

AN ACT

RELATING TO TELECOMMUNICATIONS; AMENDING THE NEW MEXICO  
TELECOMMUNICATIONS ACT TO TERMINATE THE ACCRUAL OF RURAL  
EXTENSION FUNDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the New Mexico  
Telecommunications Act is enacted to read:

"TERMINATION OF THE ACCRUAL OF RURAL EXTENSION FUNDS.--

A. One-half of the obligation of a single  
telecommunications company to accrue additional money to an  
existing rural extension fund shall terminate on July 1, 2005  
and the remaining obligation shall terminate on December 31,  
2008 or when the telecommunications company and the commission  
agree to terminate the accrual.

B. A telecommunications company with an accrued,  
unspent balance in a rural extension fund as of July 1, 2005  
shall apply the balance to extend local exchange  
telecommunications service to qualifying rural customers as  
described in the company's commission-approved tariff. If an  
unspent balance remains, the commission may establish a plan  
directing how a telecommunications company shall apply the  
unspent balance to the installation of telecommunications  
infrastructure for basic exchange service, digital subscriber  
lines or other advanced services in that telecommunications

company's certificated service area or in the telecommunications company's certificated service area transferred to a successor company established to serve tribal lands in the state. A residential or commercial real estate developer shall not benefit directly from telecommunications projects funded pursuant to this section.

C. As used in this section, "rural extension fund" means a fund reserved, set aside or in any other manner accrued by a telecommunications company pursuant to an order, rule, tariff or other requirement of the commission for the purpose of supporting or subsidizing the extension of lines or facilities by the telecommunications company to serve customers in rural or other low-density service areas.

D. Nothing in this section shall remove a telecommunications company's requirement to comply with a commission-approved tariff." \_\_\_\_\_