

Albuquerque Finds Fiber Fit With Vexus Fiber

The growing New Mexico city employs Vexus Fiber to build a communitywide fiber broadband network to support residential broadband and business and smart-city applications.

By Sean Buckley / *Broadband Communities*

In July, the City of Albuquerque finalized its license agreement with Vexus Fiber, a Texas-based provider, to begin construction on a citywide, fiber-based network that will allow the city to support businesses and residential customers with affordable, high-speed broadband and an array of smart-city applications.

Getting to this point was a long journey: The city negotiated with Vexus for two years. Catherine Nicolaou, Albuquerque's broadband program manager, says the first priority was to see if Vexus was a good match. "We wanted to make sure its service fits well with our city, our residents, and our vision," she says. "Other than some fiber that connects businesses, Albuquerque did not have fiber broadband connections to any of the city's homes."

Vexus, which is expanding into various markets, found that Albuquerque fits its target criteria. Jim Gleason, CEO of Vexus, says the company will help satisfy the need for broadband in a market that lacks



Catherine Nicolaou



Jim Gleason

broadband options. "There's a competitive void in the city because there are only two major players there – the cable company and telephone company," he says. "We thought there were many opportunities to capture market share."

The pandemic, which drove many people to attend school and work from home, highlighted the absence of high-speed options in communities similar to Albuquerque. "There's a lack of competition in many mid-sized markets," Gleason says. "A lot of major metro areas have a lot of other players to build broadband networks, but that trails off when you get to mid-sized markets, and I would put Albuquerque in the upper end of the mid-sized market segment."

THE AFFORDABILITY FACTOR

Albuquerque wanted to ensure that its residents could access affordable internet. Vexus Fiber participates in the FCC's Affordable Connectivity Program (ACP), which means customers are eligible for a \$30-per-month subsidy to pay for internet service if the household makes less than 200 percent of the federal poverty level or an individual participates in specific government assistance programs.

Albuquerque lags nationally in internet-connected households; currently, only about 10 percent of homes in the metro area participate in the ACP.

Nicolaou says officials wanted to collaborate with a provider that would agree to build a



Albuquerque officials wanted to collaborate with Vexus Fiber because it agreed to build a citywide network.

citywide network. Service providers often decide to build fiber-based broadband to only certain parts of a city. “It was important to the city to make sure Vexus would not do digital redlining,” she says. “ACP provides an incentive for providers to build out to all city areas.”

Though Vexus has not seen a response from local incumbents, it often forces them to improve service. “What we have found in many markets, whether a customer subscribes to our services or not, is that we tend to make the incumbents better at what they do,” Gleason says.

DIVERSE COMMUNITY NEEDS

Today, the population of Albuquerque is 560,000 – and growing. The city is demographically diverse, and is home to sizeable Native American and Hispanic populations.

From an economic standpoint, the city and the state of New Mexico have several poverty-stricken areas. “There is a lot of crime and literacy issues, so it’s rough for a lot of people,” Nicolaou says.

Though affluent parts of the city can access broadband from large ISPs, the city now wants to make sure that privilege is extended to other, less-affluent areas. “The international district suffered through the pandemic,” Nicolaou says. “We want to ensure all communities are ready if another situation like the pandemic occurs.”

JOB CREATION, ECONOMIC BENEFITS

Vexus Fiber’s presence will create new job opportunities for the community. During the first phase of the network build, the provider expects to hire 200 people to support construction and engineering. The project could

bring \$250 million in much-needed broadband infrastructure investment to the city and create about 300 local construction jobs and 150 local, permanent jobs.

Vexus plans to start construction north of downtown Albuquerque in September, and residents can begin

LEVERAGING, EXTENDING FIBER ASSETS

As Vexus Fiber enters new markets, including Albuquerque, the provider is keen to leverage and extend its assets and those it purchased from NTS Communications in 2019. Upon closing the acquisition of NTS, the company rebranded itself as Vexus Fiber.

When Vexus purchased NTS, the provider operated a 2,700 route mile network, passing more than 60,000 locations across its footprint and more than 20,000 residential and business customers in parts of West Texas and Southeastern Louisiana.

Jim Gleason, CEO of Vexus Fiber, says that the NTS fiber assets serve as a foundation to further build its residential fiber-to-the-home network. Vexus saw an opportunity to build into the residential areas of the fiber backbone. “NTS Communications built mainly commercial fiber networks in commercial corridors in several West Texas communities, including Lubbock, Abilene and Wichita Falls,” he says. “We liked the acquisition and the communities they were in and thought there was an opportunity to build out the rest of the markets of the fiber backbone [NTS] already built.”

He adds that the existing assets will enable Vexus to pursue more opportunities in alternative markets. “We are focused on the opportunities in smaller and medium-sized markets, and in the Southern and Southwestern parts of the U.S., such as Texas, Louisiana and New Mexico,” Gleason says. “In Texas, we don’t play in the big triangle – Dallas, Houston and San Antonio – because we’re in the medium-sized Texas cities outside of that triangle.”

Albuquerque currently lags nationally in internet-connected households; only about 10 percent of homes in the metro area participate in the Affordable Connectivity Program.

service 90 to 120 days from the start date. Future construction will occur throughout the city.

By installing fiber, Vexus could also help bolster existing and new businesses in the city. Albuquerque is home to several small companies and a booming television industry, as fans of the popular shows “Breaking Bad” and “Better Call Saul” know.

The city also has a robust film industry that will benefit from the new fiber investment. For example, the city is a hub for production studios, including Albuquerque Studios, one of Netflix’s primary production hubs. “We need a lot of bandwidth, which will elevate us,” Nicolaou says.

But she is realistic that the federal funding to expand fiber into cities and towns is not infinite. “It’s a great time to focus on using the money from the federal government,” Nicolaou says. “Companies including Vexus will invest a lot of network buildout [funding] over the next two to three years, so we need to capitalize on this opportunity.”

Besides supporting more businesses, fiber may enhance wireless services with improved backhaul capabilities. “The city always has issues with cellphone coverage, which can be very frustrating,” Nicolaou says. “We’re hoping that when Vexus puts fiber in the ground, it will improve cellphone coverage.”

ENABLING SMART-CITY APPS

Broadband is not just about serving businesses and residents at home. Albuquerque envisions the fiber network will support its smart-city initiative, which aims to improve safety, communication and mobility.

Adding smart-city technology to critical points in Albuquerque allows the city to use trash cans, bus stops or crosswalks to identify issues or opportunities.

The city also offers free Wi-Fi access at public city facilities and outdoor Wi-Fi hot spots. To use these services, a resident just needs a wireless device, such as a laptop computer, smartphone or tablet.

Kevin Folk, regional vice president of operations for New Mexico at Vexus, says that as the company talks to Albuquerque about the design



Kevin Folk

phases, the city is eager to collaborate to enable smart-city applications.

For example, the city wants to install Wi-Fi in parks to enable security cameras. “Albuquerque has a lot of vandalism, and it doesn’t have connectivity at some of those locations,” he says. “It’s a great opportunity for us to partner with the city.”

First responders can proactively leverage smart-city infrastructure. For instance, Albuquerque Mayor Tim Keller’s administration is using it to target crime through gunshot detection. The city has implemented ShotSpotter in three of the Albuquerque Police Department’s six area commands, based on data showing where gun violence is most prevalent. About 100 cities around the country use ShotSpotter, which provides police information if a gun is fired.

Folk says that Vexus has reassured the city it will build out the entire city with fiber. “Our objective is to build 100 percent of the city,” Folk says. “That’s a big deal to the city because it factors into its economic development plans and its future infrastructure plans.” ❖

EYING ADJACENT MARKETS

As Vexus Fiber builds out its fiber-to-the-home network in Albuquerque, the provider is talking to other nearby communities about similar broadband collaborations, including Rio Rancho, Las Lunas and Berlin.

“A lot of communities need reliable broadband service,” says Kevin Folk, regional vice president of operations for New Mexico at Vexus. “We have plans as we build out Albuquerque to explore other options.”

Jim Gleason, CEO of Vexus, agrees and adds that he sees potential to pursue rural markets further. “In many markets, including New Mexico, we are looking at more rural areas that might be adjacent to what we are serving,” he says. “If there are subsidy opportunities that come about because a community is adjacent to a place where we’re already building, we’ll take advantage of those.”

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