. **Since the passage of SB-53 in 2017, CenturyLink has lost approximately 110,000 lines.** Most voice customers get service from unregulated competitors like wireless companies and VOIP companies.
- We acknowledge our rural customers who may only have a landline with no other options. Access to 911 is a public safety issue, and we are committed to maintaining voice service in those areas. Outside of the Albuquerque area, there were about 2,000 calls to 911 from landlines in just one week at the end of July, 2021.
- Most, if not all broadband providers in New Mexico depend on CenturyLink to interconnect their services. The wireless companies are some of CenturyLink's largest customers. Local/State/Federal government, large and small industry customers, and our national laboratories all depend on CenturyLink to transmit voice and data from New Mexico to the outside world. CenturyLink's infrastructure is critical to New Mexico.

Proposed Legislation—Key elements

- Greatly simplified legislative approach to create a level regulatory playing field among incumbent local exchange carriers—i.e., parity of regulation.
- Like surrounding states, establishes “effective competition’ shall have been demonstrated upon a showing that two or more carriers provide similar voice services to a wire center.
- Maintains PRC authority to address and resolve consumer complaints.
- Maintains affordable rates in both urban and rural areas of New Mexico.
- Acknowledges the new competitive providers coming into New Mexico to provide broadband service who receive either Federal or State funding to build infrastructure. Government-funded competition should trigger the elimination of regulation for all providers.
- Requires the Public Regulation Commission to report to the legislature the steps taken to achieve regulatory parity among carriers.

Passing this proposed legislation will allow CenturyLink to continue to serve its remaining landline customers and focus on deploying more critical fiber infrastructure in New Mexico to provide more and faster broadband.