

# SBi SMITH BAGLEY INC.

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S**Bi**  
BUSINESS

# Overview

- Affordable Connectivity Program(ACP), created under the Bipartisan Infrastructure Law, provided low-income households with a \$30 monthly discount for broadband service (\$75 on Tribal lands).
- The program expanded low-income HH access to broadband, improving education, job opportunities, and healthcare participation.
- At its peak, New Mexico had over 184,000 ACP enrolled households (1 in 5 statewide) with the federal government providing over \$6.3M in broadband support each month.
- ACP lapsed in **May 2024**.
- Propose a New Mexico Broadband Support Program.
- Program could be administered by Vantage Point Solutions which already administers other state funded programs such as the Low Income Telephone Assistance Program (LITAP) to ensure compliance and accountability.

# SBi Corporate Overview

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- Since 1994, SBi has provided mobile voice and Internet access to the Four Corners region.
- 2000 – SBi instrumental in convincing the FCC to increase monthly Lifeline support on Tribal lands by \$25 per month, per household.
- Since 2001, SBi has been an Eligible Telecommunications Carrier (ETC) in New Mexico, enabling the company to access federal funds to build towers and offer discounts on services to low-income households (also an ETC in AZ and UT).
- Combination of federal USF (High-Cost and Lifeline) and New Mexico USF (Broadband Program + Lifeline) have enabled SBi to invest over \$51.6M in northwestern NM, to build a high-quality mobile broadband network with voice and data and offer millions in service discounts to low-income households.

# Corporate Overview

- In northwestern New Mexico:
  - 23,392 customers, 84% are Tribal residents, with 19,079 HHs receiving federal Lifeline support
  - 76 cell towers, providing fixed and mobile voice and broadband services
  - 211 microwave links transporting traffic between cell towers and the Internet
  - 23 Employees, 15 of which are Native American
  - 4 retail stores offering iPhone, Samsung Galaxy, and devices for every price point
- Spotless participation in federal High-Cost, Lifeline, and ACP programs
  - Regularly audited, no significant findings of noncompliance over 25 years
  - Advocate at the FCC and Congress for “good government” improvements to USF
- Participant in Tribal Broadband Connectivity Fund and other pandemic programs to assist households, schools, and libraries in remaining connected during lockdown periods
  - Delivered 10,000 hotspot connections to maintain broadband connectivity to local schools during the pandemic
  - Used ACP support to increase quantity of broadband to remote HHs – 105 Gigabytes per month

# Affordable Connectivity Program (ACP)

# Affordable Connectivity Program (ACP) Overview

- The ACP, created under the Bipartisan Infrastructure Law, provided low-income households with a \$30 monthly discount for broadband service (\$75 on Tribal lands). The program expanded low-income HH access to broadband, improving education, job opportunities, and healthcare participation.
- [A 2025 report](#) from The Brattle Group provides economic analysis of the ACP.
  - Nationwide, ACP facilitated an estimated 12 million additional telehealth visits annually, generating an estimated \$29B in healthcare cost savings, which is roughly four times the annual program spend of \$7.3B.
  - ACP participation resulted in \$2.1-4.3 billion in annual wage gains
  - Using ACP to reduce the government's spending on Medicare/Medicaid Health care alone is worth funding the program, even before the benefits to education, economic development, and public safety are factored in.
- [A 2024 Report](#) by the Benton Institute for Broadband and Society found that every \$1.00 in ACP subsidy resulted in \$2.00 of economic benefits.

# Affordable Connectivity Program (ACP) Overview

- At its peak, New Mexico had over 184,000 ACP enrolled households (1 in 5 statewide) with the federal government providing over \$6.3M in broadband support each month.
- When the federal government allowed program funding to lapse in **May 2024**, ACP households now face a significant challenge in retaining high-quality broadband services.
  - Nationwide, intermittent broadband use has risen because of the loss of ACP, as many low-income HHs face financial choices each month.
  - This is especially damaging to Tribal HHs; most do not have access to Wi-Fi at home because of a lack of telco/cable modem fixed broadband subscription.
  - Most Tribal HHs are mobile-only and must use cellular data to access the Internet.
- At its peak, SBi had 13K subs in New Mexico, most on Tribal lands, delivering critical broadband connectivity to households with significant affordability challenges.



# New Mexico ACP Urban/Rural Comparison

County	Enrolled Households	% of Eligible Household Enrolled
McKinley	14,098	88%
Luna	3,717	72%
San Juan	12,942	51%
Dona Ana	23,405	45%
Bernalillo	49,875	35%
Santa Fe	6,780	23%
Los Alamos	136	4%

Rural/Tribal areas showed higher enrollment rates than urban areas like Santa Fe, Albuquerque, and Los Alamos.

# Need for New Mexico Broadband Support Program

- ACP revealed how wide the Digital Divide is for low-income HHs. Nationwide, 23M HHs signed up for the benefit (184K in NM), reducing broadband expenditures by \$30/month (\$75 on Tribal).
- ACP greatly increased the utility of broadband service for low-income HHs who are oftentimes mobile-only, as they cannot afford multiple telecom subscriptions.
- Mobile-only HHs, especially Tribal HHs, have little or no access to free Wi-Fi connections – they rely on cell data for Internet access, greatly increasing ACP's value and utility.
- ACP enabled SBi to increase customer data from 5GB per month to 105GB. This increase in data quantity permitted HH's to obtain the full benefit of broadband for work, school, streaming, and business uses.

# Recommendation

# NM Broadband Support Program Recommendation

- Program Outline:
  - Authorize for five years, or until a federal ACP program is reintroduced.
  - Only eligible ETCs may participate to ensure accountability.
  - Program cost: \$15/per non-Tribal HH; \$25/per Tribal HH
  - If all eligible Lifeline HHs in NM sign up (50,282 customers: 31K non-tribal; 19K Tribal), the fund size would need to be \$12M/annually; \$60M over five years.
  - Have Vantage Point Solutions administer the ACP program – require annual progress reporting by carriers and the PRC. (Vantage Point Solutions already administers other state funded programs such as the [Low Income Telephone Assistance Program](#) (LITAP).
  
- Funding Options:
  - \$12M from the \$40M SRUSF program (5 years).
  - \$12M from General Fund Appropriation (5 years).
  - Combination of both.

The End