



## Telecom Notice of Consultation CRTC 2019-372

PDF version

Ottawa, 13 November 2019

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### **Broadband Fund – Second call for applications**

**Deadline for submission of applications: 27 March 2020 at 17:00, Pacific Daylight Time**

*The Commission hereby calls for applications for funding from the Broadband Fund for all types of eligible projects in all eligible geographic areas throughout Canada.*

#### **Background**

1. In Telecom Regulatory Policy 2016-496, the Commission established the universal service objective, namely that Canadians, in urban areas as well as in rural and remote areas, have access to voice services and broadband Internet access services, on both fixed and mobile wireless networks. To help provide Canadians with access to these services, the Commission determined that it would establish a funding mechanism (i.e. the Broadband Fund) to assist in (i) funding continuing access to the basic telecommunications services that form part of the universal service objective, and (ii) closing the gaps in connectivity.
2. In Telecom Regulatory Policy 2018-377, the Commission addressed matters relating to the Broadband Fund, including its governance, operating, and accountability frameworks, and the criteria it would use to evaluate proposed projects.
3. In Telecom Notice of Consultation 2019-191, the Commission issued a call for applications for funding from the Broadband Fund for all types of eligible projects in (i) satellite-dependent communities in any area of Canada, or (ii) any eligible geographic areas in the Northwest Territories, Nunavut, or Yukon. The deadline for the submission of applications was 3 October 2019.

#### **Second call for applications**

4. In Telecom Notice of Consultation 2019-191, the Commission recognized that there are many geographic areas throughout Canada that do not currently have access to universal service objective-level broadband services and that would not be eligible for funding in the first call for applications.
5. Therefore, the Commission stated that it intended to launch a second call for applications in Fall 2019 that would be open to all types of eligible projects in all eligible geographic areas, as defined in Telecom Regulatory Policy 2018-377, throughout Canada. The Commission noted that along with the second call for applications, it would issue updated broadband service maps for all of Canada, and a

corresponding Application Guide. The updated Application Guide can be found in the Appendix to this notice.

6. The Commission hereby calls for applications for funding from the Broadband Fund from eligible applicants for eligible projects located in the eligible geographic areas for this call, as defined below.
7. Persons interested in responding to this call must submit a duly completed application to the Commission no later than **27 March 2020 at 17:00, Pacific Daylight Time**, using the appropriate [Broadband Fund Application Form](#) for their project type(s).

### **Evaluation of applications**

8. In evaluating applications received as part of this call for applications, the Commission will proceed in three stages, as set out in Telecom Regulatory Policy 2018-377:
  - i. Eligibility: Applications that do not meet all the eligibility criteria will not be considered further.
  - ii. Assessment: The Commission will evaluate proposed projects according to the assessment criteria to identify a set of high-quality projects.
  - iii. Selection: The Commission will select projects for funding from among the above-mentioned set of high-quality projects on the basis of specific selection considerations.
9. The eligibility and assessment criteria, along with the selection considerations, that the Commission will apply are set out in Telecom Regulatory Policy 2018-377, and are described in greater detail in the Application Guide.

### **Eligible types of projects**

10. In eligible geographic areas, projects to build or upgrade fixed access infrastructure, transport infrastructure, mobile wireless infrastructure, or any combination of these, will be eligible. Projects involving a combination of project types must meet the eligibility criteria for each type of project and will be evaluated according to the assessment criteria for each type of project.

11. The three following types of projects will be eligible in satellite-dependent communities:
- Projects to increase satellite transport capacity (operational costs only): applications for funding to cover operational costs annually, over a certain amount of time, to increase satellite transport capacity.
  - Infrastructure projects: applications for capital funding to be invested in the earth station equipment and access infrastructure to improve broadband Internet access service.
  - Infrastructure projects and operational costs: applications for a combination of capital funding for infrastructure and funding for satellite transport operational costs.

### **Eligible geographic areas**

12. To be eligible for funding for a fixed broadband Internet access service project, an applicant must propose to build or upgrade infrastructure in an eligible geographic area, defined as a 25 km<sup>2</sup> hexagon in which Statistics Canada's latest census data show that there is at least one household but in which no household has access to broadband Internet access service at universal service objective-level download and upload speeds (50 megabits per second [Mbps] and 10 Mbps, respectively).
13. To be eligible for funding for a transport project, an applicant must propose to build or upgrade infrastructure to an eligible community, defined as a small population centre with a population of fewer than 30,000 residents, that is located at least 2 km from a point of presence (PoP)<sup>1</sup> with a minimum capacity of 1 gigabit per second (Gbps).
14. To be eligible for funding for a mobile wireless service project, an applicant must propose to build or upgrade infrastructure in an eligible geographic area, defined as either
- a 25 km<sup>2</sup> hexagon in which Statistics Canada's latest census data show that there is at least one household but in which no household has access to coverage by the latest generally deployed mobile wireless technology (currently long-term evolution [LTE]), or
  - part of a major transportation road<sup>2</sup> that does not have access to coverage by the latest generally deployed mobile wireless technology (currently LTE).

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<sup>1</sup> A PoP is a point in the network that connects the transport infrastructure to the local access infrastructure.

<sup>2</sup> For the purpose of the Broadband Fund, a major transportation road is a road classified by Statistics Canada as having a street rank code of 1, 2, or 3 in its [Road Network File](#).

15. Other eligibility criteria, assessment criteria, and selection considerations can be found in Telecom Regulatory Policy 2018-377, in the Application Guide, and on the [Broadband Fund](#) web page.

## Procedure

16. To assist it in the assessment of Broadband Fund applications, the Commission requires all applicants to provide all the information requested in the Application Guide for the type of project they are proposing. Applicants must (i) clearly demonstrate that their applications include the required information, and (ii) submit the appropriate completed application.
17. Except as set out below, the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to Broadband Fund applications. Given the unique circumstances of Broadband Fund applications and the public interest in an efficient and effective application process, the Commission has determined that the process for Part 1 Telecommunications applications set out in sections 9, 22-27, and 32-33 of the [Rules of Procedure](#) shall not apply to Broadband Fund applications. The process for filing Broadband Fund applications is set out below.
  1. This procedure must be read in conjunction with the Rules of Procedure (with the exception of sections 9, 22-27, and 32-33) and related documents, which can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), under "Statutes and regulations".
  2. The deadline for filing applications is **27 March 2020 at 17:00, Pacific Daylight Time**. Applicants are responsible for ensuring the timely delivery of their applications. The Commission will not consider late applications. Applicants must keep proof of the sending and receipt of each document for 60 days after the date on which the document is filed.
  3. Applications must be made using the appropriate [Broadband Fund Application Form](#) on the Commission's website or in an alternative accessible format.
  4. Applicants must complete the entire Broadband Fund Application Form and all related forms and templates.
  5. Applications that are incomplete or that have not been filed in accordance with the process set out herein by the application deadline may not be accepted. The Commission may permit an applicant to correct inadvertent errors, deficiencies, or omissions in the application.
  6. Applicants must not amend their application or file any supplementary documents related to the application with the Commission after the application deadline, unless the Commission requests that they do so.

7. Applicants should refer to the Application Guide and the [Broadband Fund Application Form Instruction Manual](#) for additional details and explanations to assist them in completing their application.
8. The Commission will not 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 Commission has determined that disclosure is in the public interest in accordance with section 39 of the [Telecommunications Act](#), or as may otherwise be required by law.
9. The Commission will notify applicants by email that their application has been received, and will provide a submission confirmation number. The Commission will not inform applicants of the status of their application prior to issuing its published decisions to award project funding (i.e. funding decisions). Successful applicants will be notified when the Commission issues its funding decisions.
10. Pursuant to section 62 of the *Telecommunications Act*, an application may be filed with the Commission to review and rescind or vary a Commission decision. Pursuant to subsection 71(1) of the Rules of Procedure, applicants have 90 days after the date of the funding decision to file such applications. However, as determined in Telecom Regulatory Policy 2019-190, the Commission has varied this rule in the context of the Broadband Fund, such that applications to review and rescind or vary a funding decision must be filed within **45 days** of the date of the funding decision.
11. Applications filed in response to a call for applications will not be automatically considered again in subsequent calls for applications. Applicants must submit applications for each call if they want the Commission to consider their proposed projects in that call.
18. Interested persons should consult the [Broadband Fund](#) web page regularly to ensure that they have the most up-to-date information when filing their applications. This web page provides access to all information concerning the Broadband Fund. It also includes links to the [Broadband Fund Application Form](#) and other relevant documents, instructions on how to contact the Commission, any additional or updated information on the application process, and any other clarifications. In addition, interested persons can subscribe to the Commission's [RSS feed](#)<sup>3</sup> to be notified of any updates.

Secretary General

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<sup>3</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.

## Related documents

- *Broadband Fund – Call for applications*, Telecom Notice of Consultation CRTC 2019-191, 3 June 2019
- *Broadband Fund – Modifications to the Application Guide*, Telecom Regulatory Policy CRTC 2019-190, 3 June 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 Notice of Consultation CRTC 2019-372

## Application Guide for the 13 November 2019 Call for Applications for the Broadband Fund

### Table of contents

1. Introduction.....	1
2. About the Broadband Fund.....	1
3. The legal framework under which the CRTC operates .....	2
4. General guidelines .....	3
5. Project types.....	7
6. Application evaluation.....	8
7. Instruction Manual.....	23
8. Declaration form.....	23
9. Awarding of funding.....	24
10. Funding conditions .....	26
11. Confidentiality .....	30
12. Security .....	31
13. Process .....	31
Appendix 1: Definitions .....	34
Appendix 2: Eligible and ineligible costs.....	37
Appendix 3: List of communities for retail price/package comparisons.....	39

## 1. Introduction

The Canadian Radio-television and Telecommunications Commission (CRTC) seeks to ensure that all Canadians have access to a world-class communication system. The CRTC established the Broadband Fund to assist in funding projects (as defined in Appendix 1 below) to build or upgrade access and transport infrastructure for fixed and mobile wireless broadband Internet access services to achieve the universal service objective, in order to close the gap in connectivity in underserved areas.

This guide has been developed to assist in the completion of applications for the CRTC's Broadband Fund. It provides detailed information to help applicants understand the criteria against which applications will be assessed and the information that applicants must provide. This guide is intended to be used in conjunction with the [Broadband Fund Application Form](#) and its associated [Broadband Fund Application Form Instruction Manual](#) (referred to hereafter as the Instruction Manual). The Broadband Fund Application Form is designed to facilitate the application process by prompting applicants for the required forms and templates to be submitted.

The CRTC recommends that prior to submitting an application, applicants consult *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018 (Telecom Regulatory Policy 2018-377); *Broadband Fund – Modifications to the Application Guide*, Telecom Regulatory Policy CRTC 2019-190, 3 June 2019; this guide; and the Instruction Manual. This will help applicants understand the CRTC's objectives, eligibility criteria, and assessment process.<sup>4</sup>

## 2. About the Broadband Fund

Canada is a large country with varying geography and climate, which results in some unique challenges in providing high-quality broadband Internet access services for all Canadians. Private sector investments and funding programs from various levels of government support the expansion of these services outside densely populated urban centres. However, many Canadians, particularly in rural and remote areas, do not yet have access to broadband Internet access services that are comparable to those offered to the vast majority of Canadians in terms of speed, capacity, quality, and price.

In *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016, the CRTC established the following universal service objective: Canadians, in urban areas as well as in rural and remote areas, have access to voice services and broadband Internet access services, on both fixed and mobile wireless networks.<sup>5</sup> To help provide Canadians

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<sup>4</sup> In the event of any discrepancy between this guide and the determinations in Telecom Regulatory Policy 2018-377, the determinations in Telecom Regulatory Policy 2018-377 prevail.

<sup>5</sup> The CRTC determined that to measure the successful achievement of the broadband portion of this objective, Canadians should be able to access fixed broadband Internet service speed offerings of at least 50 megabits per second (Mbps) download and 10 Mbps upload, and to subscribe to a service offering with an unlimited data allowance. These offerings must also meet defined quality of service metrics. For mobile wireless service, the latest generally deployed mobile wireless technology (currently long-term



with access to these services, the CRTC established the Broadband Fund. Under the Fund, the CRTC intends to consider applications for projects to improve broadband infrastructure in underserved areas.

For the first five years of the Broadband Fund, a maximum of \$750 million will be available as follows: no more than \$100 million in the first year, which will increase by \$25 million annually over the following four years to reach a maximum of \$200 million in the fifth year.<sup>6</sup>

Up to 10% of the total annual amount of funding<sup>7</sup> will be allocated for projects to increase satellite transport capacity, infrastructure projects, and certain operational costs in satellite-dependent communities (as defined in Appendix 1).

The funding provided from the CRTC's Broadband Fund does not come from general tax revenue, as is the case with most other government funding programs, but is instead collected directly from telecommunications service providers (TSPs).

Historically, funds have been collected from TSPs to subsidize local telephone service in remote areas of the country where service provision can be costly. These funds will also now be used to fund the provision of broadband services in areas of the country that are currently underserved. The Central Fund Administrator of the National Contribution Fund will oversee the collection and distribution of funds, as directed by the CRTC,<sup>8</sup> and the CRTC will select and monitor the broadband projects to be funded.

On 3 June 2019, the CRTC issued the first call for applications for funding for eligible projects in satellite-dependent communities in any area of Canada, or in eligible geographic areas in the Northwest Territories, Nunavut, or Yukon. Applications made under that call are now being considered for funding.

### **3. The legal framework under which the CRTC operates**

The CRTC is an administrative tribunal that regulates and supervises broadcasting and telecommunications in the public interest. The legal framework that applies to the CRTC is fundamentally different than that for other government departments that offer broadband funding programs. The CRTC operates at arm's length from the federal government, and its decisions are subject to appeal, with leave, to the Federal Court of

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evolution [LTE]) should be available not only in Canadian homes and businesses, but on as many major transportation roads as possible in Canada.

<sup>6</sup> Incremental amounts in years four and five are contingent on a review of the Broadband Fund in the third year.

<sup>7</sup> If the amount of funding requested for high-quality projects covering satellite-dependent communities in a given year is less than the total allocation amount of 10% of the Broadband Fund for that year, any excess amount may be used to fund projects in other eligible geographic areas.

<sup>8</sup> Contributions towards the Broadband Fund will continue to be collected through a revenue-percent charge that will be applied to the contribution-eligible revenues of TSPs (or groups of related TSPs) with at least \$10 million in annual Canadian telecommunications revenues. This will include contributions from Internet service providers and wireless service providers.

Appeal.<sup>9</sup> The CRTC must make all its decisions in compliance with the administrative law principles that apply to statutory tribunals. As a result, the CRTC's practices and procedures necessarily differ from those of other government departments. For example, to develop its broadband funding regime, the CRTC held extensive public proceedings in which interested persons had the opportunity to comment on all aspects of the regime. These proceedings led to the CRTC's (i) decision to establish Internet service as a basic telecommunications service; (ii) decision on the development of the Broadband Fund, which includes the criteria that the CRTC will use to evaluate funding applications; and (iii) Application Guide for the Broadband Fund.

In accordance with administrative law principles, to ensure that all applicants are treated fairly, contact between the CRTC and applicants will follow the guidelines outlined in section 4.5 below. For example, the CRTC will not assist applicants in crafting or improving their applications. When applying for funding, applicants are expected to put forward their best proposal and provide the CRTC with accurate, complete, and realistic information based on their prior research and project planning activities.

## **4. General guidelines**

### **4.1 Who can apply?**

In general, Canadian corporations of all sizes; provincial, territorial, and municipal government organizations; band councils or Indigenous governments; and any partnership, joint venture, or consortium composed of these eligible entities may apply for funding.

The applicant, or at least one member of a partnership, joint venture, or consortium must have at least three years of experience in deploying and operating broadband infrastructure, and must be eligible to operate as a Canadian carrier. Should the applicant or the members of a partnership, joint venture, or consortium not meet this experience requirement, they must enter into a contractual arrangement with an entity that does.

Refer to section 6.1 below for detailed eligibility requirements.

### **4.2 Scope of applications**

An application may contain any combination of project types and may span multiple geographic areas. An applicant may submit one or more applications in response to a call for applications. However, if an applicant submits more than one application, the geographic areas proposed to be covered cannot overlap. For example, an applicant should submit a single application for a transport and access project in a given eligible geographic area, rather than submitting separate applications for the transport project and for the access project in the same geographic area. Also, an application cannot be contingent on any other factors; it will be assessed on its own merit. For example, an application cannot be contingent on (i) funding for another project proposal under the

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<sup>9</sup> In addition, pursuant to subsection 12(1) of the [Telecommunications Act](#), the Governor in Council may vary or rescind a CRTC decision, or refer it back to the CRTC for reconsideration.

Broadband Fund, (ii) funding for another geographic area in a separate application under the Broadband Fund, or (iii) funding from another program that has not been secured at the time of the application. Therefore, applicants are encouraged to submit their most comprehensive proposal.

The CRTC has not imposed a limit with respect to the amount of funding that an applicant may request, but applicants must invest an amount in their project that is more than a nominal amount given the nature of the project. In addition, the overall amount of funding that may be distributed in a single year is limited, as described above.

Although the CRTC recognizes that the lengths of projects will vary, it considers that projects should be completed within three years of recipients being awarded funding.

### **4.3 Geographic eligibility**

To be eligible to apply for funding from this second call for applications, a project must meet the requirements set out in Telecom Regulatory Policy 2018-377 and serve an eligible geographic area in Canada. Eligible geographic areas include areas that were eligible in the first call for applications but do not yet have service that meets the universal service objective. The CRTC has published updated [maps outlining the eligible geographic areas](#) for this call for applications.

The CRTC may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period between the launch date of this call for applications and the submission deadline.

The maps and associated data sets on the CRTC's website are current only as of the date of collection of the data, as indicated on the site. These maps are to be used for reference purposes only, since upgrades to broadband services and network facilities may have taken place since that time.

Applicants should verify whether (i) new broadband services or network facilities have been deployed since the CRTC's data were collected, making a geographic area no longer eligible; or (ii) new projects are under way in the target areas or will be under way within the proposed project's time frame.

Applicants should therefore conduct their own due diligence, through research of available broadband services or network facilities and consultation with the relevant service providers and communities, to ensure that the geographic areas they are proposing to serve are eligible under the Broadband Fund. For example, applicants should consult Innovation, Science and Economic Development Canada's (ISED) [National Broadband Internet Service Availability Map](#) and the [list of projects that have been announced to date under ISED's Connect to Innovate program](#).

While the CRTC is conducting the evaluation of applications, consideration of the most recent data available is critical to mitigate the risk of overbuilding in a given area and to allow for the efficient use of funds across the country. As such, the CRTC will be

conducting its evaluation and selection of applications based on the most current verified data available at that time. These data may constitute publicly available information announced by companies or governments, or information that the CRTC has collected in confidence (e.g. information collected in the CRTC's [Annual Facilities Survey](#) and information provided by other government departments and agencies).

#### **4.4 Project costs**

The CRTC will consider the total eligible costs for the project to be all eligible costs directly associated with the provision of broadband services in (an) eligible geographic area(s) (see Appendix 2 for a list of eligible and ineligible costs). Applicants must provide an estimate of both their total costs and total eligible costs in their project budget, as described in the [Instruction Manual](#).

If a proposed project will also provide broadband services in (an) ineligible (e.g. served or partially served) geographic area(s), the applicant may have additional associated costs. The applicant should list these ineligible costs separately and not include them in its estimate of eligible costs in its project budget.

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. 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.

If an applicant intends to incur a cost that is not explicitly listed or that does not reasonably fit in the costs listed, the applicant may state in its application why that cost should be eligible. The CRTC will then assess the eligibility of the cost.

Refer to section 9 below for further details on the awarding of funding.

#### **4.5 Communication with applicants**

To ensure that all applicants are treated fairly and have access to the same information, contact between the CRTC and applicants will be limited in the following way:

- Prior to the application submission deadline, CRTC staff will not advise applicants on how to best present their applications or assist applicants with completing their applications. CRTC staff will, however, respond to clarification questions regarding the application process and the required information. CRTC staff will provide individual responses to applicants, and will regularly post answers to clarification questions on the CRTC's website. To see those answers or to submit questions to the CRTC, please consult the [Broadband Fund](#) web page.

- After the application submission deadline has passed, CRTC staff will generally no longer respond to questions from applicants. See section 13 below for further details on the application process.

Applicants will not be informed of the status of their applications. Funding recipients will be announced in decisions to award funding to the project (hereafter, funding decisions; see definition in Appendix 1) that will be published on the CRTC's website. Applicants will be notified when the CRTC has made all the funding decisions for this call.

#### **4.6 Coordination of funding with governments and sharing of information**

The CRTC is committed to working with all levels of government, where appropriate, to achieve the goal of providing fixed and mobile wireless broadband Internet service to underserved Canadians. Federal departments, as well as some provincial, territorial, and municipal governments, also provide funding through their own broadband initiatives. Applicants are encouraged to apply for these sources of public funding, in addition to the Broadband Fund, where they are available.

While some government broadband funding programs have stacking limits with respect to the percentage of overall funding for a project to be provided from all combined federal government sources of funding, the CRTC does not have any such limits under the Broadband Fund. As noted in section 2 above, the funds from the Broadband Fund are not government funds.

To ensure that the Broadband Fund operates as efficiently as possible, the CRTC will 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.

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. If an applicant has secured funding from other sources, the CRTC will consider this favourably in its evaluation of the application. This information is also required for the CRTC to coordinate with other funding programs and to avoid a situation in which an applicant is provided funding under the Broadband Fund for more than the total project costs.

Between the application submission deadline and the completion of a funded project (i.e. when the final project Holdback Report is submitted and accepted by the CRTC), applicants are required to inform the CRTC of any additional funding they secure for the project from another source.<sup>10</sup> Should an applicant successfully secure any additional funding, the amount of funding from the Broadband Fund will be reduced in accordance with the amount received from the other source(s) to ensure that the applicant does not obtain funding for more than 100% of the total costs of the project. Should another level of government publicly announce that funding has been awarded to an entity other than

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<sup>10</sup> Specifically, applicants must provide the CRTC with information regarding the amount of funding received, the source of the funding, and the effect of the funding on the proposed project. Applicants must update the CRTC on any changes to this information.

the applicant for the building of broadband infrastructure in the eligible geographic area for which the applicant has applied, the CRTC may consider this information in determining whether to award funds to a project in that area.

Applicants can request confidentiality with respect to their applications, as explained in detail in section 11 below. To further the coordination of efforts with governments at all levels and to provide transparency, the CRTC may disclose aggregate application information to the public (e.g. the number of applications the CRTC receives by type of project, by province/territory, or by region, or the total amount of funding requested). The CRTC also has an obligation to provide information filed in confidence to the Minister of Innovation, Science and Economic Development and to the Chief Statistician of Canada upon request.

## **5. Project types**

The CRTC will consider projects to build or upgrade access or transport infrastructure for fixed and mobile wireless broadband Internet access services. The CRTC will also consider projects to increase satellite transport capacity (operational costs) and/or projects for earth station equipment and access infrastructure (capital costs) in satellite-dependent communities (as defined in Appendix 1).

Applicants can apply for funding for one project type or a combination of different project types. For example, an application may include a combination of transport, access, and/or mobile wireless project types. Applications for projects covering satellite-dependent communities will be evaluated separately.

Applicants can apply for funding for the following types of projects.

### **5.1 Transport projects**

A transport project is a project that introduces or upgrades transport network capacity to one or more points of presence (PoPs) [as defined in Appendix 1], thereby enabling Internet connectivity for fixed and mobile infrastructure projects in underserved communities.

Transport infrastructure includes the equipment and material required to establish a new PoP or to upgrade the capacity of an existing PoP in an eligible community.

### **5.2 Access projects**

An access project is a project that connects communities to a PoP by upgrading existing or introducing new network infrastructure and using fixed broadband technology in order to provide Internet service to those communities.

Fixed broadband Internet access service infrastructure includes all the equipment and material required to connect communities to the nearest PoP. Customer service equipment 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), such as modems, antennas, and optical network terminals, will not be eligible for funding. Further, recipients cannot charge customers for customer service equipment that is eligible for funding.

### **5.3 Mobile wireless projects**

A mobile wireless project is a project that provides or upgrades mobile connectivity to communities and/or along major transportation roads (as defined in Appendix 1). Mobile wireless projects must provide end-users with the ability to access voice and data applications while being mobile, using the latest generally deployed mobile wireless technology (currently long-term evolution or LTE) in the geographic area that the project proposes to serve.

Mobile wireless infrastructure includes all the equipment and material required to provide connectivity and mobility for devices in an eligible geographic area. The mobile devices themselves are not eligible for funding.

### **5.4 Satellite projects**

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 and/or capital costs for earth station equipment and access infrastructure to improve broadband Internet access service in satellite-dependent communities. Direct-to-home (DTH) satellite projects and terrestrial projects that connect satellite-dependent communities to the terrestrial broadband network will be considered only under the main component of the Broadband Fund.<sup>11</sup>

## **6. Application evaluation**

The evaluation of applications will take place in three stages:

- I. **Eligibility:** Applications that do not meet the eligibility criteria will not be considered further.
- II. **Assessment:** Projects will be evaluated according to the assessment criteria to identify a set of high-quality projects.
- III. **Selection:** The selection of projects for funding will be made from among the above-mentioned set of high-quality projects and will be based on project selection considerations.

The eligibility and assessment criteria and project selection considerations set out in Telecom Regulatory Policy 2018-377 are described in greater detail below. Projects involving a combination of project types must meet the eligibility criteria for each type of

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<sup>11</sup> The Broadband Fund is comprised of two components. Under the main component, the CRTC will consider projects to build or upgrade access and/or transport infrastructure for fixed and mobile wireless broadband Internet access services in all areas except in satellite-dependent communities. Under the satellite component (as defined in Appendix 1), the CRTC will consider infrastructure projects and projects to increase satellite transport capacity in satellite-dependent communities.

project included and will be evaluated based on the assessment criteria for each type of project included.

To enable the CRTC to evaluate projects against each criterion, applicants are required to provide information as described in the [Instruction Manual](#).

For details on the application process, refer to section 13 below.

## **6.1 Eligibility**

All applicants must clearly demonstrate, with supporting evidence, how their applications meet the eligibility criteria set out below regarding (i) applicant types, (ii) all project types, and (iii) specific project types.

### **6.1.1 Eligibility criteria for applicants**

Applicants must demonstrate, with supporting evidence, that they meet each of the following eligibility criteria.

#### **6.1.1(a) Eligibility criteria for applicants – Applicant type (1-E1)**

To be eligible for funding, an applicant must demonstrate that it is

- (i) a corporation, either for profit or not for profit, incorporated under the laws of Canada, a Canadian province, or a Canadian territory;
- (ii) a Canadian provincial, territorial, or municipal entity, including a public sector body that is established by statute or by regulation or that is wholly owned by a Canadian provincial, territorial, or municipal government;
- (iii) a band council within the meaning of section 2 of the *Indian Act*, or an Indigenous government as established by a self-government agreement or a comprehensive land claim agreement; and/or
- (iv) a partnership, joint venture, or consortium that is composed of the entities identified in (i), (ii), and/or (iii) above.

Individuals, as well as federal government departments, agencies, boards, commissions, Crown corporations, and special operating agencies, are ineligible to apply for funding under the Broadband Fund, either as applicants or as members of an applicant partnership, joint venture, or consortium.



**6.1.1(b) Eligibility criteria for applicants – Canadian carrier (1-E2)**

An applicant must demonstrate that it, or at least one member of the applicant partnership, joint venture, or consortium, is eligible to operate as a Canadian carrier pursuant to section 16 of the [Telecommunications Act](#).

**6.1.1(c) Eligibility criteria for applicants – Applicant financial solvency (1-E3)**

Except when the applicant is a provincial, territorial, or municipal government, an applicant must demonstrate that it, or each member of the applicant partnership, joint venture, or consortium, is financially solvent and reliable in accordance with the Generally Accepted Accounting Principles of Canada. Refer to Appendix 1 for definitions of “solvent” and “reliable”.

**6.1.1(d) Eligibility criteria for applicants – Broadband infrastructure experience (1-E4)**

An applicant must demonstrate that it, or at least one member of the applicant partnership, joint venture, or consortium, has experience deploying and operating broadband infrastructure in Canada for a minimum of three years, or that it has entered into a contractual arrangement with an entity as described in 6.1.1(a) above that has a minimum of three years’ experience in deploying and operating broadband infrastructure in Canada.

**6.1.1(e) Eligibility criteria for applicants – Defined roles and responsibilities (1-E5)**

Applicants that comprise a partnership, joint venture, or consortium must describe the roles and responsibilities that each member will have in managing the project. For example, applicants must identify which entity will retain ownership of the network assets, which entity will be responsible for building the network, and which entity will be responsible for the network’s operation. Applicants should identify these roles and responsibilities by filing contractual arrangements, partnership agreements, or other legal documentation that creates the applicant entity and describes the various roles and responsibilities of each member.

**6.1.2 Eligibility criteria for all project types**

Applicants must demonstrate, with supporting evidence, that each of the following eligibility criteria is met, regardless of the type of project.

**6.1.2(a) Eligibility criteria – Project viability (1-P1)**

An applicant must demonstrate that without funding from the Broadband Fund, its proposed project would not be financially viable, by submitting a business plan for its project based on (i) pro forma standardized financial projections for the project, and (ii) the assumption of zero funding from the Broadband Fund. The business plan, together with the applicant’s financial statements, will be assessed to determine the project’s financial viability without funding from the Broadband Fund. A business plan that

demonstrates a positive net present value would generally be considered to present a viable business case, while a business plan that demonstrates a negative net present value would be considered not to present a viable business case.

**6.1.2(b) Eligibility criteria – Applicant investment (1-P2)**

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. Past or existing investments and in-kind contributions will not count towards meeting this criterion.

**6.1.2(c) Eligibility criteria – Community consultation (1-P3)**

To be eligible for funding, an applicant must provide evidence that it has consulted or attempted to consult with communities affected by the proposed project, either directly or through community representatives at the provincial, territorial, and/or municipal level, or in the case of Indigenous communities, at the band council or Indigenous government level. Refer to Appendix 1 for definitions of “community” and “community representatives”.

In addition, applicants must indicate whether their proposed project will affect any established or asserted Aboriginal or treaty rights, and commit to undertaking any further consultations that may be necessary.

Applicants should note that while this eligibility criterion focuses on demonstrating that consultations have been undertaken or attempted, the quality and outcome of the consultations and the involvement of the community will also be considered as part of the CRTC’s assessment.

**6.1.3 Project-specific eligibility criteria**

The following eligibility criteria apply to only certain types of projects. Applicants are required to confirm that they meet the eligibility criteria applicable to the type of project that they are proposing to build and, where applicable, provide the required supporting evidence to demonstrate that they meet these criteria.

If an application involves more than one type of project, the application must meet the eligibility criteria applicable to each relevant project type (e.g. an applicant that proposes a transport and access infrastructure project must meet the transport project eligibility criteria and the access project eligibility criteria).

**6.1.3(a) Transport project eligibility criteria – Geographic eligibility (1-G1)**

Transport project proposals must involve building or upgrading infrastructure to an eligible community, defined as a small population centre (as defined in Appendix 1) that is located at least 2 kilometres (km) away from a PoP with a minimum capacity of 1 gigabit per second (Gbps). Maps displaying potentially [eligible geographic areas](#) based on 2018 information have been made available. As described above, applicants should conduct their own due diligence to ensure that their projects meet the geographic

eligibility criterion. The CRTC has provided information on geographic eligibility based on the information that was available as of the launch date of this call for applications. It may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period between the launch date of this call for applications and the submission deadline.

**6.1.3(b) Transport project eligibility criteria – Minimum capacity (1-T1)**

Transport projects for new builds must offer a minimum capacity of 1 Gbps, and projects that would upgrade transport infrastructure must offer a minimum capacity of 10 Gbps, to support the speed and capacity levels set out in the universal service objective. If a transport project involves transport links to new PoPs and transport links that upgrade existing PoPs, each new PoP must meet the 1 Gbps minimum capacity requirement, and each PoP being upgraded must meet the 10 Gbps minimum capacity requirement.

**6.1.3(c) Transport project eligibility criteria – Open access (1-T2)**

The term “open access” refers to both wholesale and retail access services (see Appendix 1 for a definition of retail access).

Wholesale open access (as defined in Appendix 1) to funded transport infrastructure could (i) enable other service providers to expand their serving territory within a funded geographic area and extend the transport infrastructure to neighbouring communities, and (ii) result in the further deployment of mobile wireless technology to underserved communities and along major transportation roads. For a transport project, an applicant must commit to offering, at a minimum, wholesale open access to transport infrastructure at each of the proposed PoPs at one of the following speeds: 100 megabits per second (Mbps), 1 Gbps, or 10 Gbps, and at the rates, terms, and conditions set out in the application.

Retail open access (as defined in Appendix 1) to funded transport infrastructure is consistent with the CRTC’s objective to provide broadband Internet access services in underserved communities. Anchor institutions (as defined in Appendix 1), businesses, and other government and non-government organizations could require higher-speed services comparable to the services that competitors require to serve multiple end-users. Given these greater needs, large retail customers often require non-standard consumer services, including transport services. For a transport project, an applicant must commit to offering retail open access to transport infrastructure.

**6.1.3(d) Access project eligibility criteria – Geographic eligibility (1-G2)**

Access project proposals must involve building or upgrading infrastructure in an eligible geographic area, defined as a 25 km<sup>2</sup> hexagon in which Statistics Canada’s latest census data show that there is at least one household (as defined in Appendix 1) but in which no household has access to broadband Internet access service at universal service objective-level download and upload speeds (i.e. 50/10 Mbps). Maps displaying potentially [eligible geographic areas](#) based on 2018 information have been made available. As described above, applicants should conduct their own due diligence to

ensure that their projects meet the geographic eligibility criterion. The CRTC has provided information on geographic eligibility based on the information that was available as of the launch date of this call for applications. It may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period between the launch date of this call for applications and the submission deadline.

**6.1.3(e) Access project eligibility criteria – Minimum service speeds (1-A1)**

The aspirational speed targets for fixed broadband Internet access service set out in the universal service objective are 50/10 Mbps. The minimum speed requirements for projects to be considered for funding under the CRTC's Broadband Fund are 25 Mbps download and 5 Mbps upload. For projects that do not commit to meeting the 50/10 Mbps aspirational targets upon completion, the CRTC will, in the assessment stage, evaluate the scalability of the project proposal to upgrade access capacity to meet the aspirational speed targets within five years of the project completion date (as defined in Appendix 1).

**6.1.3(f) Access project eligibility criteria – Pricing and affordability (1-A2)**

Access project proposals must include 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 listed in Appendix 3, in the project's province or territory, for reasonably comparable speed and capacity packages.

An applicant must also 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 its application, for a minimum of five years from the project completion date.

**6.1.3(g) Mobile wireless project eligibility criteria – Geographic eligibility (1-G3)**

Mobile wireless project proposals must involve building or upgrading mobile wireless infrastructure in an eligible geographic area, defined as either

- a 25 km<sup>2</sup> hexagon in which Statistics Canada's latest census data show that there is at least one household but in which no household has access to coverage by the latest generally deployed mobile wireless technology (currently LTE). Maps displaying potentially [eligible geographic areas](#) based on 2018 information have been made available. As described above, applicants should conduct their own due diligence to ensure that their projects meet the geographic eligibility criterion. The CRTC has provided information on geographic eligibility based on the information that was available as of the launch date of this call for applications. It may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period between the launch date of this call for applications and the submission deadline.

or

- part of a major transportation road that does not have access to coverage by the latest generally deployed mobile wireless technology (currently LTE). Maps displaying potentially [eligible geographic areas](#) based on 2018 information have been made available. As described above, applicants should conduct their own due diligence to ensure that their projects meet the geographic eligibility criterion. The CRTC has provided information on geographic eligibility based on the information that was available as of the launch date of this call for applications. It may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period following the launch date of this call for applications until the submission deadline.

**6.1.3(h) Mobile wireless project eligibility criteria – Pricing and affordability (1-M1)**

Mobile wireless project proposals must include a list of various mobile wireless service packages, where applicable, 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 listed in Appendix 3, in the project's province or territory, for reasonably comparable speed and capacity packages.

An applicant must also commit to providing mobile wireless service packages at a rate no higher and with a capacity no lower than the ones proposed in its application, for a minimum of five years from the project completion date. This pricing criterion applies to households in mobile wireless eligible hexagons included in the application. Therefore, this criterion does not apply to applicants for projects that will provide mobile wireless service only along eligible major transportation roads.

**6.1.3(i) Mobile wireless project eligibility criteria – Latest technology (1-M2)**

Proposed mobile wireless projects must use, at a minimum, the latest generally deployed mobile wireless technology (currently LTE).

**6.1.3(j) Satellite-dependent community project eligibility criteria – Geographic eligibility (1-G4)**

[Satellite-dependent communities](#) (as defined in Appendix 1) are indicated on the published map. Applicants should conduct their own due diligence to ensure that these communities continue to meet the eligibility criteria. The CRTC has provided information on geographic eligibility based on the information that was available as of the launch date of this call for applications. It may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period between the launch date of this call for applications and the submission deadline.

**6.1.3(k) *Satellite-dependent community project eligibility criteria – Project type (1-S1)***

Applicants must propose one of the following types of projects:

- Infrastructure project: application for capital funding to be invested in earth station equipment and access infrastructure in a satellite-dependent community to improve broadband Internet access service;
- Transport capacity-increase project (operational costs): application for funding to cover annual operational costs, over a certain amount of time (for up to five years), to increase satellite transport capacity in satellite-dependent communities; or
- Infrastructure project and transport capacity operational costs: application for both capital funding for infrastructure and funding for satellite transport operational costs in a satellite-dependent community.

**6.1.3(l) *Satellite-dependent community project eligibility criteria – Affordability (1-S2)***

Eligible projects must offer competitive retail pricing. Applicants must commit to offering packages at prices that are the same as or lower than those offered in Iqaluit, Nunavut, for reasonably comparable speeds and capacity.

**6.2 Assessment**

Projects that have passed the eligibility stage will be further analyzed in the assessment stage of the evaluation process. All eligible projects will be assessed against defined assessment criteria. As in the eligibility stage, some assessment criteria will apply to all projects, while other criteria will apply only to specific project types.

Each assessment criterion is important and will receive due consideration when the CRTC assesses whether a project is of high quality. There will be no special weighting for any of the assessment criteria in this call for applications. Applicants must clearly demonstrate, with supporting evidence, how their proposed project addresses each of the applicable assessment criteria.

**6.2.1 Assessment criteria for all project types**

The following assessment criteria will be used to assess all projects that pass the eligibility stage.

**6.2.1(a) *Assessment criteria – Technical merit (2-P1)***

This criterion will be used to determine whether a project is efficient and sustainable and therefore more likely to continue meeting the broadband service requirements of underserved eligible geographic areas over the long term. The technical merit of proposed projects will be assessed based on the following:

- **Feasibility:** The appropriateness of the network technology and infrastructure to be deployed in the affected eligible geographic area. For example, the CRTC will consider environmental conditions and terrain to determine whether the proposed project is feasible to implement and maintain. Applicants should provide rationale for technologies to be deployed and how those technologies overcome any specific limitations or concerns in the applicable eligible geographic areas.
- **Scalability:** Demonstration of the applicant's future intent to meet or exceed the universal service objective in cases where the project does not initially commit to meeting that objective. Further, plans to serve more customers and/or provide more extensive coverage following project completion will be assessed. The CRTC will consider plans that cover a five-year period following the project completion date to be of higher quality.
- **Sustainability:** The viability of the chosen technology over both the short and long term. Projects will be assessed to ensure that the proposed networks will remain useable and serviceable into the future. For this criterion, the CRTC will consider factors such as whether the project employs current and widely adopted technologies, the end of life of the chosen technology, and how the technology would complement and/or replace existing infrastructure.
- **Resiliency:** The proposed network's ability to continue to provide and maintain an acceptable level of service during network failures in the course of normal operations and unforeseen circumstances. These circumstances may include physical network failures, such as fibre cuts or equipment malfunctions, and natural disasters. The CRTC will also evaluate the inherent resiliency of the proposed project, or how the project would improve the resiliency of existing infrastructure.

**6.2.1(b) Assessment criteria – Financial viability (2-P2)**

This criterion will be used to evaluate the potential financial success of a proposed project, based on an accurate and realistic business model, to ensure long-term project viability and sustainability. Note that the business plan, along with the applicant's financial statements, will also be assessed to determine the extent to which the applicant has demonstrated its need for funding for the project such that without CRTC funding for the project's eligible costs (see Appendix 2), there would be no business case for the project.

The financial viability of proposed projects will be assessed based on the following:

- The net present value (NPV), which is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. The NPV is used in capital budgeting to analyze the profitability of a project. The higher the NPV, the higher the probability that a project will be profitable.

- The internal rate of return (IRR), which is a metric used in capital budgeting to estimate the profitability of potential investments. The IRR is a discount rate that makes the NPV of all cash flows from a particular project equal to zero. The NPV and IRR calculations rely on the same formula.
- The business plan of the applicant, which includes, but is not limited to, business assumptions of the market for the services to be provided within the eligible geographic area and the applicant's marketing strategy to gain subscribers in the first year.
- A risk assessment and mitigation plan for the identified risks of the project, including (i) the risk of the applicant not completing the construction, (ii) the environmental risk in the build (e.g. trench digging), and (iii) the pricing risks in the supply of services and wholesale transport expenses. The risks of the project related to the business assumptions in the business plan will also be assessed.

**6.2.1(c) Assessment criteria – Level of funding from other sources (2-P3)**

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). 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. This criterion will be evaluated based on the percentage of the amount requested for funding from the Broadband Fund.

**6.2.1(d) Assessment criteria – Community consultation and level of involvement (2-P4)**

This criterion will be used to ensure that (i) the applicant has consulted or attempted to consult with affected communities, including Indigenous communities if applicable; and (ii) affected communities support the project and intend to take up future services. A project will be considered to be of higher quality based on a greater level of community support demonstrated in the eligible geographic area(s).

As such, applicants will be assessed based on the extent to which they (i) demonstrate details of consultations with affected communities, and (ii) provide evidence of support from affected communities.

Consultations and community support could take many forms, for example, a market study; a letter of support from an elected official, a municipality, a province or territory, and/or an anchor institution; a petition from or a survey of potential subscribers; a



municipal resolution; and/or community investment (financial or otherwise) in the project.

### **6.2.2 Project-specific assessment criteria**

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). The assessed quality of a proposed project will not be affected by whether that project consists of more than one type of project. Applicants must clearly demonstrate, with supporting evidence, how their proposed project addresses each of the assessment criteria for each project type.

#### ***6.2.2(a) Transport project assessment criteria – Level of improvement in network and capacity offered (2-T1)***

This criterion will be used to measure the difference between the interconnection service speeds that are currently offered in the eligible geographic area and those that would be offered as a result of the project, on a wholesale and retail basis. A project will be considered to be of higher quality based on the level of improvement in the interconnection service speeds offered on a wholesale and retail basis.

#### ***6.2.2(b) Transport project assessment criteria – Number of PoPs for wholesale and retail transport services along the proposed route (2-T2)***

A project will be considered to be of higher quality based on the number of PoPs provided along the proposed transport route. Not all PoPs have to be in eligible communities, since some PoPs might need to be added along the transport route to (i) get to the eligible community, and (ii) serve other purposes, such as to branch out to other eligible communities, offer competitive services, and provide the required transport backhaul to enable the further development of mobile wireless networks.

#### ***6.2.2(c) Transport project assessment criteria – Number of communities and households that could be served (2-T3)***

This criterion will be used to measure the number of eligible communities and the number of households in those communities that may receive access to new or improved broadband services through the availability of the proposed transport infrastructure as a result of the project. A project will be considered to be of higher quality based on a greater number of communities and households that would likely benefit from it.

#### ***6.2.2(d) Transport project assessment criteria – Presence, type, and number of anchor institutions that could be served (2-T4)***

This criterion will be used to assess whether broadband services are likely to be provided to anchor institutions (as defined in Appendix 1) so that residents potentially have access to new or improved broadband services through the availability of the proposed transport infrastructure as a result of the project. A project will be considered to be of higher

quality based on a greater number of anchor institutions that would be served as a result of the project.

**6.2.2(e) *Transport project assessment criteria – Open access service offerings (2-T5)***

This criterion will be used to assess whether varied and competitive services would be available in eligible PoPs 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 will also be examined.

**6.2.2(f) *Access project assessment criteria – Current gap with respect to the availability of universal service objective-level services (2-A1)***

This criterion will be used to identify proposed projects to build or upgrade infrastructure where the current service availability in a given eligible geographic area is furthest from the universal service objective and where investment in broadband infrastructure is most needed. A project will be considered to be of higher quality based on how far the level of broadband services currently offered in the eligible geographic area(s) is from the universal service objective.

**6.2.2(g) *Access project assessment criteria – Proposed level of service (2-A2)***

This criterion will be used to determine the level of broadband Internet access service to be offered to customers once the project is implemented. A project will be considered to be of higher quality based on how close the speed, capacity, and quality of service levels provided to households and businesses (including anchor institutions) in the eligible geographic area(s) would be to meeting the universal service objective.

**6.2.2(h) *Access project assessment criteria – Coverage (2-A3)***

This criterion will be used to determine the number of households to be served. A project will be considered to be of higher quality based on how many households would be served by the project, and the coverage density, which is the percentage of underserved households that would be served in the eligible geographic area(s).

**6.2.2(i) *Access project assessment criteria – Cost per household (2-A4)***

This criterion will be used to determine whether funds are used efficiently by connecting as many households as possible. A project will be considered to be of higher quality based on how low the overall Broadband Fund cost would be per household to be served by the project in the eligible geographic area(s).

**6.2.2(j) *Access project assessment criteria – Retail service pricing and offers (2-A5)***

This criterion will be used to determine if subscribers would be provided with broadband Internet access service at affordable prices and in varied service packages. Applicants must propose to offer various service packages and propose rates that are equal to or

lower than those offered by facilities-based service providers in one of the major urban centres or communities in the affected community's province or territory for reasonably comparable speeds and capacity (see Appendix 3 for a list of comparable urban centres or communities). A project will be considered 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) compared to those offered in the named urban area.

**6.2.2(k) Mobile wireless project assessment criteria – Level of improvement in service and capacity (2-M1)**

This criterion will be used to identify proposed projects that would deliver the greatest level of network improvement by implementing, at a minimum, the latest generally deployed mobile wireless technology (currently LTE). A project will be considered to be of higher quality based on how much improvement there would be in the mobile wireless technology offered.

**6.2.2(l) Mobile wireless project assessment criteria – Geographic coverage (2-M2)**

This criterion will be used to determine the extent of the geographic footprint where universal service objective-level mobile wireless service would become available as a result of the proposed project. A project will be considered to be of higher quality based on how many kilometres of major transportation roads (classified by Statistics Canada as having a street rank code of 1, 2, or 3) would be covered by the project. This metric will not be limited to service areas such as hexagons, since there can be long stretches of major transportation roads without any households, which do not trigger the creation of a hexagon.

**6.2.2(m) Mobile wireless project assessment criteria – Household coverage (2-M3)**

This criterion will be used to determine the number of households in eligible geographic areas that would be able to access universal service objective-level mobile wireless service as a result of the proposed project. A project will be considered to be of higher quality based on how many households would be covered by the project.

**6.2.2(n) Satellite-dependent community project assessment criteria – All projects**

As noted above, satellite projects will be assessed separately so that such projects can be compared against each other, rather than against projects that use terrestrial facilities. This is due to the fact that a number of criteria, such as scalability, the efficient use of funds, and speeds, cannot be reasonably compared between the broadband Internet access service provided via terrestrial facilities (e.g. fibre) and that provided via satellite, due to the distances involved and the characteristics of satellite technology.

**6.2.2(o) *Satellite-dependent community project assessment criteria – Current gap with respect to the availability of universal service objective-level services (2-S1)***

The objective of this criterion is to identify eligible geographic areas where current service availability is furthest from the universal service objective and investment in broadband infrastructure is most needed. A project will be considered to be of higher quality based on how far the level of broadband services that are currently offered in the eligible satellite-dependent community is from the universal service objective.

**6.2.2(p) *Satellite-dependent community project assessment criteria – Proposed level of service (2-S2)***

The objective of this criterion is to measure the level of broadband Internet access service to be offered to customers once the proposed project is finished. A project will be considered to be of higher quality based on how close the speed, capacity, and quality of service levels of the proposed broadband Internet access service in the eligible satellite-dependent community would be to meeting, to the greatest extent possible, the levels set out in the universal service objective.

**6.2.2(q) *Satellite-dependent community project assessment criteria – Cost per household (2-S3)***

The objective of this criterion is to ensure that the Broadband Fund is used efficiently and to offer improved broadband service to as many households as possible. A project will be considered to be of higher quality based on how low the overall Broadband Fund cost would be per household to be served in the eligible geographic area(s).

**6.2.2(r) *Satellite-dependent community project assessment criteria – Retail service pricing and offers (2-S4)***

The objective of this criterion is to ensure that subscribers will be provided with broadband Internet access service at affordable prices and in various service packages. Eligible applicants must propose to offer various service packages and propose rates that are equal to or lower than those offered by facilities-based service providers in Iqaluit, Nunavut, for reasonably comparable speeds and capacity. A project will be considered 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) compared to those offered in Iqaluit.

### **6.3 Selection considerations**

Once a set of high-quality projects has 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 [Telecommunications Act](#).

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.

The following are considerations that the CRTC may use to select projects.

### **6.3.1 Efficient use of funds**

When selecting projects for funding, the CRTC will give special consideration to the efficient use of funds. The CRTC will consider the amount of funding required for each project, when such funding should be distributed, and the amount of funding available in order to ensure that funding from the Broadband Fund is distributed in the most efficient manner possible.

In addition, if different high-quality projects cover the same eligible geographic area(s) or if public funding from another source is committed to a similar project, the CRTC will distribute funding in a manner that does not cause overlap in projects or funding sources.

### **6.3.2 Projects in multiple regions of Canada**

The CRTC may consider the region(s) each project proposes to serve, the amount of funding requested for each project, and the fact that all regions of Canada require funding for telecommunications infrastructure so that all Canadians can have access to fixed and mobile wireless broadband Internet access service that meets the universal service objective.

### **6.3.3 Project type**

When selecting projects for funding, the CRTC may give special consideration to fixed access or transport infrastructure projects over mobile wireless infrastructure projects, and to transport infrastructure projects over fixed access infrastructure projects. The CRTC's objective is to fund projects that will provide access to broadband services to as many Canadians as possible in the long term. Accordingly, the CRTC may consider (i) how likely it is that a project will achieve universal service objective-level broadband services, (ii) how well a project can be extended to provide broadband services to surrounding areas, and (iii) how well a project can provide the foundation for future broadband infrastructure projects in surrounding underserved areas.

### **6.3.4 Social considerations**

When selecting projects for funding, the CRTC may give special consideration to whether the communities to be served by proposed projects include Indigenous communities or official language minority communities (OLMCs) [as defined in Appendix 1]. In doing so, the CRTC may consider whether proposed projects would fulfill (i) the economic and social requirements of Indigenous communities or OLMCs, consistent with the policy objectives set out in paragraphs 7(a), (b), and (c) of the [Telecommunications Act](#), and (ii) the Government of Canada's commitment in the

[\*Official Languages Act\*](#) to support and assist in the development of English and French linguistic minority communities in Canada.

## **7. Instruction Manual**

To assist in the completion of applications for the Broadband Fund, an Instruction Manual for the Broadband Fund Application Form has been created. The information that applicants must provide when applying for funding is set out in the Instruction Manual.

## **8. Declaration form**

Applicants must complete a declaration form to certify and acknowledge the following matters:

1. The Applicant must certify that it, or each member of the applicant partnership, joint venture, or consortium, is under no obligation or prohibition and is not subject to any active, pending, or imminent legal actions, suits, or proceedings that could or would affect in any manner its ability to implement the proposed project.
2. 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.
3. The Applicant must acknowledge its responsibility to ensure compliance with all applicable federal, provincial/territorial, and municipal laws and regulations, and related laws or guidelines. For example, without limiting the scope of the foregoing, the Applicant must acknowledge that the project may require an environmental assessment in accordance with federal law, and the Applicant must commit to undertaking all necessary actions in order to comply with the requirements therein.
4. The Applicant must acknowledge that failure to identify an established or asserted Aboriginal or treaty right that may be affected by the proposed project may result in the disqualification of the Broadband Fund application, and where a duty to consult Indigenous groups arises in relation to the proposed project, the Applicant must carry out all necessary consultations to the Crown's satisfaction.
5. The Applicant must acknowledge that all costs incurred in the preparation and submission of the Broadband Fund application are the responsibility of the Applicant.

6. The Applicant must acknowledge that the Broadband Fund is a discretionary funding regime subject to available funding, and that a complete application meeting any or all of the eligibility and assessment criteria may or may not be approved by the CRTC.
7. The Applicant must acknowledge that it will be notified in writing if its application is approved, but that, due to the anticipated volume of applications, it will not be notified if its application is not approved. The CRTC will not provide individual decisions regarding unsuccessful applications.
8. The Applicant must acknowledge 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 to the Chief Statistician of Canada upon request, and that this obligation could include the provision of Broadband Fund applications.
9. The applicant must acknowledge that the CRTC may publicly disclose information in aggregate form regarding the applications received and assessed following this call for applications.

## **9. Awarding of funding**

This section provides information about what happens when a project is selected for funding and how funding will be awarded to successful applicants.

### **9.1 Funding decisions**

The CRTC will issue funding decisions, each of which will identify the funding recipient and describe the project, including, for example, the geographic area and type of project, as well as the maximum amount of funding approved for each recipient. Each funding decision will provide the broad reasons why the project was selected and will establish the conditions that will have to be met during the construction phase and when offering and providing services using the funded infrastructure on an ongoing basis. The CRTC will not issue individual decisions regarding unsuccessful applications. The CRTC considers that projects should not start before the date of issuance of the funding decisions.

### **9.2 Statement of Work**

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. However, the CRTC may extend such time frames in exceptional circumstances, upon request. 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 receive funding for the project.

The Statement of Work will set out the implementation details and key milestones of the project. The CRTC will review the Statement of Work to ensure that funding is provided only for eligible costs and that the plan to complete the project is feasible. The CRTC may request that a recipient provide further information before the CRTC approves the Statement of Work.

### **9.3 Claims and payments for eligible costs incurred**

Funding will be distributed by the Central Fund Administrator as directed by the CRTC. Every three months (or less frequently as otherwise approved by the CRTC), a recipient may submit a claim form for progress payments for eligible costs incurred, along with a Progress Report (as defined in Appendix 1). Recipients can make claims using the claim form and Progress Report template provided in the funding recipients' toolkit, which will be provided to selected recipients following the issuance of the funding decisions. Claims to recover eligible costs can be made only in respect of costs that are actually incurred; payments will not be made in advance.

The CRTC will verify the claim and the Progress Report against the Statement of Work. The CRTC must approve the Statement of Work before the recipient submits a claim form for the reimbursement of the eligible costs incurred.

Once the CRTC approves the Statement of Work, funding recipients will be able to request retroactive reimbursement for eligible costs incurred starting from the date of the funding decision. On an exceptional basis, if desired, recipients may request that the CRTC establish a less frequent payment schedule for cost recovery. Funding recipients for transport operational costs for satellite projects can claim their costs every three months. The CRTC will approve the distribution of these funds only with proof of payment for these costs.

Eligible and ineligible costs are listed in Appendix 2.

Once the costs are verified, the CRTC will direct the Central Fund Administrator to issue the requested payment to the recipient. 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 below. 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.

### **9.4 Project completion**

The recipient will be required to submit a Final Implementation Report (as defined in Appendix 1), within 90 days of completion of the installation of all infrastructure, to notify the CRTC that the project is complete. Once the project is complete, services must be provided in compliance with the conditions of service established in the funding decision. After one year, the recipient must submit a Holdback Report (as defined in



Appendix 1) confirming that the services have been provided in compliance with these conditions. Once the CRTC has verified compliance, it will direct the Central Fund Administrator to distribute the final 10% holdback payment to the recipient. Services must continue to be provided in compliance with the established conditions.

## 10. Funding conditions

### 10.1 Background

The CRTC will use a multipronged approach to compliance and enforcement, which will include the imposition of obligations, reporting requirements, the distribution and withholding of funding, and the imposition of conditions on the offering and provision of broadband services pursuant to sections 24 and 24.1 of the [Telecommunications Act](#).<sup>12</sup> Funding decisions will include conditions on project timelines, reporting, auditing, and material changes.

In addition, all existing regulatory obligations will continue to apply to all funding recipients, including, for example,

- the regulatory obligations related to wholesale high-speed access services as established in *Review of wholesale wireline services and associated policies*, Telecom Regulatory Policy CRTC 2015-326, 22 July 2015; as amended by Telecom Regulatory Policy CRTC 2015-326-1, 9 October 2015, and related follow-up proceedings;
- the provision of Wholesale Connect service by Northwestel Inc.;
- the requirement to file tariffs for services that are not forborne;
- the regulatory obligations set out in *Regulatory framework for wholesale mobile wireless services*, Telecom Regulatory Policy CRTC 2015-177, 5 May 2015; and
- the regulatory obligations set out in *Framework for assessing the differential pricing practices of Internet service providers*, Telecom Regulatory Policy CRTC 2017-104, 20 April 2017.

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 identify and comply with any regulatory obligations that may apply in connection with its provision of broadband services.

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<sup>12</sup> Sections 24 and 24.1 of the *Telecommunications Act* provide the CRTC with the broad power to impose conditions on the offering and provision of any telecommunications service by a Canadian carrier and by a person other than a Canadian carrier, respectively.

The CRTC may conduct periodic audits to verify funding recipients' compliance with the conditions of service established in the funding decisions and may request that any related report, form, or documentation be certified by external auditors or an auditor approved by the CRTC. To that end, funding recipients will be required to retain all books, accounts, and records of the project; their administrative, financial, and claim processes and procedures; and any other information necessary to ensure compliance with the conditions of the funding decision, for a period of eight years from the project start date (as defined in Appendix 1).

The CRTC may require funding recipients that are service providers to measure the broadband performance resulting from their project.

## **10.2 Conditions of funding to be set out in funding decisions**

The CRTC will set out in its funding decisions the conditions that successful applicants must meet before the CRTC will direct the Central Fund Administrator to distribute funds. Failure by a funding recipient to comply with these conditions could result in funding being delayed, funding not being disbursed, or the implementation of other compliance measures, such as the imposition of administrative monetary penalties (AMPs) or the issuance of mandatory orders. The exact content of the conditions that will be imposed may vary, but the CRTC expects the conditions to address the following matters:

- a. Recipients shall file, for CRTC approval, within X days<sup>13</sup> of the date of issuance of the funding decision, a completed Statement of Work that sets out key project dates and schedules; and detailed project information, such as logical network diagrams, network descriptions, service designs, project sites (as defined in Appendix 1), equipment details, specific costs, and milestones.
- b. Recipients must receive approval for any changes in the project as proposed, which are listed below, and notify the CRTC no later than X days<sup>14</sup> after the change
  - (i) any material changes to the project as proposed, including changes to the Statement of Work; and
  - (ii) any changes to the applicant or its constituent members.
- c. If a project affects an established or asserted Aboriginal or treaty right and a duty to consult Indigenous groups exists, the recipient must demonstrate that all necessary consultations were undertaken to the Crown's satisfaction.
- 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), or by an equivalent authorized official of the

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<sup>13</sup> Time period to be specified in the funding decision.

<sup>14</sup> Time period to be specified in the funding decision.

recipient, 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.

- e. Funding will not be issued for ineligible expenses, expenses that have yet to be incurred, or expenses that are not related to the activities described in the Statement of Work and approved by the CRTC.
- f. Recipients must file with the CRTC a Progress Report by the date given by the CRTC when it approves the Statement of Work. If the Progress Report demonstrates that material changes have been made that the CRTC has not approved, the CRTC will not approve the distribution of funds unless and until it approves the changes.
- g. Recipients must notify the CRTC if they receive any additional funding for the project from any source, and the CRTC may proportionately reduce the amount of funding approved.
- h. Recipients must notify the CRTC in writing within X days<sup>15</sup> of the applicant or any member of an applicant partnership, joint venture, or consortium becoming insolvent.
- i. Recipients must file with the CRTC a Final Implementation Report within 90 days of the date of completion of project construction, confirming that the project construction is complete and that broadband services are being offered. The report must demonstrate whether the project has met the requirements set out in the funding decision.
- j. The final 10% of funding approved by the CRTC will be held back for one year from the date on which the Final Implementation Report is submitted to the CRTC. The recipient must file a Holdback Report demonstrating that it has offered broadband services for one year in accordance with the conditions of service established in the funding decision.

### **10.3 Additional conditions on offering service through funded infrastructure**

Any carrier providing broadband services using funded infrastructure must provide those services at the level committed to in the application. The conditions imposed on the offering and provision of broadband services will apply to the services offered using the infrastructure built with the help of funding from the Broadband Fund, regardless of any change in ownership of the applicant's assets or structure. Consequently, a purchaser of a funded undertaking or assets will be subject to the same conditions of service.

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<sup>15</sup> Time period to be specified in the funding decision.

The following conditions represent the types of section 24 or 24.1 conditions, pursuant to the [Telecommunications Act](#), that may be imposed on the offering and provision of broadband services using the funded facilities:

- a. Services must comply with the commitments made in the application, including the service speed and capacity, quality of service, retail pricing, reporting, and wholesale and retail open access (as defined in Appendix 1) for transport projects.
- b. Services provided through mobile wireless infrastructure must offer and provide or exceed the standard of technology committed to in the application (at minimum, the latest generally deployed mobile wireless technology [currently LTE]).
- c. Services provided through new transport builds must offer and provide capacity at a standard no lower than the one committed to in the application (at minimum, 1 Gbps).
- d. Services provided through transport upgrades must offer and provide capacity at a standard no lower than the one committed to in the application (at minimum, 10 Gbps).
- e. For services provided through transport projects that contain transport links to new interconnection points, each new interconnection point must meet or exceed the capacity standard committed to in the application (at minimum, 1 Gbps).
- f. For services provided through transport projects that contain transport links to upgraded interconnection points, each upgraded interconnection point must meet or exceed the capacity standard committed to in the application (at minimum, 10 Gbps).
- g. Services provided through transport infrastructure must offer and provide, at minimum, wholesale and retail open access at the speeds, rates, terms, and conditions committed to in the application (at least one of the following speeds: 100 Mbps, 1 Gbps, or 10 Gbps).
- h. Services provided through projects to build or upgrade access infrastructure must offer and provide speeds that meet or exceed those committed to in the application (at minimum, a download speed of 25 Mbps and an upload speed of 5 Mbps).
- i. Canadian carriers must offer and provide wholesale and retail open access to funded transport infrastructure. Information on planned locations, dates, service speeds, and service descriptions should be made public upon completion of the Statement of Work.
- j. Services offered through projects to serve satellite-dependent communities must offer and provide 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, in accordance with the rates committed to in the application.

- k. Fixed or mobile wireless broadband Internet access service packages must be provided at a rate no higher and at a speed and capacity no lower than the ones proposed in the application for a minimum of five years from the date of the Final Implementation Report.

## 11. Confidentiality

According to subsection 39(1) of the [Telecommunications Act](#), the following information filed with the CRTC can be designated as confidential:

- information that is a trade secret;
- financial, commercial, scientific, or technical information that is confidential and that is treated consistently in a confidential manner by the person who submitted it; or
- information the disclosure of which could reasonably be expected to
  - (i) result in material financial loss or gain to any person,
  - (ii) prejudice the competitive position of any person, or
  - (iii) affect contractual or other negotiations of any person.

Under this definition, much of the content of applications will likely be considered financial, commercial, or technical information for which the CRTC would typically uphold confidentiality. This content includes the following:

- project costing (e.g. pricing models, contractual arrangements, and revenue projections),
- site plans (e.g. project sites, PoP sites, and specifics of technology deployment), and
- information regarding financial viability (e.g. credit statements).

For the reasons set out in Telecom Regulatory Policy 2018-377 (paragraphs 405 to 408), the CRTC determined that applicants will be permitted to file their applications confidentially. 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. The CRTC does not expect to disclose specific information concerning applications that are not selected.

The CRTC will not disclose, and will retain in confidence, 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.

If the applicant objects to the disclosure of other information that would not be captured within the above list, the [Broadband Fund Application Form](#) will enable the applicant to request confidentiality in respect of any such information, even if its project is selected for funding.

Where the applicant objects to some or all of the information outlined above being made public as part of the funding decision, the Broadband Fund Application Form will enable the applicant to identify the specific information that the applicant considers to be confidential (in addition to the information that is consistently treated as confidential as set out above) even if its project is selected for funding. The applicant will be required to 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.

## **12. Security**

Information regarding the proposed project provided in the application form and attachments may be disclosed to the Communications Security Establishment (CSE) under the Canadian Centre for Cyber Security, since such disclosure and consultation may be necessary to assess any potential risks related to the overall integrity of Canadian telecommunications networks. The CSE established the [Security Review Program](#) and has been engaging with TSPs since 2013 to mitigate risks stemming from designated equipment and services under consideration for use in Canadian telecommunications networks. This program can lead to the exclusion of designated equipment in sensitive areas of Canadian networks, mandatory assurance testing for designated equipment before use in less sensitive areas of Canadian networks, and the restriction of outsourced managed services across government networks and other Canadian critical networks.

## **13. Process**

Except as set out below, the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to Broadband Fund applications. Given the unique circumstances of Broadband Fund applications and the public interest in an efficient and effective application process, the CRTC has determined that the process for Part 1 Telecommunications applications set out in sections 9, 22-27, and 32-33 of the [Rules of Procedure](#) shall not apply to

Broadband Fund applications. The process for filing Broadband Fund applications is set out below.

1. This procedure must be read in conjunction with the Rules of Procedure (with the exception of sections 9, 22-27, and 32-33) and related documents, which can be found on the CRTC's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), under "Statutes and regulations".
2. The deadline for filing applications is **27 March 2020 at 17:00, Pacific Daylight Time**. Applicants are responsible for ensuring the timely delivery of their applications. The CRTC will not consider late applications. Applicants must keep proof of the sending and receipt of each document for 60 days after the date on which the document is filed.
3. Applications must be made using the appropriate [Broadband Fund Application Form](#) on the CRTC's website or in an alternative accessible format.
4. Applicants must complete the entire Broadband Fund Application Form and all related forms and templates.
5. Applications that are incomplete or that have not been filed in accordance with the process set out herein by the application deadline may not be accepted. The CRTC may permit an applicant to correct inadvertent errors, deficiencies, or omissions in the application.
6. Applicants must not amend their application or file any supplementary documents related to the application with the CRTC after the application deadline, unless the CRTC requests that they do so.
7. Applicants should refer to this Application Guide and the [Instruction Manual](#) for additional details and explanations to assist them in completing their application.
8. The CRTC will not 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 that disclosure is in the public interest in accordance with section 39 of the [Telecommunications Act](#), or as may otherwise be required by law.
9. The CRTC will notify applicants by email that their application has been received and will provide a submission confirmation number. The CRTC will not inform applicants of the status of their application prior to issuing its funding decisions. Successful applicants will be notified when the CRTC issues its funding decisions.
10. Pursuant to section 62 of the *Telecommunications Act*, an application may be filed with the CRTC to review and rescind or vary a CRTC decision. Pursuant to subsection 71(1) of the Rules of Procedure, applicants have 90 days after the date of the funding decision to file such applications. However, as determined in Telecom Regulatory Policy 2019-190, the CRTC has varied this rule in the context of the Broadband Fund, such that applications to review and rescind or vary a funding decision must be filed within **45 days** of the date of the funding decision.

11. Applications filed in response to a call for applications will not be automatically considered again in subsequent calls for applications. Applicants must submit applications for each call if they want the CRTC to consider their proposed projects in that call.



## Appendix 1: Definitions

**Anchor institution:** facilities that provide a public service (e.g. schools, medical facilities, libraries, community halls, First Nations band offices, or other institutions around which a community is formed) and capacity for other uses (including residential, business, and/or mobile services) for which broadband services would benefit the community as a whole.

**Community:** a named place that includes anchor institutions, households, and businesses, and that has a population of fewer than 30,000 residents.

**Community representatives:** elected officials, associations, or other representative bodies of a given community.

**Final Implementation Report:** a report, to be filed by a funding recipient once the project is complete and broadband services are offered, that will provide details of the completed project, such as whether the project meets the conditions set out in the funding decision, as well as any other information, such as project delays, the level of service uptake, and open access requests.

**Funding decision:** the decision, issued by the CRTC and posted on the CRTC's website, that will confirm the award of funding to an applicant for the proposed project.

**Holdback Report:** a report to be filed one year after project completion, indicating that services have been offered for a full year and providing details on whether the project continues to meet the conditions of funding set out in the funding decision.

**Household:** a person or group of persons who occupy the same dwelling.

**In-kind contributions:** contributions of goods or services other than cash grants. For the purpose of the Broadband Fund, in-kind contributions may include, but are not limited to, land permits, government infrastructure, equipment, long-term service contracts, assets, infrastructure, access, land donations, staff support, and tax breaks. Applicants can demonstrate in-kind support with general letters, letters of intent detailing the extent of support that will be provided, a service level agreement, or existing relationships with anchor institutions.

**Major transportation roads (for mobile wireless projects):** a road classified by Statistics Canada in its [Road Network File](#) as having a street rank code of 1 (the Trans-Canada Highway), 2 (a national highway system not under rank 1), or 3 (a major highway not under rank 1 or 2).

**Material change:** a change in any substantive aspect of the project listed by the CRTC in its reasons for selecting the project, including (i) a change in control of the recipient, (ii) a change in the proposed financing of the project, (iii) a change in the nature or location of the project, and (iv) a major change in the cost or scope of the project.

**Official language minority community or OLMC:** Either a community outside Quebec with a French-speaking population where English is predominant, or a community in Quebec with an English-speaking population where French is predominant.

**Point of presence or PoP:** A site in a transport network that marks the end of the network and that connects to access infrastructure.

**Progress Report:** a report outlining project details such as the project's implementation status and an update on the project's costs.

**Project:** the activities described in the application for which funding is requested, including the establishment of individual project sites.

**Project sites:** the structures and facilities constructed or otherwise established by the applicant through implementation of the project.

**Project start date:** the date specified by the applicant, which must be after the funding decision is published.

**Project completion date:** the day on which the Final Implementation Report is submitted.

**Reliable (financially):** the trustworthiness of the entity based on the strength of its financial statements. The reliability principle is that a statement should be a verifiable, faithful representation of the entity that is neutrally presented.

**Retail access:** the provision of a telecommunications service or facility for end use, including trunking and backbone use.

**Retail open access:** access to funded transport infrastructure available to non-carriers, including end-customers such as anchor institutions, businesses, and other government and non-government organizations.

**Satellite-dependent community:** 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).

**Satellite component:** Up to 10% of the total annual amount of broadband funding will be allocated for projects to serve satellite-dependent communities over the first five years of the Broadband Fund's operation. Any excess amount may be used to fund projects in non-satellite-dependent communities.

**Small population centre (for transport projects):** a populated area with a population of fewer than 30,000 residents.

**Solvent (financially):** a state of financial soundness whereby an entity can meet its monetary obligations when they fall due.

**Statement of Work:** The first report provided by the funding recipient after the funding decision is published that provides the detailed project plan for the funded project, including, but not limited to, the following items: total project budget, schedule of the construction phase, list of technology materials, detailed engineer network diagrams, project start and completion dates, work breakdown structures, and a list of risks and risk mitigation strategies.

**Wholesale open access:** the provision of a telecommunications service or facility to a service provider, regardless of whether that service provider rebills the service or facility to another entity, or uses that service or facility internally to support the services it bills.

## Appendix 2: Eligible and ineligible costs

### Eligible costs

The CRTC determined in Telecom Regulatory Policy 2018-377 that funding will be provided under the Broadband Fund only for eligible costs, which include costs that are directly associated with project activities such as engineering and design, environmental scans and assessments, and the purchase and installation of equipment and infrastructure (including the provisioning of backhaul capacity and other one-time access-driven costs).

These eligible costs will include, but are not limited to, the following:

- direct equipment costs, meaning the costs of the equipment required for project completion, including the costs of servers, switching and transmission equipment, fibre-optic cable, repeaters, radio and microwave equipment, towers, poles, shelters and enclosures, backup power supplies, and network broadband connectivity devices including upgrades and adaptations;
- direct material costs, meaning the costs of materials that can be specifically identified and measured as having been used for the implementation of the project;
- direct labour costs (including loading costs, such as costs associated with holidays, vacation, and fringe benefits), 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 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;
- direct labour-related travel costs, meaning the costs of travel that are deemed necessary for the performance of the project, such as those associated with engineering, installation, network deployment, and service provisioning, considered on a case-by-case basis. For travel costs to be eligible, the purpose of each trip must be clearly documented. Travel expenses, at economy rates, shall be charged as actual costs; and
- other direct costs, meaning applicable costs that do not fall within the categories of direct equipment costs, direct material costs, direct labour costs, or direct labour-related travel costs, but that can be specifically identified and measured as having been incurred for the implementation of the project.

### **Ineligible costs**

Also in Telecom Regulatory Policy 2018-377, the CRTC determined that for all types of projects, funding will not be provided under the Broadband Fund to cover costs including, but not limited to, the following:

- costs incurred after the project completion date;
- costs related to developing the application for funding;
- costs for existing capital assets, including land, buildings, and vehicles, as well as other indirect, fixed, and/or capital costs;
- land purchase costs and other costs related to purchasing land, buildings (except for equipment shelters not meant for human occupation), and associated real estate and other fees;
- costs for leasing land, buildings, and other facilities, including permanent shelters for housing network-related equipment (except for temporary facilities directly related to project construction);
- operational costs to run infrastructure built as a result of the project;
- costs for general repairs and ongoing maintenance resulting from the project and related structures;
- contingency provision costs;
- legal fees;
- taxes for which the applicant is eligible for a tax rebate and all other costs eligible for rebates;
- insurance costs;
- customer premises equipment costs;
- costs for any goods and services that are received through donations or in kind;
- financing or carrying costs, loan costs, and interest payments;
- costs for general office space and equipment;
- costs for training to set up an Internet service provider (except for initial costs for technical training on equipment 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 the project's operation);
- ongoing training costs to implement the project;
- costs for advertising/promotion activities; and
- radio and spectrum licensing fees.

**Appendix 3: List of communities for retail price/package comparisons**

- British Columbia
  - Vancouver
  - Victoria
- Alberta
  - Calgary
  - Edmonton
- Saskatchewan
  - Saskatoon
  - Regina
- Manitoba
  - Winnipeg
- Ontario
  - Toronto
  - Ottawa–Gatineau
  - Hamilton
  - London
  - Kitchener–Waterloo
  - St. Catharines–Niagara
  - Windsor
  - Oshawa
- Quebec
  - Montréal
  - Québec
- New Brunswick
  - Fredericton
- Prince Edward Island
  - Charlottetown
- Nova Scotia
  - Halifax

- Newfoundland and Labrador
  - St. John's
- Yukon
  - Whitehorse
- Northwest Territories
  - Yellowknife
- Nunavut
  - Iqaluit