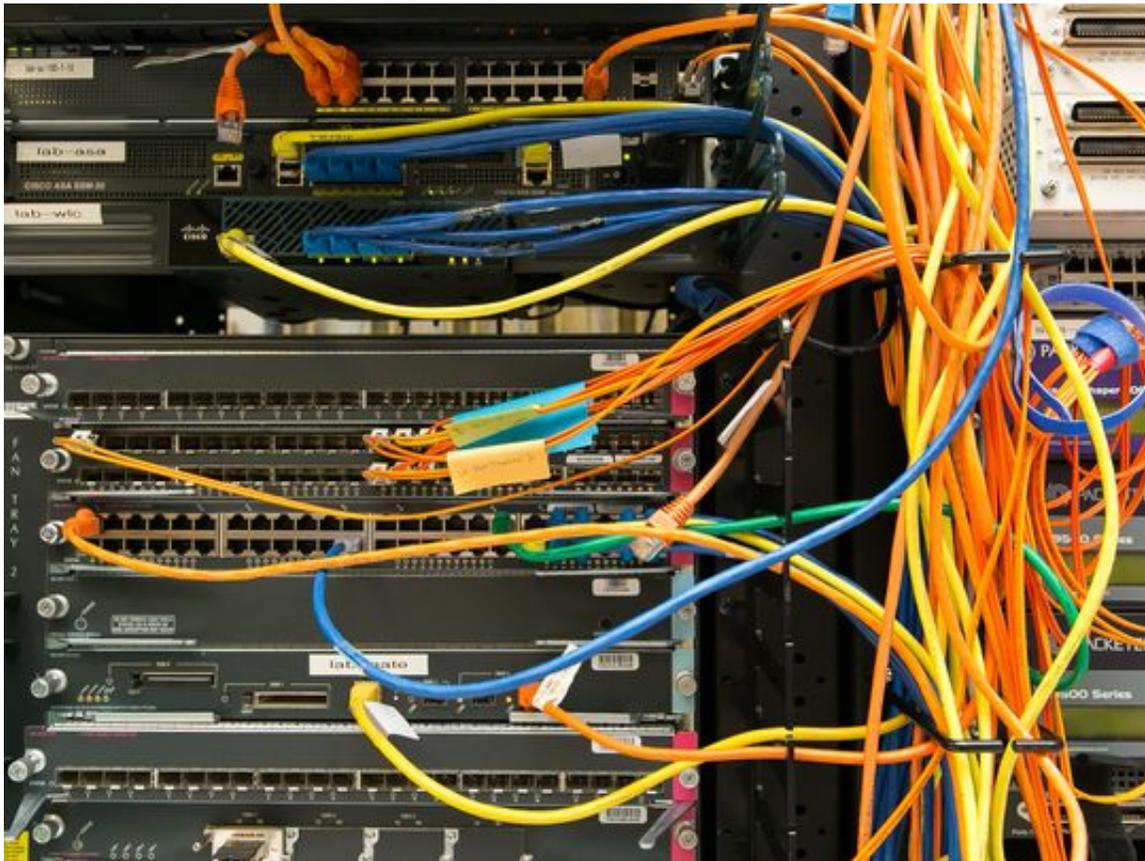


Business could benefit from pending broadband bills

LAS CRUCES - Rural and southern New Mexico businesses stand to benefit from a pair of bills currently winding their way through the legislative session in Santa Fe.

House Bill 128, introduced by Rep. Carl Trujillo, a Santa Fe Democrat, and Senate Bill 247, introduced by Sen. Michael Padilla, an Albuquerque Democrat, would create a tax break to improve broadband Internet access across the state. The companion bills, currently in committee at the Roundhouse, would improve and speed Internet connectivity across the state, answering a call from potential businesses to bolster Internet services in the state and thereby offer economic developers another tool to lure new business to New Mexico.

It's a call local leaders have heard when trying to attract prospective development.



Pictured are various routing systems in a server room at New Mexico State University. (Photo: Robin Zielinski / Sun-News)

"Greater broadband is always going to be a necessity for any growth and success we have, especially in the rural areas of the county," said Davin Lopez, president and CEO

of the Mesilla Valley Economic Development Alliance. "When the (New Mexico Legislative) Jobs Council (met) a while back, we had a two-day assessment on the types of jobs and number of jobs we need in Doña Ana County. It came out strong that more manufacturing (businesses are) needing broadband today."

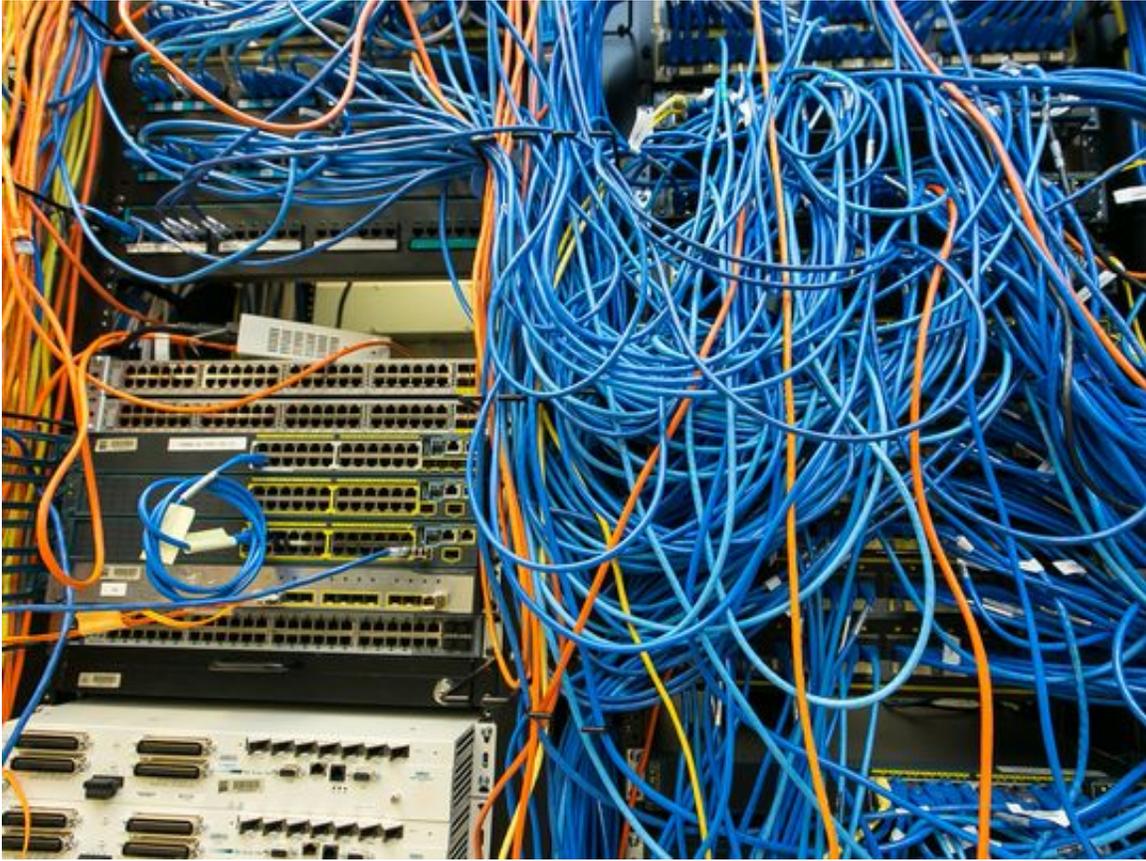
In fact, given the rapid expansion of manufacturing in Las Cruces and Santa Teresa, as well as growth in other logistical businesses in the southern portion of the county following the opening of the Union Pacific Intermodal Transportation Hub, the bill could prove to be a strong lure for new businesses of all types, Lopez said.

"It gives us another asset to talk about," Lopez said. "In a state like New Mexico that is a very large geographic, rural state, people are learning to have careers based on the Internet — telecommuting, in-house search engine optimization — there are a host of new careers people can conduct from a computer with strong telecommunications. It makes the need (for passage of the bills) and the opportunity that much greater."

According to a study of Internet conductivity speeds based on data provided by industry monitor Akamai in their State of the Internet report, New Mexico ranks 44th nationwide in connectivity speed for 2014, the last year for which data are available. The state posted an average megabits per second rate of 7.6. By comparison, the leading state, Virginia, came in at 13.7 Mbps and the lagging state, Alaska, averaged only 7 Mbps.

"The way we look at broadband is as critical infrastructure, just like roads or rails," said Jason Espinoza, executive director of the New Mexico Association of Commerce and Industry, a statewide business advocacy group. "In today's economy, the more we can develop that infrastructure, the better it allows New Mexico to compete for jobs, improve healthcare access and maximize education in our information-based economy."

While the Legislature is wrestling this session with budget trimming due to significant drops in oil and gas revenue, and many services and programs are facing the chopping block, Espinoza thinks this tax break has a chance to be passed because of its low cost and potential long-term increase in business for the state by offering a break on new infrastructure that would support and increase the reach of broadband in the state.



Pictured are various routing systems in a server room at New Mexico State University. (Photo: Robin Zielinski / Sun-News)

The House version of the bill estimates a one-time cost of roughly \$14,000 and an estimated revenue in excess of \$3 million per year through 2020, according to bills filed with the state.

"This isn't an appropriations bill," Espinoza said. "It's a tax incentive to incentivize broadband across the state. My understanding of the fiscal impact is that it is minimal ... when we look at the return on investment ... it is really fundamental for the state to see continued economic growth.

"This is really going to benefit all industries and all sizes of business," he added. "Even if you aren't an online business, selling products online, that access is critical to any kind of business."

Both bills are currently in committee and face a vote if sent to the floor. If passed by both the House and Senate, the resulting measure would still require the governor's signature.

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