

Presentation to:
Indian Affairs Committee

October 5, 2022

by
**New Mexico Exchange Carrier Group
(NMECG)**

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**Introduction:**

The New Mexico Exchange Carrier Group (NMECG) is a Telephone Broadband industry association comprised of 11 Incumbent rural companies providing voice and Internet service to customers in the most rural areas of New Mexico. These rural companies have less than 50,000 access lines with the majority having less than 10,000 access lines.

The group was formed to improve communications within the industry as well as with legislators and the regulatory commission. Our main objective is to help small broadband and telephone companies in New Mexico provide excellent telecommunications services at affordable rates. This task is a challenge difficult to achieve, considering the vast rural areas that make up our service areas but easily accomplished due to the commitment the small companies have made in serving their customers.

We are most proud of our high availability rate of broadband services in the very rural areas we serve. We are proud to be among the best employers in our communities and the longevity and dedication of our employees.

The NMECG's membership is comprised of 11 Incumbent Local Exchange Carriers (ILECs). The make-up of the companies includes six member-owned cooperatives and five commercial companies

NMECG Member Telephone Companies

BACA VALLEY TELEPHONE COMPANY - DES MOINES, NM (bacavalley.com)

DELL TELEPHONE COOPERATIVE - DELL CITY, TX (delltelephone.com)

ENMR/PLATEAU COOPERATIVE— CLOVIS, NM (plateautel.com)

LEACO RURAL TELEPHONE COOPERATIVE – HOBBS, NM (leaco.net)

PENASCO VALLEY TELEPHONE COOPERATIVE – ARTESIA, NM (connect.pvt.com)

NAVAJO COMMUNICATIONS DBA FRONTIER COMMUNICATIONS – ST. MICHAELS, AZ. (frontier.com)

TULAROSA BASIN TELEPHONE COMPANY – TULAROSA, NM (tularosa.net)

VALLEY TELECOM GROUP COOPERATIVE – WILCOX, AZ (vtc.net)

WESTERN NEW MEXICO TELEPHONE COMPANY— SILVER CITY, NM (wnmc.com)

WINDSTREAM TELECOMMUNICATIONS COMPANY— LITTLE ROCK, AR (getwindstream.com)

YUCCA TELECOM COOPERATIVE— PORTALES, NM (yuccatelecom.com)





NMECG Board Members

President:

Steven D. Metts

Vice President:

Launa Waller

Treasurer:

Kirk Beckett

Secretary:

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Executive Director:

Matejka Santillanes

Lobbyist:

Jay Santillanes

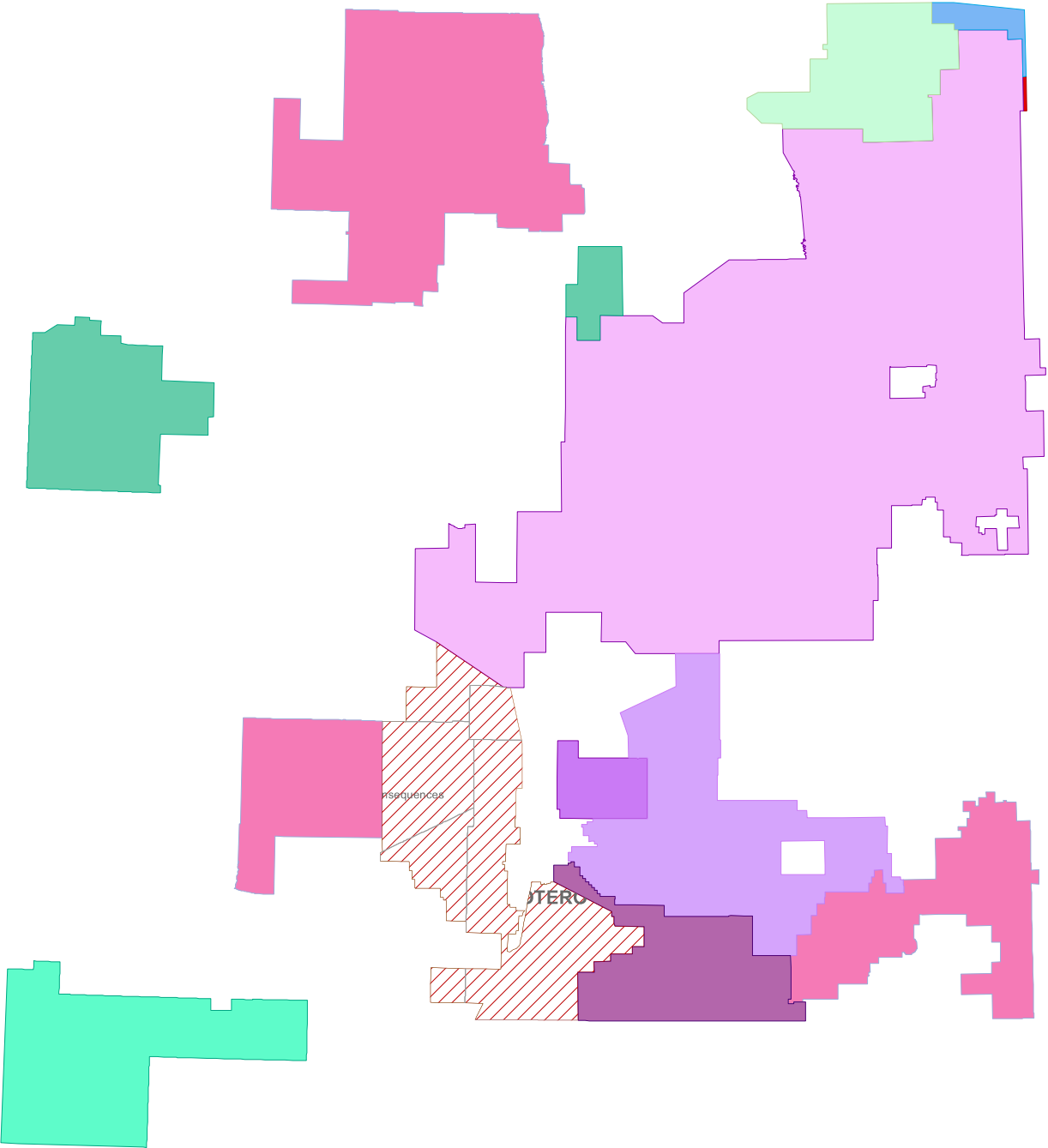
NMECG



New Mexico Exchange Carrier Group

The NMECG companies provide service covering over 63% percent of the state's geography, equating to over 66,000 square miles. The blend of vast geographic areas combined with low population density means the average rural New Mexico Telephone Company serves fewer than 1.86 access lines per square mile.

New Mexico LEC Boundaries



/Plateau

(Frontier/Navajo)

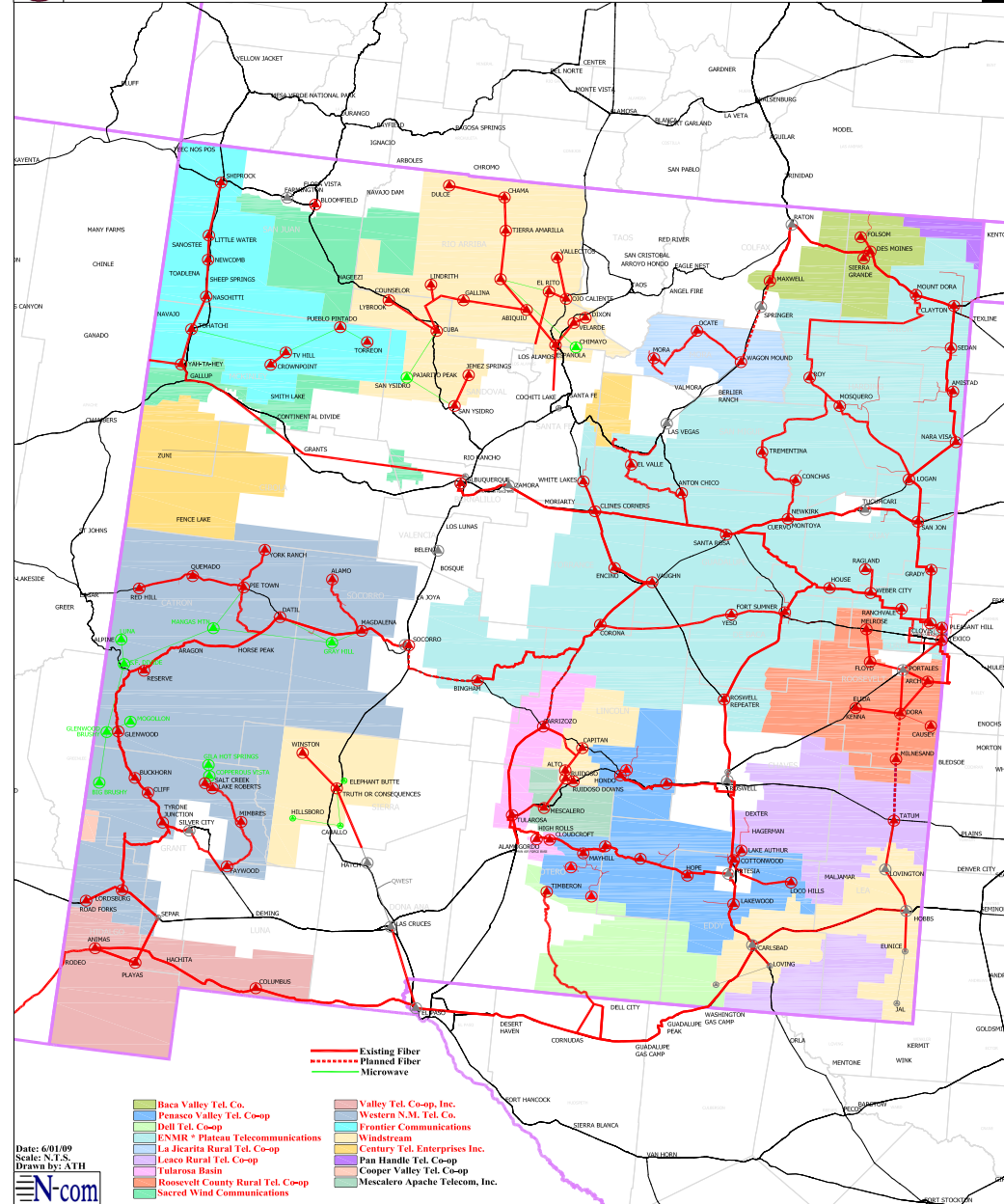
10

80
Miles

June 2012



New Mexico Exchange Carrier Group



This fiber route map shows our main fiber routes, however we have many more miles of fiber within our exchange boundaries to individual customers and equipment cabinets.



NMECG's Rural and Small Carrier Perspective on New Mexico's Regulatory Environment -

- All NMECG Members Companies are regulated by PRC under the Rural Telecom Act for companies with less than 50,000 access lines. Majority of our companies have less than 10,000 access lines.
- State Rural Universal Service Fund (SRUSF) administered by PRC.
- SRUSF helps give our members the ability to advance Broadband in Rural New Mexico. Eligible Telecommunication Carriers (ETC) receiving SRUSF support must expend at least 60% of the support received to deploy and maintain broadband internet access services in rural New Mexico.
- Beginning in 2021, a minimum of \$8 million annually of the SRUSF is dedicated to the broadband program, issued as broadband grants administered by PRC.
- NMECG has a long history of working with PRC on telecom and broadband issues.



NMECG Members are actively pursuing federal and state broadband grants to fill the digital divide in the most rural areas of the State. The NMECG and its members work closely with NM OBAE Director Kelly Schlegel in its pursuit of funding.

NMECG Members that were awarded USDA Broadband Reconnect Grants/Loans for 2022 that have been announced. Other members waiting for announcement of award.

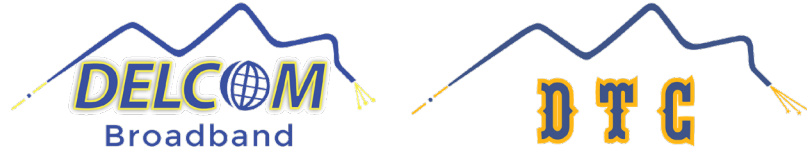
- 100% Grant for Tribal or Socially Vulnerable Communities Award
 - ENMR - \$14,797,747 for 32 Households
- 50% Grant/50% Loan Combo Award
 - Tularosa Basin Telephone Company - \$11,650,204 for 223 Households, 28 Businesses & 16 Farms
- 100% Loan Award
 - PVT - \$29,927,570 for 1,172 Households



Baca Valley Telephone Company (BVT), located in Des Moines, NM, is an investor owned company that is an incumbent local exchange carrier (ILEC) as well as a competitive local exchange carrier (CLEC) in northeastern New Mexico and southeastern Colorado. BVT offers dial tone, broadband, satellite, FTTP, dial-up internet and CLEC services.

There are some areas within our 2,545 square miles of service area that are underserved or unserved. These areas are due to the high cost per mile to install buried fiber optic cable. The cost is \$more than \$30,000 per mile, not including the cost of electronic equipment, due to remoteness, difficult terrain, and rocky soil conditions, as well as the remoteness with an average of less than one customer per square mile. BVT and SCI have 20 full time employees, a 24 x 7 x 365 call center (NOC) and has been in existence since 1974.

The schools and libraries in BVT service area have broadband with speeds ranging from 100M to 1Gig. We work closely with our area schools to make sure their students are served with broadband and internet for their online school needs.



Dell Telephone Cooperative located in Dell City Texas, is a telephone cooperative that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate, Delcom, that offers internet service which serves over 20,000 square miles in West Texas and Southeastern New Mexico in Eddy and Otero Counties since 1956.

Dell has created one of the most impressive telecommunications systems in the United States. Over 1,000 miles of fiber optic cable provides our residential and business customers with affordable and reliable high-speed digital connectivity to virtually anywhere on the planet!



ENMR/Plateau Telephone, (Plateau), located in Clovis, New Mexico, is a telephone cooperative that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate that offers internet service mostly in Eastern New Mexico. Plateau offers landline telephone, high-speed internet and business solutions.

Plateau has approximately 9,000 members and has a service area of approximately 25,000 square miles. ENMR/Plateau Telephone has been in existence for more than 6 decades.



Founded in 1954, Leaco Rural Telephone Cooperative, Inc. (Leaco) is a member-owned and operated telecom company serving Southeastern New Mexico. The company provides broadband internet and landline phone service for business and consumer customers.

Over the decades, Leaco has adopted new technologies to better serve our customers and communities. At present, we are proud to be on the cutting edge of communications, offering “Tomorrow’s Broadband Today.” This means that the fiber we are laying is capable of accommodating huge increases in bandwidth demand as technology continues to change over time. So, as our customers’ needs grow, Leaco’s fiber network will be able to accommodate those needs seamlessly.

We are honored to serve our growing group of loyal customers, with a particular emphasis on meeting the communication needs of our rural communities.



Penasco Valley Telephone Cooperative, (Penasco), located in Artesia, New Mexico, is a telephone cooperative that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate that offers internet service mostly in Southeastern New Mexico. Penasco offers landline telephone, high-speed internet and business solutions.

Penasco has 88 employees serving customers over a 4,929 square mile area and has been in existence for more than 60 years.

Navajo Communications/Frontier Communications



Navajo Communication/Frontier Communications is an incumbent local exchange carrier (ILEC) and is an investor owned company. Navajo Communications (NCC) provides voice and broadband in northwestern New Mexico, primarily within the boundaries of the Navajo Nation.

- Providing telecommunications services to Navajo communities since 1970, serving approximately 3,500 voice access lines in New Mexico.
- Provide service across twelve rural and high cost exchanges over 5,800 square miles with a service density of less than one access line served per square mile.
- Work with the Navajo education community from Elementary through Higher Education (i.e. Gallup McKinley School District, Dine College, Navajo Technical).
 - Provide Gallup McKinley Schools with 1 Gig Ethernet service to various school buildings.
 - Twin Lakes Elementary: Crownpoint, Navajo and Tohatchi Elementary, Middle and High.
- More than 11,700 Total Broadband Connections

Frontier's Network Investment in the Navajo Nation



Frontier continues to invest in Broadband services on the Navajo Nation. Over the past 3 years, Frontier was able to accomplish the following:

- Made a Capital and Opex Investment of over \$50M
- Completed the Connect America Program upgrading over 41,000 HHs with speed from 12 Mbps to 1Gig (2,589 HHs with Fiber to the home)
- Expanded Ethernet service to business and cellular companies
- Upgraded outdated Central Office equipment for reliability and survivability
- Built internet services to schools (Greasewood/Chinle/Dine College) and Medical Facilities (Greasewood/Dilkon)

These investments significantly increased access to high quality Internet Service for Tribe members and businesses!

Frontier's Connect America Builds in the Navajo Nation



Fiber to the Area

AZ

BLACK MESA, AZ
CHINLE, AZ
DILKON, AZ
FORT DEFIANCE, AZ
GANADO, AZ
GREASEWOOD, AZ
KAIBETO, AZ
KAYENTA, AZ
LECHEE, AZ
LEUPP, AZ
LUKACHUKAI, AZ
MANY FARMS, AZ
MONTEZUMA CREEK
MONUMENT VALLEY
NAVAJO, NM
PINON, AZ
ROUGH ROCK, AZ
SHONTO, AZ
TEEC NOS POS, AZ
TOYEI, AZ
TSAILE, AZ
TUBA CITY, AZ
WIDE RUINS, AZ
WINDOW ROCK, AZ

NM

CROWN POINT, NM
FORT DEFIANCE, AZ
NASCHITTI, NM
NAVAJO, NM
NEWCOMB, NM
PUEBLO PINTADO,
NM
SHIPROCK, NM
TOADLENA, NM
TOHATCHI, NM
TORREON
TSE BONITO, NM
TWIN LAKES, NM

UT

MONTEZUMA CREEK, UT
MONUMENT VALLEY

Fiber to the Home

AZ

DENNEHOTSO
GREASEWOOD
KAIBETO
ROCK POINT
ROUGH ROCK
SHONTO
WIDE RUINS

NM

SANOSTEE
TOADLENA

Frontier is proud to announce its offer of free and reduced-price Internet for all who qualify under the FCC's Affordable Connectivity Program (ACP), the successor program to the Emergency Broadband Benefit.

The Affordable Connectivity Program covers up to \$75.00 for broadband services on Tribal Lands. With the ACP discount, Frontier broadband service could be free for members of the Navajo Nation.

Actions to Enhance Broadband Deployments

- Simplify and coordinate permitting requirements on the Navajo Nation between the Nation and BIA, especially for existing telecommunication routes.
- Reduce the cost of pole attachments by the Nation's power companies, which are some of the highest in the country.
- Streamline the process by which power companies bring power to telecommunication sites that support Broadband services.



Tularosa Basin Telephone Company (Tularosa), located in Tularosa, New Mexico, is an investor owned company that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate in the Tularosa and Ruidoso area. Tularosa offers its customers voice, broadband and MSP.

All of our schools have Broadband services via fiber. All of them receive 100m/100m. However we are upgrading our network and we are able to offer the schools up to 1G/1G since the 1st quarter of 2020. Tularosa has 33 employees and has been in business for 23 years.



Valley Telecom Group, (Valley), located in Willcox, Arizona, in business for 58 years, is a telephone cooperative that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate that offers internet service in Southeastern New Mexico and Southwestern Arizona. Valley offers landline telephone, high-speed internet and business solutions.

All areas within Valley's service area are considered served with the exception of a very few of the very remote customers (less than 1% are underserved/unserved).

Each school and library in Valley's service area are served via fiber optic cable. They have all the broadband that each school chooses to purchase. Animas School – 750MB/30MB; Columbus Elementary – 500MB/500MB; Columbus Library - 100MB/5MB.

The VTC Foundation routinely grants approximately \$150,000 in scholarships to area students each year. This includes trade schools in addition to undergraduate and graduate programs at universities.



Western New Mexico Telephone Company (Western), located in Silver City, New Mexico, is an investor owned company that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate in the southwestern and south central New Mexico area. Western offers its customers voice, broadband and MSP.

All of the schools and libraries in the Western Service area have Broadband services via fiber, with 100M the most common. Almost 80% of the locations in our regulated service territory can receive 10/1 or better. Approximately 15% cannot receive at least 4/1, but many of these locations are not currently occupied or are remote cabins in the Gila Wilderness.

Western has approximately 60 employees and has been in business for approximately 46 years.



Windstream Telecommunications Company (Windstream), located in Little Rock, Arkansas, is an investor owned company that is an incumbent local exchange carrier (ILEC) with a competitive local exchange carrier (CLEC) affiliate in various areas within New Mexico. Windstream offers its customers voice and internet, primarily.

Windstream is a big proponent of the New Mexico Broadband Grant Program. Windstream participated in both the 2019 and the 2020 Broadband Program. In the 2019 Broadband Program, Windstream identified projects totaling \$218,084 with the Program providing \$163,563 in funding with Windstream funding of \$54,521. In the 2020 Broadband Program, Windstream submitted projects totaling \$2,216,944 with the Program providing \$1,662,708 in funding (subject to Commission review and approval prior to October 1, 2019) with Windstream funding of \$554,236.

Windstream has approximately 87 employees located in the state of New Mexico. The company officially became Windstream in 2006 however, as a whole, Windstream is made up of various operating entities that were incorporated at various times, its oldest entity has operated since the late 1800's.



Yucca Telecom Cooperative, located in Portales, New Mexico, has proudly been a part of eastern New Mexico for over 70 years, providing universal access to high quality communications services since 1951. Yucca is a telephone cooperative that is an incumbent local exchange carrier (ILEC) and a competitive local exchange carrier (CLEC) affiliate that offers internet service mostly in eastern New Mexico

Yucca Telecom is one of the first companies in New Mexico to lay a platform for a Gigabit Network. Fiber Powered state-of-the-art technology has been installed in Portales and in some of our surrounding communities. This technology offers 100 Mbps up to 1 Gigabit (1000 X's Faster) Internet Speeds, and Fiber TV in the City of Portales. We're focused on providing cutting-edge technology to everyone in our vast service area that covers over 3,400 square miles in Roosevelt, Curry, De Baca, Chaves, and Lea Counties, much of it over a state of the art fiber network.

New Mexico Exchange Carrier Group (NMECG)

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