

# Opportunities for Enhancing Broadband Development in NM

NM Legislative Interim Science, Technology & Telecommunications  
Committee

July 25, 2016

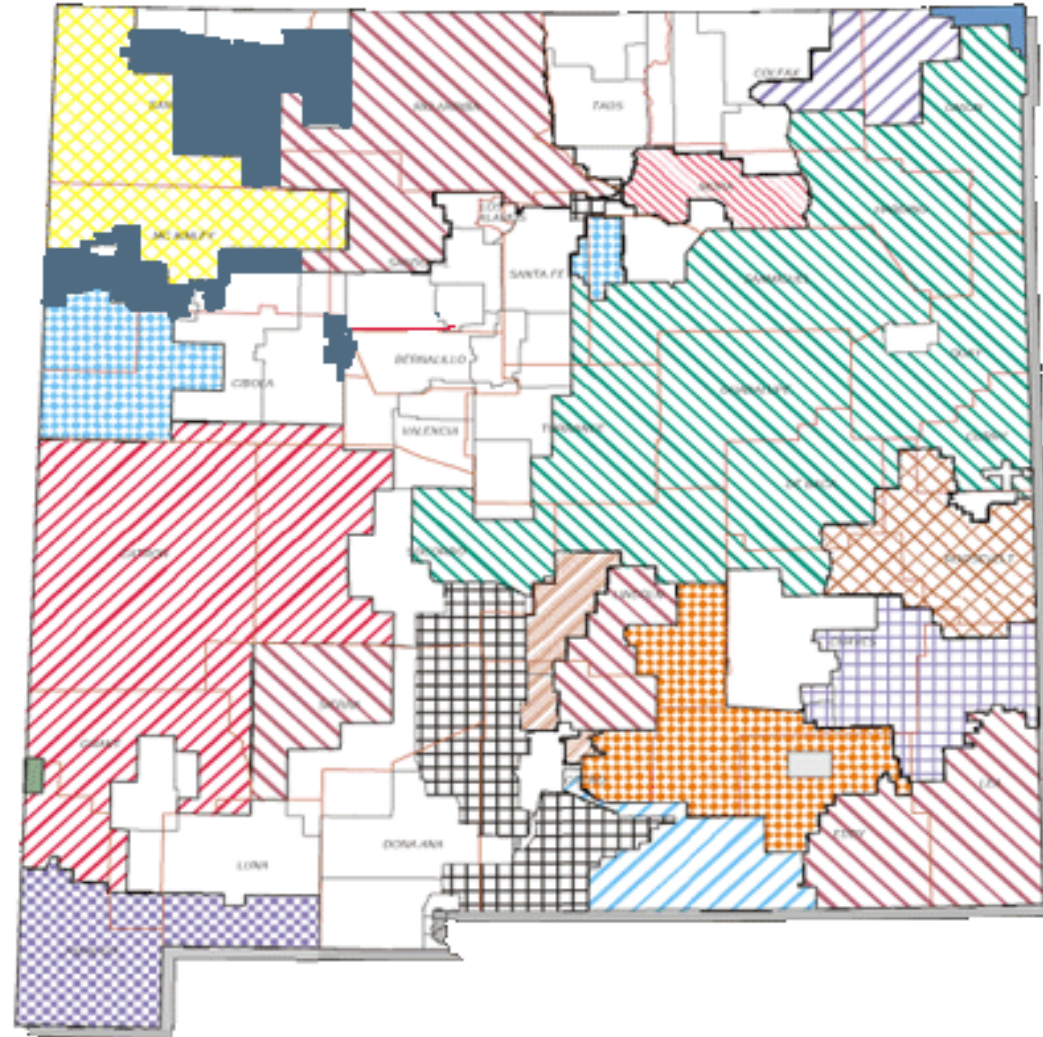
# National Resources

- ARRA 2009 (“Stimulus Act”)
- USDA – RUS Grants & Loans
- NTIA Grants
- FCC Grants
  - USF/CAF mobility Fund
  - CAF I Broadband grants - 2012
  - CAF II Broadband grants – 2014
  - Broadband Experimental Grants - 2015

# National Resources **actuals**/potentials in NM

- ARRA 2009 (“Stimulus Act”)
- USDA – RUS Grants & Loans
  - \$171.7 M (?) infrastructure in NM
  - \$150-\$200 Million annually
    - Est. \$80-\$100 M over last 5 yrs
- FCC Grants
  - USF/CAF mobility Fund
  - CAF I Broadband grants - 2012
  - CAF II Broadband grants – 2014
  - Broadband Experimental -2012
  - \$500 Million annually
  - \$2.3 M over 6 years to rural NM
  - \$85 M over 6 years to rural NM
  - \$00

# NM Local Exchange Carrier territories



# National Resources by Rural Area

## Price Cap Carriers

(CenturyLink, Frontier, Windstream)

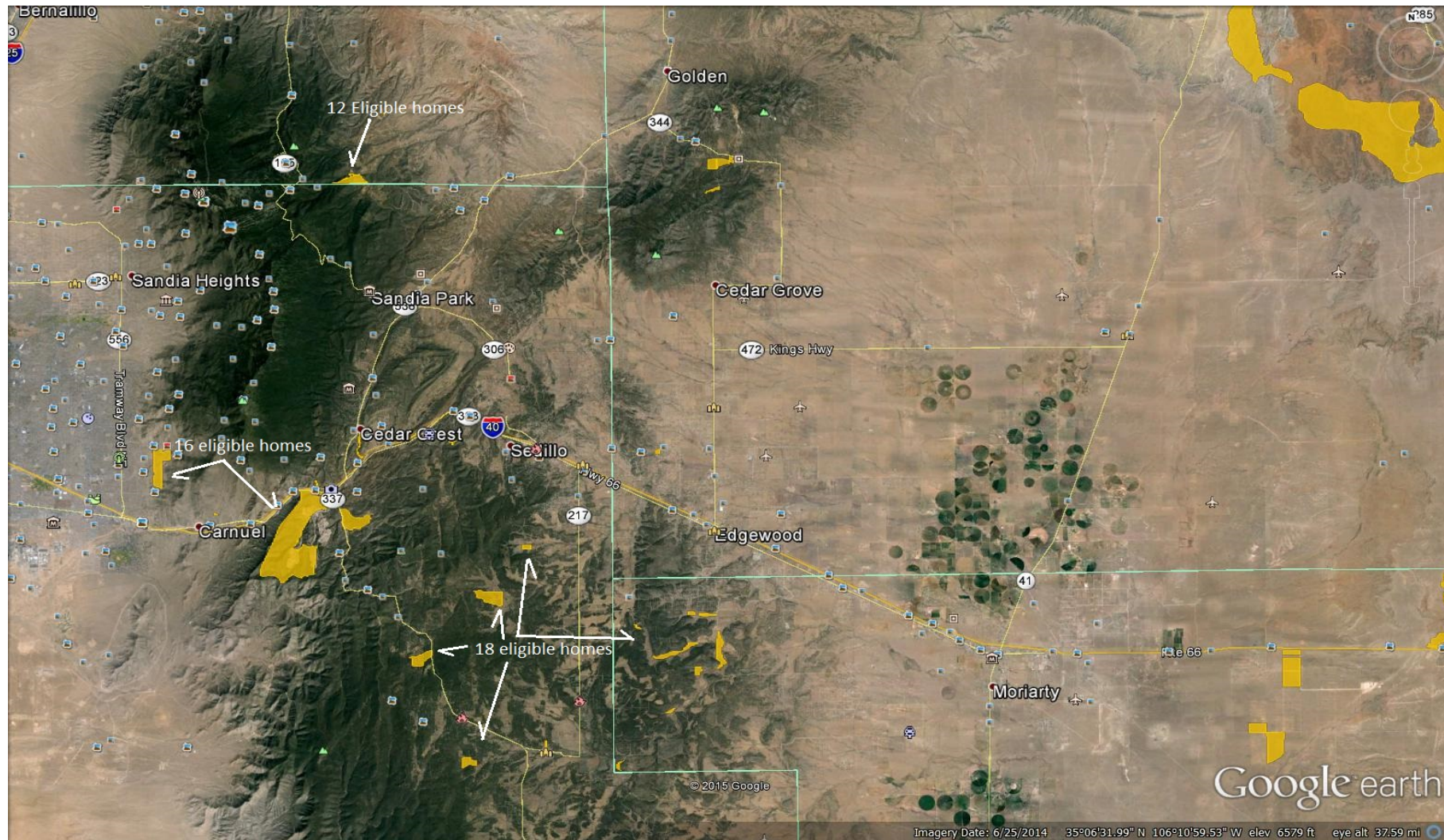
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## Rate of Return Carriers

(Smaller rural telcos)

- ARRA 2009 (“Stimulus Act”)
- USDA – RUS Grants & Loans
- NA
- If PC carriers reject
- If PC carriers reject

# CAF Phase I & II “Eligible Locations”



# NM Resources

## **Actual**

- Nascent PRC Broadband Fund

## **Potential**

- Capital Outlay
- Appropriations or Earmark
- NM Tribal Infrastructure Fund
- Municipal Bonding

# Sacred Wind Communications' Solution

## Basic infrastructure

- \$55 Million USDA-RUS loan
  - Hardest to serve area
  - Phone: 26% -> 85% coverage
  - Broadband 0% -> 85% coverage
  - Built for 4 Mbps download

## Broadband development

\$13.8 million USDA-RUS loan

- Increase capacity to 20 Mbps
- Scalable to 100 Mbps download

Fiber to Tower to Home  
Fiber to Copper to Home





# Sacred Wind's Broadband Resource Attempts

- USDA-RUS Loan - Navajo ✓ \$55 Million
- USDA-RUS CCG grant – Navajo ✓ \$436,000
- USDA-RUS CCG grant – Jamestown X \$350,000
- ARRA stimulus grant/loan – Navajo X \$8 Million
- FCC Broadband Experiment - Navajo X \$1.5 Million
- USDA-CCG grant – Laguna Pueblo V.2 ✓ \$3.3 Million
- NM TIF grant – Navajo-owned X \$1.2 Million (dropped)
- USDA-RUS Loan - Navajo ✓ \$13.8 Million

# Broadband Challenges in Rural NM

- Lack of sound business case without governmental support
  - Low population density in rural areas
  - Low income populations
- Federal programs are nice, but insufficient to meet objectives
- State programs are lacking

# New Mexico Infrastructure Resources

- Carriers' Capital Investments
  - 15 Local Exchange carriers
  - ½ dozen Mobile carriers
  - Cable TV Broadband in larger cities and towns
  - Independent Internet Service Providers
- Entrepreneurial or Municipal
- NM PRC Broadband Fund
- State capital outlay & Appropriations
- Tribal Infrastructure Fund

# What is our objective?

## Broadband available to every home?

- Define Broadband
  - 10 Mbps down load
  - 25 Mbps download
  - How much really needed?
- Define Rural
  - Target help to smallest areas

## How much will this cost?

- A lot
  - Capitalize on diverse technologies
  - Wireless in more rural areas –fixed and mobile
- It will cost a lot more to do nothing

# Solutions?

## **Collaboration needed**

- Carriers must push the technology envelope
- PRC fund needs to grow
- Legislative commitment
- City engagement
- State Transportation Dept. commitment

## **Legislative commitment**

- Tax incentives for rural investment
- Tax incentives or seed money for technology trials
- Earmark support to PRC fund
- Provide matching money to cities
  - Require a broadband plan
- “Liberalize” rights of way for fiber cable

# Bottom Line Messages

- Broadband development is up to us in NM
  - Comprehensive rural coverage will take time
  - Companies must venture into a mix of technologies
  - State support (PRC & legislative) must follow a plan
- 
- Broadband development will not automatically increase economies in rural areas. It is a tool, not an outcome.