

Oregon CAF II Update

June 2019 – Jessica Epley, Government &
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Overview – CAF II Program



- **CAF Phase II:** FCC Universal Service Support for broadband deployment to identified high-cost households in areas without “unsubsidized” competitors.
 - Six Year Program (2015-2020)
 - Annual funding over six years starting in 2015
 - Obligations must be fulfilled by December 31, 2020
 - Annual buildout milestones began in 2017 at 40%
 - FCC determined eligible census blocks based on the National Broadband Map.
 - FCC’s total CAF II plan budget for areas served by price cap carriers is \$1.8 billion annually.
 - The FCC used a model to calculate support and the number of households to be served.
 - Not all carriers accepted all the support offered to them.
- **CAF II Auction:** The remaining support was awarded through a reverse bidding process for eligible census blocks not funded through the original program.
 - Adjacent extreme high cost blocks and high cost blocks served by a competitor at less than 10 Mbps.
 - \$1.488 billion in nationwide funding per year for ten years.
 - Two providers were awarded \$1,373,030 to serve 10,479 Oregon locations.

CAF II Program Requirements



➤ **CAF II Requirements:**

- Must serve designated number of households in the State; households must be in eligible census blocks.
 - Eligible census blocks are in price cap high-cost areas (between \$52.50/line/month and \$198.60/line/month) in which a competitor does not provide at least 4/1 mbps, based upon the National Broadband Map (NBM) data.

- **Service Requirements:** In order to qualify as a served location under CAF II, the broadband service must meet the following standards:
 - **Speed:** Network must support at least 10/1 mbps.
 - **Pricing:** Must be comparable to price of service in urban areas
 - **Voice:** Must offer voice service.
 - **Usage:** Any established usage allowance may be no less than 100 gigabytes.
 - **Latency:** Below 100 milliseconds.

Annual Milestones



➤ **Frontier accepted CAF II support across its service territory:**

- \$330,000,000 annually for 6 years
- 774,000 households and businesses in eligible census blocks nationally
- **Oregon:**
 - \$3,897,357 million in annual funding to deploy 10/1 mbps broadband service
 - 8,542 households in eligible census blocks to be served

12/31/2015 & 12/31/2016	No milestone or Annual reporting required
12/31/2017	40% of locations enabled in state (5% of these locations nationwide must have previously lacked 4/1 mbps service)
12/31/2018	60% of locations enabled in state
12/31/2019	80% of locations enabled in state
12/31/2020	100% of locations enabled in state

- **Frontier achieved 67.34% (5,752 Households) enabled CAF locations in Oregon as of 4/30/19.**
- **Frontier has also improved connectivity for 6,989 adjacent non-CAF households at 10/1 mbps through strategic buildout associated with the CAF program.**

Oregon CAF II Deployments

