



# Telecom Notice of Consultation CRTC 2022-325

PDF version

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## Broadband Fund – Third call for applications

**Deadline for filing of applications: 18 April 2023 at 17:00, Pacific Standard Time**

### Summary

The Commission hereby calls for applications for funding from the Broadband Fund for certain types of eligible projects in all eligible geographic areas throughout Canada. The following types of projects will be eligible: (i) projects that build or upgrade transport infrastructure, (ii) mobile wireless infrastructure projects that provide or upgrade mobile connectivity along major transportation roads, and (iii) projects that increase satellite transport capacity (operational costs only) in satellite-dependent communities.

### Background

1. In Telecom Regulatory Policy 2016-496, the Commission established the universal service objective, namely that Canadians, in urban areas as well as in rural and remote areas, have access to voice services and broadband Internet access services, on both fixed and mobile wireless networks.
2. To measure the successful achievement of this objective, the Commission established several criteria. Some of these criteria are that Canadian residential and business fixed broadband Internet access service subscribers should be able to access speeds of at least 50 megabits per second (Mbps) download and 10 Mbps upload (50/10 Mbps) and that they should be able to subscribe to a service offering with an unlimited data allowance. Furthermore, the Commission found that the latest generally deployed mobile wireless technology (currently long-term evolution [LTE]) should be available not only in Canadian homes and businesses, but on as many major transportation roads as possible in Canada.
3. In order to support the development of a telecommunications system that can provide Canadians with access to these basic telecommunications services, pursuant to subsection 46.5(1) of the *Telecommunications Act* (the Act), the Commission established the Broadband Fund. The objective of the Broadband Fund is to help achieve the universal service objective and close the gaps in connectivity in underserved areas by providing necessary financial support to projects that (i) will build or upgrade infrastructure for fixed and mobile wireless broadband Internet access services, and (ii) would not be financially viable without funding assistance.

4. In Telecom Regulatory Policy 2016-496, the Commission also determined that for the first five years of the Broadband Fund, a maximum of \$750 million would be distributed as follows: no more than \$100 million in the first year, which would increase by \$25 million annually over the following four years to reach a maximum of \$200 million in the fifth year. Monies for the Fund are collected from contributions made by telecommunications service providers<sup>1</sup> whose total annual Canadian telecommunications service revenues amount to over \$10 million.
5. In Telecom Regulatory Policy 2018-377, the Commission addressed matters relating to the Broadband Fund, including its governance, operating, and accountability frameworks, as well as the criteria the Commission would use to evaluate proposed projects.
6. In Telecom Notices of Consultation 2019-191 and 2019-372, the Commission issued its first two calls for applications for funding from the Broadband Fund.

### **Third call for applications**

7. The Commission hereby calls for applications for funding from the Broadband Fund from eligible applicants for eligible projects located in the eligible geographic areas for this call, as defined below.
8. Persons interested in responding to this call must submit a duly completed application to the Commission no later than **18 April 2023 at 17:00, Pacific Standard Time**, using the appropriate [Broadband Fund Application Form](#) for their project type(s).
9. Applications submitted for previous calls that are eligible for this call<sup>2</sup> will not automatically be considered for funding in this call. Applicants must submit a new application with updated information if they would like their application to be considered for funding in this call.

### **Evaluation of applications**

10. In evaluating applications received as part of this call for applications, the Commission will proceed in three stages, as set out in Telecom Regulatory Policy 2018-377:
  - **Eligibility:** Applications that do not meet all the eligibility criteria will not be considered further.

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<sup>1</sup> “Telecommunications service provider” is defined in subsection 2(1) of the Act. As set out in Decision 2000-745, telecommunications service providers include incumbent local exchange carriers, alternate providers of long distance services, competitive local exchange carriers, resellers, wireless service providers, international licensees, satellite service providers, Internet service providers, payphone providers, and data and private line service providers.

<sup>2</sup> Applications located in eligible geographic areas that include (i) projects that build or upgrade transport infrastructure, (ii) mobile wireless infrastructure projects that provide or upgrade mobile connectivity along major transportation roads, and/or (iii) projects that increase satellite transport capacity (operational costs only) in satellite-dependent communities.

- **Assessment:** The Commission will evaluate proposed projects according to the assessment criteria to identify a set of high-quality projects.
- **Selection:** The Commission will select projects for funding from among the above-mentioned set of high-quality projects on the basis of specific selection considerations.

11. The eligibility and assessment criteria, along with the selection considerations, that the Commission will apply are set out in Telecom Regulatory Policy 2018-377, and are described in greater detail in the Application Guide. The Application Guide for this call for applications can be found in Appendix 2 to this notice.

### **Eligible types of projects**

12. The Commission will consider, in eligible geographic areas, projects to (i) build or upgrade transport infrastructure and/or (ii) build or upgrade mobile wireless infrastructure to improve mobile connectivity along major transportation roads.<sup>3</sup> Projects involving both project types must meet the eligibility criteria and will be evaluated according to the assessment criteria for each type of project.

13. In addition, the Commission will also consider projects to increase satellite transport capacity (operational costs only) in satellite-dependent communities.<sup>4</sup> Terrestrial transport projects that connect satellite-dependent communities to the terrestrial broadband network will be considered to be transport infrastructure projects. Satellite-dependent communities that are eligible to receive funding are listed in Appendix 1 to this notice.<sup>5</sup>

### **Eligible geographic areas**

14. To be eligible for funding for a transport project, an applicant must propose to build or upgrade transport infrastructure to an eligible community, defined as a small population centre with a population of fewer than 30,000 residents, that is located at least 2 kilometres from a point of presence (PoP)<sup>6</sup> with a minimum capacity of 1 gigabit per second (Gbps).

15. To be eligible for funding for a mobile wireless service project along major transportation roads, an applicant must propose to build or upgrade infrastructure to serve part of a major transportation road that does not have access to coverage by the latest generally deployed mobile wireless technology (currently LTE).

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

<sup>4</sup> These projects comprise applications for funding to cover operational costs annually, over a certain amount of time, to increase satellite transport capacity.

<sup>5</sup> The Commission has approved funding from the main component of the Broadband Fund for terrestrial transport projects in the Quebec communities of Akulivik, Ivujivik, Kangiqsujuaq, Kuujjuaq, and Salluit.

<sup>6</sup> A PoP is a point in the network that connects the transport infrastructure to the local access infrastructure and is capable of offering wholesale and/or retail transport services.

16. To be eligible for funding for a satellite transport capacity project, an applicant must propose to increase satellite transport capacity (operational costs only) in a community that has no connection to terrestrially-based telecommunications facilities for connection to the public switched telephone network 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).
17. Other eligibility criteria, assessment criteria, and selection considerations can be found in Telecom Regulatory Policy 2018-377 and in the Application Guide.

### **Special weighting of assessment criteria**

18. In this call, the Commission will use some special weighting for certain assessment criteria.
19. Since transport projects and mobile wireless service projects along major transportation roads are generally not financially viable over the short-term, the Commission will consider funding a higher percentage of the capital costs for such projects submitted in response to this call. Accordingly, for transport projects and mobile wireless service projects along major transportation roads submitted in response to this call, the Commission will use special decreased weighting of the Financial viability (2-P2) assessment criterion when assessing those projects.
20. The Commission is placing increased emphasis, during the assessment phase, on resiliency. Accordingly, when assessing all the projects submitted in response to this call, the Commission will use special increased weighting of the resiliency aspect of the Technical merit (2-P1) assessment criterion.
21. The Commission is placing increased emphasis, during the assessment phase, on meaningful consultation with each community affected by a proposed project. Accordingly, when assessing all the projects submitted in response to this call, the Commission will use special increased weighting of the Community consultation and level of involvement (2-P4) assessment criterion. In particular, evidence of meaningful consultation with each affected community and community benefits as a result of the proposed projects will have increased weight.
22. In addition, for applications affecting Indigenous communities or that may present a risk of adverse impact on Aboriginal or treaty rights, the Commission intends to assess such projects through a reconciliation lens. Applicants will be required to identify all Indigenous communities potentially affected by a project, including in cases where an Indigenous community may not be directly served by the project. Additionally, applicants will be required to demonstrate, in their applications, that they have considered whether their projects present a risk of adversely impacting Aboriginal or treaty rights.
23. In order to assist applicants in consulting with affected communities and to provide such communities with the means to directly contact the applicant and/or the Commission, the Commission is providing more information and resources. These include template letters for consulting with each community affected by a proposed project (including what information must be included), examples of what the Commission considers to be more meaningful consultation, and instructions to assist applicants in identifying affected Indigenous communities and applicable Aboriginal or treaty rights.

24. In addition, for this call for applications the Commission will provide a confidential process for applicants to file additional community consultation documents directly with the Commission after the application deadline has passed. Such documents may include, for example, letters of community support, letters identifying a risk of potential adverse impact on Aboriginal or treaty rights, and changes to the proposed project after the application deadline has passed to accommodate Aboriginal or treaty rights. Communities or representatives of the communities affected by a proposed project will also be able to contact the Commission on a confidential basis to provide feedback, provide support, or discuss any potential adverse impacts of a proposed project.
25. Final approval of funding for a project will be subject to the Commission's determination that the necessary engagement efforts and/or consultations with Indigenous communities have been completed.

### **Selection of projects for funding**

26. In Telecom Regulatory Policy 2018-377, the Commission determined that when selecting projects for funding from the identified high-quality projects, it may give special consideration to one type of project over another, such as prioritizing transport projects over mobile wireless infrastructure projects. The Commission does not intend to apply that selection consideration in this call for applications.
27. In Telecom Regulatory Policy 2018-377, the Commission also determined that when selecting projects for funding from the identified high-quality projects, it may give special consideration to whether the communities affected by proposed projects are Indigenous communities or official language minority communities (OLMCs). The Commission intends to apply this selection consideration in this call for applications, and will consider whether proposed projects would fulfill (i) the economic and social requirements of Indigenous communities or OLMCs, consistent with the policy objectives set out in paragraphs 7(a), (b), and (c) of the Act, and (ii) the Government of Canada's commitment in the [\*Official Languages Act\*](#) to support and assist in the development of English and French linguistic minority communities in Canada.

### **Procedure**

28. To assist it in the assessment of Broadband Fund applications, the Commission requires all applicants to provide all the information requested in the Application Guide for the type of project they are proposing. Applicants must (i) clearly demonstrate that their applications include the required information and (ii) submit the appropriate completed application.
29. Except as set out below, the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to Broadband Fund applications. Given the unique circumstances of Broadband Fund applications and the public interest in an efficient and effective application process, the Commission has determined that the process for Part 1 Telecommunications applications set out in sections 9, 22-27, and 32-33 of the [\*Rules of Procedure\*](#) shall not apply to Broadband Fund applications. The process for filing Broadband Fund applications is set out below.

- 1) This procedure must be read in conjunction with the [Rules of Procedure](#) (with the exception of sections 9, 22-27, and 32-33) and related documents, which can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), under "Statutes and regulations".
- 2) The deadline for filing applications is **18 April 2023 at 17:00, Pacific Standard Time**. Applicants are responsible for ensuring the timely delivery of their applications. The Commission will not consider late applications. Applicants must keep proof of the sending and receipt of each document for 60 days after the date on which the document is filed. As noted above at paragraph 23, there will be a process for applicants and communities affected by proposed projects to file additional documents related to community consultation after the deadline for filing applications has passed.
- 3) Applications must be made using the appropriate [Broadband Fund Application Form](#) on the Commission's website or in an alternative accessible format.
- 4) Applicants must complete the entire [Broadband Fund Application Form](#) and all related forms and templates.
- 5) Applications that are incomplete or that have not been filed in accordance with the process set out herein by the application deadline may not be accepted. The Commission may permit an applicant to clarify or correct inadvertent errors, deficiencies, or omissions in the application.
- 6) Applicants must not amend their application or file any supplementary documents related to the application with the Commission after the application deadline, unless the Commission requests that they do so or if such documents are additional community consultation documents permitted to be filed after the application deadline.
- 7) Applicants should refer to the Application Guide and the [Broadband Fund Application Form Instruction Manual](#) for additional details and explanations to assist them in completing their application.
- 8) The Commission will not make available for public inspection, whether on its website or otherwise, any Broadband Fund application for which confidentiality is claimed, except to the extent that the Commission has determined that disclosure is in the public interest in accordance with section 39 of the Act, or as may otherwise be required by law.
- 9) The Commission will notify applicants by email that their application has been received, and will provide a submission confirmation number. The Commission will not inform applicants of the status of their application prior to issuing its published decisions to award project funding (i.e., funding decisions). Successful applicants will be notified when the Commission issues its funding decisions.
- 10) Applications filed in response to a call for applications will not be automatically considered again in subsequent calls for applications. Applicants must submit applications for each call if they want the Commission to consider their proposed projects in that call.

30. Interested persons should consult the [Broadband Fund web page](#) regularly to ensure that they have the most up-to-date information when filing their applications. This web page provides access to all information concerning the Broadband Fund. It also includes links to the [Broadband Fund Application Form](#) and other relevant documents, instructions on how to contact the Commission, any additional or updated information on the application process, and any other clarifications. In addition, interested persons can subscribe to the Commission's [RSS feed](#)<sup>7</sup> to be notified of any updates.

Secretary General

### **Related documents**

- *Broadband Fund – Second call for applications*, Telecom Notice of Consultation CRTC 2019-372, 13 November 2019
- *Broadband Fund – Call for applications*, Telecom Notice of Consultation CRTC 2019-191, 3 June 2019
- *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018
- *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016
- *Changes to the contribution regime*, Decision CRTC 2000-745, 30 November 2000

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<sup>7</sup> Rich Site Summary (RSS), or, as some refer to it, Real Simple Syndication, is an XML-based format for content distribution in real time.

# Appendix 1 to Telecom Notice of Consultation CRTC 2022-325

## List of satellite-dependent communities eligible to receive funding

- Nunavut (25)
  - Arctic Bay
  - Arviat
  - Baker Lake
  - Cambridge Bay (Iqaluktuuttiaq)
  - Cape Dorset
  - Chesterfield Inlet
  - Clyde River
  - Coral Harbour
  - Gjoa Haven
  - Grise Fiord
  - Hall Beach (Sanirajak)
  - Igloolik
  - Iqaluit
  - Kimmirut
  - Kugaaruk
  - Kugluktuk
  - Nauyasat (Repulse Bay)
  - Pangnirtung
  - Pond Inlet
  - Qikiqtarjuaq
  - Rankin Inlet
  - Resolute Bay
  - Sanikiluaq
  - Taloyoak
  - Whale Cove
  
- Manitoba (16)
  - Barren Lands (Brochet)
  - Berens River



- Bloodvein
- God's Lake
- Gods River (Manto Sipi Cree Nation)
- Granville Lake
- Lac Brochet (Northlands Denesuline First Nation)
- Little Grand Rapids
- Mosakahiken Cree Nation (Moose Lake)
- Oxford House (Bunibonibee Cree Nation)
- Pauingassi First Nation
- Poplar River (Poplar River First Nation)
- Pukatawagan (Mathias Colomb)
- Red Sucker Lake
- Shamattawa First Nation
- Tadoule Lake (Sayisi Dene First Nation)
  
- Quebec (15)
  - Akulivik\*
  - Aupaluk
  - Inukjuak
  - Ivujjivik\*
  - Kangiqsualujjuaq\*
  - Kangiqsujuaq
  - Kangirsuk
  - Kuujjuaq\*
  - Kuujjuarapik
  - Puvirnituk
  - Quaqtaq
  - Salluit\*
  - Tasiujaq
  - Umiujaq
  - Whapmagoostui

- Northwest Territories (8)
  - Colville Lake (Behdzi Ahda First Nation)
  - Gameti First Nation
  - Lutselk'e (Lutsel K'e Dene First Nation)
  - Paulatuk
  - Sachs Harbour
  - Trout Lake (Sambaa K'e First Nation)
  - Ulukhaktok
  - Wekwe?t (Dechi Laot'i First Nations)
- Ontario (6)
  - Fort Hope (Eabametoong First Nation)
  - Fort Severn
  - Martin Falls (Ogoki)
  - Neskantaga First Nation
  - Peawanuck (Weenusk)
  - Webequie
- British Columbia (3)
  - Bob Quinn Lake
  - Fort Ware (Kwadacha)
  - Tsay Keh Dene
- Saskatchewan (2)
  - Kinoosao (Peter Ballantyne Cree Nation)
  - Uranium City
- Yukon (1)
  - Old Crow (Vuntut Gwitchin First Nation)

\* The Commission has approved funding from the main component of the Broadband Fund for terrestrial transport projects in the Quebec communities of Akulivik, Ivujivik, Kangiqsujaq, Kuujuaq, and Salluit.

# **Appendix 2 to Telecom Notice of Consultation CRTC 2022-325**

## **Application Guide for the 30 November 2022 Call for Applications 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 section 14) to build or upgrade access and transport infrastructure for fixed and mobile wireless broadband Internet access services to achieve the universal service objective, in order to close the gap in connectivity in underserved areas.

This guide has been developed to assist in the completion of applications for the CRTC's Broadband Fund. It provides detailed information to help applicants understand the criteria against which applications will be assessed and the information that applicants must provide. This guide is intended to be used in conjunction with the [Broadband Fund Application Form](#) and its associated [Broadband Fund Application Form Instruction Manual](#) (referred to hereafter as the Instruction Manual).<sup>8</sup> The Broadband Fund Application Form is designed to facilitate the application process by prompting applicants for the required forms and templates to be submitted.

The CRTC recommends that prior to submitting an application, applicants consult *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC [2018-377](#), 27 September 2018 (Telecom Regulatory Policy 2018-377); this guide; and the Instruction Manual. This will help applicants understand the CRTC's objectives, eligibility criteria, and assessment process.<sup>9</sup>

## 2. About the Broadband Fund

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

In *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC [2016-496](#), 21 December 2016, the CRTC established the following universal service objective: Canadians, in urban areas as well as in rural and remote areas, have access to voice services and broadband Internet access services, on both fixed and

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<sup>8</sup> The [Instruction Manual](#) provides applicants with a variety of details on completing an application, including instructions on how to complete the [Broadband Fund Application Form](#) and on how applicants can create their maps and other required documents.

<sup>9</sup> In the event of any discrepancy between this guide and the determinations in Telecom Regulatory Policy [2018-377](#), the determinations in Telecom Regulatory Policy [2018-377](#) prevail.

mobile wireless networks.<sup>10</sup> To help provide Canadians with access to these services, the CRTC established the Broadband Fund. Under the Fund, the CRTC intends to consider applications for projects to improve broadband infrastructure in underserved areas.

For the first five years of the Broadband Fund, a maximum of \$750 million will be available as follows: no more than \$100 million in the first year, which will increase by \$25 million annually over the following four years to reach a maximum of \$200 million in the fifth year.<sup>11</sup>

Up to 10% of the total annual amount of funding<sup>12</sup> will be allocated for projects to increase satellite transport capacity, infrastructure projects, and certain operational costs in satellite-dependent communities (as defined in section 14).

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) whose total annual Canadian telecommunications service revenues amount to over \$10 million. The Central Fund Administrator of the National Contribution Fund will oversee the collection and distribution of funds, as directed by the CRTC,<sup>13</sup> and the CRTC will select and monitor the broadband projects to be funded.

In *Broadband Fund – Call for applications*, Telecom Notice of Consultation CRTC [2019-191](#), 3 June 2019 and *Broadband Fund – Second call for applications*, Telecom Notice of Consultation CRTC [2019-372](#), 13 November 2019, the CRTC issued its first two calls for applications for funding from the Broadband Fund. Applications submitted for previous calls that are eligible for this call<sup>14</sup> will not automatically be considered for funding in this call. Applicants must submit a new application with updated information if they would like their application to be considered for funding in this call.

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<sup>10</sup> The CRTC determined that to measure the successful achievement of the broadband portion of this objective, Canadians should be able to access fixed broadband Internet service speed offerings of at least 50 megabits per second (Mbps) download and 10 Mbps upload, and to subscribe to a service offering with an unlimited data allowance. These offerings must also meet defined quality of service metrics. For mobile wireless service, the latest generally deployed mobile wireless technology (currently long-term evolution [LTE]) should be available not only in Canadian homes and businesses, but on as many major transportation roads as possible in Canada.

<sup>11</sup> Incremental amounts in years four and five are contingent on a review of the Broadband Fund in the third year.

<sup>12</sup> If the amount of funding requested for high-quality projects covering satellite-dependent communities in a given year is less than the total allocation amount of 10% of the Broadband Fund for that year, any excess amount may be used to fund projects in other eligible geographic areas.

<sup>13</sup> Contributions towards the Broadband Fund will continue to be collected through a revenue-percent charge that will be applied to the contribution-eligible revenues of TSPs (or groups of related TSPs) with at least \$10 million in annual Canadian telecommunications revenues. This will include contributions from Internet service providers and wireless service providers.

<sup>14</sup> Applications located in eligible geographic areas that include (i) projects that build or upgrade transport infrastructure, (ii) mobile wireless infrastructure projects that provide or upgrade mobile connectivity along major transportation roads, and/or (iii) projects that increase satellite transport capacity (operational costs only) in satellite-dependent communities.

### **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.<sup>15</sup> The CRTC must make all its decisions in compliance with the administrative law principles that apply to statutory tribunals. As a result, the CRTC's practices and procedures necessarily differ from those of other government departments. For example, to develop its broadband funding regime, the CRTC held extensive public proceedings in which interested persons had the opportunity to comment on all aspects of the regime. These proceedings led to the CRTC's (i) decision to establish Internet service as a basic telecommunications service; (ii) decision on the development of the Broadband Fund, which includes the criteria that the CRTC will use to evaluate funding applications; and (iii) Application Guide for the Broadband Fund's third call for applications.

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 5.5. 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. Eligible project types**

In this third call for applications, the CRTC will consider projects that:

- (i) build or upgrade transport infrastructure;
- (ii) build or upgrade mobile wireless infrastructure to improve mobile connectivity along major transportation roads (as defined in section 14); and/or
- (iii) increase satellite transport capacity (operational costs) in satellite-dependent communities (as defined in section 14).

Note that, with the exception of projects to increase satellite transport capacity (operational costs) in satellite-dependent communities, the CRTC will not be considering access projects in this call for applications.

Applicants may apply for funding for one project type or a combination of transport and mobile wireless project types. Applications to increase satellite transport capacity (operational costs)

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<sup>15</sup> In addition, pursuant to subsection 12(1) of the [Telecommunications Act](#), the Governor in Council may vary or rescind a CRTC decision, or refer it back to the CRTC for reconsideration. However, pursuant to section 46.6 of the [Telecommunications Act](#), section 12 does not apply with respect to a decision by the CRTC on whether or not to allocate funding from the Broadband Fund.

will be evaluated separately from applications evaluated under the main component of the Fund.<sup>16</sup>

The CRTC recognizes that operational funding is a necessity for satellite-dependent communities. Considering the general uncertainty regarding the availability of alternatives to conventional satellite services, including the availability of low Earth orbit (LEO) satellite services, applicants are encouraged to apply for five years of operational funding. The requested funding amount and/or duration, if approved by the CRTC, can be reduced in the future if it is no longer required.

Additional details on the types of projects included in this call for applications are provided below.

#### **4.1 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 section 14], thereby enabling Internet connectivity for access 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 serving an eligible community. It may also include equipment and material required to build or upgrade PoPs or sites that are not in and of themselves serving an eligible community, but are required along the transport route to provide backhaul to a PoP serving an eligible community.

Applicants may propose to build terrestrial infrastructure to satellite-dependent communities as an eligible transport project. Such a project would constitute an application under the main component of the Fund as opposed to the satellite component of the Fund (as defined in section 14).<sup>17</sup>

#### **4.2 Mobile wireless projects serving major transportation roads**

For the purpose of this call, an eligible mobile wireless project is a project that builds or upgrades mobile connectivity to serve part of a major transportation road (as defined in section 14). Mobile wireless projects must provide end-users with the ability to access voice and data applications while being mobile. They must propose to use, at a minimum, the latest generally deployed mobile wireless technology (currently long-term evolution [LTE]) in the geographic area that the project proposes to serve.

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<sup>16</sup> The Broadband Fund comprises two components. For the purpose of this call, under the main component, the CRTC will consider projects to build or upgrade 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 section 14), the CRTC will consider projects to increase satellite transport capacity (operational costs) in satellite-dependent communities.

<sup>17</sup> Applicants should note that the Commission has approved funding from the main component of the Broadband Fund for terrestrial transport projects in the Quebec communities of Akulivik, Ivujivik, Kangiqsujaq, Kuujjuaq, and Salluit.

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

### **4.3 Satellite projects**

A satellite project is a project that provides or upgrades broadband services to a satellite-dependent community. For the purpose of this call, a satellite project must only include operational costs to increase satellite transport capacity to improve broadband Internet access service in satellite-dependent communities. Applicants are reminded that direct-to-home (DTH) satellite access projects will not be considered in the third call for funding. As mentioned in section 4.1, transport projects that connect satellite-dependent communities to a terrestrial broadband network will be considered under the main component of the Broadband Fund.

## **5. General guidelines**

### **5.1 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.<sup>18</sup> Should the applicant or the members of a partnership, joint venture, or consortium not meet this experience requirement, they must enter into a contractual arrangement with an entity that does. Applicants that enter into such an arrangement must provide details of (a) that contract and (b) any entities who are subject to that contract.

Refer to section 6.1 for detailed eligibility requirements.

### **5.2 Scope of applications**

An application may contain any combination of eligible project types in this call for applications within the respective components of the Fund (i.e., the main component and the satellite component). An applicant may submit one or more applications in response to a call for applications. If an applicant submits more than one application, the same geographic areas should not be served by multiple applications. For example, two transport projects submitted by the same applicant should not propose to serve the same community, and two mobile projects submitted by the same applicant should not propose to serve the same overlapping road segment.

An application cannot be contingent on any other factors such as (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 that has not been

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<sup>18</sup> Section 16 of the [Telecommunications Act](#) sets out the eligibility requirements for an entity to provide telecommunications services. In addition, before an organization can offer or provide customers with telecommunications services, it must [register](#) with the CRTC.



secured at the time of the application. Each application will be assessed on its own merit. Therefore, applicants are encouraged to submit their most comprehensive proposal. For example, an applicant must submit a single application for a transport and mobile project in a given geographic area if the mobile project is contingent on the transport project.

There is an exception for applicants that wish to propose a project affecting a satellite-dependent community that would draw from both the main component (e.g., a transport project) and the satellite component (e.g., a project to increase satellite transport capacity [operational costs]). Due to Application Form and Application Workbook functionality constraints, such a project would need to be submitted as two different projects; one for the main component and one for the satellite component. However, the CRTC would consider these two projects to be complementary projects, and therefore would not consider them to be improperly contingent on one another. When submitting the two different projects, applicants must ensure that they cross-reference one another in the project descriptions.

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

Although the CRTC recognizes that the lengths of projects will vary, it expects that projects would aim to be completed within three years of recipients being awarded funding in a CRTC funding decision.

### **5.3 Geographic eligibility**

To be eligible for funding from this third call for applications, a project must meet the requirements set out in Telecom Regulatory Policy [2018-377](#) and serve an eligible geographic area anywhere in Canada. Eligible geographic areas include areas that were eligible in the first two calls for applications for the eligible project types identified in section 4, but which do not yet have service that meets the universal service objective. The CRTC has published an updated [map outlining the eligible geographic areas](#) for eligible project types for this call for applications.

The CRTC may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period between the launch date of this call for applications and the submission deadline. The map and associated data sets on the CRTC's website are current only as of the date of publication of the data, as indicated on the site. This map is to be used for reference purposes only, since upgrades to broadband services and network facilities may have taken place since that time.

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

Applicants should therefore conduct their own due diligence, through research of available broadband services or network facilities and consultation with the relevant service providers and communities, to ensure that the geographic areas they are proposing to serve are eligible under the Broadband Fund. For example, applicants should consult Innovation, Science and Economic Development Canada's (ISED) [National Broadband Internet Service Availability Map](#), the [Selected Universal Broadband Fund projects](#) under ISED's Connect to Innovate and Universal Broadband Fund programs, and the [list of projects that have been announced to date](#) under the CRTC's Broadband Fund.<sup>19</sup> Applicants may also consult with provincial and/or territorial government broadband funding programs.

While the CRTC is conducting the evaluation of applications, consideration of the most recent data available is critical to mitigate the risk of overbuilding in a given area and to allow for the efficient use of funds across the country. As such, the CRTC will be conducting its evaluation and selection of applications based on the most current verified data available at that time. These data may constitute publicly available information announced by companies or governments, or information that the CRTC has collected in confidence (e.g., information collected in the CRTC's [Annual Facilities Survey](#) and information provided by other government departments and agencies).

#### **5.4 Project costs**

The CRTC will consider the total eligible costs for a project to be all eligible costs directly associated with the provision of broadband services in (an) eligible geographic area(s) (see section 15 for a list of eligible and ineligible costs). Applicants must provide an estimate of both their total costs and total eligible costs in their project budget, as described in the [Instruction Manual](#).

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

Similarly, only costs that are directly related to the project and its required capacity to provide broadband services in the eligible geographic area(s) will be covered. For example, costs for excess capacity (e.g., excess speeds above the speeds committed to for an access project) that are not required for the project will not be eligible. Eligible costs may, however, include costs associated with the provisioning of efficient infrastructure, including costs associated with spillover mobile wireless service coverage, resiliency, and excess capacity that are reasonable to be covered for the proposed project.

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<sup>19</sup> Because geographic areas remain eligible until service is actually available to subscribers, areas with funded but incomplete projects will show up on the eligible geographic area map as eligible. Although applicants may submit applications that include those technically eligible areas, the CRTC will generally not consider overbuilding another funded project of the same type in the same area to be an efficient use of funds.

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.

The CRTC is aware that the COVID-19 pandemic has had an impact on costs, labour, and the supply chain for applicants. Applicants are therefore encouraged to take these effects of the COVID-19 pandemic into account when preparing their applications, for example when creating their project schedules and calculating costs for their proposed project. Applicants are also encouraged to include any project risks stemming from the pandemic in their risk assessment and mitigation plan.

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

### **5.5 Communication with applicants**

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

- Prior to the application submission deadline, CRTC staff will not advise applicants on how to best present their applications or assist applicants with completing their applications. CRTC staff will, however, respond to clarification questions regarding the application process and the required information. CRTC staff will provide individual responses to applicants, and will regularly post answers to clarification questions on the CRTC's website. To see those answers or to submit questions to the CRTC, please consult the [Broadband Fund web page](#).
- After the application submission deadline has passed, CRTC staff will generally no longer respond to questions from applicants. See section 13 for further details on the application process.
- For this call the CRTC will provide a confidential process for applicants to file additional community consultation documents directly with the CRTC after the application submission deadline has passed. Such documents may include letters of community support, letters identifying a risk of a potential adverse impact on Aboriginal or treaty rights, and notifications of any changes to the proposed project after the application deadline has passed to accommodate Aboriginal or treaty rights. Communities or representatives of the communities affected by a proposed project will also be able to contact the CRTC on a confidential basis to provide feedback, provide support, or discuss any potentially adverse impacts of a proposed project.

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 section 14) that will be published on the CRTC's website. The CRTC will make a general statement to notify applicants that it has made all the funding decisions for this call.

## 5.6 Coordination of funding with governments and sharing of information

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

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

Applicants must provide information on all other confirmed sources of funding for the project and must indicate whether they have applied for other sources of funding for which decisions might not yet have been issued. If an applicant has secured funding from other sources, the CRTC will consider this favourably in its evaluation of the application. This information is also required for the CRTC to coordinate with other funding programs and to avoid a situation in which an applicant is provided funding under the Broadband Fund for more than the total project costs.

Between the application submission deadline and the completion of a funded project (i.e., when the final project Holdback Report is submitted and accepted by the CRTC), applicants are required to inform the CRTC of any additional funding they secure for the project from another source.<sup>20</sup> Should an applicant successfully secure any additional funding, the amount of funding from the Broadband Fund will be reduced in accordance with the amount received from the other source(s) to ensure that the applicant does not obtain funding for more than 100% of the total costs of the project. Should another level of government make a decision to award funding 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 specific information provided in their applications, as explained in detail in section 11. To further the coordination of efforts with governments at all levels and to provide transparency, the CRTC may disclose aggregate application information to the public (e.g., the number of applications the CRTC receives by type of project, by province/territory, or by region, or the total amount of funding requested).

In addition, pursuant to the [Telecommunications Act](#), application information, including project details and application status for submitted applications, will be shared upon request with federal departments and agencies that fund telecommunications infrastructure in underserved areas, and may be shared with provincial or territorial departments or agencies. Those departments and agencies may use the information only to coordinate financial support for access to

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<sup>20</sup> Specifically, applicants must provide the CRTC with information regarding the amount of funding received, the source of the funding, and the effect of the funding on the proposed project. Applicants must update the CRTC on any changes to this information.

telecommunications services in underserved areas. This is in addition to the CRTC's existing obligation to share information with ISED and with the Chief Statistician of Canada.

### **5.7 Duty to consult**

Where a project presents a risk of an adverse impact on an established or asserted Aboriginal or treaty right, a constitutional duty to consult and accommodate may arise. Other obligations to consult with Indigenous people may arise by statute or pursuant to a treaty. Applicants must indicate whether their proposed project will adversely impact any established or asserted Aboriginal or treaty rights. An adverse impact may be triggered by a project being built on land subject to an established or asserted Aboriginal or treaty right. Applicants must conduct all necessary consultations and demonstrate how they will address any potential adverse impacts.

Applicants are encouraged to communicate early, openly, and directly with potentially affected Indigenous groups to inform them of the proposed project.<sup>21</sup> If a risk of a potential adverse impact on Aboriginal or treaty rights is identified, the applicant is required to provide details of how it has consulted or will consult with affected Indigenous communities to develop an appropriate resolution.

Where a duty to consult has arisen, any consultations related to an identified established or asserted Aboriginal or treaty right that may be adversely affected by a proposed project must be fulfilled prior to the CRTC's approval of the Statement of Work.<sup>22</sup>

Section 16.2 provides guidance to applicants on how to assess whether a proposed project may affect any established or asserted Aboriginal or treaty rights and, if a risk of a potential adverse impact on Aboriginal or treaty rights is identified, how to commence meaningful consultations with affected Indigenous groups to develop appropriate resolutions.

## **6. Application evaluation**

Each application will be assessed in up to three stages of evaluation:

- (i) Eligibility: Applications that do not meet the eligibility criteria will not be considered further.
- (ii) Assessment: The CRTC will evaluate proposed projects according to the assessment criteria to identify a set of high-quality projects.
- (iii) Selection: The CRTC will select projects for funding from among the above-mentioned set of high-quality projects on the basis of specific selection considerations.

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<sup>21</sup> The term "engagement" is used in this guide to refer to communications with Indigenous groups that do not arise from a constitutional duty to consult. In such cases, engagement serves broader purposes, including informing the CRTC as to whether such a duty exists.

<sup>22</sup> The Statement of Work is a report that applicants must provide after their project has been selected for funding. It is defined in section 14, and the Statement of Work process is more fully detailed in section 9.

The eligibility and assessment criteria and project selection considerations set out in Telecom Regulatory Policy [2018-377](#) are described in greater detail below. Projects involving a combination of project types must meet the eligibility criteria for each type of project included and will be evaluated based on the assessment criteria for each type of project included.

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

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

## **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, relevant project types.

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

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

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

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

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

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

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

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

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

Except when the applicant is a provincial, territorial, municipal, or Indigenous government, an applicant must demonstrate that it, or each member of the applicant partnership, joint venture, or consortium, is financially solvent and reliable in accordance with the Generally Accepted Accounting Principles of Canada. Refer to section 14 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 organization 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.<sup>23</sup>

Note that experience in deploying and operating broadband infrastructure should be related to the project type. For example, the CRTC will assess applicants for mobile projects based on their experience with deploying and operating mobile 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, or that have entered into a contractual arrangement with an entity as described in 6.1.1(a), must describe the roles and responsibilities that each member will have in managing the project. For example, applicants must identify which entity will retain ownership of the network assets, which entity will be responsible for building the network, and which entity will be responsible for the network’s operation. Applicants should identify these roles and responsibilities, and provide copies of contractual arrangements, partnership agreements, or other legal documentation that creates the applicant entity and describes the various roles and responsibilities of each member organization.

**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.

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<sup>23</sup> The applicant, or the experienced member of a group application, must have experience in both deploying and operating broadband infrastructure in Canada for a minimum of three years. For the purpose of the Broadband Fund, deploying broadband infrastructure is defined as constructing and implementing broadband networks or infrastructure through which broadband services will be delivered, and operating broadband infrastructure is defined as managing, monitoring, and controlling existing broadband networks or infrastructure through which broadband services are being delivered.

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

Applicants are also required to provide a risk assessment and mitigation plan for the proposed project that identifies, analyzes, and proposes a response to any risk that may arise over the life cycle of the project.

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

Applicants must specify the amount they will invest in their project, which must be more than a nominal amount given the nature of the project. Applicants must also demonstrate their ability to secure this amount. Past or existing investments and in-kind contributions will not count towards meeting this criterion.

Applicants that rely on credit to provide their investment in the project must provide a letter from their Chief Financial Officer, Chief Administrative Officer, or Treasurer; a letter from a financial institution; or a Council Resolution of budget allocations to support their commitment of the investment amount in the proposed project.

**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 all communities affected by the proposed project. Consultations can be direct or through community representatives. For example, in the case of Indigenous communities, they can be at the band council or Indigenous government level.<sup>24</sup> Refer to section 14 for definitions of “community” and “community representatives”. Also, applicants can use the provided [Map of communities and OLMCs](#) [official language minority communities] to determine which communities may be affected by a proposed project.

Applicants are expected to consult with each community affected by a proposed project, in a manner that provides (a) sufficient notification that the applicant is proposing a project, and (b) an opportunity for each community to discuss the project with the applicant.<sup>25</sup>

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<sup>24</sup> Applicants should first attempt to make direct contact with communities and community representatives. However, for communities that are unincorporated or that do not have local representatives to contact, consultation with local community organizations or municipal, provincial, or territorial representatives is acceptable.

<sup>25</sup> Applicants should note that mobile wireless projects that serve major transportation roads rarely directly affect a community. Therefore, for these mobile wireless projects applicants should consult or attempt to consult with



Applicants must indicate whether they consider that the proposed project presents a risk of adversely affecting any established or asserted Aboriginal or treaty rights. See section 5.7 for further details regarding the constitutional duty to consult.

Applicants must provide evidence demonstrating how this consideration was informed, detailing the specific efforts taken to identify potential impacts to Aboriginal or treaty rights. If a risk of a potential adverse impact on Aboriginal or treaty rights is identified, the applicant must also provide details in writing of how it has consulted with affected Indigenous communities and/or groups and specify any accommodation measures that have been or will be implemented. Alternatively, the applicant must indicate its plan for future consultations with affected Indigenous communities and/or groups and identify potential mitigation strategies.

Applicants must provide evidence to meet this criterion in the form of

- the List of Affected Communities, which is provided on the landing page of the [Broadband Fund Application Form](#);
- copies of all notification letters sent to affected communities and/or groups, demonstrating that each community and/or group has had a meaningful opportunity to discuss the project with the applicant; and
- any responses received or any evidence (e.g., minutes from meetings or phone calls) demonstrating meaningful engagement or consultation with affected communities and/or groups, particularly with affected Indigenous communities and/or groups.

Applicants should note that this eligibility criterion focuses on demonstrating that community consultation has 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.

Applicants should also note that for this call, the CRTC is providing a confidential process for applicants and communities affected by a proposed project to file additional community consultation documents after the application deadline has passed. This is intended to accommodate the reality that meaningful consultation takes time and may not be completed prior to the application deadline. Applicants must, however, provide sufficient evidence at the time of the application deadline to meet the eligibility criterion set out above. Evidence filed after the application deadline has passed will be considered as part of the assessment of the quality of consultation and level of involvement under criterion 2-P4, as outlined below.

Sections 5.5, 5.7, and 16 provide more guidance and tools to assist applicants in consulting with communities affected by a proposed project.

### **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

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representatives of the users of the roads, which may include representatives of nearby communities whose residents would use the affected road, or municipal, provincial, or territorial representatives.

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 mobile wireless infrastructure project must meet the transport project eligibility criteria and the mobile wireless 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. An eligible community is defined as a small population centre (as defined in section 14) 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](#) has been made available. As described above, applicants should conduct their own due diligence to ensure that their projects meet the geographic eligibility criterion. The CRTC has provided information on geographic eligibility based on the information that was available as of the launch date of this call for applications. It may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period between the launch date of this call for applications and the submission deadline.

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

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

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

The term “open access” refers to both wholesale and retail access services (see section 14 for a definition of retail access).

Wholesale open access (as defined in section 14) 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 new or upgraded 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. PoPs along the transport route will also be required to comply with the open access requirements.

Retail open access (as defined in section 14) 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 section 14), 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)**

Not applicable to this call.

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

Not applicable to this call.

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

Not applicable to this call.

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

For the purpose of this call, mobile wireless project proposals must involve building or upgrading mobile wireless infrastructure to serve an eligible geographic area, defined as 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](#) has been made available.

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

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

Not applicable to this call.

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

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

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

[Satellite-dependent communities](#) (as defined in section 14) are indicated on the published map. Applicants should conduct their own due diligence to ensure that these communities continue to meet the eligibility criteria. The CRTC has provided information on geographic eligibility based on the information that was available as of the launch date of this call for applications. It may also rely on more up-to-date information, whether public or confidential, as it is received and verified. Updated information on geographic eligibility may therefore be made available during the period between the launch date of this call for applications and the submission deadline.

Satellite-dependent communities that have previously secured funding for a future terrestrial transport or low Earth orbit project but that require operational funding in the interim, are still eligible to apply for operational funding if they do not have access to broadband Internet access services that meet the universal service objective.

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

For the purpose of this call, applicants must propose a transport capacity-increase project (operational costs), which is an 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.

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

Eligible projects must include a list of various residential 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 in Iqaluit, Nunavut, for reasonably comparable speeds and capacity.

## **6.2 Assessment**

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

Applicants must clearly demonstrate, with supporting evidence, how their proposed project addresses each of the applicable assessment criteria.

Each assessment criterion is important and will receive due consideration when the CRTC assesses whether a project is of high quality. For this call for applications, however, the CRTC will use some special weighting for certain assessment criteria.

Transport projects and mobile wireless service projects along major transportation roads are generally not financially viable over the short-term. The CRTC will therefore consider funding a higher percentage of the capital costs for such projects submitted in response to this call. Accordingly, for transport projects and mobile wireless service projects along major

transportation roads submitted in response to this call, the CRTC will use special decreased weighting of the Financial viability (2-P2) assessment criterion when assessing those projects.

The CRTC is placing increased emphasis, during the assessment phase, on meaningful consultation with each community affected by a proposed project. Accordingly, when assessing all the projects submitted in response to this call, the CRTC will use special increased weighting of the Community consultation and level of involvement (2-P4) assessment criterion. In particular, evidence of meaningful consultation with each affected community and community benefits as a result of the proposed projects will have increased weight.

The CRTC is placing increased emphasis, during the assessment phase, on resiliency. Accordingly, when assessing all the projects submitted in response to this call, the CRTC will use special increased weighting of the resiliency aspect of the Technical merit (2-P1) assessment criterion.

### **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 and continually operated 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 the technologies to be deployed, how the proposed capacities will be able to support the services committed to in the application, how the technology chosen overcomes any specific limitations or concerns in the applicable geographic areas and, where applicable, how the proposed technology will be able to support the coverage described in the application.
- **Scalability:** Demonstration of the applicant's future intent to provide, where applicable to the project type, higher speeds, greater capacity, and improved quality of service, as well as serve more clients and/or a larger coverage area following project completion. For transport and mobile wireless projects, applicants should provide details of their plans to scale for the five years following project completion, since the CRTC will consider plans of that duration to be of higher quality. For projects to increase satellite transport capacity (operational costs), applicants should include plans covering the duration of operational funding requested, as well as any plans immediately following the end of that funding.
- **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. Applicants should provide details on their plans to sustain and maintain the infrastructure in the short and long term.

- **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, radio failures due to weather, power failures, and natural disasters. The CRTC will also evaluate the inherent resiliency of the proposed project and/or how the project would improve the resiliency of existing infrastructure. Applicants should include details on the reliability and resiliency planned for the proposed network and/or how the proposed infrastructure will introduce additional resiliency to the applicant's network.

**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 section 15), there would be no business case for the project.

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

- The net present value (NPV), which is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. The NPV is used in capital budgeting to analyze the profitability of a project. The higher the NPV, the higher the probability that a project will be profitable.
- The internal rate of return (IRR), which is a metric used in capital budgeting to estimate the profitability of potential investments. The IRR is a discount rate that makes the NPV of all cash flows from a particular project equal to zero. The NPV and IRR calculations rely on the same formula.
- The business plan of the applicant, which includes, but is not limited to, business assumptions of the market for the services to be provided within the eligible geographic area and the applicant's marketing strategy to gain subscribers in the first year.
- A risk assessment and mitigation plan for the identified risks of the project, including (i) the risk of the applicant not completing the construction, (ii) the environmental risk in the build (e.g., trench digging), (iii) the pricing risks in the supply of services and wholesale transport expenses, and (iv) if the applicant submits multiple applications for funding, an indication of whether the applicant can successfully implement all, or only a subset of, submitted applications within proposed timelines if more than one application is selected for funding. 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 section 14) 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 section 15 for a list of these costs). Funding from other sources must be directly related to the current project proposed by the applicant. Past or existing funding received through other programs for other projects that have been built or that are in the process of being built does not qualify as funding from other sources. This criterion will be evaluated based on the percentage of the amount requested for funding from the Broadband Fund.

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

This criterion will be used to assess the quality and outcome of consultations with each affected community. A project will be considered to be of higher quality based on a greater level of support from each affected community demonstrated in the eligible geographic area(s).

Applicants will be assessed based on the extent to which they (i) demonstrate details of consultations with each community affected by the proposed project, and (ii) provide evidence of support from affected communities.

Consultations and community support could take many forms, but should prioritize direct consultation with affected communities or representatives of those communities. If the applicant is unable to consult directly with an affected community or representatives of an affected community, consultation with other relevant representatives will be considered, for example, with an elected official representing the applicable municipality, province, or territory.

The CRTC will assess projects that affect Indigenous communities through a reconciliation lens. Applications affecting Indigenous communities should include evidence of meaningful engagement with those affected communities. In order to be meaningful, engagement should be undertaken early, openly, and respectfully. Affected communities must be given the opportunity to learn about the project and communicate any concerns they may have. Demonstrated responsiveness to those concerns and evidence of collaboration with affected communities will be viewed favourably.

Proposed projects that provide opportunities for economic and/or employment benefits to communities will be viewed favourably. The CRTC considers such benefits to be consistent with the objective of supporting reconciliation with affected Indigenous communities.

Sections 5.5, 5.7, and 16 provide more guidance and tools to assist applicants in consulting with communities affected by a proposed 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 mobile wireless infrastructure project will be assessed using the assessment criteria for transport projects and the assessment criteria for mobile wireless projects). The assessed quality of a proposed project will not be affected by whether that project consists of more than one type of project. Applicants must clearly demonstrate, with supporting evidence, how their proposed project addresses each of the assessment criteria for each project type.

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

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

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

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

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

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

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

This criterion will be used to assess whether broadband services are likely to be provided to anchor institutions (as defined in section 14) so that communities 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.



Anchor institutions must be located in an eligible transport community that the applicant is proposing to serve with a new or upgraded PoP. Anchor institutions that are located along the route to an eligible transport community will not be considered, unless they are themselves in an eligible transport community.

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

This criterion will be used to assess whether varied and competitive services would be available in new or upgraded PoPs as a result of the project. A project will be considered to be of higher quality based on (i) how low prices would be for subscribers to wholesale open access services, (ii) how high the service speeds would be, and (iii) how broad the range of services would be. Service terms and conditions will also be examined.

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

Not applicable to this call.

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

Not applicable to this call.

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

Not applicable to this call.

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

Not applicable to this call.

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

Not applicable to this call.

**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.

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

Not applicable to this call.

**6.2.2(n) Satellite-dependent community project assessment criteria – Projects to increase satellite transport capacity (operational costs)**

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

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

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

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

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

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

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

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

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

monthly prices would be for subscribers and how varied the broadband Internet access service package options would be in the eligible geographic area(s) compared to those offered in Iqaluit.

### **6.3 Selection considerations**

Once a set of high-quality projects has been identified, a subset of projects will be selected for funding. In deciding between high-quality projects, the CRTC will consider not only whether individual projects would contribute to meeting the universal service objective, but also which set of projects would have the greatest positive impact on Canadians, keeping in mind the policy objectives set out in the [Telecommunications Act](#).

The CRTC can select two projects in the same geographic area if they are different project types. However, the CRTC will generally not select two projects for funding in the same geographic area that consist, even in part, of the same project type.

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

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

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

In addition, if different high-quality projects cover the same eligible geographic area(s) or if public funding from another source is committed to a project that provides similar benefits to the affected area (i.e., the same project type), the CRTC will retain the flexibility to 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 can give special consideration to one project type, such as transport infrastructure projects, over another project type, such as mobile wireless infrastructure projects. The CRTC does not intend to apply that selection consideration in this call for applications.

#### **6.3.4 Social considerations**

When selecting projects for funding, the CRTC will give special consideration to whether the communities to be served by proposed projects include Indigenous communities or OLMCs (as defined in section 14). In doing so, the CRTC will consider whether proposed projects would fulfill (i) the economic and social requirements of Indigenous communities or OLMCs,

consistent with the policy objectives set out in paragraphs 7(a), (b), and (c) of the [Telecommunications Act](#), and (ii) the Government of Canada's commitment in the [Official Languages Act](#) to support and assist in the development of English and French linguistic minority communities in Canada.

## **7. Instruction Manual**

To assist in the completion of applications for the Broadband Fund, an Instruction Manual for the Broadband Fund Application Form has been created. The manual will walk the applicants through the online Application Form, which is where the applicants submit information on their proposed projects. The documents and files that applicants must provide when applying for funding are identified in the [Instruction Manual](#), along with directions on how to create and/or complete them.

## **8. Declaration form**

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

- 1) The Applicant must certify that it, or each member of the applicant partnership, joint venture, or consortium, is under no obligation or prohibition and is not subject to any active, pending, or imminent legal actions, suits, or proceedings that could or would affect in any manner its ability to implement the proposed project.
- 2) The Applicant must acknowledge that the CRTC has determined that disclosure, on a confidential basis, of information contained in the application to the Communications Security Establishment that is necessary for the purpose of assessing any potential risks related to the overall integrity of the Canadian telecommunications system is in the public interest. On this basis, the CRTC may make such disclosures for this purpose.
- 3) The Applicant must acknowledge its responsibility to ensure compliance with all applicable federal, provincial/territorial, and municipal laws and regulations, and related laws or guidelines. For example, without limiting the scope of the foregoing, the Applicant must acknowledge that the project may require an impact assessment in accordance with federal law, and the Applicant must commit to undertaking all necessary actions in order to comply with the requirements therein.
- 4) The Applicant must acknowledge that failure to identify an established or asserted Aboriginal or treaty right that may be affected by the proposed project may result in the disqualification of the Broadband Fund application. Where a duty to consult an Indigenous group arises in relation to the proposed project, the Applicant must carry out all necessary consultations to the Crown's satisfaction and fulfill such consultations prior to the CRTC's approval of the Statement of Work.
- 5) The Applicant must acknowledge that all costs incurred in the preparation and submission of the Broadband Fund application are the responsibility of the Applicant.

- 6) The Applicant must acknowledge that the Broadband Fund is a discretionary funding regime subject to available funding, and that a complete application meeting any or all of the eligibility and assessment criteria may or may not be approved by the CRTC.
- 7) The Applicant must acknowledge that it will be notified in writing if its application is approved for funding, but it will not be notified if its application is not approved. The CRTC will not provide individual decisions regarding unsuccessful applications.
- 8) The Applicant must acknowledge the CRTC's obligation pursuant to subsection 37(3) of the [Telecommunications Act](#) to provide any information the CRTC receives to the Minister of ISED or to the Chief Statistician of Canada upon request, and that this obligation could include the provision of Broadband Fund applications.
- 9) The Applicant must acknowledge the CRTC's obligation pursuant to the [Telecommunications Act](#) to share application information, including project details and application status for submitted applications, with federal departments and agencies that fund telecommunications infrastructure in underserved areas, as well as provincial or territorial departments or agencies. Those departments and agencies may only use the information to coordinate financial support for access to telecommunications services in underserved areas. This is in addition to the CRTC's existing obligation to share information with ISED and with the Chief Statistician of Canada.
- 10) The applicant must acknowledge that the CRTC may publicly disclose information in aggregate form regarding the applications received and assessed following this call for applications.

## **9. Awarding of funding**

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

### **9.1 Funding decisions**

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

The CRTC considers that projects should not start before the date of issuance of the funding decisions.

### **9.2 Statement of Work**

Following the issuance of the funding decisions, recipients will be required to submit a complete Statement of Work (as defined in section 14) 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 an incomplete Statement of Work. 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. However, the CRTC may extend such time frames in exceptional circumstances, upon request.

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.

Where a duty to consult has arisen, any consultations related to an identified established or asserted Aboriginal or treaty right that may be adversely affected by the proposed project must be fulfilled to the Crown's satisfaction prior to the CRTC's approval of 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 as otherwise approved by the CRTC), a recipient must submit a claim form for progress payments for eligible costs incurred, along with a Quarterly Progress Report (as defined in section 14). Recipients can make claims using the claim form and Quarterly Progress Report template provided in the funding recipients' toolkit, which will be provided to selected recipients following the issuance of the funding decisions. Claims to recover eligible costs can be made only in respect of costs that are actually incurred; payments will not be made in advance. Each claim will be reimbursed as a percentage of the eligible costs incurred during the claim period, based on the ratio of funding awarded to the recipient to the total project eligible costs.

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

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

Eligible and ineligible costs are listed in section 15.

Once the costs are verified, the CRTC will direct the Central Fund Administrator to issue the requested payment to the recipient. The amount of funding paid to the recipient for each claim form submitted will be equal to the amount of eligible costs of the claim, less 10% of that amount. The remaining 10% of funding will be held back to ensure compliance with the conditions of service established in the funding decision. The held-back amount will be paid out pursuant to the process set out in sections 9.4 and 10.3.k. If the recipient's Quarterly Progress Report discloses non-compliance or material changes (as defined in section 14) 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 section 14), 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 section 14) 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

In Telecom Regulatory Policy [2018-377](#), the CRTC determined that it would impose, pursuant to section 24 of the *Telecommunications Act*,<sup>26</sup> certain conditions regarding the offering and provision of broadband services using facilities funded through the Broadband Fund that would apply once the infrastructure is built. These conditions relate to the speeds and capacity of broadband services provided and the level of retail pricing, reporting, and associated open access service offerings. The conditions imposed on the offering and provision of broadband services will apply to the recipient and to any other Canadian carrier operating the funded infrastructure.

The CRTC will also use a multipronged approach to compliance and enforcement, which will include the imposition of obligations, reporting requirements, the distribution and withholding of funding, and the imposition of conditions on the offering and provision of broadband services pursuant to section 24 of the *Telecommunications Act*. 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

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<sup>26</sup> Section 24 of the *Telecommunications Act* provides the CRTC with the broad power to impose conditions on the offering and provision of any telecommunications service by a Canadian carrier and by a person other than a Canadian carrier, respectively.

- the 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.

## 10.2 Directions set out in funding decisions

The CRTC will set out in its funding decisions the conditions that successful applicants must meet before the CRTC will direct the Central Fund Administrator to distribute funds. Failure by a funding recipient to comply with these conditions could result in the implementation of compliance measures, such as the delay or non-issuance of funding. The exact content of the conditions that will be imposed may vary, but the CRTC expects the conditions to address the following matters:

- a. Approval of funding is subject to the conditions that the Recipient
  - (i) confirm in writing, within **10 days** of the date of issuance of the funding decision, its intent to submit a Statement of Work package to the CRTC and to proceed with the project.
  - (ii) file for CRTC approval, within **120 days** of the date of issuance of the funding decision, a completed statement of work package that sets out the project budget, key project dates and schedules, and detailed project information, such as logical network diagrams, network descriptions, service designs, project sites (as defined in section 14), equipment details, maps, specific costs, and milestones.
- b. As established in Telecom Regulatory Policy [2018-377](#), project construction should not have begun prior to the date of the funding decision and should be completed within three years. The recipient may not apply for reimbursement of its costs until its Statement of Work for each project has been approved by the CRTC. Any eligible costs incurred prior to CRTC approval of the recipient's Statement of Work but following the issuance of the funding decision are at the recipient's risk and will not be reimbursed if the Statement of Work is not approved.
- c. If it receives any additional funding for the project from any source, the recipient must notify the CRTC in writing as soon as possible and no later than **10 days** after receiving confirmation of the funding. The CRTC may proportionately reduce the amount of funding it has approved.
- d. In order to receive funding, the recipient must obtain CRTC approval for (i) any material changes to the project, as set out in the approved Statement of Work; and (ii) any changes to the recipient that would materially affect the legal or financial documents it provided during the application process. In order for the Central Fund Administrator to be able to



distribute funding, the recipient must sign the National Contribution Fund Administration Agreement if it has not already done so.

- 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 as approved by the CRTC.
- f. Each claim will be reimbursed as a percentage of the eligible costs incurred during the claim period, based on the ratio of funding awarded to the recipient to the total project eligible costs.
- g. The CRTC will hold back 10% of the claimed amounts of funding until after project construction is complete. Holdback funds will be released only once the CRTC is satisfied that the recipient has offered broadband services for one year according to the conditions of service set out in section 10.3.

### 10.3 Funding conditions set out in funding decisions

In Telecom Regulatory Policy [2018-377](#), the CRTC determined that it would impose a series of conditions on each funding recipient (i) that must be met before it will release funding, and (ii) that ensure that the service to be provided using the funded infrastructure meets the promised service levels. The CRTC indicated that funding conditions would include conditions related to project timelines, reporting, auditing, and material changes. Conditions imposed under section 24 of the [Telecommunications Act](#) would be used to set the requirements for the ongoing operation of the network, including the speeds and capacity of services to be provided, pricing, and any reporting or measurement requirements. In addition, all existing regulatory obligations will continue to apply to the provision of services using funded infrastructure (see section 10.4).

Following CRTC approval of the Statement of Work for each project, the CRTC will direct the Central Fund Administrator to release funds to each recipient, provided that the recipient is in compliance with the following conditions:

- a. The recipient must file a Quarterly Progress Report, in the format provided by the CRTC, outlining the progress made in the implementation of the project and any variances in the project schedule included in the Statement of Work. This report is to be filed every **three months** beginning on the date established in the Statement of Work and continuing until the Final Implementation Report is submitted.
- b. The recipient must file with the CRTC every **three months** a Broadband Fund claim form certified by its chief financial officer, or by an equivalent authorized official of the recipient, along with supporting documentation demonstrating to the CRTC's satisfaction that all costs claimed were actually incurred and paid and are eligible costs related to the activities described in the Statement of Work. Each claim form must be accompanied by a Quarterly Progress Report.
- c. With respect to eligible and ineligible costs, as described in Telecom Regulatory Policy [2018-377](#), the recipient must
  - (i) include eligible costs in a claim form submitted within **120 days** of the costs being incurred, unless the costs were incurred after the date of publication of the

funding decision but prior to the approval of the Statement of Work, in which case the costs must be claimed on the first claim form submitted after the approval of the Statement of Work;

- (ii) ensure that all goods and services are claimed for reimbursement at amounts not greater than fair market value after deducting all trade discounts and similar items. Only the fair market value of the goods and services acquired is eligible for reimbursement; and
  - (iii) measure and claim all goods and services received from related parties, as defined under International Financial Reporting Standards, at cost, with no profits or markups from the supplier.
- d. The recipient must not claim in excess of 25% of the approved amount for costs incurred after the date of the funding decision but prior to the approval of the Statement of Work.
  - e. The recipient must ensure that its travel costs, such as meal per diems, comply with the [National Joint Council Travel Directive](#).
  - f. Where a risk of adverse impact on an Aboriginal or treaty right becomes known following the approval of the Statement of Work and a duty to consult exists, the recipient must advise the CRTC within **20 days** and submit a plan detailing the form and process for fulfilment of the duty. Release of any additional funding will be contingent on demonstration that any necessary consultations were held to the Crown's satisfaction.
  - g. The recipient must notify the CRTC in writing as soon as possible and within no more than **five days** of becoming insolvent.
  - h. The recipient must file its annual financial statements with the CRTC upon request. The financial statements would accompany the next Quarterly Progress Report filed after the annual financial statements are completed and approved.
  - i. Should the recipient fail to demonstrate during the Statement of Work development phase that the project has adequately considered cyber security, it will be required to mitigate the cyber security risk to the CRTC's satisfaction. Failure to propose a mitigation plan that is satisfactory to the CRTC could result in the refusal to approve the Statement of Work.
  - j. The recipient must file for CRTC approval a Final Implementation Report within **90 days** of completion of the final milestone in the Statement of Work. In the report, the recipient must confirm that project construction is complete and that broadband services are being offered. The date on which the Final Implementation Report is submitted will be considered the project completion date. The recipient must also demonstrate in the report that the project has met the requirements set out in all related decisions. The report is to be in a format specified by the CRTC.
  - k. The recipient must file a project Holdback Report **one year** after the project completion date demonstrating to the CRTC's satisfaction that the recipient has offered broadband services for one year in accordance with the conditions of service established in the funding decision and described in the approved Statement of Work.

1. For projects that increase satellite transport capacity (operational costs) in satellite-dependent communities, the recipient must offer and provide fixed broadband Internet access service packages to subscribers within the eligible communities served by the project at a rate no higher, and at speeds and with a capacity no lower, than the ones proposed in its application and described in the approved Statement of Work. It must publicize, including by publishing on its website, the packages offered to subscribers as a result of the project, including the service speeds, capacity, prices, and terms and conditions.

#### 10.4 Section 24 conditions

In Telecom Regulatory Policy [2018-377](#), the CRTC determined that it would impose, pursuant to section 24 of the [Telecommunications Act](#), certain conditions regarding the offering and provision of broadband services using facilities funded through the Broadband Fund that would apply once the infrastructure is built. These conditions relate to the speeds and capacity of broadband services provided and the level of retail pricing, reporting, and associated open access service offerings. The conditions imposed on the offering and provision of broadband services will apply to the recipient and to any other Canadian carrier operating the funded infrastructure.

The CRTC may conduct periodic audits and require measurements of each project's performance to verify compliance with the conditions of funding and the conditions imposed pursuant to section 24 of the [Telecommunications Act](#) on the provision of services using the funded infrastructure. To that end, as a condition of offering and providing telecommunications services using the funded infrastructure, the CRTC requires, pursuant to section 24 of the [Telecommunications Act](#), that the recipient, or any Canadian carrier operating the funded infrastructure, (i) retain all books, accounts, and records of the project, including administrative, financial, and claim processes and procedures, and any other information necessary to ensure compliance with the terms and conditions of the funding decision, for a period of **eight years** from each project start date; and (ii) provide the CRTC with measurements of the performance of each of the recipient's implemented projects within **five years** of the project's completion date using methodology that the CRTC may determine. The CRTC may request that external auditors or a CRTC-approved auditor certify any related report, form, or documentation, or that a third-party professional engineer certify any required measurements.

In addition, pursuant to section 24 of the [Telecommunications Act](#), as a condition of offering and providing telecommunications services using the funded infrastructure, the recipient, or any Canadian carrier operating the funded infrastructure on behalf of the recipient, must,

- a. for transport projects, provide transport capacity at each PoP funded by the Broadband Fund with total capacity no lower than that proposed in the application and described in the approved Statement of Work;
- b. for transport projects, offer and provide, in a fair, transparent, timely, and non-discriminatory manner, wholesale and retail open access to the transport infrastructure at each PoP funded by the Broadband Fund. Terms and conditions that are the same as or better than those applied to the services of subsidiaries, affiliates, or partners must be applied to other service providers requesting access to project sites. Such wholesale and

retail open access services must be offered at rates no higher, and a capacity no lower, than those proposed in the application and detailed in the approved Statement of Work; and

- c. for projects that increase satellite transport capacity (operational costs), offer and provide fixed broadband Internet access service packages to customers served by the funded transport capacity at a rate no higher, and at speeds and with a capacity no lower, than the ones proposed in its relevant application and described in the relevant approved Statement of Work. The packages must be provided as long as the Broadband Fund provides funding for the increased satellite transport capacity. The recipient, or any Canadian carrier operating the network using funded transport capacity on behalf of the recipient, must publicize, including by publishing on its website, the packages offered to subscribers as a result of each project, including the service speeds, capacity, prices, and terms and conditions.

## 11. Confidentiality

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

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

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

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

For the reasons set out in Telecom Regulatory Policy [2018-377](#) (paragraphs 405 to 408), the CRTC determined that applicants will be permitted to file their applications confidentially. The CRTC may at its discretion disclose certain application information in its funding decisions and in public reports, as necessary, to identify and describe the approved project and the broad reasons for its selection, including the name of the funding recipient, the number of households served, the amount of funds awarded, the geographic area(s) of the project, the technology implemented, and assessment criteria and selection considerations that supported the selection of

the project. The CRTC does not expect to disclose specific information concerning applications that are not selected.

The CRTC will not disclose, and will retain in confidence, financial, commercial, or technical information included in the application that is consistently treated by the applicant as confidential. This includes information such as (i) the applicant's financial statements; (ii) projected revenues and expenses for the proposed project; (iii) detailed costing of the project; (iv) detailed network information; (v) detailed technical descriptions of the service and network design, including logical network diagrams, logical paths, supporting assumptions, and technical dependencies; (vi) equipment and facilities lists; and (vii) details of provisioning assumptions as filed in the application.

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

Where the applicant objects to some or all of the information outlined above being made public as part of the funding decision, the [Broadband Fund Application Form](#) will enable the applicant to identify the specific information that the applicant considers to be confidential (in addition to the information that is consistently treated as confidential as set out above) even if its project is selected for funding. The applicant will be required to provide reasons, as well as any supporting documents, why the disclosure of the information in a funding decision or in public reports would not be in the public interest, including why the specific direct harm that would be likely to result from such disclosure would outweigh the public interest.

## **12. Security**

The CRTC deems the cyber security of any project funded by the Broadband Fund to be a priority, and requires applicants and funding recipients to show that they have considered, among other things, supply chain security (as defined in section 14). To that end, information regarding the proposed project provided in the application and attachments, and any other information provided during the Statement of Work development phase, may be disclosed to the Canadian Centre for Cyber Security (CCCS), a part of the Communications Security Establishment (CSE), to assist in the CRTC's review of the project's security risk.

The CRTC may consider overall cyber security, including supply chain security, in making its funding decisions. The CRTC may also require that recipients mitigate the cyber security risk in their funded projects to the CRTC's satisfaction.

## **13. Process**

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

1. This procedure must be read in conjunction with the Rules of Procedure (with the exception of sections 9, 22-27, and 32-33) and related documents, which can be found on the CRTC's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), under "Statutes and regulations".
2. The deadline for filing applications is **18 April 2023 at 17:00, 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 appropriate [Broadband Fund Application Form](#) on the CRTC's website or in an alternative accessible format.
4. Applicants must complete the entire [Broadband Fund Application Form](#) and all related forms and templates.
5. Applications that are incomplete or that have not been filed in accordance with the process set out herein by the application deadline may not be accepted. The CRTC may permit an applicant to clarify or correct inadvertent errors, deficiencies, or omissions in the application, as well as to file supplementary information or documents. The CRTC may also address questions of clarification to applicants regarding filed applications.
6. Applicants must not amend their application or file any supplementary documents related to the application with the CRTC after the application deadline, unless (a) the CRTC requests that they do so or (b) the amendment is related to the permitted filing of evidence of community consultation after the application deadline has passed, as detailed in section 16.3.
7. Applicants should refer to this Application Guide and the [Instruction Manual](#) for additional details and explanations to assist them in completing their application.
8. The CRTC will not make available for public inspection, whether on its website or otherwise, any Broadband Fund application for which confidentiality is claimed, except to the extent that the CRTC has determined that disclosure is in the public interest in accordance with section 39 of the [Telecommunications Act](#), or as may otherwise be required by law.
9. The CRTC will notify applicants by email that their application has been received and will provide a submission confirmation number. The CRTC will not inform applicants of the status of their application prior to issuing its funding decisions. Successful applicants will be notified when the CRTC issues its funding decisions.
10. Pursuant to section 46.6 of the [Telecommunications Act](#), sections 12 and 62 of the [Telecommunications Act](#) do not apply in respect to a decision by the CRTC to select a project to receive funding from the Broadband Fund.
11. Applications filed in response to a call for applications will not be automatically considered again in subsequent calls for applications. Applicants must submit applications for each call if they want the CRTC to consider their proposed projects in that call.

## 14. Definitions

**Anchor institutions:** facilities located in eligible transport communities 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) or that provide community residents with direct access to broadband Internet access services (e.g., telecommunications service providers that provide residential, business, or mobile services; Internet cafes; etc.).

**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 point in the network that connects transport infrastructure to local access infrastructure and is capable of offering wholesale and/or retail transport services.

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

**Project completion date:** the date on which construction is complete and broadband services are being offered.

**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.

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

**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.

**Supply chain:** The processes required to design, manufacture, and distribute equipment or other commodities, including information technology hardware and software.

**Supply chain security:** The management of risk and threats, which can include anything from physical to cyber threats, while working with other organizations involved in the supply chain. A security compromise anywhere in the supply chain could allow a cyber threat actor to exploit a device or one of its components once it is connected to a company's secured network. Supply chains can be compromised before or after the delivery of a product or service, during software updates, or during hardware upgrades.

**Wholesale open access:** the provision of a telecommunications service or facility to a third party 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.

## 15. Eligible and ineligible costs

### Eligible costs

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

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

- direct equipment costs, meaning the costs of the equipment required for project completion, including the costs of servers, switching and transmission equipment, fibre-optic cable, repeaters, radio and microwave equipment, towers, poles, shelters and enclosures, backup power supplies, and network broadband connectivity devices including upgrades and adaptations;
- direct material costs, meaning the costs of materials that can be specifically identified and measured as having been used for the implementation of the project;
- direct labour costs (including loading costs, such as costs associated with holidays, vacation, and fringe benefits), meaning the portion of gross wages or salaries for work that can be specifically identified and measured as having been done on the project, including the one-time costs associated with the engineering and installation of capital equipment, network deployment, and service provisioning. These costs also include costs for initial technical training on equipment installation, operation, and maintenance for local staff in communities without year-round road access, to be completed by the end of the first year of operation;

- direct labour-related travel costs, meaning the costs of travel that are deemed necessary for the performance of the project, such as those associated with engineering, installation, network deployment, and service provisioning, considered on a case-by-case basis. For travel costs to be eligible, the purpose of each trip must be clearly documented. Travel expenses, at economy rates, shall be charged as actual costs;
- 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; and
- other direct costs may include contract project management services, contract engineering services, freight and other costs related to the transportation of the new equipment or material to a project site and other services/labour performed by subcontractors, as well as travel costs incurred by subcontractors.

### **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, which include any costs relating to litigation and/or costs associated with lawyers, regardless of whether those lawyers are internal to the applicant (e.g., labour costs) or external (e.g., legal firm);
- 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.

## **16. Community consultation**

### **16.1 Consultation with communities affected by a proposed project**

Applicants must consult or attempt to consult with each community affected by a proposed project to notify the community about the project, provide details of the project, and provide the community with the opportunity to communicate feedback directly to the applicant and the CRTC.

Applicants are encouraged to provide evidence of support from each community affected by a proposed project, and to work collaboratively with affected communities to identify potential community benefits that go beyond the provision of broadband Internet access services.

Meaningful consultation entails approaching communities early, openly, and respectfully. Communities should have the opportunity to communicate specific priorities and identify any concerns associated with the project.

Consultation may be carried out through, for example,

- a telephone call;
- a virtual meeting;
- an in-person meeting;
- a notification letter; and/or
- a presentation made to community representatives.

Community support may be demonstrated through, for example,

- letters of support from community representatives;
- a resolution from a local governing body, for example, a municipal resolution or a band council resolution;
- evidence of a community benefit agreement;

- the use of local companies during the project implementation;
- an agreement to train community residents; and/or
- investment (financial or otherwise) by the community in the project.

In order to assist applicants to consult with affected communities and to provide such communities with the means to directly contact the applicant and/or the CRTC, the CRTC encourages applicants to use the community consultation template letters provided on the landing page of the [Broadband Fund Application Form](#) or the information provided therein, which includes the contact information for the CRTC.

## **16.2 Outreach to Indigenous groups**

In order to determine if Indigenous groups may be affected by a proposed project, applicants should consult the Aboriginal and Treaty Rights Information System ([ATRIS](#)). ATRIS is a web-based information system intended to map out the location of Aboriginal communities and display information pertaining to their potential or established Aboriginal or treaty rights. ATRIS provides a thorough User Guide through its “Help” function.

ATRIS will assist applicants in identifying if there are any treaties, claims, or assertions in a proposed project area, as well as whether any consultation protocols are in place. Applicants may also use ATRIS to obtain contact information for any potentially impacted Indigenous communities and/or groups.

Applicants should note that a proposed project could adversely impact Aboriginal or treaty rights even where the project is not proposing to directly serve an Indigenous community. For example, a transport network could cross through an area subject to potential or established Aboriginal or treaty rights. Applicants are encouraged to take a generous and expansive approach to identifying potentially impacted Indigenous groups.

Where a proposed project presents a risk of an adverse impact to an established or asserted Aboriginal or treaty right, a constitutional duty to consult and accommodate may arise. As the rights holders, the affected Indigenous groups are best positioned to identify any adverse impacts to Aboriginal or treaty rights that may result from the project. Similarly, the affected Indigenous groups are best positioned to advise on potential accommodation measures. Applicants are therefore required to engage or attempt to engage with potentially affected Indigenous groups at the application stage in order to identify whether any risk of an adverse impact to an Aboriginal or treaty right exists.

Even where the constitutional duty to consult does not arise, the CRTC considers it to be consistent with its commitment to advancing reconciliation with Indigenous people in Canada for applicants to demonstrate meaningful engagement with potentially affected Indigenous communities and/or groups. Such consultation must, at the very least, include notification to the community of the proposed project and an invitation for the community to communicate any comments or concerns it may have to the applicant and the CRTC.

Applicants are strongly encouraged to be proactive in commencing their engagement and consultation efforts. Should applicants require direction as to whom they should contact or how, applicants should contact the community representative by telephone in order to obtain the necessary guidance. Applicants are reminded that, in some cases, contact by email will not be appropriate.

A community consultation template letter has been developed to assist applicants with the consultation process with Indigenous groups and can be found on the landing page of the [Broadband Fund Application Form](#). Applicants are not required to use this template letter; however, the basic information that is set out therein should be included in any initial notification letter to identified groups.

Applicants should, at a minimum (a) identify the proposed project and provide key project details, (b) invite community representatives to discuss the proposed project, (c) request information regarding potentially adversely impacted Aboriginal or treaty rights, and (d) provide the CRTC's contact information so that applicants can directly contact the CRTC if they wish to do so.

While the duty to consult and accommodate ultimately rests with the CRTC as an agent of the Crown, applicants are expected to approach consultation in a manner consistent with the Crown's obligation. Efforts to consult and engage must be founded in the principles of good faith and respect, recognizing the uniqueness of First Nation, Métis and Inuit communities.

The CRTC considers that meaningful engagement and consultation with affected Indigenous groups presents an invaluable opportunity for applicants to learn how a project may best serve the needs of the group and to benefit from the traditional knowledge held by the Indigenous community members. Demonstration of meaningful and responsive engagement and consultation will be viewed favourably.

Proposed projects that provide economic benefits and/or employment opportunities to Indigenous groups will also be viewed favourably. Evidence of community benefit agreements, ongoing employment opportunities, co-investment, and co-ownership agreements are examples of economic benefits considered to be consistent with the Crown's commitment to advancing reconciliation. Applicants are strongly encouraged to work with Indigenous groups in order to identify and develop potential opportunities.

### **16.3 Process to file evidence of community consultation after the application deadline has passed**

In recognition that consultation with affected communities and/or groups is a lengthy process that can be subject to time and resource constraints for the applicant and affected communities, the CRTC is providing a confidential process for applicants and communities affected by a proposed project to file additional community consultation documents directly with the CRTC after the application deadline has passed. Such documents may include, for example, letters of community support, letters identifying a risk of a potential adverse impact on an Aboriginal or treaty right, and changes to the proposed project after the application deadline has passed to accommodate Aboriginal or treaty rights.

Please note that this process cannot accommodate large quantities of correspondence, such as a letter-writing campaign from residents of affected communities. To the extent that additional evidence of consultation is made up of a large quantity of correspondence, the applicant and/or affected community should, as best as possible, consolidate such evidence before filing it with the CRTC.

### **Applicants**

Applicants can file evidence of community consultation with the CRTC, after the application deadline has passed, using the Broadband Fund email address provided to the applicant in the community consultation template letters and in the Confirmation Email each applicant receives upon successfully filing an application. Applicants that use this process must, in addition to the additional evidence they are filing, provide (a) the applicant's name, (b) the project name used by the applicant, and (c) the Confirmation Number provided in the Confirmation Email.

The CRTC will add any additional evidence of community consultation received to the relevant application.

### **Affected communities**

Communities affected by a proposed project can also contact the CRTC directly. In order to facilitate this, when an applicant initially notifies communities affected by a proposed project, it should provide those communities with (a) the Broadband Fund email address and (b) the mailing address of the CRTC, both of which are provided in the community consultation template letters.

The CRTC will add any additional evidence of community consultation received to the relevant application and will notify the applicant when any new evidence is received, although affected communities should notify the applicant when sending any evidence directly to the CRTC.

## **16.4 Questions and answers regarding community consultation**

Provided below are some answers to questions that applicants may have with regard to community consultation.

### **Q - What if ATRIS identifies overlapping rights holders? Who do we contact?**

Applicants should attempt to contact all rights holders that are identified by ATRIS as having rights in the area of the project. Contacting all rights holders is ultimately a benefit to all, since it notifies rights holders of the proposed project and provides an opportunity for them to engage in a dialogue with the applicant regarding the proposed project. As a result of this dialogue, the

applicant (a) should avoid adversely impacting an Aboriginal or treaty right, and (b) may receive important information that may assist it in improving its proposed project.

**Q - What if our project will be constructed in existing utility rights-of-way? Do we still need to engage with Indigenous communities in the area?**

Applicants should attempt to contact all Indigenous groups with established or asserted claims in the area regardless of whether a project will be constructed in existing utility rights-of-way.

**Q - Do we need to contact Indigenous communities that will not be served by the project?**

Applicants should attempt to contact Indigenous groups with established or asserted claims in the project area, regardless of whether they will be served by the project.

**Q - What if we do not get a response in time? What if we do not get a response at all? Do we need evidence of support from everyone?**

Applicants should attempt to consult with affected communities on a respectful and best-efforts basis. However, it is understood that responses may not be received from all affected communities. Applicants should strive to, as best as possible, notify affected communities of a proposed project and keep lines of communication open if an affected community wishes to discuss the project with the applicant.

In addition, the confidential process for applicants to file additional community consultation documents directly with the CRTC after the application deadline has passed will allow applicants to continue their consultation efforts beyond the four-month application period.

**Q - What if we cannot find contact information?**

Most communities have a website that will provide contact information. For Indigenous communities, ATRIS is an excellent source of contact information. The “Profile” of each Indigenous community typically provides an address, phone number, and a contact name and title that applicants can use.

Where possible, phoning a community representative, briefly explaining the proposed project, and asking for a contact for future correspondence may be a particularly effective and respectful way to identify the appropriate person(s) to contact.

**Q - What kind of evidence of community benefits is the CRTC looking for? Why?**

The CRTC is looking for any sort of community benefit that the applicant and an affected community has agreed to as a result of the proposed project, above and beyond the provision of improved broadband Internet access services. The CRTC considers that agreements providing additional economic and/or social benefits to affected communities would represent evidence of consultation with affected communities, and would be assessed favourably.

For projects that affect Indigenous communities, the CRTC will assess such projects through a reconciliation lens. Accordingly, the CRTC considers that proposed projects that provide

economic and/or employment benefits to Indigenous communities would be consistent with reconciliation with affected Indigenous communities, and will be viewed particularly favourably.

## **17. Common application errors to avoid**

The following represent common application errors that applicants should avoid:

- Applications cannot be contingent on another factor, such as the approval of funding for another project proposal under the Broadband Fund or funding from another program that has not been secured at the time of the application. Applications that are contingent on other factors will not be considered for funding. (General - All projects)
- Applicants can propose a project that draws from both the main component and the satellite component (for example, a proposal to improve transport infrastructure and increase satellite transport capacity [operational costs only]) for the same eligible satellite-dependent community, but they must do so through two separate applications. Applicants must file one application for the main component project and one application for the satellite component project, and should note in the project description that the two applications are related. The CRTC will consider these two projects to be complementary projects, and therefore will not consider them to be improperly contingent on one another. (General - Eligible project types)
- Applicants must provide a complete Application Workbook. Applications that include an incomplete or damaged Application Workbook may not be considered for funding. The best way to avoid inadvertently impacting the formatting programmed into the workbook is to use Microsoft Excel to complete the document. In addition, applicants should verify before submitting their application that the status message for each tab in the Application Workbook shows as complete and error free. (General - All projects)
- All proposed revenues, expenses, and cash flows from other services or from the normal course of the applicant's business that are not directly related to the proposed project should not be included. Revenues, expenses, and cash flows from other services that are not directly related to the proposed project, for example, broadcasting services, will not be considered in the financial assessment of the project. (General - All financial criteria)
- Applicants must submit a full, finalized financial package. Applications that do not provide, for example, a demonstration of the applicant's financial solvency, complete applicant and/or project financials, or finalized third-party funding details (for example, letters confirming a funding commitment) may not meet the eligibility criteria. (General - All financial criteria)
- Applicants must provide evidence of consultation or attempted consultation with each affected community. Applications that do not include any evidence of community consultation with affected communities will not meet the eligibility criteria. (Eligibility criteria - Community consultation [1-P3])
- Applicants that are an applicant partnership or consortium, or who enter into a contractual arrangement with an entity, must fully describe the roles and responsibilities of each member. Applications that do not fully describe the roles and responsibilities of each member, specifically which entities will deploy and/or operate the network assets and



which entities have sufficient experience in deploying and operating the network assets, will not meet the eligibility criteria. (Eligibility criteria for applicants - Broadband infrastructure experience [1-E4], Eligibility criteria for applicants - Defined roles and responsibilities [1-E5])

- Applicants must file a separate business plan and risk assessment and mitigation plan. Applications that do not provide both documents will not meet the eligibility criteria. (Eligibility criteria - Project viability [1-P1])
- Applicants must provide a Logical Network Diagram for each proposed project in the requested format. Proposed projects that do not provide a Logical Network Diagram in the proper format, and with all of the information requested in the [Instruction Manual](#), may not be considered for funding. (General - All geographical and technical eligibility criteria)
- Applicants proposing a transport project must offer a minimum capacity for new and upgraded transport infrastructure. Proposed transport projects that do not offer a minimum capacity of 1 Gbps for each new PoP and/or a minimum capacity of 10 Gbps for each upgraded PoP will not meet the eligibility criteria. (Transport eligibility criteria - Minimum capacity [1-T1])
- Applicants proposing a transport project must propose at least one wholesale open access service offering in the Application Workbook at one of the following speeds: 100 Mbps, 1 Gbps, or 10 Gbps. Proposed transport projects that do not include at least one of these wholesale open access service offerings in the Application Workbook will not meet the eligibility criteria. (Transport project eligibility criteria - Open access [1-T2])
- Applicants proposing a transport project must provide at least one of the following wholesale open access services at each of their proposed PoPs, whether new or upgraded: 100 Mbps, 1 Gbps, or 10 Gbps. Proposed transport projects that do not plan to provide at least one of these wholesale open access services at every new or upgraded PoP will not meet the eligibility criteria. (Transport project eligibility criteria - Open access [1-T2])
- Every PoP included in a transport project proposal must be capable of delivering wholesale open access services. Locations submitted that are not capable of delivering the wholesale open access services proposed in the application will not meet the eligibility criteria. (Transport project eligibility criteria - Open access [1-T2])
- Applicants that propose a project to increase satellite transport capacity (operational costs) in satellite-dependent communities must propose a variety of broadband Internet access service packages, not just one service package. Applications that do not include more than one broadband Internet access service package will not meet the eligibility criteria. (Satellite-dependent community project eligibility criteria - Affordability [1-S2])
- Applicants that propose a project to increase satellite transport capacity (operational costs) in satellite-dependent communities must propose at least one package that is suitable for low-income households. Applications that do not include a broadband Internet access service package that is suitable for low-income households will not meet the eligibility criteria. (Satellite-dependent community project eligibility criteria - Affordability [1-S2])

- Applicants that propose a project to increase satellite transport capacity (operational costs) in satellite-dependent communities must propose broadband Internet access service packages at prices that are the same as, or lower than, those offered in Iqaluit, Nunavut, for reasonably comparable speeds and prices. Projects that do not include any access service packages at prices the same as, or lower than, those offered in Iqaluit, Nunavut, for reasonably comparable speeds and prices will not meet the eligibility criteria. (Satellite-dependent community project eligibility criteria - Affordability [1-S2])