



# Telecom Decision CRTC 2022-206 encompassing Telecom Decisions CRTC 2022-207, 2022-208, 2022-209, and 2022-210

PDF version

References: 2019-372, 2019-372-1, and 2019-372-2

Ottawa, 4 August 2022

*Public record: 1011-NOC2019-0372*

## Broadband Fund – Project funding approval for TELUS Communications Inc.’s mobile and combination mobile/access/transport projects in Quebec

### Summary

The Commission **approves** four funding applications by TELUS Communications Inc. for a total of up to \$12,105,057 to build and/or upgrade mobile wireless, local fixed access, and transport infrastructure in a total of 26 communities and along approximately 305 kilometres of eligible major transportation roads in Quebec. The individual funding awards are set out in the following decisions, which are encompassed by this decision:

- In Telecom Decision 2022-207, the Commission **approves** up to \$2,422,626 for approximately 175 kilometres of roads and three communities in Quebec.
- In Telecom Decision 2022-208, the Commission **approves** up to \$3,235,575 for approximately 35 kilometres of roads and seven communities in Quebec.
- In Telecom Decision 2022-209, the Commission **approves** up to \$2,490,446 for approximately 35 kilometres of roads and three communities in Quebec.
- In Telecom Decision 2022-210, the Commission **approves** up to \$3,956,410 for approximately 60 kilometres of roads and 13 communities in Quebec.

### Applications

1. In response to the Commission’s second call for applications for funding from the Broadband Fund set out in Telecom Notice of Consultation 2019-372, TELUS Communications Inc. (TCI) filed various applications. In the four applications discussed in this decision, TCI requested funding for mobile projects, including a combination project that also has access and transport components, to introduce broadband Internet services or improve the services available to eligible areas in a total of 26 communities and along approximately 305 kilometres of eligible roads in Quebec. TCI proposed to implement projects that will offer mobile wireless services and/or fixed wireless access services consistent with the universal service

objective, which the Commission defined in Telecom Regulatory Policy 2016-496.<sup>1</sup> TCI also proposed to build a new transport point of presence (PoP) as part of its combination project.

2. Details for each application are provided in the individual funding decisions included in the Appendix to this decision:<sup>2</sup> Telecom Decision 2022-207, Telecom Decision 2022-208, Telecom Decision 2022-209, and Telecom Decision 2022-210.

### **Commission's analysis**

3. In Telecom Regulatory Policy 2018-377, the Commission established the eligibility and assessment criteria for the Broadband Fund. In Telecom Decision 2022-204, the introductory decision accompanying the round of funding decisions issued today, the Commission provided background information and described the eligibility and assessment process and selection considerations used to evaluate and select projects to be funded. In that decision, the Commission also set out the conditions that funding recipients must meet in order to receive funding for their projects. The introductory decision should be read in conjunction with this decision.

### **Eligibility criteria**

4. TCI's applications met each of the relevant eligibility criteria applicable to transport, access, and mobile projects.<sup>3</sup> First, as a financially solvent and reliable Canadian corporation that is eligible to operate as a Canadian carrier and that has more than three years' experience deploying and operating broadband infrastructure in Canada, TCI met each of the criteria for eligible applicants. In addition, TCI demonstrated that it will invest more than a nominal amount in each project, and that the projects would not be financially viable without funding from the Broadband Fund. Further, TCI provided evidence that it consulted or attempted to consult with communities affected by the projects, either directly or through community representatives.

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<sup>1</sup> The universal service objective is that Canadians, in urban areas as well as in rural and remote areas, have access to voice services and broadband Internet access services, on both fixed and mobile wireless networks. To help achieve this objective, projects funded by the Broadband Fund should (i) enable Canadian residential and business fixed broadband Internet access service subscribers 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 (ii) make available the latest generally deployed mobile wireless technology not only in Canadian homes and businesses, but on as many major transportation roads as possible in Canada.

<sup>2</sup> The content of each of these applications was designated confidential pursuant to section 39 of the *Telecommunications Act*, but certain details are being disclosed in this decision, consistent with section 11 – *Confidentiality* of the Application Guide, set out in the Appendix to Telecom Notice of Consultation 2019-372, and as agreed to by the applicant. Other elements of the applications remain confidential but were considered when the Commission evaluated the applications.

<sup>3</sup> Specifically, the Commission used the eligibility criteria set out in sections 6.1.1(a) to (d) of the Application Guide, applicable to applicants; in sections 6.1.2(a) to (c), applicable to all project types; in sections 6.1.3(a) to (c), applicable to transport projects; in sections 6.1.3(d) to (f), applicable to access projects; and in sections 6.1.3(g) to (i), applicable to mobile projects. Because the applicant does not comprise a partnership, joint venture, or consortium, the criterion set out in section 6.1.1(e) does not apply.

Finally, the projects will serve eligible geographic areas and will meet the requirements regarding minimum capacity and wholesale and retail open access services (applicable to transport services only), pricing and affordability (applicable to broadband Internet access services and mobile wireless services), service speeds (applicable to broadband Internet access services only), and the technology to be used to deliver service (applicable to mobile wireless services only).

### **Assessment criteria**

5. On the basis of its evaluation of TCI's projects against the assessment criteria for transport, access, and mobile projects,<sup>4</sup> as set out below and in the Appendix to this decision, the Commission finds that the projects are all of high quality and will assist in achieving the goals of the Broadband Fund.
6. The projects are all technically sound and capable of delivering the proposed capacity, speeds, and data allowances. In some cases, those speeds and allowances are consistent with the universal service objective, and in other cases, they represent a significant step towards attaining that objective. The proposed equipment is capable of delivering the proposed services and could be scaled to provide higher speeds, and the projects are all resilient. In addition, the projects will implement widely adopted and supported technologies with good long-term sustainability.
7. For its combination project, TCI committed to providing wholesale and retail open access to the transport infrastructure. TCI submitted wholesale open access plans proposing dedicated service at various speeds and prices.
8. The construction of mobile wireless projects and transport projects represents a long-term investment in critical infrastructure expansion and public safety. These types of projects are not necessarily expected to be profitable. With these factors in mind, the Commission considered various financial indicators to assess the financial viability of TCI's projects and finds them to be financially sound and the proposed project costs to be reasonable. In addition, the Commission considers that for each project, a suitable proportion of the funding for the proposed total project costs comes from sources other than the Broadband Fund and finds that the cost per household to the Broadband Fund is reasonable for the access component of the combination project.
9. The remaining evaluation details and the conclusions specific to each TCI application are set out in the individual funding decisions for the projects, which are included in the Appendix to this decision.

### **Conclusion**

10. As indicated in the funding decisions in the Appendix, the Commission **approves** four funding applications by TCI for a total of up to \$12,105,057 to build and/or

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<sup>4</sup> Specifically, the assessment criteria set out in the Application Guide in sections 6.2.1(a) to (d) and in sections 6.2.2(a) to (m).

upgrade mobile wireless, local fixed access, and transport infrastructure in eligible areas in a total of 26 communities and along approximately 305 kilometres of eligible major transportation roads in Quebec. The Commission's approvals in the individual funding decisions are subject to the directions and conditions set out in paragraphs 30 to 40 of the introductory decision (Telecom Decision 2022-204).

11. The Commission reminds TCI of the funding condition related to the duty to consult (see subparagraph 36(g) of Telecom Decision 2022-204) and expects TCI to keep local Indigenous groups informed of its projects so that the Commission can be satisfied that any adverse impact on Aboriginal or treaty rights will be identified and addressed.

## **Policy Directions**

12. The 2006 Policy Direction<sup>5</sup> and the 2019 Policy Direction<sup>6</sup> (collectively, the Policy Directions) state that the Commission, in exercising its powers and performing its duties under the *Telecommunications Act* (the Act), shall implement the telecommunications policy objectives set out in section 7 of the Act, in accordance with the considerations set out therein,<sup>7</sup> and should specify how its decisions can, as applicable, promote competition, affordability, consumer interests, and innovation.
13. The Commission considers that its decision to approve funding from the Broadband Fund for the projects described in detail in this decision and in the individual funding decisions encompassed herein is consistent with the Policy Directions.
14. Specifically, this decision to approve funding for four projects to build and/or upgrade infrastructure in order to introduce or improve mobile wireless services, fixed broadband Internet access services, and transport capacity in eligible areas in 26 communities in Quebec will help to close the gap in connectivity in underserved areas. There would be no business case for the projects without funding from the Broadband Fund. Funding the projects will help connect approximately 305 kilometres of major transportation roads and enable approximately 1,010 households to access voice services and/or broadband Internet access services that meet or exceed the universal service objective level, or that move those households closer to attaining that level, and thus respond to the social and economic

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<sup>5</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

<sup>6</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

<sup>7</sup> The relevant considerations are subparagraph 1(a)(i) of the 2006 Policy Direction, which states that the Commission should rely on market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives, and paragraph 1(a) of the 2019 Policy Direction, which states that the Commission should consider how its decisions can promote competition, affordability, consumer interests and innovation.

needs of consumers. In doing so, this decision will implement the telecommunications policy objectives, including those set out in paragraphs 7(a), (b), and (h) of the Act.<sup>8</sup>

Secretary General

### **Related documents**

- *Broadband Fund – Second call for applications – Introductory decision regarding the August 2022 round of project funding approvals*, Telecom Decision CRTC 2022-204, 4 August 2022
- *Broadband Fund – Second call for applications*, Telecom Notice of Consultation CRTC 2019-372, 13 November 2019; as amended by Telecom Notices of Consultation CRTC 2019-372-1, 20 March 2020; and 2019-372-2, 27 April 2020
- *Development of the Commission’s Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018
- *Modern telecommunications services – The path forward for Canada’s digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016

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<sup>8</sup> The cited policy objectives of the Act are 7(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions; 7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada; and 7(h) to respond to the economic and social requirements of users of telecommunications services.

## **Appendix to Telecom Decision CRTC 2022-206**

### **Telecom Decision CRTC 2022-207**

Ottawa, 4 August 2022

*Public record: 1011-NOC2019-0372*

### **Broadband Fund – Project funding approval for TELUS Communications Inc.’s combination mobile/access/transport project in Quebec (including Route 138)**

#### **Application**

1. TELUS Communications Inc. (TCI) requested \$2,422,626 from the Broadband Fund to implement a project that will introduce mobile wireless services, fixed wireless access (FWA) services, and/or transport capacity to approximately 175 kilometres of eligible roads along parts of Route 138 and in eligible areas in three communities in Quebec: Port-Menier, Rivière-au-Tonnerre, and Rivière-Saint-Jean.
2. For the mobile component, TCI indicated that it will offer long-term evolution – advanced (LTE-A) services with voice and text, with data limits ranging from 1 gigabyte (GB) per month to unlimited. For the access component, TCI indicated that it will offer FWA services with data limits ranging from 100 to 500 GB per month, with speeds of 25 megabits per second (Mbps) download and 5 Mbps upload (25/5 Mbps). For the transport component, TCI indicated that it will build one new point of presence (PoP) with a capacity of 1 gigabit per second (Gbps).

#### **Commission’s analysis**

3. As noted in Telecom Decision 2022-206 above, this application to serve eligible areas along parts of Route 138 and in three communities in Quebec has met all the relevant eligibility criteria, and the Commission has found it to be of high quality based on an evaluation of the project against the relevant assessment criteria.
4. TCI provided evidence of consultation with the regional county municipality of Minganie, whose boundaries encompass most of the eligible project area. TCI also secured third-party funding for the project.

#### **Conclusion**

5. In selecting the project for funding, the Commission concludes that, in providing mobile wireless services using an LTE-A network, the project exceeds the universal service objective criterion of implementing the latest generally deployed mobile wireless technology, which is currently LTE. In providing fixed broadband Internet access services with speeds of 25/5 Mbps and data allowances of 100 to 500 GB per month in an area that currently has no broadband service, the project will move the affected area closer to attaining universal service objective levels for access speeds and data allowances. Finally, due to the construction of the proposed transport PoP,

the project is consistent with the universal service objective. The project will therefore have a significant positive impact on the eligible areas to be served, which encompass approximately 650 households and 175 kilometres of major transportation roads. In addition, the Commission concludes that supporting this project represents an efficient use of the funding available from the main component of the Broadband Fund.

6. In light of the above, the Commission **approves**, to the extent and subject to the directions and conditions set out in paragraphs 30 to 40 of the introductory decision (Telecom Decision 2022-204), up to a maximum of \$2,422,626 from the Broadband Fund to be distributed to TCI for the purpose of the mobile, access, and transport project described above and as set out in the approved statement of work.

## Telecom Decision CRTC 2022-208

Ottawa, 4 August 2022

*Public record: 1011-NOC2019-0372*

### **Broadband Fund – Project funding approval for TELUS Communications Inc.’s mobile project in Quebec (including Routes 204, 283, and 389)**

#### **Application**

1. TELUS Communications Inc. (TCI) requested \$3,235,575 from the Broadband Fund to implement a project that will improve mobile wireless services to approximately 35 kilometres of eligible roads and in eligible areas in seven communities in Quebec. TCI proposed to use long-term evolution – advanced (LTE-A) technology to offer services with voice and text, with data limits ranging from 1 gigabyte (GB) per month to unlimited, along parts of Routes 204, 283, and 389, and in Barrage Manic-2, Lac-Frontière, Saint-Adalbert, Saint-Marcel, Saint-Philémon, Sainte-Félicité, and Sainte-Lucie-de-Beauregard.<sup>9</sup>

#### **Commission’s analysis**

2. As noted in Telecom Decision 2022-206 above, this application to serve eligible areas along major transportation roads and in seven communities in Quebec has met all the relevant eligibility criteria, and the Commission has found it to be of high quality based on an evaluation of the project against the relevant assessment criteria.
3. TCI provided evidence of support for the project from three regional county municipalities, whose boundaries encompass most of the project area, and from three local organizations. TCI also secured third-party funding for the project.

#### **Conclusion**

4. In selecting the project for funding, the Commission concludes that, in providing mobile wireless services using an LTE-A network, the project exceeds the universal service objective criterion of implementing the latest generally deployed mobile wireless technology, which is currently LTE. The project will therefore have a significant positive impact on the eligible areas to be served, which encompass approximately 170 households and 35 kilometres of major transportation roads. In addition, the Commission concludes that supporting this project represents an efficient use of the funding available from the main component of the Broadband Fund.
5. In light of the above, the Commission **approves**, to the extent and subject to the directions and conditions set out in paragraphs 30 to 40 of the introductory decision

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<sup>9</sup> The communities identified for this project are based on Commission staff’s review of the mapping data submitted by TCI against government-provided datasets. This review identified some communities that differ from what TCI provided in its application.



(Telecom Decision 2022-204), up to a maximum of \$3,235,575 from the Broadband Fund to be distributed to TCI for the purpose of the mobile project described above and as set out in the approved statement of work.

## Telecom Decision CRTC 2022-209

Ottawa, 4 August 2022

*Public record: 1011-NOC2019-0372*

### **Broadband Fund – Project funding approval for TELUS Communications Inc.’s mobile project in Quebec (including Route 132)**

#### **Application**

1. TELUS Communications Inc. (TCI) requested \$2,490,446 from the Broadband Fund to implement a project that will improve mobile wireless services to approximately 35 kilometres of eligible roads and in eligible areas in three communities in Quebec. TCI proposed to use long-term evolution – advanced (LTE-A) technology to offer services with voice and text, with data limits ranging from 1 gigabyte (GB) per month to unlimited, along parts of Route 132 and in Mann Settlement, Matapédia, and Sainte-Florence.<sup>10</sup>

#### **Commission’s analysis**

2. As noted in Telecom Decision 2022-206 above, this application to serve eligible areas along major transportation roads and in three communities in Quebec has met all the relevant eligibility criteria, and the Commission has found it to be of high quality based on an evaluation of the project against the relevant assessment criteria.
3. TCI provided evidence of support for the project from two regional county municipalities, whose boundaries encompass the entire project area. TCI also secured third-party funding for the project.

#### **Conclusion**

4. In selecting the project for funding, the Commission concludes that, in providing mobile wireless services using an LTE-A network, the project exceeds the universal service objective criterion of implementing the latest generally deployed mobile wireless technology, which is currently LTE. The project will therefore have a significant positive impact on the eligible areas to be served, which encompass approximately 10 households and 35 kilometres of major transportation roads. In addition, the Commission concludes that supporting this project represents an efficient use of the funding available from the main component of the Broadband Fund.
5. In light of the above, the Commission **approves**, to the extent and subject to the directions and conditions set out in paragraphs 30 to 40 of the introductory decision (Telecom Decision 2022-204), up to a maximum of \$2,490,446 from the

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<sup>10</sup> The communities identified for this project are based on Commission staff’s review of the mapping data submitted by TCI against government-provided datasets. This review identified some communities that differ from what TCI provided in its application.

Broadband Fund to be distributed to TCI for the purpose of the mobile project described above and as set out in the approved statement of work.

## **Telecom Decision CRTC 2022-210**

Ottawa, 4 August 2022

*Public record: 1011-NOC2019-0372*

### **Broadband Fund – Project funding approval for TELUS Communications Inc.’s mobile project in Quebec (including Routes 195 and 299)**

#### **Application**

1. TELUS Communications Inc. (TCI) requested \$3,956,410 from the Broadband Fund to implement a project that will improve mobile wireless services to approximately 60 kilometres of eligible roads and in eligible areas in 13 communities in Quebec. TCI proposed to use long-term evolution – advanced (LTE-A) technology to offer services with voice and text, with data limits ranging from 1 gigabyte (GB) per month to unlimited, along parts of Routes 195 and 299, and in Cap-Seize, Grande-Cascapédia, Rivière-Matane, Ruisseau-Gagnon, Saint-Adelme, Saint-Alexandre-des-Lacs, Saint-Jules, Saint-Léandre, Saint-Luc-de-Matane, Saint-René-de-Matane, Saint-Tharcisius, Saint-Vianney, and Sainte-Paule.<sup>11</sup>

#### **Commission’s analysis**

2. As noted in Telecom Decision 2022-206 above, this application to serve eligible areas along major transportation roads and in 13 communities in Quebec has met all the relevant eligibility criteria, and the Commission has found it to be of high quality based on an evaluation of the project against the relevant assessment criteria.
3. TCI provided evidence of support for the project from four regional county municipalities, whose boundaries encompass the entire project area, and from a municipality that represents two of the affected communities. TCI also secured third-party funding for the project.

#### **Conclusion**

4. In selecting the project for funding, the Commission concludes that, in providing mobile wireless services using an LTE-A network, the project exceeds the universal service objective criterion of implementing the latest generally deployed mobile wireless technology, which is currently LTE. The project will therefore have a significant positive impact on the eligible areas to be served, which encompass approximately 180 households and 60 kilometres of major transportation roads. In addition, the Commission concludes that supporting this project represents an efficient use of the funding available from the main component of the Broadband Fund.

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<sup>11</sup> The communities identified for this project are based on Commission staff’s review of the mapping data submitted by TCI against government-provided datasets. This review identified some communities that differ from what TCI provided in its application.

5. In light of the above, the Commission **approves**, to the extent and subject to the directions and conditions set out in paragraphs 30 to 40 of the introductory decision (Telecom Decision 2022-204), up to a maximum of \$3,956,410 from the Broadband Fund to be distributed to TCI for the purpose of the mobile project described above and as set out in the approved statement of work.