

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE PETITION OF
MESCALERO APACHE TELECOM, INC.
FOR SUPPORT FROM THE NEW MEXICO
RURAL UNIVERSAL SERVICE FUND

MESCALERO APACHE TELECOM, INC.,
Petitioner.

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Docket No. _____

**MESCALERO APACHE TELECOM, INC.'S
PETITION FOR SUPPORT FROM THE
NEW MEXICO RURAL UNIVERSAL SERVICE FUND**

Mescalero Apache Telecom, Inc. (MATI) hereby petitions the New Mexico Public Regulation Commission (PRC or Commission) for support from the New Mexico State Rural Universal Service Fund (SRUSF), pursuant to the Rural Telecommunications Act, section 63-9H-6(N) and 17.11.10.25 NMAC. In support of this Petition, MATI states the following.

I. Introduction

A. Background

MATI is 100% owned and operated by the Mescalero Apache Tribe and provides vital communications and broadband services to the Reservation. MATI was formed on February 16, 1999, through the purchase of assets from GTE, and on August 4, 2000, received operating authority from the PRC and was approved as an Eligible Telecommunications Carrier (ETC) on August 15, 2000.¹ Since that time, MATI has deployed a fiber-based network to 100% of the Mescalero Apache Reservation. To accomplish this, MATI has invested over \$24 million in its network on the Reservation and has started a federally-funded project to extend middle mile service to better serve the Mescalero Apache people.

¹ Final Order, Utility Case No. 3364, August 15, 2000

MATI now seeks additional SRUSF support pursuant to state law and rules to assist with the ongoing operations and maintenance of this vital network and Tribally-owned business. This is in continuation of the PRC's statement that it looks "forward to working with the Mescalero Tribal community in closing the 'digital divide' that currently exists between them and much of the rest of the State of New Mexico."²

B. Basis of Support Request

MATI requests additional SRUSF support pursuant to provisions contained in the New Mexico Rural Telecommunications Act (RTA) and NMAC. According to these provisions, an ETC serving rural areas of the state may petition the PRC for such support when it is needed to ensure the widespread availability and affordability of universal service in the rural area(s) of the state served by the ETC. Such petitions must also (1) identify the geographic area for which support is intended, and (2) demonstrate with particularity how the proposed payments from the fund will be used in a manner consistent with the use of fund support requirements contained in 17.11.10.27 NMAC. Most importantly, 17.11.10.27(A) NMAC states that support must be used to maintain and support universal service. Finally, the PRC must find that granting of additional support is in the Public Interest.³

As MATI demonstrates in the testimony provided with this petition, the SRUSF requested herein is needed to ensure local telephone and broadband universal service is available and affordable, and to enable MATI to maintain and support universal service. MATI's required support calculation is based on its 2025 financial statements, adjusted for known and measurable changes. An analysis of this financial data demonstrates that, on an intrastate-allocated basis, MATI requires

² *Id.*, at p. 2

³ 17.11.10.24(B) NMAC

\$1,165,442 in annual need-based SRUSF support. MATI requests that this support be paid for a period of five years.

C. Introduction of Witnesses

MATI offers the testimony of the following witnesses with this petition:

- **Godfrey Enjady, General Manager:** Mr. Enjady will testify on issues related to MATI's history, public interest issues regarding the issuance of SRUSF support, and the merits of MATI's petition.
- **Chris Barron, Senior Manager, Aldrich CPAs + Advisors:** Mr. Barron will cover MATI's financial projections and calculation of required support, as well as issues regarding how this request meets the NMAC requirements.

D. Overview of Current Operations

MATI's current service area consists entirely of the Mescalero Apache Reservation in south central New Mexico. As of 12/31/2025, MATI served 994 customers in total: 667 residential and 327 business. All of these customer locations have fiber-based service available as a result of MATI's intense work to deploy a 100% fiber network on the Reservation and thereby close the digital divide for the Mescalero Apache people.

As explained further in Mr. Enjady's testimony, MATI's customer base, as with many other Tribal areas, presents affordability and adoption challenges. This is best explained by examining certain demographic data: for example, the per capita income on the Mescalero Apache Reservation is \$20,754, less than half of the nationwide amount of \$44,673; the median household income on the Reservation is \$36,927, compared to \$64,059 for New Mexico and \$80,734 for the United States as a whole; and on the Reservation, 28.7% of the population is below the federal poverty level, compared to 16.4% statewide and 12.5% nationally. Finally, approximately 415 of

MATI's residential households participate in the federal Lifeline program, which is 62% of MATI's total households.

E. MATI's Current Network

MATI is the only Tribally-owned telephone company in the State of New Mexico. MATI serves approximately 1,200 residents on the Mescalero Apache Reservation scattered around its 719.2 square mile territory and currently provides fiber to the home for all individuals and businesses located on the Mescalero Apache Reservation. MATI has received financial assistance from the National Telecommunications and Information Administration (NTIA), under its Tribal Broadband Connectivity Program for construction of a new Supervisory Control and Data Acquisition system (SCADA), a new Office Building and Data Center, a transport fiber route from the Mescalero Apache Reservation to El Paso, Texas to provide high speed broadband internet and redundancy to the Reservation and its residential and business customers, and potentially the construction of new Towers if funding is available. MATI has additionally received financial assistance from the United States Department of Agriculture Rural Utilities Service (RUS) which was utilized to install 107 miles buried fiber optic cable, 8.6 miles joint use aerial fiber optic cable and purchase of a new Central Office Building located in Mescalero proper with all new equipment.

II. Requested SRUSF Support

MATI qualifies for support under section 63-9H-6(N) of the RTA and 17.11.10.25 NMAC: MATI is an incumbent local exchange carrier and has been designated an ETC in rural areas of the state by the PRC. As demonstrated further in the testimony provided with this petition, MATI has been in operation for over 25 years and in that time has brought universal service in the form of fiber-based services to all locations on the Mescalero Apache Reservation.

The SRUSF support MATI is seeking herein will be used to help with the ongoing operations, maintenance, and upgrading of the state-of-the-art fiber network it has deployed. As demonstrated further in Mr. Barron's testimony, MATI's intrastate revenues do not cover the costs of operating its network. This is due to a number of factors, including the high cost of serving the Reservation, which consists of sparsely populated rural areas, and the need to offer services at affordable rates.

A. MATI's Request is in the Public Interest

Pursuant to 17.11.24(B) NMAC, a petition filed by an ETC for an amount of support shall demonstrate that granting the support is in the public interest. MATI's request for additional, need-based support meets this test in numerous ways, with the most important being that the support will be used to sustain MATI's fiber-based broadband network that has been deployed throughout the Reservation. This network was built using funds provided by the Mescalero Apache Tribe, the federal and state governments, and MATI's customers. As MATI has proven herein and in the accompanying testimony, MATI is not generating sufficient revenue from customers, current mechanisms, and other sources to operate and maintain this network. Therefore, without the additional support being requested in this petition, MATI's network and the vital services it makes possible would not be sustainable. Thus, without the additional need-based support requested herein, MATI would find it impossible to meet the public interest standard the PRC adopted when it granted operating authority in 2000.⁴

In addition, the support requested herein to sustain MATI's network also meets the public interest in that the PRC, FCC, and Congress at both the state and federal levels have found that supporting broadband service in rural Tribal areas is in the public interest. Furthermore, it has been

⁴ Final Order, Utility Case No. 3364, August 15, 2000 at p. 32 (Findings and Conclusions # 8)

determined that ensuring each rural area of the country should be served by a Carrier of Last Resort (COLR) that is responsible for serving all who request service within a given area. Given the high-cost nature of some of these areas, such as the Mescalero Apache Reservation, universal service support is vital where an independent business case cannot be made for serving such areas.

B. MATI has Established its Need for SRUSF Support Pursuant to 17.11.10.25 NMAC

To be eligible for SRUSF support under 17.11.10.25 NMAC, the petitioner must be an ETC and must demonstrate that the requested support is needed to ensure the widespread availability and affordability of universal service. MATI has established, in the testimony provided with this petition, that the SRUSF requested is necessary for MATI to continue operating and maintaining the fiber network it has deployed on the Reservation.

In addition, 17.11.10.25(B) NMAC requires the applicant to identify the geographic area for which support is requested. MATI is requesting SRUSF support for use within its regulated study area, which encompasses the Mescalero Apache Reservation in south central New Mexico. MATI will not use the support for any services it may provide outside of the Reservation's boundaries.

17.11.10.25(B) NMAC also requires the applicant to demonstrate that its use of the SRUSF support is consistent with the requirements contained in 17.11.10.27 NMAC. The requirements in this section of the code dictate that support must be used to maintain and support universal service, and that at least 60% of the support must be used to deploy and maintain broadband internet access services in rural areas of the state. MATI's testimony establishes that the SRUSF support requested herein will be used to maintain and support universal service, and will supplement intrastate revenues to enable MATI to sustain its already-deployed fiber network. In addition, and as MATI

has certified to the PRC each year in its SRUSF Use Report, at least 60% of the SRUSF support requested will be used to deploy, and more importantly maintain, broadband internet access service.

WHEREFORE, Petitioner, Mescalero Apache Telecom, Inc., respectfully requests, pursuant to Section 63-9H-6(N) of the New Mexico Rural Telecommunications Act and 17.11.10.25 NMAC, that the Commission expeditiously review and approve this petition and grant the following relief:

- A. Set this matter for consideration by the Commission in order that a final decision may be entered within six months of the filing of this petition;
- B. Grant MATI support from the New Mexico State Rural Universal Service Fund in the amount of \$1,165,442 annually;
- C. Grant other such approvals or relief the Commission deems appropriate

Respectfully Submitted by:

ALAN P. MOREL, P.A.

A handwritten signature in black ink, appearing to read 'AP Morel', with a long horizontal line extending to the right.

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