

FCC Removes \$300 Million worth of Census Block Groups from CAF II Auction

The Wireline Competition Bureau (WCB) has just released the **final list of CAF II eligible areas**, as well as the reserve price for each block group for the upcoming CAF II Auction. VPSs initial analysis indicates a nationwide decrease in the CAF II reserve price of \$323 million or 46%. In total 42 states saw a decrease in CAF II reserve prices, which may substantially alter bidding strategies.

Biggest Loser States

Below are the ten states with the most significant reduction in auction census block group opportunities.

State	Initial Reserve Price	Final Reserve Price	Difference	Percentage Difference
WV	\$31,896,473	\$8,144,671	-\$23,751,802	-74%
KS	\$32,266,415	\$11,817,468	-\$20,448,947	-63%
IL	\$92,204,012	\$34,460,211	-\$57,743,801	-63%
ID	\$25,500,335	\$9,805,728	-\$15,694,607	-62%
OH	\$14,610,674	\$6,160,333	-\$8,450,341	-58%
SD	\$4,366,399	\$2,042,309	-\$2,324,090	-53%
TX	\$64,780,798	\$33,128,772	-\$31,652,026	-49%
WA	\$26,465,143	\$13,781,688	-\$12,683,455	-48%
IA	\$32,136,300	\$17,238,543	-\$14,897,757	-46%
KY	\$4,486,634	\$2,483,061	-\$2,003,573	-45%

Final CAF II Eligible Census Block List

The final CAF II list that was just released by the WCB consists of census blocks located in price cap carrier territories that are not served by the incumbent price cap carrier or by an unsubsidized competitor with voice and broadband speeds of 10/1 Mbps or higher and based on averaged cost, are identified by the model as high-cost or extremely high cost. ¹

VPS Approach

Vantage Point Solutions believes it is crucial to compare your previous CAF II interest areas with the final CAF II list that was just released. Even though we have seen a decrease in the reserve price, VPS still believes there will be CAF II funding opportunities available. If you have questions regarding this VPS CAF II update or what you should be doing next in your CAF II planning, please contact VPS's CAF II Team contacts below.

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¹ This information is based off the December 31, 2016 FCC Form 477 Data