

State of New Mexico

Office of the Governor

Bill Richardson
Governor

October 13, 2009

Mr. Larry Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230-0001

Dear Mr. Strickling:

The state of New Mexico is very excited to be a participant in the Broadband Stimulus Initiative. We fully believe this program will not only provide an economic stimulus for the immediate term but will also have significant impact on the state's economic development and growth over the next generation. Broadband deployment across our vast state will provide benefit in all areas of education, healthcare, public safety, government services, business development, and citizen welfare.

New Mexico is a rural state and many of our citizens do not have access to high speed broadband services. The Obama administration, including the Federal Departments of Commerce and Agriculture, realize long term economic development is dependent on a sustainable infrastructure in technology as well as in more traditional areas of capital investment. We also recognize the value broadband access provides to our businesses, citizens and public institutions.

The New Mexico recommendations include analysis of both BTOP and BIP and their relationship to each other. While we understand our recommendations are mainly for BTOP efforts, many of the BIP applications have also been forwarded to Commerce for potential funding. In addition, we have worked with the Navajo Nation and have included our support of several of their initiatives.

The Federal Grant Data Base includes at least 108 applications that mention New Mexico as part of their service area. Our team reviewed these and selected 58 for a more detailed analysis. From these we have selected 31 that we believe meet the greatest needs of the state. They demonstrate a great opportunity to create jobs, provide enhanced services, and promote economic development. They are complementary to our statewide strategic broadband initiative that we began in 2008, and they provide broadband coverage for a wide area of New Mexico.

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As Governor, I ask that you consider our recommendations in your final analysis. We stand ready to respond to any questions you may have and to provide any additional information you may need. We look forward to working with you and the Department on this key initiative.

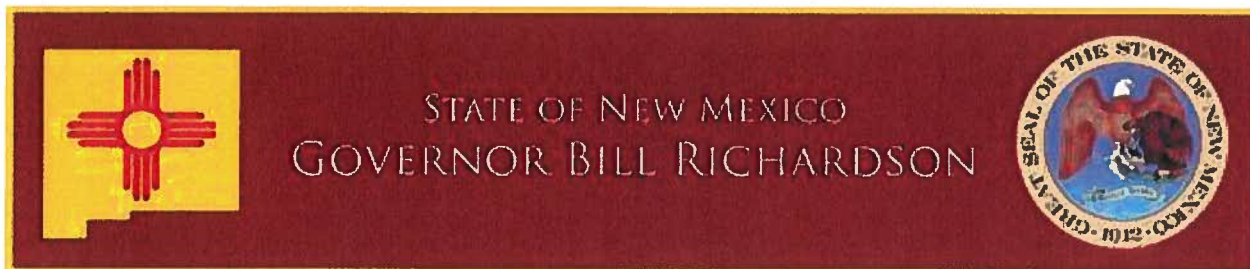
Sincerely,

A handwritten signature in black ink that reads "Bill Richardson". The signature is written in a cursive style with a long, sweeping underline.

Bill Richardson
Governor of New Mexico

BR/fl

cc: Mr. Ian Martinez
Senior Advisor and Director of Outreach
BTOP Program
Department of Commerce



State of New Mexico

Strategic Broadband Recommendations

For the
Department of Commerce
National Telecommunications and Information Administration
Broadband Technology Opportunities Program

State of New Mexico Strategic Broadband Recommendations

Executive Summary

The state of New Mexico is very excited to be a participant in the Broadband Stimulus Initiative. We fully believe this program will not only provide an economic stimulus for the immediate term but will also have significant impact on the state's economic development and growth over the next generation. Broadband deployment across our vast state will provide benefit in all areas of education, healthcare, public safety, government services, business development, and citizen welfare.

New Mexico is a rural state and many of our citizens do not have access to high speed broadband services. The Obama administration, including the Federal Departments of Commerce and Agriculture, realize long term economic development is dependent on a sustainable infrastructure in technology as well as in more traditional areas of capital investment. We also recognize the value broadband access provides to our businesses, citizens and public institutions.

The New Mexico recommendations include analysis of both BTOP and BIP and their relationship to each other. While we understand our recommendations are mainly for BTOP efforts, many of the BIP applications have also been forwarded to Commerce for potential funding. We reviewed a total of 108 applications as contained in the federal data base. We recommend full funding of 31 of these grant applications. These include:

<u># Grants</u>	<u>Grant \$</u>	<u>Loan \$</u>	<u>Total \$</u>
BTOP (15)	75,341,548	18,507,000	93,848,548
BIP (16)	134,859,542	94,038,950	228,898,492
Total All	210,201,090	112,545,950	322,747,040

In addition, we have worked with the Navajo Nation and have included our support of several of their initiatives.

State of New Mexico Strategic Broadband Recommendations

Background and Approach

New Mexico embarked on a statewide broadband initiative in the summer of 2008 and began to develop a strategy for infrastructure improvement, service development and cooperative deployment of technology. Coordinated through the Governor's Office of Science and Technology and the Department of Information Technology, a task force was established to develop plans and strategies. New Mexico telecommunication service providers began to meet with the task force to discuss long term requirements, barriers to success, and current broadband capabilities.

The announcement of a broadband stimulus program by the Obama administration was very timely and exciting for the New Mexico team. Beginning in February, 2009, weekly meetings between the task force and all interested service providers were conducted. Over 250 people representing some 40 companies met to discuss strategies, options, collaborative approaches and statewide needs. It is from this multi-partner approach that we offer our evaluation of grant applications and recommendations. We have attached a brief description of this planning process for review. (See Appendix A, Providing a Coordinated Statewide Approach for Broadband Stimulus Applications.) We believe our statewide view provides an important insight into the New Mexico applications and their cooperative working relationships.

The NOFA outlined the categories of funding for BTOP and BIP and provided the definitions for middle mile, last mile, rural and remote. We used these definitions in our application review and established scoring criteria in the following areas:

1. Will the service proposed by the applicant improve broadband access to New Mexico's unserved and underserved populations?
2. Does the service fit within the overall state strategy for broadband?
3. Is the technology to be deployed reasonable and cost effective?
4. Is the budget proposed reasonable, consistent with the technology and area served and does the applicant have demonstrated ability to perform?
5. Is the proposed service affordable?
6. Does the proposed service offer an improvement in quality and is it sustainable?

The state of New Mexico is the fifth largest state by geographic size. One of our objectives in reviewing the applications was to recommend proposals that covered as large an area as possible. We attempted to select the best proposal when many covered the same area and customer base.

State of New Mexico Strategic Broadband Recommendations

Evaluation Team and Process

We divided our evaluation into two teams. One team focused on BTOP and BIP infrastructure, broadband service delivery and territory while the other team focused on BTOP Sustainable Broadband Adoption and Public Computer Centers applications.

The federal grant application data base provided our source of information for the evaluation. We determined that New Mexico was mentioned in at least 108 applications. We created a report of these items and assigned each to the appropriate review team. Following a preliminary review we selected 58 proposals for detailed review. Those that we did not select were those that proposed national approaches to service delivery (i.e. Nationwide Satellite) and adoption and others that we did not think provided a realistic approach for New Mexico.

The 58 selected applications requested nearly \$1B in grants and loans from BTOP and BIP. We believe this group provided a good representation of the entire set of applications and proposed the services needed by our citizens.

The evaluation teams consisted of experts in networking, IT management, business management, government and public relations. In addition we contracted with a broadband expert to provide mapping and national broadband expertise. Each reviewed the applications independently and provided their scores separately. The teams then met and discussed each application in detail. The applications were then placed into priority groupings for final management review. The groupings are identified as A-B-C in the detailed charts later in this document. We support all of the groups but understand funding may not be available in round one for all applications.

State of New Mexico Strategic Broadband Recommendations

BTOP and BIP Available Funds

BTOP and BIP Funding Available Nationwide (Round 1)

<u>Federal Department</u>	<u>Network</u>	<u>Adoption</u>	<u>PC Centers</u>
1. Commerce	\$1.4B	\$150M	\$50M
2. Agriculture	\$2.325B	0	0
Total	\$3.725B	\$150M	\$50M

Note: Numbers include grants and loans

New Mexico Grant Application Summary

The New Mexico broadband grant application review team evaluated the applications filed with the Federal Government and contained in the federal database. These included applications filed with the Department of Commerce and those filed with the Department of Agriculture. Many are complementary and strive to balance sustainability with service to rural and remote locations.

Total applications reviewed: 108
Total selected for detail review 58

<u>Federal Department</u>	<u>#</u>	<u>Grant \$</u>	<u>Loan \$</u>	<u>Total</u>
1. Commerce (BTOP)				
a. Detailed review	22	\$130,996,000	\$ 50,207,000	\$181,203,000
b. General review	20	\$457,689,000	\$127,890,000	\$585,579,000
2. Agriculture (BIP)	16	\$134,859,542	\$ 94,038,950	\$228,898,492
Totals	58	\$723,544,542	272,135,950	\$995,680,492

State of New Mexico Strategic Broadband Recommendations

New Mexico Recommendations

We recommend funding 31 of the 58 grants reviewed as follows:

Commerce BTOP Network Grants (11) – Reference Chart #1 below

<u># Grants</u>	<u>Grant \$</u>	<u>Loan \$</u>	<u>Total \$</u>
A-5	39,630,000	9,830,000	49,460,000
B-5	20,627,000	8,677,000	29,304,000
C-1	6,700,000	0	6,700,000
11	66,957,000	18,507,000	85,464,000

Commerce BTOP PC Center Grants (2) -- Chart #2

<u># Grants</u>	<u>Grant \$</u>	<u>Loan \$</u>	<u>Total \$</u>
A-2	977,600	0	977,600

Commerce BTOP Adoption Grants (2) -- Chart #2

<u># Grants</u>	<u>Grant \$</u>	<u>Loan \$</u>	<u>Total \$</u>
A-2	7,406,948	0	7,406,948

Agriculture BIP Grants (16) - Chart #3

<u># Grants</u>	<u>Grant \$</u>	<u>Loan \$</u>	<u>Total \$</u>
A-7	68,726,339	27,984,032	96,710,371
B-5	64,794,570	66,054,918	130,849,488
C-4	1,338,633	0	1,338,633
16	134,859,542	94,038,950	228,898,492
Total BTOP	75,341,548	18,507,000	93,848,548
Total BIP	134,859,542	94,038,950	228,898,492
Total All	210,201,090	112,545,950	322,747,040

State of New Mexico Strategic Broadband Recommendations

In addition to the 31 grants outlined above, New Mexico is supporting two grants submitted on behalf of the Navajo Nation. We understand the Commerce Department will be reviewing these separately from other state grants since the Nation covers several states.

Navajo Nation Commerce BTOP Network Grants (2) – Chart #4

# Grants	Grant \$	Loan \$	Total \$
A-2	26,600,000	17,200,000	43,800,000

Charts Delineating New Mexico Broadband Landscapes

The following charts identify the grant applications for each category:

Chart 1 – BTOP Infrastructure Group A-B-C	11 applications
Chart 2 – BTOP PC Centers and Adoption	4 applications
Chart 3 --BIP Last Mile	16 applications

In addition we have included the Navajo Nation applications:

Chart 4 – BTOP Navajo Nation	2 applications
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State of New Mexico Strategic Broadband Recommendations

Chart 1 - BTOP Infrastructure Group A-B-C

Entity	Area	Grant \$ (M)	Loan \$ (M)	ID#	Type	Group
ENMR	East NM	11.200		587	Fiber	A
Leaco	SE NM	5.000		1314	Wi-Max	A
Penasco	S NM	13.600		2582	Fiber	A
Kit Carson	NC NM	9.200	9.200	2611	Fiber	A
Ildelfonso	Pueblo	0.630	0.630	1176	Radio	A
Subtotal A		39.630	9.830			49.460
LA Cnty	NC NM	7.000	7.000	1181	Fiber	B
Santa Fe	Cty/Cnty	6.000		2072	Fiber	B
Artesia	Artesia	0.950		2927	Fiber	B
US Cable	NC NM	5.000		1260	Cable	B
Brainstorm	Farmington	1.677	1.677	2556	Wi-Max	B
Subtotal B		20.627	8.677			29.304
CNSB	C Pueblos	6.700		22	Wi_Max	C
Subtotal C		6.700	0.000			6.700
Sub ABC		66.957	18.507			85.464

State of New Mexico Strategic Broadband Recommendations

Chart 2 - BTOP PC Centers and Adoption

Company	Grant \$	Description	Band	Rank
PCC (Public Computing Center)				
Santa Fe Civic Housing Authority	\$ 177,600	Provides CAD instruction and subsequent opportunities for high achiever. Focus on disadvantaged/underserved geographies/demographics. Good outlook for maintaining program after grant is over.	A	1
All Indian Pueblo Council - Ohkay Owingeh	\$ 800,000	Provides mobile computer van for 19 pueblos. Review committee shared concerns over logistics and recurring costs.	B	2
Subtotal PCC	\$ 977,600			
Adoption (Sustainable Broadband Adoption)				
New Mexico State Library	\$ 1,457,488	Broadband awareness campaign, conference, and workshops + website.	A	1
All Indian Pueblo Council - Ohkay Owingeh	\$ 5,949,460	Health oriented grant to leverage 5 existing facilities telehealth infrastructure and provide mobile facility.	A	2
Subtotal Adoption	\$ 7,406,948			
Total PCC and Adoption	\$ 8,384,548			

State of New Mexico Strategic Broadband Recommendations

Chart 3 - BIP Last Mile

Entity	Grant	Loan	Description	Group
Rio Arriba	\$ 13,965,000	\$ 14,535,000	NC NM, REDI partner, fiber to the premise	A
Baca Valley	\$ 1,586,000	\$ 1,651,000	NE NM, last mile non remote	A
Western	\$ 11,516,679		SW NM, last mile, remote	A
Sacred Wind	\$ 24,137,099		Navajo lands, last mile	A
La Jicarita	\$ 10,190,600	\$ 4,367,400	Mora, last mile remote	A
PVT	\$ 4,770,660	\$ 4,818,607	SE NM, last mile, non-remote, fiber and wireless	A
Leaco	\$ 2,560,301	\$ 2,612,025	P-1, last mile, non-rem, ENMU-west Tex	A
Sub A	\$ 68,726,339	\$ 27,984,032		\$ 96,710,371
Leaco	\$ 10,115,886	\$ 10,320,249	Project 3, last mile, non-remote, Lovington	B
Leaco	\$ 14,959,498	\$ 15,261,711	Project 4, last mile, non-remote, Jal	B
PVT	\$ 28,193,995	\$ 28,477,352	last mile, non-rem, wireless, mid mile fiber, wide area	B
Agavue	\$ 8,475,763	\$ 8,821,712	last mile, non remote, wireless, northern nm	B
Agavue	\$ 3,049,428	\$ 3,173,894	last mile, non-remote, southern nm	B
Sub B	\$ 64,794,570	\$ 66,054,918		\$ 130,849,488
New EA	\$ 326,439		Last mile, remote, WiFi, Chimayo	C
New EA	\$ 412,155		Last mile, remote, Espanola	C
New EA	\$ 281,934		Last mile, remote, Questa	C
New EA	\$ 318,105		Last mile, remote, Dulce	C
Sub C	\$ 1,338,633	\$ -		\$ 1,338,633
Sub B and C	\$ 66,133,203	\$ 66,054,918		\$ 132,188,121
Total	\$ 134,859,542	\$ 94,038,950		\$ 228,898,492

State of New Mexico Strategic Broadband Recommendations

Chart 4 - BTOP Infrastructure - Navajo Nation

Entity	Area	Grant \$ (M)	Loan \$ (M)	ID#	Type	Group
Navajo NT	NM,AZ,UT	17.200	17.200	2023	Fiber Wi-Max	A
Navajo TC	WC NM	9.400			Wireless	A
Sub Navajo		26.600	17.200			43.800

State of New Mexico Strategic Broadband Recommendations

Many of these companies will be applying for RUS BIP and NTIA BTOP funding to help support their investments in extending middle and last mile fiber and wireless infrastructure to the many communities and 'anchor sites' they serve. Meeting State's needs should also promote expansion over time to businesses, residents and telecom users in their local service areas.

A few NMECG companies and some CLEC or ISP wireline and wireless providers will not be applying for stimulus support because these firms have existing RUS loans or have recently applied for RUS Community Connect grants. They have indicated, however, that they can provide the bandwidth and 'anchor-site' connectivity in their service areas, as requested by the State DoIT.

The NM-ISBI plan calls for establishing equitable and affordable broadband access for all of the state's currently rural unserved and underserved areas. It is intended that this objective can be achieved over the next two to four years. Understanding this as an economic, rather than technical issue, New Mexico intends to be serve as a national test-bed for extending world class telecom and broadband connectivity, by showing how to create sustainable public/private partnerships that can support urban-rural affordable networks and services over the long-term.