

LFC Requester:	Hitzman
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**AGENCY BILL ANALYSIS
2023 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment
Correction Substitute

Date 2/4/2023

Bill No: SB320

Sponsor: <u>George K. Munoz</u>	Agency Name and Code Number:	<u>New Mexico Public School Facilities Authority 940</u>
Short Title: <u>BROADBAND COMPANY REDUNDANT CABLE LINES</u>		

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB320 proposes a new section to Chapter 63 NMSA 1978 to include Broadband Service lines. HB320 would require that a company that operates a “middle mile” cable line for broadband internet service providers or customers should maintain a redundant line with the same capacity. The Bill also proposes that if the middle mile service line is cut or if the cable line is disrupted, the operating company shall pay a fine to the public regulation commission in the amount of \$75,000.00 per hour of disrupted service over each mile of cable per hour on a pro rata basis.

The new material offers defined terms to the new section.

FISCAL IMPLICATIONS

SB320 does not make an appropriation.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

Based on the provided definitions, it is unclear if the bill applies only to the “middle mile” and would pertain only to future networks (or include existing). As written, it appears the requirements included in this bill will apply to most, if not all, systems providing broadband services. Network resiliency is extremely important for today’s broadband service, especially for “middle mile” type services. However, the requirement to “*maintain redundant cable lines of the same capacity*” will not eliminate all possible outages (related to outages of internet upstream, equipment or software failures, and cyberattacks).

The requirements (assumed to entail physical separation and path diversity) would significantly increase (possibly double or more) the cost. Which is already very high, estimated in the order of billions of dollars based on Office of Broadband and Access Expansion Three-Year Strategic Plan dated January 1, 2023, to deploy and maintain wired broadband in New Mexico, especially to very rural areas of the state. These requirements will also likely slow down (or stop in some cases) the speed of deployment of wired/high capacity broadband to rural areas.

The proposed penalty cost is likely to result in increases to the cost of service (that is already higher in rural areas) for all users. The penalty and the associated risk (outage) will likely affect rural service and providers in the most significant way (because of long distances involved), where many providers may choose not to provide service any longer.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

There will not be a penalty paid to the Public Regulation Commission by the operating company if the middle mile service line is cut or if the cable line is disrupted.

AMENDMENTS