

Connect America Fund Phase II Auction Results

Rural Broadband Auctions Task Force
Federal Communications Commission
Open Meeting
September 26, 2018



Overview

- First multiple-round, reverse auction to allocate ongoing, high-cost universal service support for fixed broadband service.
- 974,223 locations eligible for support
 - Areas where price cap carriers declined model-based support and certain other areas
 - Lacking voice and broadband at 10/1 Mbps
- \$1.98 billion budget
- Aggregate reserve price: \$6.1 billion

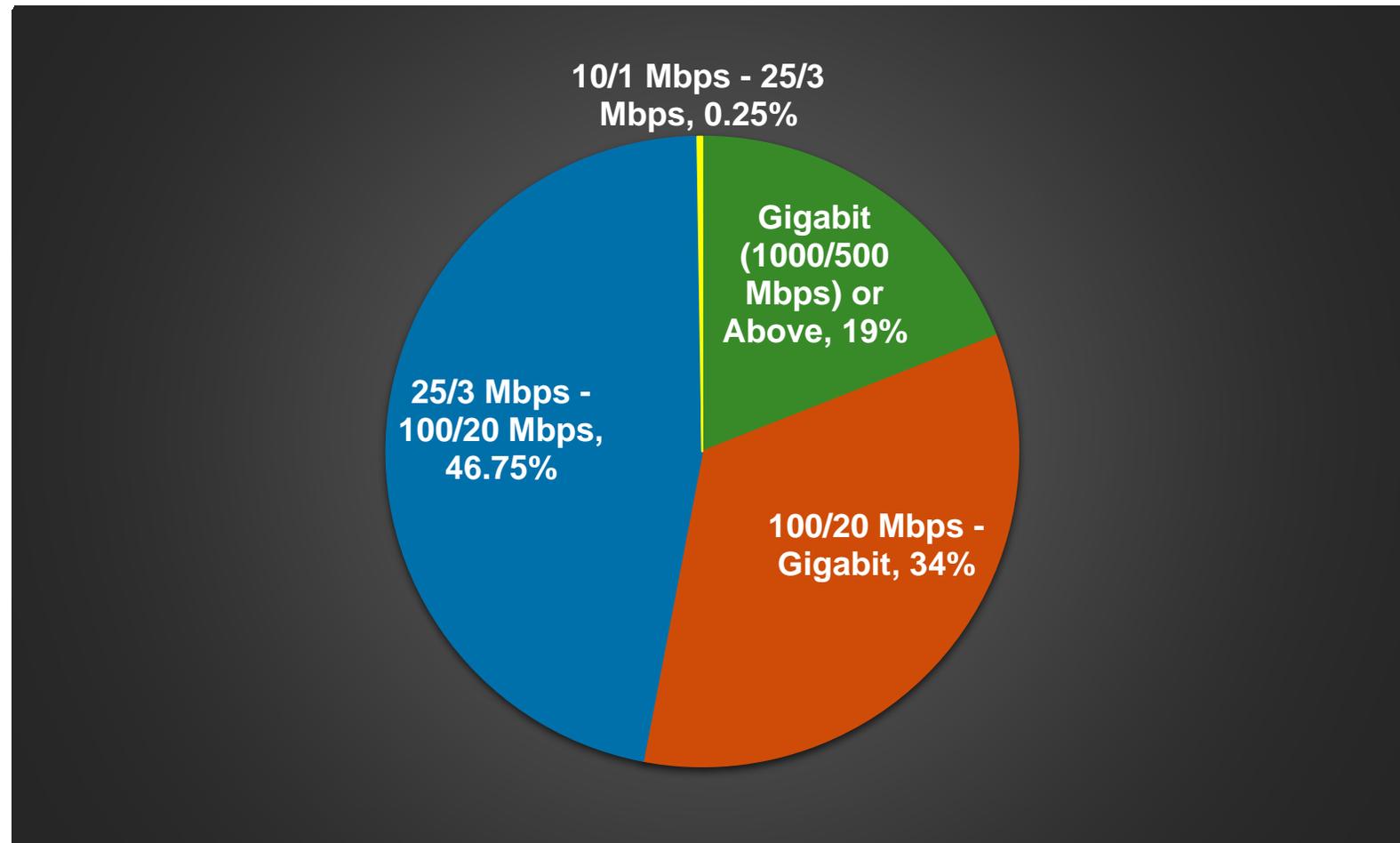
Overview

- Each bid was a commitment to offer broadband and voice services in a particular area for an amount of support.
 - The support amount associated with a bid depended on the speed, latency, usage levels of the broadband service.
- Bids started high and went down.
- Weighted tiers encouraged participation from a range of companies and technologies.
- 220 qualified bidders, 173 placed bids

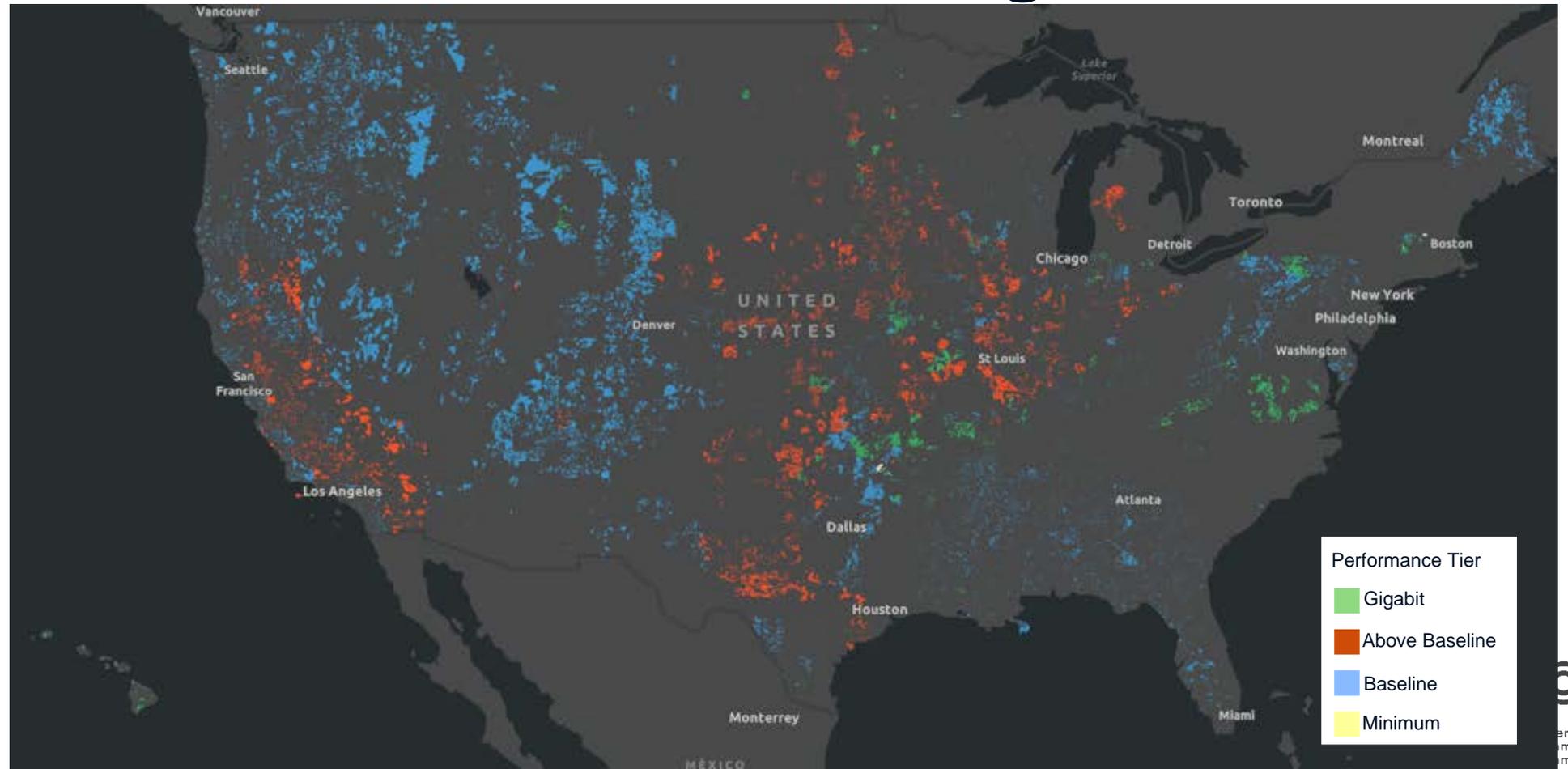
Results

- Service to 713,176 homes and small businesses in 45 states
 - 99.75% at speeds of 25/3 Mbps or higher
- \$1.49 billion over 10 years won
 - Reserve price of areas won was \$5 billion over 10 years (determined by Connect America Cost Model).
 - Inter-area competition brought price down to \$1.98 billion, intra-area competition to \$1.49 billion
- 103 winning bidders
 - WISPs, electric co-ops, cable operators, local exchange carriers, satellite company

Locations by Speed Tier



Areas with Winning Bids



Buildout Milestones

- Long-form applications due October 15
- Build out and offer service to
 - 40% of locations in state by year 3
 - Additional 20% in each subsequent year
 - 100% by year 6
- Data on locations served must be filed with USAC
- Performance measures requirements