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High-speed Internet gaps leave rural areas lacking a 'basic right'

By Chris Quintana and Staci Matlock, *The New Mexican*

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Alan Cozzens could sympathize when he read recently that Taos residents were complaining about paying \$70 a month for Internet service that provides sluggish download speeds of 10 Megabits per second. But if you want to know what slow is, he said, drive an hour south to his home in the Pojoaque Valley, where the fastest service he can get is 3 Mbps — at a cost of \$96 a month.

"It's not the money," Cozzens said. "It's the principle of the matter. They're taking advantage of us, and we have no remedy. None."

At a time when high-speed Internet has become as essential to the everyday lives of most Americans as telephone and mail service, many rural communities in New Mexico are stuck with services that provide achingly slow speeds at prices exceeding much faster plans in urban areas. Cozzens, for example, could get Internet service 16 time faster for \$18 less if he lived in Albuquerque. In New York, he could get 300 Mbps for about \$30 less.

The high prices paid by many rural residents for slow Internet stem from a combination of factors, including a lack of competition and government incentives and the high cost of installing fiber-optic cable in far-reaching, thinly populated areas.

The chairman of the Federal Communications Commission last week proposed a dramatic expansion of a federal subsidy program designed to ensure that low-income Americans have reliable, high-speed Internet. The changes, if passed by the commission, could help close the so-called "digital divide" between the economically comfortable and the poor.

But the proposal doesn't address the gaping divide between urban and rural residents. And despite hundreds of millions of dollars in federal stimulus money spent over the last few years to spread fixed broadband to rural areas, an estimated 14 million people in rural areas continue to lack access, according to the FCC.

For some Northern New Mexico residents, that means relying on costly cellular data plans that severely hinder their Internet usage.

Juanito Jimenez, an accomplished artist in the Spanish Colonial style, says neither Comcast nor CenturyLink offers service to his Tesuque home off County Road 74. Jimenez said some of his neighbors do rely on Internet provided by satellite companies such as Dish, but those services often cost as much as DSL or cable for a fraction of the speed.

He and his family rely on a Verizon cell phone plan to use the Internet, and they have to monitor every bit of data they use or face steep overage charges. That makes ordinary luxuries like streaming TV shows and films on sites like Netflix cost prohibitive.

“It shouldn’t be like this,” Jimenez said. “We live seven miles away from Santa Fe. It’s hard to fathom.”

Dee Davis, president of the Center for Rural Strategies, a nonprofit group that seeks to improve social and economic conditions for rural communities, said access to the Internet should be seen as a “basic right.”

That begs a basic question: If the industry won’t provide the service, who will?

Davis said he doesn’t believe government should be obligated to provide it as a utility, though some cities like Chattanooga, Tennessee, have built their own networks to great success, using federal economic stimulus funds. In contrast, some states such as Texas have laws that prevent municipalities from providing Internet service as a utility. What’s most important, Davis said, is that the government play a stronger role in regulating the industry, ensuring that everyone has access to broadband at a fair price.

“If the market was going to work for rural communities, it would have done so already,” Davis said.

Infrastructure’s high price

In 2009, President Barack Obama signed into law the \$787 billion stimulus package, which included \$7.2 billion for broadband grant and loan programs, putting particular emphasis on broadband access in rural areas. New Mexico has received more than \$170 million of that money targeted at laying down fiber-optic cables and creating networks around the state as the backbone of future high-speed networks.

Publicly subsidized fiber-optic backbones are supposed to ease the cost of getting broadband to people in rural and even underserved urban areas while “reducing costs for the consumer,” according to the federal grant applications for projects serving Taos, Rio Arriba, Los Alamos and Santa Fe counties.

But the cost of running fiber from the backbone fiber-optic cable, known as the middle mile, to the doorsteps of small businesses and residential customers remains high, especially if they live in scattered homes well off the beaten path.

“It is very expensive for telecoms and cables companies to build infrastructure to individual homes,” said Duncan Sill, manager of REDI Net, a \$10 million federally subsidized fiber network that is supposed to serve Rio Arriba, Los Alamos and parts of Santa Fe County. REDI Net is managed by a coalition of county and pueblo governments and was built to provide broadband to 110 anchor institutions such as hospitals, emergency responders, schools and community centers. To date, the service is reaching 70 of those institutions, Sill said.

Private service providers such as CenturyLink and Cyber Mesa can tap into REDI Net and bring the broadband to customers like Cozzens and Jimenez.

But just because the fiber-optic cable is available doesn't mean it is easy or cheap to hook into. Some of the nodes are on pueblo land or housed in a competitor's building.

"We have a right to interconnect, but we don't have a place to [connect to] that's economically feasible," said Cyber Mesa's Jane Hill.

In Taos County, Kit Carson Electric Cooperative used a \$45 million federal grant and a \$19 million loan to lay in fiber-optic cable across the county, from Sipapu north to the Colorado border, with a goal of taking the fiber right to customers' homes and small businesses. So far, 332 out of thousands of cooperative members have the new broadband service.

Some customers have complained about the costs, while others see a lot of benefits despite the high monthly price tag.

Sipapu Ski & Summer Resort was "scabbed in" to an old Kit Carson Electric fiber cable two weeks ago and now "we're flyin'," said John Paul Bradley, Sipapu's mountain manager. "We're not even on the new cable yet, but we will be eventually."

Bradley said the resort previously relied on satellite and wireless that provided only about a 5 Mbps download speed. Increasingly, the resort's customers were showing up expecting Internet service for all of their devices. "We were chewing up a month's worth of broadband in three or four days," Bradley said. "We had to pay extra to get more."

Bradley said the resort now gets a 35-to-40-Mbps download speed and only slightly slower upload speed. "It's eliminated our guests not having Internet access," Bradley said.

The price: \$900 a month.

It's steep, but as Kit Carson finishes laying in lines and the whole property is networked, including the campground and cabins, Bradley said the price will be worth it. "It's way more expensive, but we don't have to deal with bandwidth, paying for extra and struggling to meet our customer expectations."

PRC exploring solutions

In the state's eastern half, the local telephone cooperative Plateau is aggressively moving to put in fiber-optic cable and eventually connect every home and business. Plateau received nearly \$28 million in stimulus funds to build or lease 1,890 miles of fiber and bring broadband to 270 institutions. To the communities lucky enough to have fiber running to their premises, like Fort Sumner, Plateau isn't charging extra to connect.

Still, while Plateau wants to provide fiber to all of its members, "with the size of the service area, it is expected to take many years," according to a statement on the cooperative's website. The cooperative serves 25 counties in New Mexico and West Texas.

Prices and speeds still vary widely within Plateau's service area. Estancia residents can get up to 100 Mbps download speeds for \$50 a month, while the same speed costs \$100 in Santa Rosa. Roy villagers can get up to 10 Mbps for \$40 through DSL.

The new fiber cable went in three miles from the ranch house of Public Regulation Commissioner Pat Lyons, who represents the Eastern New Mexico region, too far away to boost

his Internet speed. Still, he thinks the fiber cable means good things to come for rural communities struggling to attract jobs and opportunities. “It will enhance starting businesses in rural areas instead of urban areas,” Lyons said.

Michael Golino knows the connection between good Internet service and good business all too well. Golino runs a photo identification software company in Galisteo and has team members located around the world. Internet access, he said, is a must, which is why he shells out \$98 a month for a spotty 3 Mbps download speed from Higher-Speed Internet in Moriarty.

Even at that higher price, he said, his service often slows to 0.4 Mbps — by comparison dialup is 0.56 Mbps — and something as simple as inclement weather can tank his Internet access. While speaking with *The New Mexican*, he joked that the phone call, a service he accessed via Internet, could disconnect at any time.

The PRC has put together a broadband task force, a group of telecom professionals and state Internet technology staffers, to look at ways to improve Internet access across New Mexico. The group’s recommendations are due to state regulators by June 10.

Finding funds to boost broadband

Different groups around the state have worked for a couple of years to identify the problems, costs and financing to boost broadband around New Mexico.

Les Montoya, manager of rural San Miguel County and president of the North East Regional Economic Development Organization, said his group is waiting for a baseline study from the state Department of Information Technology analyzing available broadband in the region and identifying possible funding sources for infrastructure.

The state received \$4.7 million in federal funds to establish a broadband program that’s focused for the last couple of years on mapping broadband availability, promoting digital literacy and finding out why people don’t subscribe to the Internet in their homes. New Mexicans surveyed said the three biggest reasons they don’t have Internet at home was because they don’t have broadband access, can’t pay for the service or don’t have a computer.

Gar Clarke, who heads up the broadband division of the New Mexico Geospatial Program, a state division that maps Internet availability across the state, said part of the problem is the state doesn’t have a fund dedicated to investing in Internet infrastructure.

A bill that would have provided such a fund died in committee during the last legislative session. Without that money, the state can’t provide matching funds for federal grants, often a requirement to procure that money, and can’t invest in local community projects, Clarke said.

In Eldorado, a small community 15 miles southeast of Santa Fe, residents got fed up with poor Internet service. So about a decade ago, they banded together and started their own. The service, known as the La Canada Wireless Association, provides wireless access to about 400 residents in and around the subdivision, said association president Joel Yulich. The group ties into lines from a CenturyLink hub in Santa Fe and then broadcasts Wi-Fi signals to its customers from fixed points.

“On a small scale, it’s really not that difficult,” Yulich said.

Sharon Strover, an Internet expert and professor at the University of Texas at Austin, said that kind of system is becoming more common across the country as the cost to purchase and use the technology declines.

By no means is a fixed wireless system the perfect solution for rural communities. Yelich said transmissions can be affected by numerous factors such as terrain and inclement weather. Additionally, speeds for the La Ca-ada community vary from 1.5 to 3 Mbps depending on the resident's proximity to wireless transmitters.

But whereas Cozzens currently pays \$50 for 1.5 Mbps (and would pay \$96 for 3 Mbps) through CenturyLink, a major Internet provider in the Southwest, members of the La Canada community only pay \$30 a month for their service.

CenturyLink said it's able to provide coverage for most of the Pojoaque Valley and other nearby portions of Northern New Mexico with Internet speeds ranging from 1.5 to 40 Mbps.

Sara Spaulding, a spokeswoman for the company, said it doesn't charge more in rural areas despite what some people might say. She said prices, however, do vary based on promotional contracts and bundled discounts, which could explain the differences in price.

"It's not an apples-to-apples comparison," Spaulding said.

Spaulding said the national company is developing infrastructure to "upgrade services as it makes good business sense." The spokeswoman also said the company has had issues developing Internet services in Northern New Mexico because of right-of-way issues with tribal lands.

Those explanations don't sit well with Cozzens, who recently saw his rates go up by a dollar.

"It must be really great to be an unregulated monopoly and get to stick it to your customers any time you feel like for as much as you want," he said.

The Santa Fe New Mexican is a sister paper of The Taos News.



Katharine Egli

Donnie Ward tests fiber-optic connections in the Kit Carson Telecom offices in this photo taken in March.