



## Telecom Regulatory Policy CRTC 2019-190

PDF version

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### Broadband Fund – Modifications to the Application Guide

*As a follow-up to Telecom Notice of Consultation 2019-45, the Commission addresses certain issues raised by parties regarding its Preliminary Application Guide for the Broadband Fund and matters regarding the disclosure of confidential information and deadlines for applications to review and rescind or vary a funding decision. The Commission has modified the Guide accordingly. The Commission has attached a revised Application Guide to its first call for Broadband Fund applications, also issued today in Telecom Notice of Consultation 2019-191.*

#### Introduction

1. In Telecom Regulatory Policy 2016-496, the Commission determined that it would establish a funding mechanism for broadband Internet access services (i.e. the Broadband Fund) to close the gaps in connectivity.
2. The Commission announced further details regarding the Broadband Fund in Telecom Regulatory Policy 2018-377, including the criteria it would use to evaluate projects. The Commission also stated that (i) in preparation for its first call for applications, it would publish a preliminary application guide so that the public can better understand the application process and interested persons can have an opportunity to provide comments, and (ii) following that consultation, it would publish, concurrently with its call for applications, an application guide that is consistent with the scope of the call.

#### Telecom Notice of Consultation 2019-45

3. In Telecom Notice of Consultation 2019-45, the Commission published a Preliminary Application Guide for the Broadband Fund (referred to hereafter as the Application Guide) for parties to indicate where clarification may be required related to (i) the process for the filing and evaluation of applications, and (ii) other technical details that could adversely affect potential applicants' funding applications.
4. The Commission indicated that to ensure that all applicants are treated fairly and have access to the same information, following a call for applications, contact between the Commission and applicants will be limited in certain respects. The Commission therefore encouraged applicants to use the consultation process to raise any required clarifications to the Application Guide.

5. The Commission also reminded parties that their submissions should not address the policies set out in Telecom Regulatory Policy 2018-377, including the selection process, eligibility and assessment criteria, and funding conditions, since a review of such policies is beyond the scope of the proceeding.
6. The Commission specifically sought comments on the disclosure of confidential information (i) in its published decisions to award project funding (i.e. funding decisions), and (ii) to third parties and government bodies. As well, the Commission sought comments on its proposed shortened deadline for applications to review and rescind or vary a funding decision.
7. The Commission received 31 interventions from parties including telecommunications service providers and provincial, territorial, municipal, and regional governments.

## Issues

8. The Commission has identified the following issues to be addressed in this decision:
  - Disclosure of application information filed in confidence
  - Review and vary application timeline
  - Retail pricing and affordability criteria
  - Inclusion of in-kind contributions as applicant investment
  - Other matters

## Disclosure of application information filed in confidence

### Background

9. Under subsection 39(1) of the *Telecommunications Act* (the Act), a person can designate as confidential certain types of sensitive information. Under subsection 39(4) of the Act,<sup>1</sup> the Commission may disclose any such information if it determines, after considering representations from interested persons, that such disclosure is in the public interest. In Telecom Regulatory Policy 2018-377, the Commission determined that applicants would be permitted to file their Broadband Fund applications confidentially. Accordingly, applicants will not need to submit reasons to support their confidentiality claim in respect of their applications (as would be required pursuant to the *Canadian Radio-television and*

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<sup>1</sup> Subsection 39(4) of the Act states that if designated information is submitted in the course of proceedings before the Commission, the Commission may (a) disclose or require its disclosure if it determines, after considering any representations from interested persons, that the disclosure is in the public interest; and (b) disclose or require its disclosure to the Commissioner of Competition on the Commissioner's request if it determines that the information is relevant to competition issues being considered in the proceedings.

*Telecommunications Commission Rules of Practice and Procedure* [the Rules of Procedure]), except as otherwise provided.

10. The Application Guide included a Declaration Form, requiring applicants to certify and acknowledge the following matters:
  2. The Applicant must authorize the CRTC to verify information contained in the application to (i) make all enquiries it deems necessary of any persons, firms, corporations, or federal or provincial/territorial government agencies/departments as necessary, and (ii) collect and share relevant information with them, as the CRTC deems appropriate.
  7. The Applicant acknowledges the CRTC's obligation pursuant to subsection 37(3) of the *Telecommunications Act* to provide any information the CRTC receives to the Minister of Innovation, Science and Economic Development or the Chief Statistician of Canada upon request and that this obligation could include the provision of Broadband Fund applications.
  8. The Applicant consents to the CRTC disclosing application information on a confidential basis to federal, provincial/territorial, and municipal governments and government agencies for future planning purposes or to assess any potential risks related to the overall integrity of Canadian telecommunications networks.

## **Disclosure of application information in funding decisions and public reports**

### **Positions of parties**

11. Bell Canada, Cogeco Communications Inc. (Cogeco), the First Mile Connectivity Consortium (FMCC), the Independent Telecommunications Providers Association (ITPA), la municipalité régionale de comté (MRC) de Témiscouata, Rothschild & Co. (Rothschild), Saskatchewan Telecommunications (SaskTel), Shaw Cablesystems G.P. (Shaw), and TELUS Communications Inc. (TCI) supported the Commission's preliminary view with respect to the specific information that may be disclosed in its funding decisions.
12. Cogeco submitted that the number of households should not be disclosed for transport and mobile wireless service projects, since these projects will not serve households. The ITPA submitted that information regarding geographic location and technology should be sufficiently general so as not to disclose specific fibre optic routes or other sensitive network information.
13. Rogers Communications Canada Inc. (RCCI) submitted that the Commission should exercise caution when disclosing the evidence used to apply the assessment criteria and the selection considerations to ensure that commercially sensitive information, such as network expansion plans, is not inadvertently disclosed. Further, RCCI requested assurance that (i) the Commission will not disclose any information beyond what is included in the sections of the application designated for public

disclosure, and (ii) if the Commission intends to make further disclosures, it would provide applicants with the opportunity to explain why the information is confidential and cannot be disclosed.

### **Commission's analysis and determinations**

14. In Telecom Regulatory Policy 2018-377, the Commission considered that once decisions to award project funding are made, the confidentiality of certain information pertaining to the selected projects would no longer be justified, and that such information would need to be included in the Commission's funding decisions to ensure the transparency of those decisions.
15. In Telecom Notice of Consultation 2019-45, the Commission invited comments on its proposal to disclose the following information in its funding decisions: the funding recipient; the number of households served; the amount of funds awarded; the geographic area(s) of the project; the technology implemented; and, as appropriate, the evidence used to apply the assessment criteria and selection considerations that support the selection of the project.
16. In the Application Guide, the Commission indicated that applicants must provide reasons, as well as any supporting documents, why the disclosure of the information in a funding decision or in public reports would not be in the public interest, including why the specific direct harm that would be likely to result from such disclosure would outweigh the public interest.
17. Having considered the parties' submissions, the Commission concludes that disclosure in its funding decisions of the application information identified above would serve the public interest, since it would advise interested persons, and the public generally, of the type and scope of the projects to be funded and the basis for the Commission's decision to approve each project, including how the successful applicant met various eligibility and assessment criteria. However, the Commission has not proposed to disclose, and will not disclose, information that is typically retained in confidence, such as financial, commercial, or technical information included in the application that is consistently treated by the applicant as confidential. This includes information such as (i) the applicant's financial statements; (ii) projected revenues and expenses for the proposed project; (iii) detailed costing of the project; (iv) detailed network information; (v) detailed technical descriptions of the service and network design, including logical network diagrams, logical paths, supporting assumptions, and technical dependencies; (vi) equipment and facilities lists; and (vii) details of provisioning assumptions as filed in the application.
18. In light of the above, the Commission will modify section 11 of the Application Guide to set out its determinations regarding the disclosure of confidential information in the public interest, as follows (changes are highlighted in bold italics):

...The CRTC *may at its discretion* disclose certain application information in its funding decisions *and in public reports*, as necessary, to identify and describe the approved project and the broad reasons for its selection, *including* the name of the funding recipient, the number of households served, the amount of funds awarded, the geographic area(s) of the project, the technology implemented, *and assessment criteria and selection considerations that supported* the selection of the project...

19. The Commission will also explicitly confirm in the revised Application Guide that it will not disclose, and that it will retain in confidence, confidential financial, commercial, or technical information included in the application that is consistently treated by the applicant as confidential. If the applicant objects to the disclosure of any information that is not captured in this list, the applicant will have the opportunity to request that any such information be retained in confidence even if the applicant's project is selected for funding, consistent with subsection 39(4) of the Act.

### **Disclosure of confidential application information to third parties and other government bodies for verification purposes**

#### **Background**

20. In Telecom Notice of Consultation 2019-45, the Commission proposed to disclose information in Broadband Fund applications in respect of which confidentiality may have been claimed, to third parties and government bodies, as it deems necessary, in order to verify the information. The Commission specifically proposed to disclose Broadband Fund application information to the Communications Security Establishment's (CSE) [Security Review Program](#) for the CSE to assess any potential risks presented by the proposed project to the overall integrity of the Canadian telecommunications networks.

#### **Positions of parties**

21. SaskTel agreed to the disclosure of confidential application information to verify the information. However, the company argued that the sharing of information for any other purpose would require the applicant's express consent. The FMCC and Rothschild agreed with the level and uses of disclosure that the Commission proposed in Telecom Notice of Consultation 2019-45, and la MRC de Témiscouata supported the disclosure of confidential information for verification purposes.
22. Bragg Communications Incorporated, operating as Eastlink (Eastlink), objected to the Commission disclosing Broadband Fund application information to the CSE and to other government departments. Eastlink argued that participants in CSE committees could work directly with all appropriate government agencies in relation to any legal, security, or other issues or risks as appropriate.

### **Commission's analysis and determinations**

23. The Commission considers that much of the application information can be verified using aggregate information. However, it may be necessary in some instances for the Commission to disclose confidential information to verify its accuracy.
24. The Commission notes that only Eastlink specifically objected to the disclosure of confidential information to the CSE; however, Eastlink did not identify any specific harm that would be likely to result from such disclosure.
25. The Commission considers that the disclosure of confidential information to ensure that a project complies with the CSE's [Security Review Program](#) is necessary to implement the telecommunications policy objectives set out in paragraphs 7(a), (b), (c), and (i) of the Act (i.e. facilitating the orderly development of the telecommunications system, rendering the telecommunications services reliable, increasing the efficiency of the services, and contributing to Canadians' privacy). Moreover, no party demonstrated how the disclosure of Broadband Fund application information to the CSE would result in specific direct harm that would outweigh the public interest.
26. Accordingly, the Commission determines, based on the record of this proceeding, that the disclosure to the CSE of the confidential information that is necessary to verify whether the project presents any potential risks related to the overall integrity of the Canadian telecommunications system would be in the public interest, where such disclosure is on a confidential basis and only for the purpose of such verification.
27. In light of the above, the Commission determines that it will replace point 2 of the Declaration Form in the Application Guide with the following:

The Applicant must acknowledge that the CRTC has determined that disclosure, on a confidential basis, of information contained in the application to the Communications Security Establishment that is necessary for the purpose of assessing any potential risks related to the overall integrity of the Canadian telecommunications system is in the public interest. On this basis, the CRTC may make such disclosures for this purpose.
28. The Commission determines that prior to any other disclosure of application-specific information for the purpose of verification, it will provide applicants with the opportunity in advance to make representations in accordance with section 39 of the Act.

## **Disclosure of confidential application information to other government bodies for planning purposes**

### **Positions of parties**

29. Bell Canada; the Canadian Communication Systems Alliance (CCSA); Eastlink; RCCI; Shaw; and TCI objected to granting a blanket waiver of section 39 of the Act without knowing what information would be disclosed, to whom, and for what purposes. These parties submitted that they should have the opportunity to make representations regarding the disclosure of specific information in accordance with the Act. The Eeyou Communications Network (Eeyou) submitted that applicants should know in advance who will have access to submission material and that all information should be made public and accessible except for certain proprietary information, such as technical design and processes.
30. Some parties, such as TCI, noted that some application information may belong to third parties; therefore, applicants cannot waive these parties' rights to claim confidentiality. TCI indicated that under the Act, information designated as confidential can be disclosed only in limited circumstances, for example, to the Chief Statistician of Canada or to the Commissioner of Competition. Any other disclosure of information designated as confidential requires a finding by the Commission, after considering any representations from interested persons, that the disclosure is in the public interest. TCI further submitted that if the Commission wishes to share information with other governments, it should seek a legislative amendment to do so.
31. Other parties, such as the CCSA and the ITPA, argued that it would not be appropriate for the Commission to share information with government bodies, such as provincial/territorial and municipal governments, that could be competing applicants. Eastlink submitted that for planning purposes, there should be no need for the Commission to disclose any information other than the information that will be published in the funding decision. Alternatively, applicants could deal directly with appropriate government agencies regarding the information they may require.

### **Commission's analysis and determinations**

32. The Commission notes that it will generally provide aggregate information, and other information that is not linked to a specific application, to other government bodies as necessary for policy and planning purposes, in order to support the cohesive implementation of funding among government broadband funding programs. If the Commission contemplates the disclosure of application-specific information, it will provide applicants with the opportunity in advance to make representations to support their claim of confidentiality, in accordance with the procedure set out in section 39 of the Act.
33. In light of the above, the Commission determines that point 8 of the Declaration Form in the Application Guide is not appropriate and will be removed.

## **Review and vary application timeline**

### **Background**

34. In Telecom Notice of Consultation 2019-45, the Commission proposed to shorten the time in which an application may be filed to review and rescind or vary a funding decision (referred to hereafter as a review and vary application) from 90 days to 30 days.

### **Positions of parties**

35. Many parties, such as Cogeco, la MRC de Témiscouata, RCCI, Rothschild, SaskTel, and Shaw, supported the Commission's proposed shortened deadline. These parties submitted that since funded projects should be completed in a timely manner, and funding decisions will include a limited amount of information about successful projects, 30 days should be sufficient for parties to file a review and vary application.
36. Bell Canada supported the proposed 30-day deadline to file a review and vary application; however, the company recommended that parties be provided an additional 30 days to expand on their application to review and vary a funding decision. In Bell Canada's view, the provision of a full 60 days would ensure procedural fairness while mitigating the risk of potential delays that could result if funding decisions are challenged later than the 30-day time frame. Eeyou also requested that the Commission give parties an initial deadline of 30 days to file a review and vary application, but that it retain the 90-day deadline to submit documentation in support of that application.
37. While the CCSA supported the intent of the proposed shortened time frame to facilitate the expeditious deployment of funding, it cautioned that this approach could unduly disadvantage smaller Internet service providers (ISPs) that may not be aware of when funding decisions are issued. The ITPA submitted that a 30-day deadline may not be sufficient for small service providers that may not have in-house legal or regulatory resources. Both of these parties recommended that the 90-day time frame be shortened to 45 days. The CCSA added that a notification system could be implemented so that all applicants are notified when a funding decision is issued.
38. SSi Micro Ltd. (SSi Micro) submitted that the Commission should not shorten the established period, but that if the period must be shortened, it should not be less than 60 days. The FMCC opposed the Commission shortening the established period because time is required for review and vary applicants to obtain information on the funding decision, consult with partners and communities, and formulate a response to any issues of concern, for which 30 days would be too short.

### **Commission's analysis and determinations**

39. The Commission's proposal to shorten the time frame for review and vary applications was made not only based on its desire to expedite the funding process,



but also to mitigate uncertainty. While the 90-day deadline is set out in subsection 71(1) of the Rules of Procedure, pursuant to section 7 of those rules, the Commission may vary the deadline if it determines that it is in the public interest or in the interest of fairness to do so.

40. Recognizing that most parties supported the proposed 30-day deadline, but that this deadline could place a greater burden on smaller ISPs with fewer resources to prepare a review and vary application, the Commission considers that it would be appropriate to extend the proposed 30-day filing deadline for review and vary applications by an additional 15 days.
41. In light of the above, the Commission determines that any application to review and rescind or vary a funding decision must be filed with the Commission within 45 days of the date of the funding decision. Notifications of additional or updated information on the Broadband Fund, including funding decisions, can be obtained by consulting the [Broadband Fund](#) web page or subscribing to the Commission's [RSS feed](#).<sup>2</sup>

## **Retail pricing and affordability criteria**

### **Background**

42. In Telecom Regulatory Policy 2018-377, the Commission determined that to be eligible for funding under the Broadband Fund, applicants with proposed projects to provide fixed or mobile wireless broadband Internet access service to customers must
  - identify a list of various broadband Internet access service packages, with rate, speed, and capacity levels that address different customer needs, including those of low-income households. These packages must include rates that are identical to or lower than those offered by a facilities-based service provider in one of the major urban centres or communities, to be identified by the Commission, in the proposed project's province or territory for reasonably comparable speed and capacity packages.
  - commit to providing broadband Internet access service packages at a rate no higher, and at a speed and with a capacity no lower, than the ones proposed in their application, for a minimum of five years from the project completion date.
43. The Commission also indicated that it expected the list of communities for retail price/package comparisons to be similar to the list of urban centres in Table A.9.2 of the 2017 Communications Monitoring Report (CMR). The list included in Appendix 3 of the Application Guide comprised the same communities as the CMR table.

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<sup>2</sup> Rich Site Summary (RSS) or as some refer to it, Real Simple Syndication, is an XML-based format for content distribution in real time.

44. For satellite-dependent communities, the Commission indicated in Telecom Regulatory Policy 2018-377 that Broadband Fund applicants must offer competitive retail pricing for reasonably comparable speed and capacity packages, including affordable packages whose prices are the same as or lower than those offered in Iqaluit, Nunavut.

### **Positions of parties**

45. The British Columbia Broadband Association submitted that the retail pricing criteria made the Broadband Fund biased towards large incumbent carriers that can gain access to low-cost backhaul transport and communities that are easiest to serve, since networks in remote and sparsely populated areas have a high cost per household to maintain and serve.
46. Eastlink was concerned that the retail pricing criteria would inappropriately require a carrier whose services are provided in mainly rural or small communities to offer pricing in an unserved community comparable to pricing in a large urban centre. Eastlink added that Broadband Fund applicants should be able to propose service prices comparable to those they offer in other communities of comparable size and location.
47. Bell Canada, Eastlink, Shaw, and TCI submitted that it is impractical for telecommunications service providers to commit to specific rates, as opposed to a rate matching requirement. Bell Canada and Shaw noted that service packages in urban centres may change and that there may be technical and administrative challenges associated with maintaining multiple packages with distinct rates. Cogeco submitted that the retail pricing criteria should clearly indicate whether periodic rate increases that normally occur are allowed.
48. Bell Canada submitted that it believed that the Commission's intent was to have applicants' proposed rates match the rates offered in proxy cities over the five-year period of the Broadband Fund. Bell Canada added that a frozen rate set below existing rates in urban centres extending to five years beyond the end of construction of the project makes no sense from a policy perspective and is inconsistent with other funding programs and with the Commission's own statements.
49. Eastlink suggested that rate comparisons should be made at the time services are launched rather than at the time of submission of a Broadband Fund application. Bell Canada noted that five years from the project completion date could in fact be a decade after the submission of the application. Bell Canada and TCI also questioned what would happen to rates after the five years.
50. SaskTel sought clarification on whether the retail pricing constraint would be applied on a technology-specific basis or regardless of the underlying technology. The company also asked whether Broadband Fund applicants would be required to use the lowest price available in the urban centres they serve or if they could use distinct pricing for their proposed services.

51. TCI submitted that the Commission should compare prices between similar technologies, noting that there could be no urban equivalent for a fixed wireless access network project in a rural area.
52. The CCSA indicated that the criteria are likely to bring retail pricing below what would be economically sustainable. The CCSA, the FMCC, and the ITPA suggested that pricing in geographic areas that are eligible for funding under the Broadband Fund should not be compared to pricing in Canada's largest urban centres, but to pricing in smaller communities in each province where there is competition.
53. The FMCC noted that prices in Iqaluit are significantly higher than those in major urban centres in the provinces, which will result in a permanent affordability divide.
54. Galaxy Broadband Communications, Inc. and SSi Micro submitted that the choice of Iqaluit was not appropriate, since it is too large a community. These parties suggested using other satellite-dependent communities as comparatives.

#### **Commission's analysis and determinations**

55. The retail pricing and affordability criteria were part of the policy determinations the Commission made in Telecom Regulatory Policy 2018-377. Accordingly, requests to remove or modify these criteria are beyond the scope of the current proceeding. Nonetheless, given the comments received as part of the record of the proceeding, the Commission will address below the submissions made by some parties that the wording of the Application Guide and the list of communities set out in its Appendix 3 do not accurately reflect the intention of the Commission's determinations in Telecom Regulatory Policy 2018-377.
56. The retail pricing and affordability criteria are consumer-focused and intended to ensure that funded projects are as accessible to Canadians as possible. Applicants that receive funding from the Broadband Fund would not have to recover the full cost of the project, enabling the resulting broadband service rates to be lower than would otherwise be possible without financial support. For this reason, and to ensure that proposed rates adequately address the current affordability gap, the Commission selected urban centres and communities where there is generally competition between major fixed facilities-based service providers as comparatives to encourage Broadband Fund recipients to pass on part of the benefits they receive to consumers.
57. The Commission's determination in Telecom Regulatory Policy 2018-377 to use Iqaluit as a comparative for satellite-dependent communities followed the same logic. The Commission considers that this community is large-scale for a satellite-dependent community, but it also faces technological challenges similar to those in other satellite-dependent communities.
58. The Commission notes that the retail pricing and affordability criteria are only two criteria in an extensive application evaluation process that includes other eligibility and assessment criteria. For instance, the Commission will evaluate the financial

viability of proposed projects at the assessment stage to ensure project viability and sustainability in the long term. Therefore, projects with proposed rates that are not economically sustainable will not be selected.

59. Further, at the assessment stage, the Commission will consider a fixed broadband Internet access service project or a project serving a satellite-dependent community to be of higher quality based on how low the monthly prices would be for subscribers and how varied the broadband Internet access service package options would be in the eligible geographic area(s). Therefore, applicants can include any set of reasonably comparable packages available in the appropriate comparative community, and do not necessarily have to choose the packages with the lowest rates. However, higher proposed rates could lower a project's chances of being deemed a high-quality project.
60. The Commission's objective with the retail pricing and affordability criteria was not only to give consumers access to affordable prices, but also to ensure that the factors that may be instrumental in the Commission's project selection would remain in place for a reasonable length of time after the funds have been disbursed. The Commission considered five years from the project completion date to be an appropriate length of time to allow for the adoption of broadband Internet access services in previously underserved areas.
61. Broadband Fund recipients do have recourse should they wish to change their rates and service packages during the five-year period. Any lowering of the rates (or any increase in speed or capacity) can be done at any time without additional process. However, any lowering of the quality of the broadband services or any increase in the rates beyond those approved in the funding decision would be inconsistent with that decision. The Commission stated in Telecom Regulatory Policy 2018-377 that if a project changes materially from what the Commission had approved in the funding decision, the recipient must request Commission approval for such changes.
62. The Commission also stated in Telecom Regulatory Policy 2018-377 that it would impose certain conditions regarding the offering and provision of broadband services using facilities funded through the Broadband Fund pursuant to sections 24 and 24.1 of the Act, such as the speed and capacity of broadband services provided and the level of retail pricing. It indicated that these conditions would apply to Broadband Fund recipients and to any subsequent purchasers of the infrastructure built with the help of funding from the Broadband Fund. Fund recipients may file applications to change conditions of service in accordance with the Rules of Procedure.
63. The Commission considers that the use of price matching provisions, instead of a set price, and of comparable technologies would be difficult to implement, particularly for smaller ISPs. If the Commission were to require price matching, (i) the proposed rates would be linked to the current situation rather than to a certain point in time, (ii) funding recipients could change their service offerings to whatever is being offered in the comparative communities, including rates at which the Commission

would not necessarily have approved the proposed project, and (iii) funding recipients would be required to constantly ensure that their service offerings are still available, or risk not meeting the criteria. In addition, a requirement for applicants to use comparable technologies that exist in urban settings could prevent them from considering innovative technological solutions that may not be available in urban centres but that could be a better solution to serve underserved Canadians in the eligible geographic area(s).

64. In light of the above, the Commission considers that the wording of the Application Guide and the list of communities set out in its Appendix 3 properly reflect the Commission's intention in Telecom Regulatory Policy 2018-377.

## **Inclusion of in-kind contributions as applicant investment**

### **Background**

65. The Commission determined in Telecom Regulatory Policy 2018-377 that to be eligible for funding from the Broadband Fund, applicants must specify the amount of investment in their project that is more than a nominal amount given the nature of the project. The Commission determined that the level of the applicant's investment would be further evaluated as an assessment criterion. The Commission also stated that as an assessment criterion, it would consider a project to be of higher quality based on a greater level of funding received from sources other than the Broadband Fund towards total project costs. These sources include both the private and public sectors.
66. Section 6.1.2(b) of the Application Guide states that applicants must specify the amount they will invest in their project, which must be more than a nominal amount given the nature of the project. Applicants must also demonstrate their ability to secure this amount.
67. In section 6.2.1(c) of the Application Guide, the Commission indicated that in-kind contributions would be accepted to fulfill the assessment criterion for level of funding from other sources.

### **Positions of parties**

68. The FMCC stated that the applicant investment eligibility and assessment criteria for Indigenous/non-profit applicants should include existing investments, reduced or waived financial contributions, and in-kind contributions in lieu of money.
69. One Nation Networks, a Division of WiBand Communications Corp., stated that if the Commission deems projects to be of higher quality based on the amount of funding received from other sources, including from the applicant, it would give preference to larger entities and preclude competition from smaller, regional entities and carriers in remote areas.

## **Commission's analysis and determinations**

70. The Commission did not specify in Telecom Regulatory Policy 2018-377 whether the applicant investment eligibility and assessment criteria could be satisfied through in-kind contributions in lieu of money, or through past or existing investments.
71. The Commission created the Broadband Fund with the intent of spurring additional investment into broadband and mobile wireless network infrastructure in Canada from both the private and public sectors. The Commission expected applicants to invest in their proposed project (at least in part) to show their level of commitment to the success of the project. In addition, under the Broadband Fund, the Commission will consider only proposed new projects to build or upgrade network infrastructure in eligible geographic areas. Accordingly, a past or existing investment would not constitute an investment by an applicant in a proposed new project.
72. As stated above, in-kind contributions are accepted to fulfill the assessment criterion to obtain funding from other sources. However, if the Commission were to allow in-kind contributions to meet the applicant investment eligibility and assessment criteria, this would not further the Commission's intended incentive for applicants to invest in broadband or mobile wireless network infrastructure.
73. In light of the above, the Commission determines that past or existing investments and in-kind contributions will not fulfill the applicant investment eligibility and assessment criteria for the Broadband Fund.

## **Other matters**

74. Intervenors raised a number of other issues. The Commission notes that some of the issues raised are out of the scope of this proceeding, such as requests for the Commission to reconsider its previously made policy determinations, and that it will not address these issues.
75. However, in the Appendix to this decision, the Commission will address certain issues that it considers require clarification or modification in the Application Guide, including brief analyses and the resulting clarifications and modifications.
76. The Commission notes that the revised Application Guide will not include the former section 7, "Information to be provided by applicants." Instead, to assist applicants in the completion of their applications for the Broadband Fund, the Commission has created a [Broadband Fund Application Form Instruction Manual](#) (referred to hereafter as the Instruction Manual). Information to be provided by applicants when applying for funding is set out in the Instruction Manual.

## **Conclusion**

77. The Commission has modified the Application Guide according to the determinations set out in this decision, including in the Appendix. The Commission

has attached a revised Application Guide to its first call for Broadband Fund applications, also issued today in Telecom Notice of Consultation 2019-191.

Secretary General

### **Related documents**

- *Broadband Fund – Call for applications*, Telecom Notice of Consultation CRTC 2019-191, 3 June 2019
- *Call for comments – Application Guide for the Broadband Fund*, Telecom Notice of Consultation CRTC 2019-45, 14 February 2019
- *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018
- *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016

## Appendix to Telecom Regulatory Policy CRTC 2019-190

### Issues raised by interveners and Commission responses

Application Guide section(s)	Issue raised	Commission response
4.2	How will the Commission factor in funding from other programs, particularly with regard to the timing of such funding, which may be approved after the deadline to submit a Broadband Fund application?	<p>Broadband Fund applications cannot be contingent on any other factor, and will be assessed on their own merit. Therefore, while funding from other programs is permitted, Broadband Fund applications cannot be contingent on receiving such funding if it has not been secured at the time of the application.</p> <p>If a Broadband Fund applicant receives funding from another source after they have filed their application, they must notify the Commission in writing.</p> <p>To clarify this, section 4.2 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>...For example, an application cannot be contingent on (i) funding for another project proposal under the Broadband Fund, (ii) funding for another geographic area in a separate application under the Broadband Fund, or (iii) funding from another program <b><i>that has not been secured at the time of the application.</i></b> Therefore, applicants are encouraged to submit their most comprehensive proposal.</p>
4.2	Some projects may take longer than three years to complete. Will such projects be eligible for funding from the Broadband Fund?	The Commission has the discretion to consider funding projects that take longer than three years to complete.
4.3	The Commission's eligibility maps are out of date and do not include planned projects or projects under construction. The Commission should update the eligibility maps	Planned projects and projects under construction will not be included in the eligibility maps, since the Commission does not have comprehensive data that document the implementation status of all planned private or publicly funded



Application Guide section(s)	Issue raised	Commission response
	as frequently as possible and notify the public of any updates.	<p>projects. Also, until a project is fully implemented, various factors may come into play that would prevent broadband services from being launched. The Commission will, however, consider projects that have been implemented on a case-by-case basis to supplement the data in the eligibility maps.</p> <p>To clarify this, section 4.3 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>To assist applicants in identifying the geographic areas that are eligible for funding for different project types, the CRTC <i>has provided</i> information <i>based on the data available as of the date of this call for applications</i>. <i>The CRTC</i> may also rely on more up-to-date information, ...</p>
4.4	Underserved anchor institutions in eligible hexagons (for example, airports in Nunavut) should be eligible for funding from the Broadband Fund.	In Telecom Regulatory Policy 2018-377, the Commission defined a satellite-dependent community as a community that has no connection to terrestrially based telecommunications facilities for connection to the public switched telephone network (PSTN) and/or the Internet, and that relies on satellite transport to receive one or more telecommunications services (such as voice, wireless [both fixed and mobile], and Internet services). For the satellite component of the Broadband Fund, the eligible geographic areas are not defined by hexagons but by the satellite-dependent communities themselves. Accordingly, applicants can apply for funding for anchor institutions that are part of or that support a satellite-dependent community even if the anchor institution is not located within an eligible hexagon.
4.4	Will the Commission consider the costs for excess capacity,	The Commission may permit funding from the Broadband Fund to cover the

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	resiliency, and mobile wireless service projects to be eligible under the Broadband Fund if mobile wireless service coverage spills over into ineligible hexagons?	<p>costs associated with the provisioning of efficient infrastructure, including costs associated with spillover mobile wireless service coverage, resiliency, and excess capacity that are reasonable for the proposed project.</p> <p>The amount of funding to be distributed will be determined in the Statement of Work, and will not exceed the amount of funding that the Commission approves when it selects the project.</p> <p>To clarify this, section 4.4 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>Similarly, only costs that are directly related to the project and its required capacity to provide broadband services in the eligible geographic area(s) will be covered. For example, costs for excess capacity (e.g. excess speeds above the speeds committed to for an access project) that is not required for the project will not be eligible. <b><i>Eligible costs may, however, include costs associated with the provisioning of efficient infrastructure, including costs associated with spillover mobile wireless service coverage, resiliency, and excess capacity that are reasonable to be covered for the proposed project.</i></b></p>
4.5	The Commission should (i) inform applicants of the status of Broadband Fund applications, (ii) provide smaller entities with additional assistance to complete their applications, and (iii) provide a phone number to contact Commission staff.	The Commission must limit communication with applicants to conduct a fair and impartial process, particularly after applications have been submitted and the submission deadline for applications has passed. Accordingly, as stated in the Application Guide, applicants will not be informed of the status of their applications.

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		<p>With regard to applicants receiving assistance preparing their applications, applicants are encouraged to check the <a href="#">Broadband Fund</a> web page and in particular the <a href="#">RSS feed</a> that will be used to communicate any updates. In addition, applicants will be able to contact Commission staff for general assistance with completing their applications, with the understanding that any new information provided as a result of that assistance will be shared publicly.</p>
4.6	<p>If an applicant receives funding from another source after filing their application, will funding from the Broadband Fund be withheld?</p>	<p>If an applicant has secured funding from other sources, the Commission will consider this favourably in its evaluation of the application. At any time, if an applicant receives funding from another source for a proposed project, it must disclose to the Commission the amount and source of the funding obtained. The Commission will reduce the amount of funding that the recipient receives from the Broadband Fund to ensure that the recipient does not obtain funding for more than 100% of the total costs of the project.</p> <p>To clarify this, section 4.6 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>Applicants must provide information on all other confirmed sources of funding for the project and must indicate whether they have applied for other sources of funding for which decisions might not yet have been issued. <b><i>If an applicant has secured funding from other sources, the CRTC will consider this favourably in its evaluation of the application.</i></b> This <b><i>information</i></b> is <b><i>also</i></b> required for the CRTC to coordinate with other funding programs and to avoid a situation where an applicant is provided funding under the</p>

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		<p>Broadband Fund for more than the total project costs.</p> <p>...Should an applicant successfully secure any additional <b><i>funding, the amount</i></b> of funding from the Broadband Fund will be decreased in accordance with the amount received from the other source(s) <b><i>to ensure that the applicant does not obtain funding for more than 100% of the total costs of the project.</i></b> Should another level of government...</p>
5.2	Will the costs for certain customer premise equipment, such as fixed wireless antennas located on customer premises, be eligible under the Broadband Fund?	<p>Customer service equipment on the customer side of the demarcation point is not eligible for funding under the Broadband Fund. Fixed wireless antennas located at the customer premises may be eligible for funding under the Broadband Fund, depending on the location of that equipment relative to the demarcation point.</p> <p>However, the Commission expects that end-users will not be charged for customer service equipment that has been funded through the Broadband Fund.</p> <p>To clarify this, section 5.2 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>Fixed broadband Internet access service infrastructure includes all the equipment and material required to connect communities to the nearest PoP. Customer service equipment <b><i>located on the customer side of the customer demarcation point (see Location of Demarcation Point for Inside Wire in Multi-Dwelling Units and Associated Issues, Telecom Decision CRTC 99-10, 6 August 1999)</i></b>, such as modems, antennas, and optical network terminals, will not be eligible for funding. <b><i>Further,</i></b></p>

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		<i>recipients cannot charge customers for customer service equipment that is eligible for funding.</i>
5.4	Are costs to improve terrestrial access infrastructure in satellite-dependent communities eligible under the Broadband Fund?	<p>Yes, costs to improve terrestrial access infrastructure as part of satellite infrastructure projects are eligible.</p> <p>To clarify this, section 5.4 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>A satellite project is a project that provides or upgrades broadband services to a satellite-dependent community. A satellite project may include operational costs to increase satellite transport capacity <b><i>and/or</i></b> capital costs for earth station equipment and access infrastructure <b><i>to improve broadband Internet access service</i></b> in satellite-dependent communities. Direct-to-home (DTH) satellite projects...</p>
6	How will the Commission weigh or rank the assessment criteria used to evaluate projects?	As indicated in Telecom Regulatory Policy 2018-377, no special weighting will be used for each assessment criterion, unless otherwise indicated in the Application Guide or in the call for applications. The assessment criteria will be used to identify high-quality projects.
6.1.2(a) and 6.2.1(b)	What methodology should applicants use to calculate the net present value (NPV) of a project?	<p>The <a href="#">Broadband Fund Application Form</a> and accompanying Application Workbook will provide instructions for applicants on the methodology they should use to calculate the NPV of a proposed project. A minimum projection of five years should be used to calculate the NPV.</p> <p>The Broadband Fund is intended to provide funding for the non-viable portion of a proposed project; therefore, the amount of funding that an applicant requests for their project should reflect the amount of funding required to make the project viable. If an applicant calculates</p>

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		<p>the NPV of the project and the project still has a negative NPV after the applicant incorporates the amount of funding they have requested from the Commission, the applicant should request a higher level of funding to ensure that the proposed project will be viable.</p> <p>This calculation applies to the total project costs, not just to the portion of the project costs that is eligible under the Broadband Fund.</p>
6.1.2(a) and 6.2.1(b)	What methodology should applicants use to calculate a proposed project's rate of return?	<p>The <a href="#">Broadband Fund Application Form</a> and accompanying Application Workbook will provide instructions for applicants on the methodology they should use to calculate a proposed project's rate of return. The rate of return should reflect, at a minimum, the cost of capital (interest on debt used to finance the investment) for the project. Applicants may choose a higher rate of return (or discount rate) than the cost of capital rate. In such cases, applicants must justify the selected discount rate.</p> <p>This calculation applies to the total project costs, not just the portion of the project costs that is eligible under the Broadband Fund.</p>
6.1.2(a) and 6.2.1(b)	What revenues and expenses should be included in an application?	<p>The <a href="#">Broadband Fund Application Form</a> and accompanying Application Workbook will provide instructions for applicants on the revenues and expenses they should include in their application. The revenues and expenses listed in the business plan should be those directly associated with the proposed project, i.e. the construction and operation of the proposed network infrastructure.</p> <p>Projected revenues and expenses should include all such revenues and expenses relating to the total project costs, not just</p>

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		the portion of the project costs that is eligible under the Broadband Fund.
6.1.3(c) and 6.2.2(e)	<p>(i) How will the Commission ensure that projects are truly “open access” and allow for competition?</p> <p>(ii) Do the open access requirements apply to eligible points of presence (PoPs) only, or do they also apply to ineligible PoPs?</p>	<p>The Commission will ensure that the PoPs that are eligible for funding under the Broadband Fund as part of proposed transport projects are truly open access and allow for competition, through its assessment criteria and through the imposition of conditions on the offering and provision of broadband services. Transport projects that would not make available varied and competitive services would not receive a positive assessment under criterion 6.2.2(e).</p> <p>As noted in section 10 of the Application Guide, the Commission will use a multipronged approach to compliance and enforcement, which will include the imposition of obligations, reporting requirements, the distribution and withholding of funding, as well as the imposition of conditions on the offering and provision of broadband services pursuant to sections 24 and 24.1 of the <a href="#">Telecommunications Act</a>.</p> <p>To reinforce this, section 6.2.2(e) of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>This criterion will be used to assess whether varied and competitive services would be available <i>in eligible PoPs</i> as a result of the project. A project will be considered to be of higher quality based on (i) how low prices would be for subscribers to wholesale and retail open access services, (ii) how high the service speeds would be, and (iii) how broad the range of services would be. Service terms and conditions <i>will</i> also be examined.</p>

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6.2.1(c)	Can past funding from another source count as funding received for the proposed project?	<p>Funding from other sources must be directly related to the current project proposed by the applicant. Such funding must be recent and relevant to the proposed infrastructure build. Past funding received through other programs for projects that have been built or that are in the process of being built does not qualify as funding from other sources, since such projects are separate, even if they may be related to the proposed project.</p> <p>To clarify this, section 6.2.1(c) of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>This criterion will be used to determine the extent to which the applicant has successfully secured funds (including the value of any in-kind contributions, as defined in Appendix 1) for the project from both the private and public sectors, to ensure that carriers and various levels of government continue to invest in robust broadband infrastructure and that funding from the Broadband Fund is used efficiently. Projects will be considered to be of higher quality the greater the level of funding received from private and public sources other than the Broadband Fund towards total project costs (this includes both eligible and ineligible costs; see Appendix 2 for a list of these costs).</p> <p><b><i>Funding from other sources must be directly related to the current project proposed by the applicant. Past or existing funding received through other programs for other projects that have been built or that are in the process of being built does not qualify as funding from other sources.</i></b> This criterion...</p>



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6.2.1(d)	How will the Commission define a high-quality community consultation?	The Commission will not accord greater weight to one type of consultation than another; rather, the Commission will assess the quality of the consultation on the basis of all the relevant information provided by the applicant.
6.2.2	Will the Commission assess combination projects more favourably than projects made up of single project types?	<p>Through the assessment process, the Commission will identify high-quality projects that it will consider for funding. The assessed quality of a proposed project will not be affected by whether that project consists of more than one type of project.</p> <p>To clarify this, section 6.2.2 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>The following assessment criteria will be used to assess specific project types. If a proposed project consists of more than one type of project, that project will be assessed using the assessment criteria applicable to each relevant project type (e.g. a proposed transport and access infrastructure project will be assessed using the assessment criteria for transport projects and the assessment criteria for access projects). <b><i>The assessed quality of a proposed project will not be affected by whether that project consists of more than one type of project.</i></b> Applicants must clearly demonstrate...</p>
6.2.2 (various)	What information must applicants provide regarding current levels of service in a hexagon? Should applicants provide information only on services that are similar to those that would be provided as a result of the proposed project?	Applicants are required to provide details of only the service offering(s) that provide(s) the highest level of service in the hexagon. Underserved areas will not likely have many existing broadband service offerings available. Therefore, the Commission considers that this should not be an onerous burden on applicants.

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6.2.2(d) and 7.3	It will be challenging to obtain letters of support for a proposed project from all anchor institutions that could be affected by the project.	<p>For each anchor institution intended to be served, the applicant must provide the name and type of anchor institution, and a short description of the services that the institution offers to the community. Evidence of support by the anchor institution(s) intended to be served by proposed projects can take the form of letters, contracts, or emails.</p> <p>To clarify this, the <a href="#">Broadband Fund Application Form</a> will reflect that letters of support are not a requirement.</p>
6.2.2(g) and 7.6	<p>(i) It would be premature and costly for applicants to provide almost completed engineering designs as part of a Broadband Fund application, particularly given that engineering costs are not eligible under the Fund.</p> <p>(ii) What information must applicants provide so that the Commission can assess the quality of service parameters of the proposed level of service?</p>	<p>The Application Guide describes, generally, the technical information required for the Commission to assess a Broadband Fund application. Additional details and guidance will be provided in the <a href="#">Broadband Fund Application Form</a> and accompanying Application Workbook. The instructions on the form will clarify the specific key technical data and provisioning details that the Commission will use to assess the proposed project, including the speed and capacity proposed. The required information will be described in sufficient detail that it can be entered appropriately.</p> <p>Regarding the level of information provided, applicants are reminded that pursuant to section 4.5 of the Application Guide, the Commission's communication with applicants will be limited after the application deadline. It is therefore necessary for the Commission to obtain a sufficient level of project information in order to properly apply the assessment criteria.</p>
6.2.2(n) and (o)	Projects serving satellite-dependent communities should be exempt from the 25/5 megabits per second	In Telecom Regulatory Policy 2018-377, the Commission set the 25/5 Mbps download/upload speed eligibility criterion as a minimum requirement for fixed broadband Internet access service

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	(Mbps) minimum download/upload speed requirement.	projects under the main component of the Broadband Fund. This requirement is not an eligibility criterion for proposed projects that would serve satellite-dependent communities under the satellite component of the Fund.
6.3	How will the Commission choose between different proposed projects that would serve the same, or overlapping, geographic areas?	<p>The Commission can select two projects in the same geographic area if they are different project types. However, the Commission will not select two high-quality proposed projects in the same geographic area that consist, even in part, of the same project type.</p> <p>The Commission will use the project selection considerations set out in Telecom Regulatory Policy 2018-377 to choose between different high-quality proposed projects that would serve the same, or overlapping, geographic areas.</p> <p>To clarify this, section 6.3 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>Once a set of high-quality projects have been identified, a subset of projects will be selected for funding. In deciding between high-quality projects, the CRTC will consider not only whether individual projects would contribute to meeting the universal service objective, but also which set of projects would have the greatest positive impact on Canadians, keeping in mind the policy objectives set out in the <a href="#">Telecommunications Act</a>.</p> <p><b><i>The CRTC can select two projects in the same geographic area if they are different project types. However, the CRTC will not select two projects in the same geographic area that consist, even in part, of the same project type.</i></b></p>

Application Guide section(s)	Issue raised	Commission response
		The following are considerations...
7.2	Smaller Broadband Fund applicants will have challenges securing irrevocable letters of credit.	<p>The Commission does not want to exclude small Broadband Fund applicants if they are unable to secure an irrevocable letter of credit. However, given the importance of ensuring the financial viability of proposed projects, a suitable substitute must be provided.</p> <p>To clarify this, the <a href="#">Broadband Fund Application Form</a> will reflect the increased flexibility that applicants will have in demonstrating any funding received through credit.</p>
9.2	Will the deadline for completing the Statement of Work be flexible, depending on different circumstances? For example, will the Commission take into account the number and/or size of the project(s)?	<p>The funding decisions will specify the time frame for recipients to submit a completed Statement of Work. Such time frames will take into account a variety of factors, including the size and complexity of the project(s).</p> <p>In addition, the Commission will consider requests to extend time frames to complete Statements of Work.</p> <p>To clarify this, section 9.2 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>Following the issuance of the funding decisions, recipients will be required to submit a complete Statement of Work (as defined in Appendix 1) for CRTC approval within a time frame specified in the funding decision in order to qualify to receive funding from the Broadband Fund. The CRTC will not accept incomplete Statements of Work. <b><i>However, the CRTC may extend such time frames in exceptional circumstances, upon request.</i></b></p> <p>An applicant that fails to meet this deadline, or another CRTC-approved deadline related to the Statement of Work, will forfeit its ability to request and</p>

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		receive funding for the project following a failure to meet the deadline.
9.3	How will the 10% funding holdback be retained? Will the Commission pay out 90% of all progress payments, or will it pay out progress payments in full until 90% of the funding has been paid out?	<p>The amount of funding paid to Broadband Fund recipients for each claim form submitted will be equal to the amount of eligible costs of the claim, less 10% of that amount.</p> <p>To clarify this, section 9.3 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>Once the costs are verified, the CRTC will direct the Central Fund Administrator to issue the requested payment to the recipient. <b><i>The amount of funding paid to the recipient for each claim form submitted will be equal to the amount of eligible costs of the claim, less 10% of that amount. The remaining 10% of funding will be held back to ensure compliance with the conditions of service established in the funding decision. The held-back amount will be paid out pursuant to the process set out in sections 9.4 and 10.2.j.</i></b> If the recipient's Progress Report discloses non-compliance or material changes (as defined in Appendix 1) from the approved Statement of Work for the project, the CRTC may direct the Central Fund Administrator to withhold payment.</p>
10.1	The Commission should specify certain regulatory requirements that applicants must meet.	The existing wording states that applicants must comply with federal, provincial/territorial, and municipal laws and regulations, and any other related laws or guidelines that may apply to the construction and operation of the project. It is the applicant's responsibility to ensure compliance with all laws. Rules and regulations specifically applicable to

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		Canadian carriers pursuant to the Act can be found on the Commission's <a href="#">website</a> .
10.2	There should be some flexibility regarding the certification of claim forms.	<p>The Commission does not wish to exclude Broadband Fund applicants simply because they do not have a Chief Financial Officer. However, given the importance of ensuring that claim forms are certified, a suitable substitute must be provided.</p> <p>To clarify this, section 10.2.d of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>d. Recipients must file with the CRTC every three months (or as otherwise established on an exceptional basis) a claim form certified by their Chief Financial Officer (CFO), <b><i>or by an equivalent authorized official of the recipient</i></b>, along with supporting documentation demonstrating, to the CRTC's satisfaction, that all eligible expenses claimed were actually incurred and are related to the activities described in the Statement of Work.</p>
13	The Application Guide specifies that the Commission will not publish on its website applications submitted in confidence. Could the Commission clarify that such applications will not be published, whether on its website or otherwise?	<p>The Commission will retain in confidence confidential financial, commercial, or technical information included in the application that is consistently treated by the applicant as confidential.</p> <p>To clarify this, point 8 of section 13 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <p>8. The CRTC will not <b><i>make available for public inspection, whether on its website or otherwise, any Broadband Fund application for which confidentiality is claimed, except to the extent that the CRTC has determined disclosure is in the public interest in accordance with section 39 of the</i></b></p>

Application Guide section(s)	Issue raised	Commission response
		<u><a href="#">Telecommunications Act</a></u> , or as may otherwise be required by law.
13	If an application is not successful as part of one call for applications, will the Commission automatically consider it in the next call?	<p>Each application is specific to a single call for applications. The onus will be on applicants to resubmit applications, if they wish, for each subsequent call. The Commission expects applicants to update previously filed applications with current information at the time of each call.</p> <p>To clarify this, a point will be added to the list in section 13 of the Application Guide, as follows (changes are highlighted in bold italics):</p> <p><b><i>11. Applications filed in response to this call for applications will not be automatically considered again in subsequent calls for applications. Applicants must submit applications for each call if they want their proposed projects to be considered in that call.</i></b></p>
Appendix 2	Are leasing, financing, carrying, direct labour, and application costs eligible costs under the Broadband Fund?	<p>Direct labour costs are eligible costs. Leasing, financing, carrying, and application costs are not eligible costs.</p> <p>To clarify this, the third bullet in the list of eligible costs in Appendix 2 of the Application Guide will be modified as follows (changes are highlighted in bold italics):</p> <ul style="list-style-type: none"> <li>• direct labour costs (<b><i>including loading costs, such as costs associated with holidays, vacation, and fringe benefits</i></b>), meaning the portion of gross wages or salaries for work that can be specifically identified and measured as having been done on the project, including the one-time costs associated with the engineering and installation of capital equipment, network deployment, and service provisioning. These costs also include costs for initial technical training on equipment</li> </ul>

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		installation, operation, and maintenance for local staff in communities without year-round road access, to be completed by the end of the first year of operation;