

Proposed Regulatory Fairness Legislation

October 28, 2022; STTC interim committee meeting, Farmington, NM

WHAT THIS PROPOSED LEGISLATION DOES:

- Simplified approach that requires the PRC to regulate the basic voice services of all traditional landline phone companies in the same manner that they've been regulating rural providers for the past 20+ years. This treats all landline companies in New Mexico equally and fairly and levels the playing field. The PRC doesn't regulate broadband.
- Ensures rates for basic voice services be comparable for both urban and rural areas.
- Continues to allow the PRC to determine if there is effective competition. This proposed legislation simplifies that process by replacing the seven subjective and vague requirements with a single objective and clear requirement---simply, if there are two or more alternative providers serving customers in the same area at competitive rates, terms and conditions. This requirement is consistent with how Colorado and Texas determine if competition exists.
- Establishes effective competition in areas when another provider is awarded funding from a state or federal broadband program in direct competition with the incumbent provider.
- Requires the PRC to report to the legislature every three years a report that specifies the steps the PRC has taken to implement parity of regulation among all incumbent phone companies.
- This bill will help to promote future broadband deployment by focusing on consumer needs and demands. Proper regulation in a competitive environment will greatly incentivize future broadband investment in New Mexico. This potentially can shift the current decline in voice access lines, and jobs, under the heavily regulated voice market to increased jobs in the future broadband market.

WHAT THIS PROPOSED LEGISLATION DOES NOT DO:

- This legislation will not increase regulation on any voice or broadband provider in New Mexico. The bill specifically does not apply to the incumbent rural telecommunications carriers.
- This legislation does not relieve any company from its obligation to provide basic voice service to its customers.