

## NM Rural Broadband Opportunities

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- Many areas of urban and rural New Mexico do have broadband.
- There are also many “gaps” in both urban and rural New Mexico that either don’t have broadband or have limited broadband.
- Municipalities attempting to address broadband needs have not been effective.
- What is the most effective way to fill those gaps?
  - Work with the local providers to understand where the gaps are.
  - What are the causes of those gaps? High cost? Right-of-Way issues?
- What initiatives have been successful in filling the gaps in broadband?
  - Federal Connect America Fund
    - CenturyLink accepted \$66 million over 6 years to address rural broadband needs in New Mexico.
    - At the midway point, over 16,000 NM homes and businesses now have broadband, in places like Artesia, Anthony, Aztec, Chaparral, Gallup, Grants, Las Cruces, Roswell and areas of Santa Fe.
  - PRC’s Rural Broadband fund
    - CenturyLink accepted approximately \$450,000 in funding from the PRC to build broadband to Angel Fire, Eagle Nest, Laguna Acoma, Santa Teresa, Las Vegas and Tucumcari in 2019—a total of over 3,600 homes and businesses will have broadband.
    - CenturyLink has applied for over \$820,000 in additional funding for 2020 to provide broadband in areas of Aztec, Chaparral, Deming, Hatch, Portales, and several areas in Tucumcari....a total of over 3,200 homes and businesses.
- What can the State of NM do to address filling the gaps in broadband?
  - Help subsidize the cost of bringing broadband to more areas/gaps. Working with NM DOIT on \$10 million in funds from the 2019 session.
  - Provide incentives for Broadband Companies to invest their own money--- Broadband compensating tax deduction (HB-176).
  - Relax requirements for a contractor to have a J7 license to install, alter, or repair the Broadband Company’s network.
  - Currently working with Governor Lujan-Grisham’s office to discuss options. She is interested in continuing to expand broadband access across New Mexico.
- Rural broadband in areas that are truly rural will require some form of government subsidy in order to make a business case to invest in the infrastructure.

# New Mexico Telecommunications Regulation History 2009-2019

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## ***2001-2015: AFOR Regulation***

- The third AFOR plan was adopted in 2009. Prior AFOR plans were adopted in 2001 and 2007. All of these plans include aggressive pricing and service quality regulation.
- At the end of 2009, CenturyLink QC served more than 600,000 access lines in New Mexico, down from a peak of over 850,000 in 2001. 376,000 of those 2009 access lines were residential. By 2011, when CenturyLink QC's last effective competition case was filed, total access lines were 493,000 – 291,000 of which were residential.
- In 2009, 27% of New Mexico adults lived in wireless-only households, while 19.1% lived in land-line only households (CDC wireless substitution data).
- For 2009, the FCC reported 1,624,000 wireless subscribers in New Mexico.

## ***2015-2017: Midsize Carrier Regulation***

- In 2015, CenturyLink QC dipped below 375,000 access lines, and AFOR regulation ended. CenturyLink began regulation as a mid-size carrier, with more relaxed service quality and consumer protection rules.

## ***2017: SB 53 Passes***

- Senate Bill 53 became effective in June 2017. That bill requires the Commission to adopt “relaxed regulations,” and was intended to establish regulation for CenturyLink QC at approximately the same level as applies to the small ILECs.
- In July 2017, CenturyLink filed a petition requesting that the Commission establish rules, which initiated this proceeding.
- From June 2017 to the current date, there have been no service quality or consumer protection rules that clearly govern CenturyLink QC. Rural ILECs have never had service quality or consumer protection rules, and Windstream has not been governed by any service quality or consumer protection rules since