



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU RELEASES LIST OF RESERVE PRICES AND LOCATION COUNTS FOR THE UNIENDO A PUERTO RICO FUND AND CONNECT USVI FUND STAGE 2 FIXED SUPPORT COMPETITIVE PROPOSAL PROCESS

WC Docket Nos. 18-143, 10-90

In the *PR-USVI Stage 2 Order*, the Commission allocated budgets of \$504.7 million in Stage 2 fixed support to the Commonwealth of Puerto Rico and \$186.5 million in Stage 2 fixed support to the U.S. Virgin Islands over a 10-year period.¹ To determine how to allocate this support among eligible carriers in the Territories the Commission adopted a single-round competitive proposal process, which relies on objective evaluation of three criteria: (1) price per location; (2) network performance, including speed, latency, and usage allowance; and (3) network resilience and redundancy.² Regarding price per location, applicants will be assigned a score (between 0 and 100 points) based on the price of their commitment, with the reserve price being the maximum amount that a proposal may commit to accept.³ To encourage applicants to provide the best price to the Fund possible, one point will be subtracted for each percentage point below the reserve price.⁴

Today, as directed by the Commission, the Wireline Competition Bureau (Bureau) releases the list of the eligible minimum geographic areas and associated annual reserve prices and location counts for Puerto Rico and the U.S. Virgin Islands for Stage 2 fixed support.⁵ The list can be found at <https://docs.fcc.gov/public/attachments/DOC-361472A1.xlsx>. We provide this list now to give applicants an opportunity to conduct due diligence in advance of preparing applications.⁶ Pursuant to the direction in the *PR-USVI Stage 2 Order*, the Bureau will release a detailed public notice outlining the specific process and deadlines for application.⁷

As directed by the Commission, the Bureau calculated the reserve prices based on the three-step process explained in the *PR-USVI Stage 2 Order*.⁸ Specifically, first, we employ the Connect America

¹ *The Uniendo a Puerto Rico Fund and the Connect USVI Fund*, Order, WC Docket Nos. 18-143, 10-90, 14-58, FCC 19-95, at paras. 67, 70 (Sept. 30, 2019) (*PR-USVI Stage 2 Order*).

² *Id.* at paras. 11-13.

³ *Id.* at para. 17.

⁴ *Id.* at para. 17, Table 2.

⁵ *Id.* at paras. 18, 61.

⁶ *Id.* at paras. 17 & n. 51, 65, and 83.

⁷ *Id.* at para. 39 (directing the Bureau to release an initial Public Notice within 90 days from Federal Register publication); *see also* FCC, *The Uniendo a Puerto Rico Fund and the Connect America USVI Fund, Connect America Fund, ETC Annual Reports and Certifications*, 84 Fed. Reg. 59937 (Nov. 7, 2019).

⁸ *Id.* at para. 18.

Model to calculate the average cost per location for all locations in a census block. Second, we apply the full budgets for Puerto Rico and for the U.S. Virgin Islands, creating territory-specific high-cost thresholds to ensure the full amount of the budget available to each territory over the 10-year period is available for disbursement. Accordingly, today we establish a high-cost threshold of \$28.58 per-location per month for Puerto Rico and \$23.34 per-location per-month for the U.S. Virgin Islands. Third, we establish a reserve price for each geographic area in proportion to the support amounts calculated for each census block within that area. The location counts within each minimum geographic area have been revised based on the most recent publicly available Census Bureau data for the Territories.⁹

For additional information on this proceeding, contact Rebekah Douglas (Rebekah.Douglas@fcc.gov) or Dangkhua Nguyen (Dangkhua.Nguyen@fcc.gov) of the Wireline Competition Bureau, Telecommunications Access Policy Division.

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⁹ *Id.* at 61.