



Telecom Notice of Consultation CRTC 2019-45

PDF version

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Ottawa, 14 February 2019

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Call for comments – Application Guide for the Broadband Fund

Deadline for submission of interventions: 18 March 2019

The Commission hereby initiates a proceeding for the public to comment on a Preliminary Application Guide for the Broadband Fund.

Introduction

1. In Telecom Regulatory Policy 2016-496, the Commission 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.
2. The Commission further determined that it would establish a broadband funding regime (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.
3. To measure the successful achievement of this objective, the Commission established the following criteria:
 - for fixed broadband Internet access service, Canadian subscribers should be able to access speeds 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; and
 - the latest generally deployed mobile wireless technology should be available not only in Canadian homes and businesses, but on as many major transportation roads as possible in Canada.
4. In Telecom Decision 2018-241, the Commission determined that to meet the broadband portion of the universal service objective, fixed broadband Internet access service is defined as a high-quality service if it provides the subscriber with a smooth experience when using

real-time quality of service-critical applications, as described in that decision. Specifically, the Commission established a round-trip latency threshold of 50 milliseconds, and a packet loss threshold of 0.25%, both based on measurement during peak times. In Telecom Regulatory Policy 2019-42, the Commission established a jitter threshold of 5 milliseconds, measured using specific predefined methodology. These thresholds will form part of the criteria to measure the successful achievement of the universal service objective.

5. In Telecom Regulatory Policy 2018-377, the Commission addressed matters related to the development of the Broadband Fund, including its governance, operating, and accountability frameworks, as well as eligibility and assessment criteria for proposed projects.
6. The Commission also stated that the objective of the Broadband Fund is to fund projects 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. The Commission determined that it would be responsible for the selection and monitoring of projects to be funded. For the main component of the Fund, the Commission will consider applications to build or upgrade access and/or transport infrastructure for fixed and mobile wireless broadband Internet access services in underserved areas. The Commission will use a separate evaluation process for applications to serve satellite-dependent communities.
7. The Commission indicated that in addition to an initial call for applications, it may issue subsequent calls. The Commission may also limit the scope of a call for applications by calling for only specific types of projects or by making only certain areas eligible for funding on a per-call basis, if the Commission considers it necessary or efficient. Any deviations from the eligibility criteria stated in Telecom Regulatory Policy 2018-377 that apply to a particular call for applications will be clearly indicated.
8. The Commission further stated that (i) in preparation for its first call for applications, it would publish a preliminary application guide so that the public can better understand the application process and interested persons can have an opportunity to provide comments, and (ii) following that consultation, it would publish, concurrently with its call for applications, a final application guide that is consistent with the scope of the call.

Application Guide

9. An Application Guide for the Broadband Fund will be published concurrently with a call for applications for funding, and will also be accompanied by information to assist in determining eligibility for funding (e.g. maps). The purpose of the Application Guide is to (i) assist applicants in the completion and submission of their applications for funding, (ii) inform applicants of the process that will be used to evaluate and select projects for funding, (iii) inform applicants of the types of conditions that will be imposed on Broadband Fund recipients, and (iv) inform applicants about the online application intake system, which will be launched shortly after the issuance of the call for applications.

10. The Commission considers that enabling parties to familiarize themselves with the Application Guide prior to it being finalized will enable potential applicants, in particular, to understand how to file a complete application and how their applications will be evaluated.
11. Accordingly, with this notice, the Commission is publishing for comment, as set out below, the Preliminary Application Guide for the Broadband Fund set out in the Appendix to this notice. This consultation process provides an opportunity for potential applicants, affected communities, and other interested persons to submit comments regarding the application process and the information required to be submitted for project evaluation and selection. For example, parties may indicate where clarification may be required related to (i) the process for the filing and evaluation of applications, and (ii) other technical details that could adversely affect potential applicants' funding applications. Parties should not file submissions addressing the policies underlying the Application Guide, including the selection process, eligibility and assessment criteria, and funding conditions. The Commission set out its determinations on these policies in Telecom Regulatory Policy 2018-377. Accordingly, a review of these determinations is beyond the scope of the current proceeding.¹
12. To ensure that all applicants are treated fairly and have access to the same information, following a call for applications, contact between the Commission and applicants will be limited in certain respects. Accordingly, applicants should use this consultation process to raise any required clarifications to the Application Guide.
13. In addition, the Commission is seeking comments on its proposal to disclose certain information that may be filed in confidence. Specifically, in Telecom Regulatory Policy 2018-377, the Commission determined that applicants would be permitted to file their funding applications confidentially, and that no associated public process would be initiated. Once decisions to award project funding (i.e. funding decisions) are made, however, the Commission considered that the confidentiality of certain information pertaining to the selected projects would no longer be justified, and that such information would need to be included in the funding decisions to ensure the transparency of those decisions. The Commission is therefore seeking comments from interested persons on its preliminary view that the following information may be disclosed in its funding decisions: the funding recipient, the number of households that will be served, the amount of funds awarded, the geographic location of the project, the technology to be implemented, and the selection considerations that supported the selection of the project.
14. Furthermore, the Commission proposes to disclose information in the application in respect of which confidentiality may have been claimed, to third parties and government bodies, as it deems necessary, in order to verify the information.
15. Finally, the Commission proposes to shorten the time in which applications may be filed pursuant to section 62 of the [Telecommunications Act](#) to review and rescind or vary a

¹ The Commission notes that SouthWestern Integrated Fibre Technology Inc. (SWIFT) has filed an application with the Commission to review and vary certain policy determinations set out in Telecom Regulatory Policy 2018-377. The Commission will consider the matters raised in that application based on the record developed on that file.

funding decision. Pursuant to subsection 71(1) of the [Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure](#) (Rules of Procedure), applicants have 90 days after the date of the funding decision to file such applications. As set out in section 13 of the Preliminary Application Guide for the Broadband Fund, the Commission proposes to vary this rule such that applications to review and rescind or vary a funding decision must be filed within **30 days** of the date of the funding decision.

16. The Commission will include in the Application Guide to be published along with the first call for applications any modifications or clarifications it considers appropriate as a result of the submissions filed in this proceeding.

Procedure

17. The [Rules of Procedure](#) apply to this proceeding. The Rules of Procedure set out, among other things, the rules for the content, format, filing, and service of interventions, answers, replies, and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and related documents, which can be found on the Commission's website at www.crtc.gc.ca, under "[Statutes and regulations](#)." The guidelines set out in Broadcasting and Telecom Information Bulletin 2010-959 provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.
18. Interested persons who wish to become parties to this proceeding must file an intervention with the Commission regarding the matters described in paragraphs 11 to 15 above, by **18 March 2019**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
19. Parties are permitted to coordinate, organize, and file, in a single submission, interventions by other interested persons who share their position. Information on how to file this type of submission, known as a joint supporting intervention, as well as a [template](#) for the accompanying cover letter to be filed by parties, can be found in Telecom Information Bulletin 2011-693.
20. The Commission encourages interested persons and parties to monitor the record of this proceeding, available on the Commission's website at www.crtc.gc.ca, for additional information that they may find useful when preparing their submissions.
21. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line *****End of document***** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
22. Pursuant to Broadcasting and Telecom Information Bulletin 2015-242, the Commission expects incorporated entities and associations, and encourages all Canadians, to file submissions for Commission proceedings in accessible formats (for example, text-based file

formats that enable text to be enlarged or modified, or read by screen readers). To provide assistance in this regard, the Commission has posted on its website [guidelines](#) for preparing documents in accessible formats.

23. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

by completing the
[\[Intervention form\]](#)

or

by mail to
CRTC, Ottawa, Ontario K1A 0N2

or

by fax to
819-994-0218

24. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that filing, or where required, service of a particular document was completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed or served. The Commission advises parties who file or serve documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.
25. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.
26. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.
27. The Commission will issue an application guide concurrently with each call for applications for the Broadband Fund.

Important notice

28. All information provided as part of this public process, except information granted confidentiality, whether sent by postal mail, fax, email, or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on

the Commission's website. This includes all personal information, such as full names, email addresses, postal/street addresses, and telephone and fax numbers.

29. The personal information provided will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
30. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
31. The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

Availability of documents

32. Electronic versions of the interventions and other documents referred to in this notice are available on the Commission's website at www.crtc.gc.ca by using the public record number provided at the beginning of this notice or by visiting the "Have your say!" section, then selecting "our open processes." Documents can then be accessed by clicking on the links in the "Subject" and "Related Documents" columns associated with this particular notice.
33. Documents are also available at the following address, upon request, during normal business hours.

Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Gatineau, Quebec
J8X 4B1
Tel.: 819-997-2429
Fax: 819-994-0218

Toll-free telephone: 1-877-249-2782
Toll-free TTY: 1-877-909-2782

Secretary General

Related documents

- *Establishment of an appropriate quality of service metric for jitter to define high-quality fixed broadband Internet access service*, Telecom Regulatory Policy CRTC 2019-42, 12 February 2019
- *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018
- *CISC Network Working Group – Non-consensus report on quality of service metrics to define high-quality fixed broadband Internet access service*, Telecom Decision CRTC 2018-241, 13 July 2018; as amended by Telecom Decision CRTC 2018-241-1, 3 August 2018
- *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016
- *Filing submissions for Commission proceedings in accessible formats*, Broadcasting and Telecom Information Bulletin CRTC 2015-242, 8 June 2015
- *Filing of joint supporting interventions*, Telecom Information Bulletin CRTC 2011-693, 8 November 2011
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010

Appendix to Telecom Notice of Consultation CRTC 2019-45
Preliminary Application Guide for the Broadband Fund

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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. The guide provides detailed information to help applicants understand the criteria against which applications will be assessed and the information that applicants must provide.

The CRTC recommends that prior to submitting an application, applicants read *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018 (Telecom Regulatory Policy 2018-377) and this guide. This will help applicants understand the CRTC's objectives, eligibility criteria, and assessment process.²

This guide is intended to be used in conjunction with an online application intake system, which will be available on the CRTC's website, at www.crtc.gc.ca, after the issuance of the call for applications. The intake system will facilitate the application process by prompting applicants for the required forms and templates to be submitted.

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.³ To help provide Canadians with access to these services, the CRTC

² 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.

³ 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, and these offerings must meet defined quality of service metrics. For mobile wireless service, the latest generally deployed mobile wireless technology (currently long-term evolution) should be available not only in Canadian homes and businesses, but on as many major transportation roads as possible in Canada.

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.⁴

Up to 10% of the total annual amount of funding⁵ will be allocated for projects to increase satellite transport capacity, infrastructure projects, and some 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,⁶ and the CRTC will select and monitor the broadband projects to be funded.

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 Appeal.⁷ The CRTC must make all of 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 parties had the opportunity to comment on all aspects of the regime. These proceedings led to the CRTC's (i) decision to establish Internet

⁴ Incremental amounts in years four and five are contingent on a review of the Broadband Fund in the third year.

⁵ 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.

⁶ The Canadian Telecommunications Contribution Consortium Inc. (CTCC), which is (i) an industry consortium that serves as an intermediary between the CRTC and the Central Fund Administrator, and (ii) the third-party administrator that performs the accounting function for the National Contribution Fund, will likewise oversee the accounting function of the Broadband Fund. 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.

⁷ 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.

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) the 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. 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.

Refer to section 6.1 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 Broadband Fund, (ii) funding for another geographic area in a separate application under the Broadband Fund, or (iii) funding from another program to be received in the future. 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 length of projects will vary, it considers that projects should be completed within three years of recipients being awarded funding.

4.3 Geographic eligibility

To assist applicants in identifying the geographic areas that are eligible for funding for different project types, the CRTC will provide information to help determine geographic eligibility at the time of a 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 date of a call for applications until the submission deadline. In the interim, for reference, the CRTC recently published maps and associated data sets based on 2017 information here: <https://crtc.gc.ca/eng/internet/band.htm>.

These maps and associated data sets are current only as of the date of collection of the data, as indicated on the CRTC's website. Applicants should therefore conduct their own due diligence, through research of publicly available information and consultation with the relevant communities and/or governments, to ensure that the geographic areas they are proposing to serve are eligible under the Broadband Fund. Applicants should consider whether new projects have been completed since the CRTC's data was collected, or whether new projects are under way or will be under way within their project's time frame. For example, applicants should consult Innovation, Science and Economic Development Canada's (ISED) [National Broadband Internet Service Availability Map](#) and [list of projects that have been announced to date](#) under ISED's Connect to Innovate program.

During the period in which 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. This data may constitute publicly available information announced by other 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 section 7 below.

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.

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 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. At the time of a call for applications, applicants will be given details on how to submit their questions to the CRTC, including the appropriate telephone number and email address.
- After the application submission deadline has passed, CRTC staff will generally no longer respond to questions from applicants. See section 13 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 call for applications has closed and the CRTC has made all the funding decisions for that 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 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. This is required for the CRTC to coordinate with other funding programs and to avoid a situation where an applicant is provided funding under the Broadband Fund for more than the total project costs.

Starting from the time when the application submission deadline has passed and at any time until the project, if selected for funding, is complete (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 for the project from another source.⁸ Should an applicant successfully secure additional funding from other public funding programs, the amount of funding from the Broadband Fund will be decreased in accordance with the amount received from these other source(s) in order to make efficient use of the Broadband Fund. Should another level of government publicly announce that funding has been awarded to an entity other than 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 coordination efforts with governments at all levels and to provide transparency, the CRTC may disclose application information to these governments. The CRTC may also 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, 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:

⁸ 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.

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, 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, such as modems, antennas, and optical network terminals, will not be 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 or capital costs for earth station equipment and access infrastructure 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.⁹

⁹ 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.

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 amongst the above-mentioned set of high-quality projects and will be based on project selection considerations.

The eligibility and assessment criteria, along with the 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 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 section 7 below. Each eligibility and assessment criterion below has been assigned a criteria identifier (e.g. 1-E1 and 1-E2) to assist applicants in understanding the link between the criteria and the information they need to provide to meet the criteria.

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 (First Nations, Inuit, or Métis) 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, a joint venture, or a 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)

An applicant, except for provincial and territorial governments, 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 demonstrate this 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.

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). A map displaying potentially eligible geographic areas based on 2017 information can be found here: <https://crtc.gc.ca/eng/internet/band.htm>. As described above, applicants should conduct their own due diligence to ensure that their projects meet the geographic eligibility criterion. The CRTC will provide information on geographic eligibility at the time of a 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 date of a call for applications until 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 (see Appendix 1 for a definition of retail access) services.

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 km² hexagon where there is at least one household (as defined in Appendix 1), as per Statistics Canada’s latest census data, but where no household has access to broadband Internet access service at universal service objective-level download and upload

speeds (i.e. 50/10 Mbps). A map displaying potentially eligible geographic areas based on 2017 information can be found here: <https://crtc.gc.ca/eng/internet/band.htm>. As described above, applicants should conduct their own due diligence to ensure that their projects meet the geographic eligibility criterion. The CRTC will provide information on geographic eligibility at the time of a 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 date of a call for applications until 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 evaluate, in the assessment stage, 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 their 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

- i. a 25 km² hexagon in which Statistics Canada’s latest census data shows that there is at least one household but no access to coverage by the latest generally deployed mobile wireless technology (currently LTE). A map displaying potentially eligible geographic areas based on 2017 information can be found here: <https://crtc.gc.ca/eng/internet/band.htm>. As described above, applicants should conduct their own due diligence to ensure that their projects meet the geographic eligibility criterion. The CRTC will provide information on geographic eligibility at the time of a 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 date of a call for applications until the submission deadline.

or

- ii. part of a major transportation road that does not have access to coverage by the latest generally deployed mobile wireless technology (currently LTE). A map displaying potentially eligible geographic areas based on 2017 information can be found here: <https://crtc.gc.ca/eng/internet/band.htm>. As described above, applicants should conduct their own due diligence to ensure that their projects meet the geographic eligibility criterion. The CRTC will provide information on geographic eligibility at the time of a 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 date of a 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.

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)

A list of satellite-dependent communities, based on 2014 information and as defined in Appendix 1, is set out here: [\[link to be provided in final version\]](#). Applicants should conduct their own due diligence to ensure that these communities meet the eligibility criteria. The CRTC will provide information on geographic eligibility at the time of a 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 date of a call for applications until 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. Similar to 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 each assessment criterion, unless otherwise indicated in the 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 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. Both 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 the (i) risk of the applicant not completing the construction, (ii) environmental risk in the build (e.g. trench digging), and (iii) 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). 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 areas.

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). 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 the project.

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 as a result of the project. A project will be considered to be 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 may 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, thereby not triggering 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 using 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 help improve broadband services 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).

6.3 Selection considerations

Once a set of high-quality projects have been identified, a subset of projects will be selected for funding. In deciding between high-quality projects, the CRTC will not only consider 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 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 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 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](#), as well as 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. Information to be provided by applicants

Information to be provided by applicants when applying for funding is set out below. To assist applicants in understanding the link between the information they must provide and the eligibility and assessment criteria described in section 6 above, the relevant eligibility and assessment criteria identifiers are also provided.

The information that applicants must provide as set out in sections 7.1 to 7.6 applies to transport, access, and mobile wireless projects. The last section, 7.7, sets out the information that applicants must provide for projects serving satellite-dependent communities.

7.1 Information about the applicant

For all types of applicants (1-E1 and 1-E2)

- Name, business address, preferred official language, name of authorized contact, and names of the individuals and firms that assisted in the preparation of the application.
- Evidence of the legal status of the applicant, including, where applicable, the legal relationship between the applicant's constituent members. Such evidence should include a copy of registration and key constituting documents, such as a certificate of incorporation, Canada Revenue Agency registration, and proof of registration of not-for-profit status or band number. If the applicant is a Canadian carrier already registered in the CRTC's Data Collection System (DCS), bylaws and shareholder agreements do not need to be filed.

For an applicant that is a joint venture, partnership, or consortium (1-E5 and 1-E1)

- The constituting agreement that creates the group, such as a partnership or consortium agreement.

- Evidence of the legal status of each member of the joint venture, partnership, or consortium. In the case of a member being a corporation, bylaws and shareholder agreements do not need to be filed.
- A description of the roles and responsibilities of each member of the joint venture, partnership, or consortium, including ownership of assets, network builder, service provider, and dispute resolution mechanisms.

Experience (1-E4)

- A short description of the applicant's experience in deploying and operating broadband infrastructure to the public, including years of experience (must be at least three years), the locations where broadband services are offered, and the number of customers.

Financial statements for all applicants except provincial and territorial governments (1-E3)

- A copy of the applicant's audited financial statements (balance sheet, income statement, and cash flow statement, including financial statement notes and, if audited, the auditor's report and opinions of the financial statements) for the last three calendar years.
- If an applicant does not have audited financial statements, the CRTC will accept a copy of the applicant's financial statements accompanied by an affidavit, signed by two officers of the entity, one of the officers being the entity's chief financial officer, attesting to the accuracy of the financial statements.
- If an applicant is a joint venture, partnership, or consortium, financial statements and all accompanying documents set out above for each member or partner that is not a provincial or territorial government entity.

7.2 Financial information about the project

Financial business case for the project (1-P1 and 2-P2)

- Business plan (using a template to be provided along with the final version of the Application Guide), including the following information:

Projected revenues and expenses (including all eligible and ineligible costs identified in the project budget) for the proposed project, forecasted for five years, including the implementation phase and the subsequent service provisioning stage, with supporting evidence and assumptions.

Detailed budget for the project (1-P2, 2-P2, 2-P3, 2-A4, and 2-S3)

- Detailed budget (using a template to be provided along with the final version of the Application Guide), including the following information:
 - Costs for the project:
 - Total eligible costs, along with a breakdown of eligible costs by type of eligible cost.
 - Total ineligible costs.
 - costs incurred in eligible geographic areas but that are deemed to be ineligible due to their nature (e.g. insurance costs); and
 - for projects that would incur costs to build infrastructure in both eligible and ineligible (served or partially served) geographic areas, all costs incurred for the portion of the project serving ineligible geographic areas are not eligible for funding under the Broadband Fund.
 - Total project costs.
- Project funding model (identification of funding from all sources):
 - Amount of funding requested from the Broadband Fund.
 - Amount and source of all funding that has previously been secured for the project, including funding to be provided by the applicant; and funding to be provided from all other sources, such as other public funding.
 - For each source of funding that has previously been secured:
 - A written declaration in the form of a general letter, or a letter of intent detailing the extent of support that will be provided;
 - A service level agreement from other organization(s) dedicating a specific amount of monetary support or an in-kind contribution (with an estimated monetary value of the in-kind contribution); and
 - An irrevocable letter of credit from the lending institution, if relying on credit.

7.3 Information about consultation with affected communities

All communities (1-P3 and 2-P4)

- A list of the communities affected by the project, including whether they include Indigenous or official language minority communities (OLMCs).

- Confirmation that the applicant has undertaken or will undertake consultations.
- Evidence of community consultation, which may be in many forms, for example, a market study; letters of support from an elected official, a municipality, and/or anchor institutions; a band council resolution letter; a petition or survey; a municipal resolution; and/or proof of community investment (financial or otherwise).

Indigenous communities¹⁰ (1-P3)

- Indication of whether the proposed project will affect any established or asserted Aboriginal or treaty rights, and if so, a commitment to undertake any further consultations that may be necessary.
- A description of the established or asserted Aboriginal or treaty rights that may be affected and how the proposed project will affect such rights.

Anchor institutions for transport projects (2-T4)

- A list of the anchor institution(s) intended to be served and, for each one, the name and type of institution, and a short description of the services it offers to the community, as well as a letter of support for the project from the institution(s).

7.4 Information about retail service offerings and prices

Packages to be offered (1-A2, 1-M1, and 2-A5)

- For all projects:
 - A list of proposed retail broadband service packages, including rate, speed, and capacity levels.
- For fixed access and mobile wireless projects:
 - Retail broadband service packages that address different customer needs, including those of low-income households.

Comparable packages (1-S2, 1-A2, 1-M1, and 2-S4)

- For fixed access or mobile wireless broadband Internet access service packages:
 - A comparative list of retail packages offered by a facilities-based service provider in the chosen major urban centre or community, with supporting

¹⁰ For reference, a list of Indigenous communities can be found here: <http://fnp-ppn.aandc-aadnc.gc.ca/fnp/Main/Search/SearchFN.aspx?lang=eng>.

evidence. Refer to Appendix 3 for a list of communities for retail price/package comparisons.

7.5 Information about open access service offerings and prices (1-T2 and 2-T5)

- A list of proposed service offerings for wholesale open access, including (i) the range of broadband services, (ii) the broadband service speeds offered, and (iii) the prices to be offered to customers.
- A list of proposed service offerings for retail open access, including (i) the range of broadband services, (ii) the broadband service speeds offered, and (iii) the prices to be offered to customers.

7.6 Technical information about the project

Technical description of service and network design (1-T1, 1-T2, 1-A1, 1-M1, 1-M2, 1-S1, 2-P1, 2-T1, 2-T2, 2-T3, 2-T4, 2-T5, 2-A2, 2-A3, 2-M1, 2-M2, 2-M3, 2-S1, and 2-S2)

- A detailed technical description of the service and network design, containing a comprehensive explanation of the logical network diagram (see below), including all project sites (as defined in Appendix 1), logical paths, supporting assumptions, and technical dependencies, to clearly demonstrate the end-to-end functionality of the network in the delivery of project commitments.
- A description of the following technical merit elements:
 - **Feasibility:** the appropriateness of the chosen technologies and network deployment in the eligible geographic area of the proposed project. Identify any dependencies beyond what is included in the project, for example, the required transport backhaul capacity to feasibly provide the services being committed to for a fixed broadband access service project. For each dependency, provide details on how this criterion will be met in an efficient and timely manner.
 - **Scalability:** technical plans and time frames to increase network capacity and offer higher-speed services.
 - **Sustainability:** the proposed technologies and protocols to be deployed, including how broadly the technologies and related equipment are used by service providers; vendor support; industry adoption of the technology; potential to be efficiently upgraded; end of life expectation; and any plans to upgrade the infrastructure/technology, including anticipated time frames.
 - **Resiliency:** key network design elements addressing potential points of failure, remediation plans, and redundancies, with restoration time frames (including mean time to restore).

Logical network diagram and supporting information (1-G1, 1-G2, 1-G3, 1-G4, 1-S1, 1-T1, 1-T2, 1-A1, 1-M1, 2-P1, 2-T1, 2-T2, 2-T3, 2-T4, 2-T5, 2-A2, 2-A3, 2-M1, 2-M2, 2-M3, 2-S1, and 2-S2)

- Logical network diagram.

This diagram must fully align with the technical and service design description (above), and identify all project sites (including PoPs, antenna sites, remotes, and aggregation points), and all network paths, as well as corresponding elements and equipment at each project site. For example, transport project proposals must contain the project sites, including all PoPs and the individual network segments between project sites that make up the network path of the complete route.

- Equipment and facilities list.

A list of all equipment and facilities that make up the network, specifying the location of the equipment and facilities in the network in a manner that corresponds with the logical network diagram, the planned throughput of the equipment, as well as the chosen technologies that the equipment will support. Specify funding eligibility for each equipment or facility included in the list. Include all elements that constrain capacity and that are in the data path. For applicable wireless equipment, antenna design specifications (height, power, sectors, etc.), the transmitter frequency and bandwidth, as well as the licensing status, are required. Identify all eligible or ineligible costs related to all equipment, including customer premise equipment, as well as the project site where the equipment will be installed.

Coverage area and transport route data and maps¹¹ (1-G1, 1-G2, 1-G3, 1-G4, 2-P1, 2-T2, 2-T3, 2-T4, 2-A3, 2-M2, and 2-M3)

- Coverage area and transport route data and maps identifying the geographic area to be covered and/or the proposed new or upgraded transport routes, project sites (including PoPs), and affected communities. For each project site, the geographic coordinates must be identified.

Note: For all coverage contours, provide (i) all modelling variables, such as frequency bands and antenna design characteristics, and (ii) terrain models, which would enable the coverage maps to be validated.

Transport capacity (1-T1, 1-A1, 1-M1, 2-P1, 2-T1, 2-T5, 2-A2, and 2-M1)

- For transport projects:

¹¹ Coverage data should be submitted in MapInfo table or ArcGIS shapefile format. Data can also be provided using Google Earth KML if MapInfo table or ArcGIS shapefile format is not available.

- For each new or upgraded PoP, identify the total transport capacity, specifying whether the capacity is available on a point-to-point dedicated basis or if the aggregated capacity is shared with other locations.
- For fixed access and mobile wireless projects:¹²
 - For the access or mobile wireless network, identify the total transport capacity available, specifying whether the capacity is available on a point-to-point dedicated basis or if the aggregated capacity is shared with other locations.

Service offerings (1-T1, 1-T2, 1-A1, 1-M1, 2-T1, 2-T5, 2-A1, 2-A2, and 2-M1, 2-S1, and 2-S2)

- Access services, mobile wireless services, or transport interconnection services that are currently available, including the service providers that are currently offering each service.
- Proposed access services, mobile wireless services, or transport interconnection services to be delivered.

Note: For current and proposed services, provide relevant service-specific information. For example, this may include access speeds and capacity, the mobile wireless technology deployed, and transport interconnection speeds (identify whether the transport capacity is available on a point-to-point dedicated basis or if the aggregated capacity is shared with other locations).

Provisioning assumptions (1-T1, 1-T2, 1-A1, 2-P1, 2-T1, 2-T5, 2-A2, 2-M1, and 2-S2)

- All provisioning assumptions that would determine the actual speeds and availability of network services and capacity to end-users. For example, this could include oversubscription rates, aggregation points, and other supporting information to validate service claims.

7.7 Information for projects for satellite-dependent communities

Satellite projects for earth station and/or access infrastructure (1-E1, 1-E2, 1-E3, 1-E4, 1-E5, 1-P1, 1-P2, 1-P3, 1-G4, 1-S1 b. and c., 1-S2, 2-P2, 2-P3, 2-P4, 2-S1, 2-S2, and 2-S4)

- The following information applies to infrastructure projects within satellite-dependent communities:
 - All information listed in section 7.1.
 - All information listed in section 7.2.

¹² Transport capacity in this case is not part of the fixed access or mobile wireless project but is needed to determine the amount of capacity available for the geographic area.

- All information listed in section 7.3, with the exception of information about anchor institutions.
 - All information listed in section 7.4, with the exception of retail broadband service packages for low-income customers.
 - The technical information to be provided for satellite projects is identified and described in section 7.6 above.
- Applicants are not required to provide the information listed in section 7.5.

Satellite projects for operational costs for satellite transport capacity (1-P1, 1-P2, 1-S1 a. and c., 2-S1, 2-S2, and 2-S4)

- A description of how funding for satellite transport capacity would improve (i) the speeds and capacity of Internet access service, and (ii) the price of retail Internet access service for subscribers in the satellite-dependent community.
- The following information:
 - A copy of the satellite transport capacity contract or memorandum of understanding with the satellite transport provider.
 - All information listed in section 7.1.
 - All information listed in section 7.2.
 - All information listed in section 7.3, with the exception of information about anchor institutions.
 - All information listed in section 7.4, with the exception that providing retail broadband service packages for low-income customers is not required. For service packages for satellite-dependent communities, a comparative list of packages offered in Iqaluit, Nunavut.
 - The technical information to be provided for satellite projects is described in section 7.6.
- Applicants are not required to provide the information listed in section 7.5.

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 authorize the CRTC to verify information contained in the application to (i) make all enquiries it deems necessary of any persons, firms, corporations, or federal or provincial/territorial government agencies/departments as necessary, and (ii) collect and share relevant information with them, as the CRTC deems appropriate.
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. Without limiting the scope of the foregoing, the Applicant acknowledges that
 - its project may require an environmental assessment under the [Canadian Environmental Assessment Act, 2012](#), and the Applicant commits to undertaking all necessary actions in order to comply with the requirements therein.
 - the 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 Aboriginal groups arises in relation to the proposed project, the Applicant will carry out all necessary consultations to the Crown's satisfaction.
4. The Applicant must acknowledge that all costs incurred in the preparation and submission of the Broadband Fund application are the responsibility of the Applicant.
5. 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.
6. 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.
7. The Applicant acknowledges the CRTC's obligation pursuant to subsection 37(3) of the [Telecommunications Act](#) to provide any information the CRTC receives to the Minister of Innovation, Science and Economic Development or the Chief Statistician of Canada upon

request and that this obligation could include the provision of Broadband Fund applications.

8. The Applicant consents to the CRTC disclosing application information on a confidential basis to federal, provincial/territorial, and municipal governments and government agencies for future planning purposes or to assess any potential risks related to the overall integrity of Canadian telecommunications networks.
9. The Applicant consents to the CRTC publicly disclosing information in aggregate form regarding the applications received and assessed following a 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, which will identify the funding recipient and describe the project, including, for example, the geographic area of the project and the type of project, as well as the maximum amount of funding approved for each recipient. The decisions will provide the 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 the 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. Consequently, 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 following a failure to meet the deadline.

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 a claim form and a Progress

Report template that will be 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 reimbursement for eligible costs incurred retroactively 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 only approve the distribution of these funds 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. 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, as well as the imposition of conditions on the offering and provision of broadband

services pursuant to sections 24 and 24.1 of the [Telecommunications Act](#).¹³ 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.

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 conditions that successful applicants must meet before the CRTC will direct the Central Fund Administrator to distribute funds. Failure by

¹³ 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.

funding recipients to comply with these conditions could result in funding being delayed, 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 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 days¹⁴ of the date of issuance of the funding decision, its 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, 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 days¹⁵ 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 Aboriginal 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 equivalent] 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 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.

¹⁴ Time period to be specified in the funding decision.

¹⁵ Time period to be specified in the funding decision.

- h. Recipients must notify the CRTC in writing within X days¹⁶ 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.

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).

¹⁶ Time period to be specified in the funding decision.

- 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. 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, most 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 proposed to disclose certain application information in its funding decisions as necessary to identify and describe the approved project and the broad reasons for its selection; for example, 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 the evidence used to apply the assessment criteria and selection considerations that support the selection of the project. The CRTC does not expect to disclose specific information concerning applications that are not selected.

Funding recipients will be required to submit information periodically as part of the CRTC's ongoing monitoring. The CRTC may use some of this information either in aggregate form or on an individual level in its published report on the performance of the Broadband Fund. This information will likely include the following: the number of households connected as a result of the Fund, the geographic areas that have access to universal service objective-level services as a result of the Fund, the amount of funding distributed to date, and project progress generally.

The application form and reporting templates identify the information items that the CRTC

- is prepared to retain in confidence during the application process, as well as following the issuance of the funding decisions, and
- has proposed to disclose in its funding decisions.

The applicant is to indicate, where provided on the form, the items that it is designating as confidential, and for what purpose the confidential designation is being made.

If an applicant designates as confidential information in its application that the CRTC has proposed to disclose, the applicant must provide reasons, as well as any supporting documents, why the disclosure of the information in a funding decision or in public reports would not be in the public interest, including why the specific direct harm that would be likely to result from such disclosure would outweigh the public interest.

12. Security

Information regarding the proposed project provided in the application form and attachments may be disclosed to other federal government departments and agencies, for example 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 [Canadian Security Review Program](#) and has engaged 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. Applicants should ensure that their project would comply with the Canadian Security Review Program. Applicants may contact the CSE with potential areas of concern.

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. The procedure set out below 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, under "Statutes and regulations."
2. The deadline for filing applications is on X date¹⁷ at midnight, Pacific Standard 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 Broadband Fund Application Form on the CRTC's website or in an alternative accessible format.
4. Applicants must complete the entire 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 requested to do so by the CRTC.
7. Applicants should refer to the Application Guide for additional details and explanations to assist them in completing their application forms.
8. The CRTC will not post on its website completed Broadband Fund applications.

¹⁷ Date to be specified at the time of the call for applications.

9. The CRTC will notify applicants by email that the application has been received and will provide a submission confirmation number. Applicants will not be informed of the status of their applications prior to the issuance of the CRTC's 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, the CRTC hereby varies this rule such that applications to review and rescind or vary a funding decision must be filed within **30 days** of the date of the funding decision.

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, as well as 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, 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