

BEAD Program: A Framework to Allocate Funding for Broadband Availability

State Broadband Report: New Mexico

January 2024





1 Eligible Locations

How many unserved/underserved locations are eligible for BEAD funding?

19%

161K LOCATIONS

OF NEW MEXICO LOCATIONS LACK HIGH-SPEED BROADBAND IN JUN 2023

VS. 9% STATE/TERRITORY AVERAGE

UNSERVED LOCATIONS, JUN. 2024



54.0K
LOCATIONS

Are estimated to lack broadband access at **25/3 Mbps**

UNDERSERVED LOCATIONS, JUN. 2024



36.8K
LOCATIONS

Are estimated to lack broadband access at **100/20 Mbps**

These locations are primarily in rural areas and are eligible for BEAD funding to deploy broadband service.

2 Total Funding

How much capital funding is the State/Territory estimated to have?

\$675M

IN BEAD FUNDING HAS BEEN ALLOCATED TO NEW MEXICO

VS. \$743M STATE/TERRITORY AVERAGE

ESTIMATED BEAD FUNDING:

BEAD Funds allocated by NTIA

\$675M

Estimated Provider Match

\$270M

Estimated Total Capital

\$946M

The provider match is estimated using a high-level service provider business case. See national summary deck for full details.

3 Deployment

How many locations can be covered with fiber and other technologies?

**\$235M-
\$675M**

OF BEAD FUNDS IS REQUIRED TO BUILD HIGH-SPEED BROADBAND TO ALL ELIGIBLE LOCATIONS

DEPLOYMENT SCENARIOS:



Baseline Fiber



Maximum Fiber

100%
LOCATIONS REACHED

44%
FIBER LOCATIONS

100%
LOCATIONS REACHED

73%
FIBER LOCATIONS

\$505M

TOTAL CAPITAL COST

\$946M

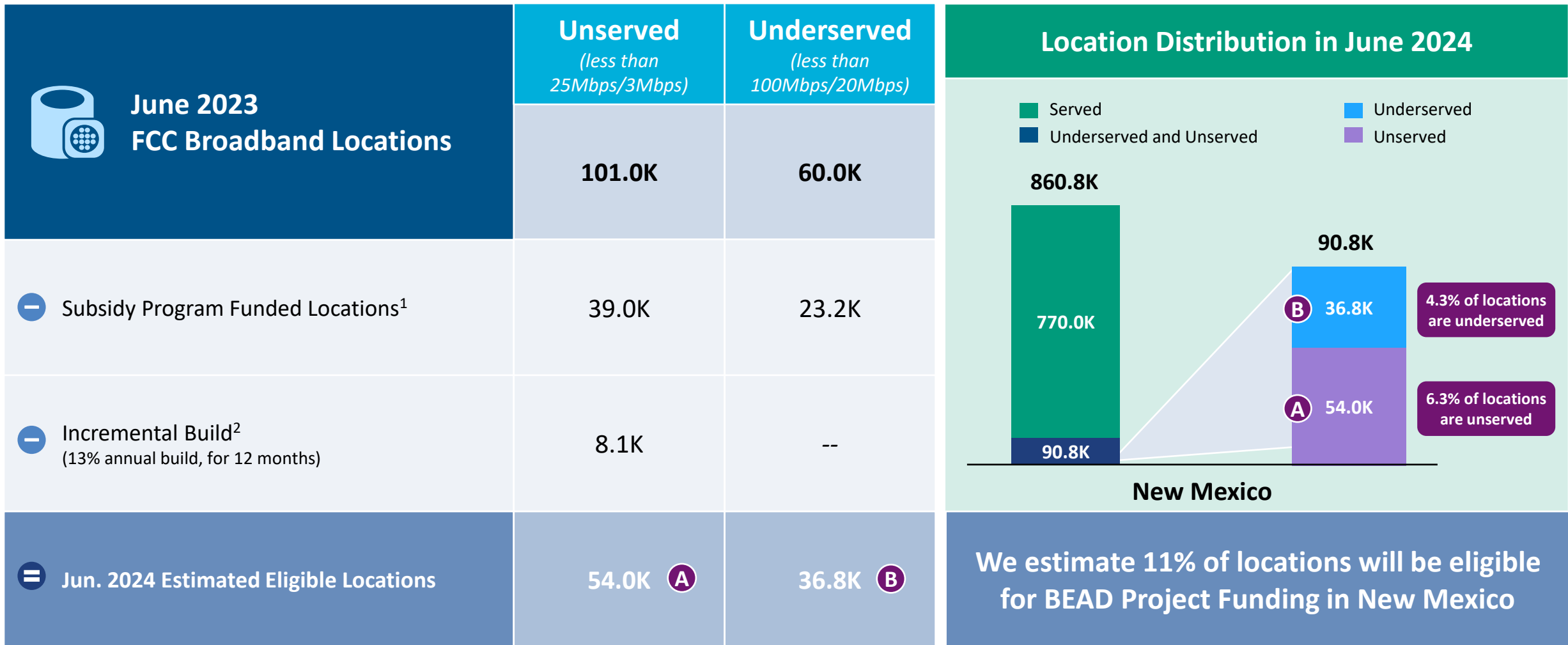
TOTAL CAPITAL COST

\$441M

REMAINING BUDGET

\$--M

REMAINING BUDGET



1. Locations with “commitments” to receive support from federal subsidy programs

2. Given the uncertainty around the magnitude of locations moving from unserved to underserved, we have not made incremental builds adjustments to underserved locations

BEAD eligible locations does not account for state-specific eligibility rules set forth in Initial Proposals

Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)

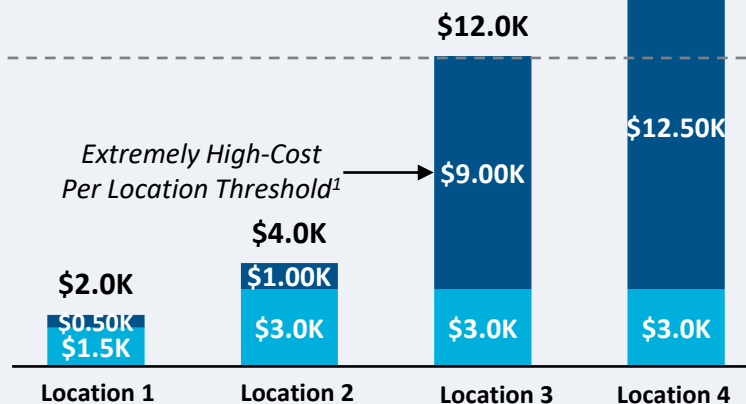
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Provider Match Examples

Total Deployment Cost per Location

- BEAD Funds Per Location
- Estimated Provider Match

High-Cost
Areas
\$15.5K

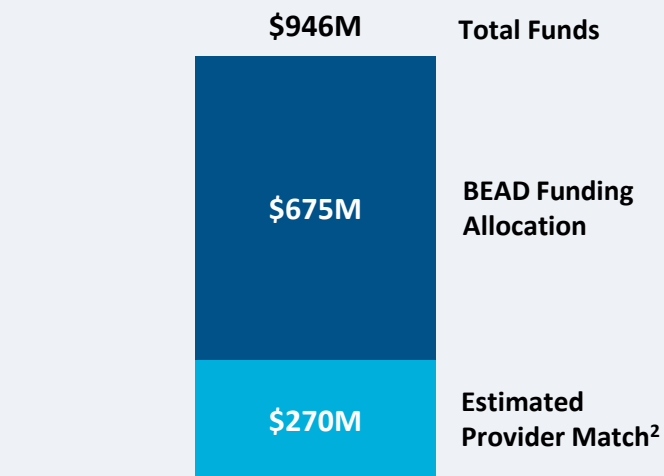


Provider Match %

75%	75%	25%	19%
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To be conservative, we assume provider match amounts have a maximum of 75% and a minimum of 25%, except in high-cost areas

Total Capital Available - New Mexico



\$946M in total capital is estimated to be available to serve unserved/underserved New Mexico locations (combining BEAD funding and estimated provider match)

Provider Match - New Mexico

Total Estimated
Provider Match: **\$270M**

Total Estimated
Eligible Locations: **90.8K**

Average
Provider Match: **\$2,976**
PER LOCATION

We estimate the average provider match will be \$2,976 – provider matches will be 75% where cost to deploy is less than \$4K

1. The model uses a \$9k threshold, however, States/Territories will individually need to determine their appropriate extremely high-cost threshold

2. In reality, providers will determine the viable level of match funding for each project using a business case model. They will be willing to contribute a greater match in some locations and less in others. Locations which are hardest to serve may need to be fully funded by BEAD with no match. Competitive bidding should drive provider matches towards this level.

Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023), Benton, NTIA

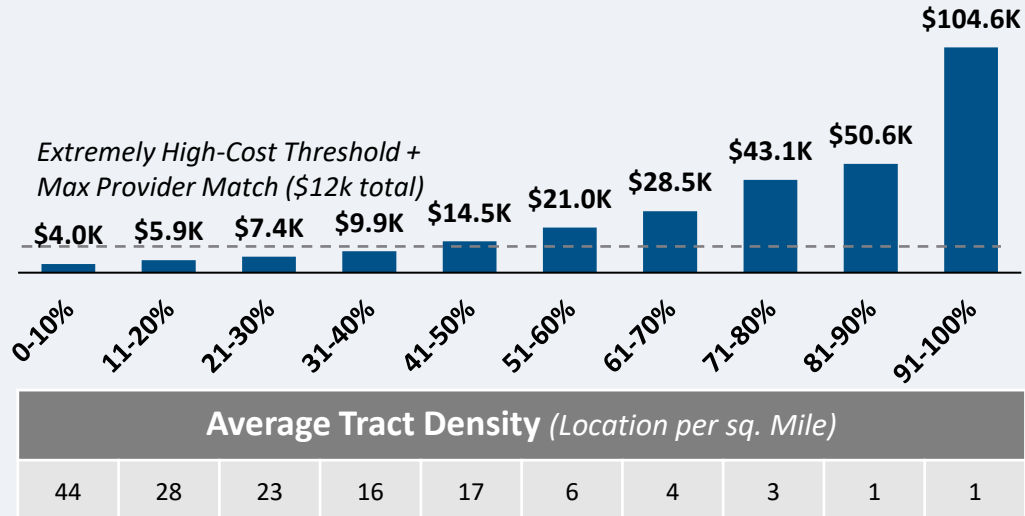
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New Mexico | Cost to Deploy Fiber by Decile

CAPEX Fiber Deployment Cost per Location Segmented by Cost Deciles¹

Unserved Locations

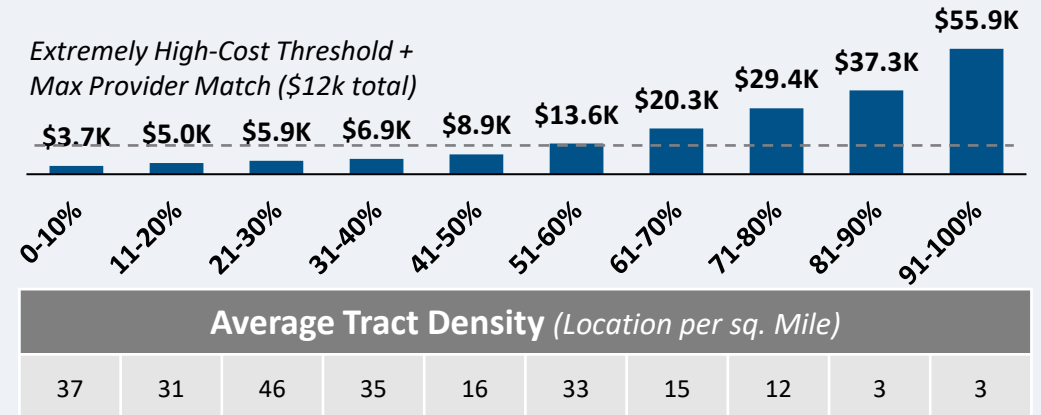
Overall Average Cost per Location: \$29,357



54.0K Locations

Underserved Locations

Overall Average Cost per Location: \$19,637

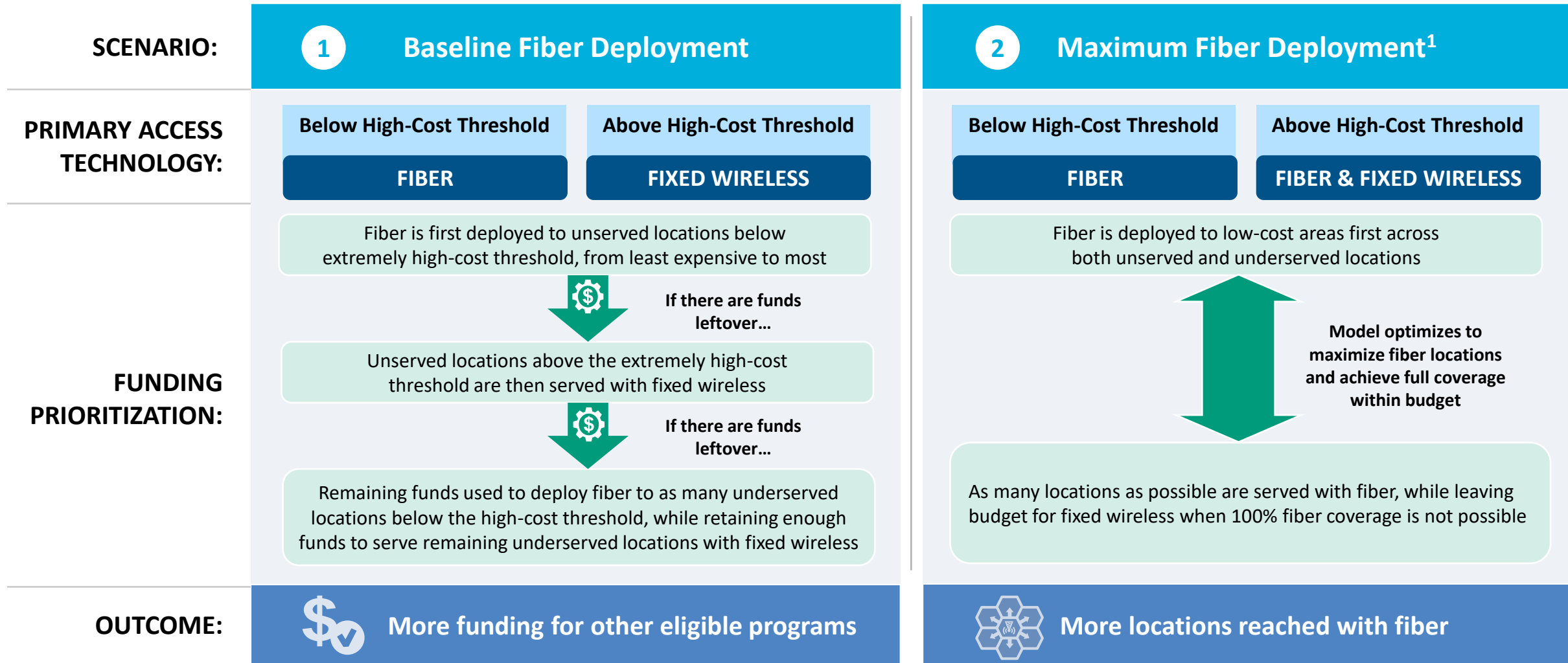


36.8K Locations

Over 40% of locations are estimated to fall below the High-Cost Threshold + Provider Match

1. Chart values are average cost per location for each decile bucket
 Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)
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New Mexico | Fiber Preferencing Scenarios



1. Scenario 2 deploys fiber beyond the extremely high-cost threshold
 Source: Cartesian
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3 Develop Deployment Scenarios

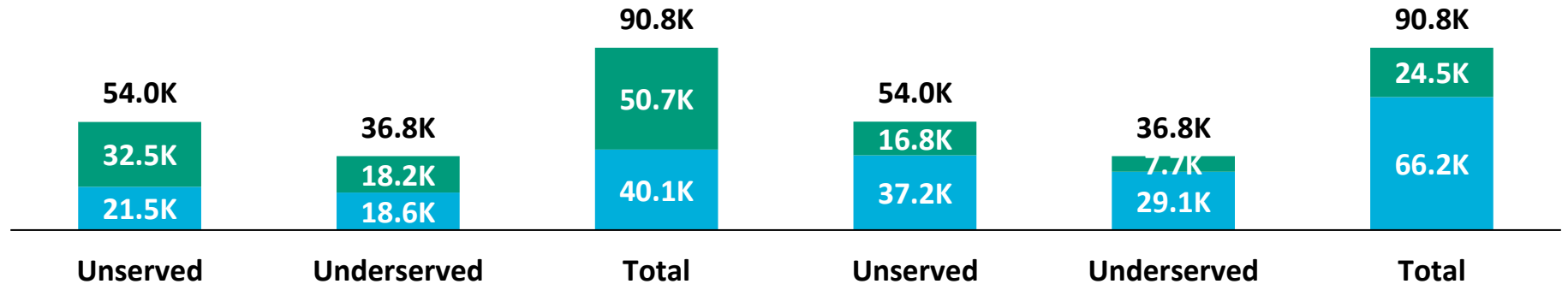
New Mexico | Scenario Analysis Results

SCENARIO:

1 Baseline Fiber Deployment

2 Maximum Fiber Deployment

■ Fixed Wireless
■ Fiber



	Scenario 1	Scenario 2
Capex Required per Locations ¹	\$5,607	\$10,445
BEAD Funds Available to State	\$675M	\$675M
+ Estimated Provider Match	\$270M	\$270M
= Total Available Capital	\$946M	\$946M
- Capex Required to Build	\$505M	\$946M
= Remaining Funds	\$441M	\$--M
% of Locations Reached	100%	100%
% of Locations Reached with Fiber	44%	73%

1. Funding to deploy fiber before the maximum \$3k provider match per location
 Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023), Benton, NTIA
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New Mexico | Conclusion



Funding Summary

New Mexico is expected to receive

\$675M in BEAD funding



\$270M in estimated provider matching

We estimate the funding is sufficient to reach all of New Mexico's 90.8k eligible locations with high-speed broadband



Key Findings

New Mexico will need to decide how far to deploy fiber while considering the trade-off of having higher fiber coverage vs. retaining funds for other BEAD eligible programs

A Baseline Fiber Deployment...



Maximizing Fiber...

- Leaves \$441M additional funds for affordability programs
 - Reaches 44% of locations with fiber
 - Requires 56% to be reached with other tech.
- Exhausts funds without leaving additional funds for affordability programs
 - Reaches 73% of locations with fiber
 - Requires 27% to be reached with other tech.

States/Territories will set their own extremely high-cost threshold and may choose a threshold or funding paradigm different from these two scenarios

New Mexico | ACA Connects Members

Member Name
Beamspeed
Cable One, Inc.
Caribbean Communications Corp dba Innovative Cable
Consolidated Communications, Inc.
Lict Corp
Pvt Networks, Inc.
Stimulus Technologies Of Missouri, LLC
TDS Telecom



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