



## Telecom Order CRTC 2023-345

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### **Broadband Fund – Acceptance of statements of work for TELUS Communications Inc.’s mobile and combination mobile/access/transport projects in Quebec**

#### **Background**

1. In Telecom Decision 2022-206, the Commission awarded up to \$12,105,057 to TELUS Communications Inc. (TCI) to build and/or upgrade mobile wireless, local fixed access, and transport infrastructure in a total of 26 communities and along approximately 305 kilometres of eligible major transportation roads in Quebec. The four projects proposed in TCI’s applications were filed in response to the second call for applications for funding from the Broadband Fund. The Commission later received written acceptance of these funding awards from TCI.
2. The Commission received completed statement of work packages by 15 February 2023 for all four TCI projects.

#### **Commission’s analysis**

##### **TCI’s request to change the scope of the combination mobile/access/transport project in Quebec (including Route 138)**

3. TCI’s statement of work package for the combination mobile/access/transport project in Quebec (including Route 138), which was approved in Telecom Decision 2022-207, included a request to remove the transport, access, and mobile components serving the community of Port-Menier from the scope of the project because that portion of the project was already completed before the Commission awarded funding for the project. The Commission is satisfied that these changes are appropriate under the circumstances.
4. As a result of this change of scope, all costs associated with extending service to Port-Menier were removed. However, TCI requested additional funding to complete the remaining work for this project as well as for the other three remaining projects approved in Telecom Decision 2022-206.

##### **TCI’s requests for increases in funding**

5. During the development of its statements of work, TCI submitted requests for a \$4,453,056 (36.8%) increase in funding across the four projects, bringing the funded amount from up to \$12,105,057 to up to \$16,558,113. TCI submitted that these requests

were a result of (i) changes in equipment that would improve the sustainability, resiliency, and cyber security of the project; and (ii) an increase in the costs of third-party labour and other direct costs that had not been anticipated when the company submitted its applications in 2020.

6. The Commission is satisfied that these requests are well supported in the particular circumstances of each project. Accordingly, the Commission **approves**,
  - for the project approved in Telecom Decision 2022-207, an increase of \$643,188 (26.5%), bringing the funding amount from up to \$2,422,626 to up to \$3,065,814;
  - for the project approved in Telecom Decision 2022-208, an increase of \$1,296,425 (40.1%), bringing the funding amount from up to \$3,235,575 to up to \$4,532,000;
  - for the project approved in Telecom Decision 2022-209, an increase of \$602,265 (24.2%), bringing the funding amount from up to \$2,490,446 to up to \$3,092,711; and
  - for the project approved in Telecom Decision 2022-210, an increase of \$1,911,178 (48.3%), bringing the funding amount from up to \$3,956,410 to up to \$5,867,588.

#### **Statements of work**

7. Having reviewed the documents submitted, the Commission **approves** the finalized statements of work and will provide them separately and in confidence to TCI.
8. Provided that TCI complies with all conditions of funding set out in Telecom Decision 2022-204, constructs the projects as described in each of their respective Schedule A: Statement of Work documents, and complies with all procedural requirements to submit reports, invoices, and requests for funding, the Commission will direct the Central Fund Administrator to make payments to TCI in respect of the projects. Failure to comply with these conditions and requirements could result in funding being delayed or not being disbursed.
9. The Commission reminds TCI of the condition of funding set out in subparagraph 36(g) of Telecom Decision 2022-204. This condition specifies that if TCI becomes aware of a risk of adverse impact on an Aboriginal or treaty right and a duty to consult exists with regards to their funded projects, TCI must advise the Commission within **20 days** and submit a plan detailing the form and process for fulfilment of the duty. Should such circumstances arise, the release of any additional funding will be contingent on TCI demonstrating that any necessary consultations were held to the Crown's satisfaction.
10. TCI is required to submit, quarterly, a progress report and expense claim no later than **5 February 2024**, or as otherwise agreed to with the Commission, and every **three months** thereafter until the projects are completed.

Secretary General

**Related documents**

- *Broadband Fund – Project funding approval for TELUS Communications Inc.’s mobile and combination mobile/access/transport projects in Quebec*, Telecom Decision CRTC 2022-206 encompassing Telecom Decisions CRTC 2022-207, 2022-208, 2022-209, and 2022-210, 4 August 2022
- *Broadband Fund – Second call for applications – Introductory decision regarding the August 2022 round of project funding approvals*, Telecom Decision CRTC 2022-204, 4 August 2022