



Telecom Notice of Consultation CRTC 2023-89

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Call for comments – Broadband Fund policy review

Deadline for submission of interventions: 21 July 2023

Deadline for submission of replies: 19 September 2023

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Summary

A summary of this notice is available in the following languages: Cree (Oji) [in [HTML](#) and [PDF](#)], Cree (Plains) [in [HTML](#) and [PDF](#)], Cree (Woods) [in [HTML](#) and [PDF](#)], Denesuline [in [HTML](#) and [PDF](#)], Inuktitut (North Baffin) [in [HTML](#) and [PDF](#)], Inuktitut (South Baffin) [in [HTML](#) and [PDF](#)], Mi'kmaq [in [HTML](#) and [PDF](#)], Michif [in [HTML](#) and [PDF](#)], and Montagnais [in [HTML](#) and [PDF](#)]. A summary will soon be available in Cree (Moose), Cree (Swampy), Ojibwe (East), and Ojibwe (West).

Since Telecom Regulatory Policy 2018-377 (the Broadband Fund policy) was established, there has been a substantial change in the funding environment with significant new funding available from all levels of government. There is also a growing focus on reconciliation between the Canadian government and Indigenous Peoples and on the role the Commission must play in advancing reconciliation.

To reflect this new environment, the Commission is launching a notice of consultation to look ahead to the future need for funding to improve broadband Internet services and mobile wireless services in Canada. In this review of the Broadband Fund policy, the Commission will consider

- modifying the overall objectives of the Broadband Fund;
- implementing an Indigenous-specific funding stream;
- providing operational funding, either alongside capital funding for projects or as separate operational funding available to providers in rural and remote areas;
- increasing focus on mobile road coverage and satellite-dependent communities;
and
- improving the process used to evaluate and select projects to fund.

The Commission is seeking input from anyone with an interest in connectivity in rural and remote areas, including telecommunications service providers, communities, consumers, and consumer advocates. In particular, Indigenous voices are essential in developing this policy.

Introduction

1. One objective in the *Telecommunications Act* (the Act) is the development of a telecommunications system that serves to enrich and strengthen the social and economic fabric of Canada and its regions. In Telecom Regulatory Policy 2016-496, the Commission established that basic telecommunications services include both (i) fixed and mobile wireless broadband Internet access services and (ii) fixed and mobile wireless voice services. The Commission developed the universal service objective that all Canadians, whether in urban or rural and remote areas, should have access to those basic services. The Commission indicated that it would support that objective with funding under section 46.5 of the Act.
2. The Commission also established key criteria for measuring whether the universal service objective had been reached. For fixed broadband Internet access services, these criteria include (i) 50 megabits per second (Mbps) download and 10 Mbps upload (50/10 Mbps) speeds, (ii) unlimited capacity, and (iii) certain quality of service metrics. In addition, the latest generally deployed mobile wireless technology should be available to Canadians from their homes and businesses and along major roadways. The Commission indicated that this level of service should be achievable in 90% of premises by 2021 and to all Canadian premises within 10-15 years.
3. The Commission determined that it would create a new funding mechanism to help achieve that goal. The new Broadband Fund would distribute up to \$100 million in the first year, with the level of funding increasing by \$25 million per year, up to \$200 million annually in the fifth year.
4. The Commission also determined that it would review the Broadband Fund after three years to ensure that it is managed efficiently and is achieving its goals. The \$25-million funding increases in years four and five were contingent on the outcome of this review.
5. The Commission later issued Telecom Regulatory Policy 2018-377 (the Broadband Fund policy). The objective of the Broadband Fund is to close the gap in connectivity and ensure that underserved areas can reach the universal service objective. It funds projects to build or upgrade access and transport infrastructure for both fixed and mobile telecommunications networks. The Commission also defined a variety of eligibility, assessment, and selection criteria for projects in the Broadband Fund policy.
6. The Commission has issued three calls for applications to the Broadband Fund. To date, the Commission has awarded up to \$226.5 million to improve service in 205 communities. The third call for applications (hereafter, Call 3) is currently open and

focuses on mobile wireless projects on roads, transport infrastructure projects, and operational funding for satellite-dependent communities.

7. Since 2018, the funding environment for connectivity has changed considerably. Various levels of government have recognized the fundamental role that connectivity plays in Canada's future economic prosperity, global competitiveness, social development, and democratic discourse. The COVID-19 pandemic then rapidly increased demands on Canada's existing infrastructure. As a result, there has been an influx of new broadband funding from Innovation, Science and Economic Development Canada (ISED),¹ other federal departments and agencies, and provincial and territorial governments.
8. With the significant pace of change in broadband funding and broadband availability, the Commission has an opportunity to review the Broadband Fund. In this notice, the Commission will consider how best to achieve the policy objectives set out in the Act. This includes how to make reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas.
9. This policy review is also an opportunity to advance reconciliation with Indigenous Peoples by ensuring that their specific economic and social needs are considered and addressed in the Broadband Fund policy. The Commission is proposing to implement an Indigenous-specific funding stream to address those needs. It is also considering how to improve engagement between any applicant and Indigenous communities who may be affected by an applicant's projects.
10. The Commission is also proposing to add operational funding, either for capital projects or as standalone funding, and funding for projects that would increase the resilience of rural and remote networks. With the experience gained from past calls, the Commission can review the framework of the Broadband Fund to ensure it is operating effectively, efficiently, and in a way that complements funding available from other sources.

Proceeding

11. In light of the above, the Commission hereby initiates a proceeding to look ahead to the future needs of broadband Internet access funding for fixed broadband and mobile wireless services in Canada. In this proceeding, the Commission will also examine its role in addressing those needs by examining the Broadband Fund policy, including a review of the objectives of the Broadband Fund, the types of funding provided, and the way in which funding is to be allocated and distributed. This review is limited to the Broadband Fund policy itself; the establishment of the universal service objective and its associated speed, data allowance, and quality of service metrics is out of scope of this review.

¹ The Universal Broadband Fund is a \$3.225 billion investment by the Government of Canada.

Call for comments

12. The Commission invites interested persons to submit an intervention that responds to the questions in the sections below. Interested persons may respond to all of the questions, but they are not obligated to do so. For ease of reference, the questions posed throughout this notice are grouped together in Appendix 2 to this notice. The Commission requests that each party set out its intervention by responding separately to each question it chooses to answer, in one document, indicating which question it is answering at the beginning of each response. Parties with similar views are encouraged to file a joint submission. All responses must include appropriate supporting evidence and rationale.
13. Following the submission of interventions, parties are invited to submit replies to the interventions. The Commission will then request further information from parties as required to further the Commission's understanding of the relevant issues. As part of their replies to the interventions, parties may propose questions that the Commission should ask.

Scope of the proceeding

Objectives of the Broadband Fund

14. Canadians view broadband Internet access and mobile wireless services as a necessity, and in Telecom Regulatory Policy 2016-496, the Commission classified them as basic telecommunications services that should be available to all households and businesses in Canada. Reliable connectivity has grown even more important since the COVID-19 pandemic increased remote work, school, and cultural events. Access to broadband Internet and mobile wireless services has become more vital to Canada's economic, social, democratic, and cultural fabric.
15. When the Broadband Fund policy was issued, the funding environment for broadband and mobile wireless infrastructure was very different than it is today. At the time, the primary source of broadband funding was ISED's Connect to Innovate program, through which ISED initially allocated \$500 million over five years to projects that would build new transport infrastructure, improve network resiliency, or build access infrastructure in areas that had less than 5/1 Mbps service speeds. Since 2018, a further \$7.1 billion in government funding has been made available for broadband network improvements, including funding from the Commission's Broadband Fund.
16. One of the Commission's criteria to measure the successful achievement of the universal service objective is making 50/10 Mbps service speeds with unlimited capacity and that meet the quality of service metrics for fixed broadband Internet access service available to all households and businesses in Canada by 2030 or sooner. Through the combination of funding from the Broadband Fund, industry investment, and other funding programs, the fixed broadband goal is close to being achieved. However, a significant number of households still remain to be served.

There are also remaining gaps that need to be addressed to ensure the latest generally deployed mobile wireless technology is available to households and on as many major transportation roads as possible.

17. While meeting the universal service objective is important, the policy objectives in section 7 of the Act also include rendering reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada. Funding capital infrastructure alone does not ensure that the resulting services are affordable or delivered reliably.
18. With that in mind, the Commission considers that the Broadband Fund should continue to provide capital funding to broadband and mobile wireless infrastructure projects in order to meet its current objective. The Commission also takes the preliminary view that the objective of the Fund should be expanded to include ensuring that all Canadians have access to basic telecommunications services that are affordable and reliable. Mechanisms for ensuring that service is affordable and reliable, such as addressing urban/rural price disparity and funding resiliency projects, are discussed further below.

Advancing reconciliation with Indigenous Peoples

19. The Commission is committed to reconciliation and renewing the relationship between Canada and Indigenous Peoples based on the recognition of rights, respect, cooperation, and partnership. Given that many Indigenous communities are in rural and remote areas, Indigenous voices are essential when developing the new policy for the Broadband Fund.
20. Funding for connectivity in Indigenous communities has been available from a variety of sources, including as part of general infrastructure funding regimes like the Broadband Fund, as well as infrastructure funds that are specifically available to Indigenous communities, including funds from Indigenous Services Canada. With steady investment, including from the Broadband Fund, improvements to connectivity in Indigenous communities is gaining ground. However, in many parts of Canada, service levels on reserve lands and in Indigenous communities still lag significantly behind those in urban and non-Indigenous communities.
21. At the end of 2016, service that meets the universal service objective—50/10 Mbps with an unlimited data allowance—was available to only 27.3% of households on First Nations reserves. No communities in the three territories, which all have significant Indigenous populations, had access to service at that level.
22. At the end of 2021, plans offering service that meets the universal service objective were available to 43.3% of households on First Nations reserves, well below the national availability level of 62.2% in rural areas and the overall national availability rate of 91.4%. In Northwest Territories, that service is available to 67.3% of households, while in Yukon, it is available to 63.1% of households. There are 74 remaining satellite-dependent communities, many of which are Indigenous

communities. They are located primarily in Nunavut, Northwest Territories, and the northern regions of many provinces. Given the limitations of satellite technology and the capacity currently available to service providers using the community aggregator model, households in these communities do not have universal service objective-level plans available through their local service providers, but they may have access to direct-to-home satellite service that offers such plans.

23. Creating a supportive climate for economic partnership is a key element of reconciliation. Many First Nations, Métis, and Inuit have expressed the clear desire to lead or partner in the construction, ownership, and/or operation of the broadband Internet access and mobile wireless networks serving their communities. While many communities have provided letters of support for broadband improvements proposed by non-Indigenous providers, participation in the deployment and operation of the local infrastructure by Indigenous communities offers additional social and economic benefits beyond improved connectivity.
24. The Commission is seeking to go beyond funding infrastructure to focus on projects that will improve service in Indigenous communities and provide additional economic and social benefits to those communities. To that end, the Commission is proposing to create an Indigenous-specific application stream under the Broadband Fund. This stream would fund projects that would provide telecommunications service to Indigenous communities, along with additional economic or social benefits to those communities. The Commission will also be considering how engagement can be improved for all projects, which is discussed below beginning at paragraph 38. In that vein, the Commission invites interested persons to respond to the following questions:

Q1. Beyond the benefit of better telecommunications services, what types of economic and social benefits could projects provide within Indigenous communities?

- i. How could those benefits be assessed when evaluating projects?

Q2. How should the Commission identify the Indigenous communities eligible for this stream?

- i. In particular, how could Indigenous communities that are not located on Indigenous reserves or settlement lands be identified?

Q3. Are the criteria used to evaluate other Broadband Fund applications appropriate for this funding stream?

- i. Should some criteria be removed, added, or changed to better reflect what is needed to serve Indigenous communities?
- ii. If some criteria should be removed, added, or changed, identify which ones and the reasons for the change.

Q4. How can the Commission reach out to Indigenous communities to ensure they are aware that this funding is available?

Expanding the scope of funding

25. The Commission identified specific funding gaps that the Broadband Fund could be well placed to address. These gaps include funding operational costs and improving network resiliency by funding projects to increase geographic redundancy in rural and remote areas. The Commission is also including questions in this notice to identify and potentially address additional gaps in the current broadband funding environment.

Funding operational costs

26. The price of telecommunications services is a key area of concern for Canadians, particularly those in rural and remote areas. Where fibre-to-the-home technology is not available, providers generally offer lower speeds and data capacity at higher prices for fixed broadband Internet access services than those available in urban areas.
27. During the development of the Broadband Fund policy, potential applicants submitted that while capital funding for new infrastructure builds is helpful in making rural and remote networks financially viable, the high costs associated with operating and maintaining networks in those areas make it difficult to sustain networks once they are built. Rural and remote networks, particularly those relying on wireless connections or satellite, typically cover larger serving areas with fewer subscribers. Therefore, they are more expensive to operate and generate less revenue than networks in denser urban areas. Mobile networks along roads, although essential for public safety, may not generate any significant revenue for mobile wireless service providers. As a result, even with considerable capital funding to build new infrastructure, rural networks may not be financially sustainable for telecommunications service providers (TSPs) to operate.
28. Although the Commission has offered operational subsidies to TSPs in the past,² operational funding is minimally supported in the current broadband funding environment. The Broadband Fund currently has limited operational funding available, primarily targeting satellite transport costs for satellite-dependent communities.³ Other federal, provincial, and territorial funding programs are also primarily focused on the capital costs of building and upgrading network infrastructure. There are substantial opportunities to provide operational funding either alongside capital funding to ensure newly built networks are financially

² The local service subsidy regime was established to subsidize the provision of residential local voice telephone services in high-cost serving areas defined as geographical areas where an incumbent local exchange carrier's monthly costs to provide residential local exchange service are estimated to be greater than the associated revenues generated by service rates.

³ The Broadband Fund also allows for operational funds for up to one year to provide initial training of new local staff to provide service in communities without year-round road access.

sustainable or as separate funding to ensure that competitively priced services can be delivered to all rural and remote areas.

29. The Commission invites interested persons to respond to the following questions regarding whether and how to provide operational funding to provide service in rural and remote areas in Canada:

Q5. Should the Commission provide operational funding support to TSPs serving rural and remote areas?

Q6. What mechanism(s) would be appropriate for funding operational costs, either within the Broadband Fund framework or as part of a broader operational funding program?

Q7. If funding for operational costs is provided, the Commission expects that there would be improvements to TSPs' available service packages and pricing offered to subscribers in rural and remote areas. How can the Commission ensure that any reductions in prices or improvements in service packages are offered and maintained?

Q8. How should the Commission determine applicant and geographic eligibility for operational funding if it is not tied to an eligible capital project?

- i. How should the Commission consider applications from more than one service provider offering service in the same geographic area?
- ii. Should TSPs be able to apply for operational funding alone, or should operational funding be tied to an eligible capital project?

Q9. If the Commission funds TSPs' operational costs, what operational costs should be eligible for funding?

Q10. Assuming an application-based process, what criteria should be used to assess an application for operational funding?

Q11. If the Commission funds operational costs, how long should operational funding be provided?

- i. Should a new application be required to extend funding?

Improving network resiliency by funding projects to increase geographic redundancy in rural and remote areas

30. Canadians now rely more on telecommunications networks for work, education, commercial transactions, social interaction, and cultural participation. Network outages disrupt every facet of daily life. The need for greater network resiliency is evident both in large-scale outages affecting millions and in smaller incidents like accidental fibre cuts, weather-related service degradation, equipment failures, or

scheduled maintenance. Rural and remote communities can be particularly vulnerable to network resiliency issues.

31. Projects that purely address resiliency shortcomings are complementary to the goals of the Broadband Fund but fall outside the current scope of the Fund. The Commission considers that improving network resiliency in rural and remote areas is vital and takes the preliminary view that it should support resiliency projects under the Broadband Fund.
32. The Commission takes the preliminary view that a resiliency project should be defined as one that will provide redundant data paths to an existing transport network by introducing geographic redundancy to a community or communities that already have high-capacity transport infrastructure and are otherwise ineligible to receive funding as a transport project. A resiliency project can do this by (i) closing a loop or ring by building infrastructure between two communities, thereby increasing the resiliency in one or more communities; (ii) building a second set of parallel but geographically diverse transport infrastructure to a community where completing a ring or loop is not feasible or possible; or (iii) funding satellite operational expenses to establish an alternative data path for essential services, such as voice and emergency services.
33. The Commission invites interested persons to respond to the following questions regarding the implementation of funding resiliency projects within the Broadband Fund, as defined in the preliminary view in paragraph 31 of this notice:

Q12. Is the proposed definition appropriate for resiliency projects under the Broadband Fund?

- i. Should additional types of projects be considered for resiliency funding?

Q13. How should eligible geographic areas and types of projects for resiliency funding be determined?

- i. Do certain geographic areas have a greater need of resiliency projects than others?
- ii. What is the impact on resiliency when existing transport capacity in an area is fully saturated?

Q14. Is the existing competitive application process suitable for funding resiliency projects?

Q15. Should existing TSPs in a specific area be prioritized for resiliency projects?

Q16. How could resiliency funding apply in areas with more than one service provider?

Q17. What criteria could be used to assess resiliency projects?

Identifying and addressing any additional funding gaps in the current broadband funding environment

34. Although there are many capital funding programs to build infrastructure, other elements crucial to ensuring Canadians have access to fixed and mobile wireless broadband Internet access services no matter where they live may not be fully addressed. In order to fill any potential gaps and discover areas of funding that may not be filled by other funding programs, the Commission would like to explore where these potential gaps lie, if there's a role for the Commission to address them, and if so, how.
35. Accordingly, the Commission invites interested persons to respond to the following questions:

Q18. Are there remaining gaps in connectivity funding in Canada that are regional or based on specific types of projects that are not currently the focus of significant funding?

Q19. Are there constraints or unfunded costs in the current Broadband Fund or the funding landscape that prevent projects in certain areas or certain types of projects from being sustainable, even where some funding may be available?

Review of the Commission's Broadband Fund framework for capital projects

36. The Broadband Fund policy sets out a technology-neutral, competitive process where Canadian TSPs apply for funding for capital projects to build or upgrade infrastructure that can deliver service that meets the universal service objective in pre-established eligible geographic areas. Within this framework, the Commission established the eligible areas, the allowable project types, the application process, the criteria for determining eligibility, and the assessment criteria used to determine which projects would be considered selectable. The Commission also indicated which criteria would be used in its selection process, placing priority on certain project types and on serving certain types of communities, such as Indigenous or official language minority communities. It also established the types of funding conditions that would be imposed on recipients to ensure that service commitments from the application are met.
37. In order to improve the operation of the Broadband Fund, the Commission is reviewing, among other things, the eligibility, assessment, and selection criteria for the competitive application process. Interested parties are invited to provide feedback on any aspect of the existing program, as described in the current policy. For smaller proposed changes, the table in Appendix 1 to this notice is included as a preliminary view on which interested persons can provide their comments. Larger changes in the policy framework are listed below and discussed in greater detail in the following sections:

- Improving community consultations and engagement criteria, especially with Indigenous communities
- Increasing the focus of the funding program on mobile wireless service and satellite-dependent communities
- Addressing affordability and pricing constraints
- Future-proofing the Broadband Fund policy by removing references to specific numeric targets
- Adjusting the geographic eligibility models and corresponding criteria
- Funding replacement equipment
- Reviewing the criteria used to determine the financial viability of projects
- Better assessing project risks, particularly related to project management and funding portfolios of projects
- Considering additional improvements to the application process

Improving community consultations and engagement criteria, especially with Indigenous communities

38. The Commission intends to view applications that propose to serve Indigenous communities through a reconciliation lens and to ensure that all applications to any component of the Broadband Fund engage appropriately with any Indigenous communities affected. To that end, changes to the community consultation eligibility and assessment criteria in the Broadband Fund policy will be necessary to improve engagement with Indigenous communities. While specific efforts have been made to provide greater guidance to applicants in Call 3, more needs to be done to reflect the importance that the Commission places on meaningful community consultations.

39. To that end, the Commission invites interested persons to respond to the following questions:

Q20. What form of engagement with an affected Indigenous community should applicants be required to demonstrate?

- i. Should applicants use the information available in the Aboriginal and Treaty Rights Information System (ATRIS) or another source to identify and contact potentially affected Indigenous communities?

Q21. How should applicants demonstrate support from an affected Indigenous community?

Q22. How should the Commission assess engagement with Indigenous communities when evaluating applications?

Increasing the focus of the funding program on mobile wireless service and satellite-dependent communities

40. Mobile connectivity is a key component of the universal service objective. In Telecom Regulatory Policy 2016-496, the Commission established the universal service objective to include that the latest generally deployed mobile wireless technology be available not only in Canadian homes and businesses, but on as many major transportation roads as possible in Canada.
41. Mobile connectivity has not been a primary focus for most broadband funding programs, which concentrate on providing transport infrastructure and fixed access services to households and businesses. Some funding is available for mobile wireless infrastructure, but it is limited.
42. Approximately 14,000 kilometres of major transportation roads in Canada lack current-generation mobile wireless services. Gaps in service along highways affect public safety. Without reliable access to mobile services in emergency situations, road-users may not be able to reach emergency services or even access digital navigation tools to find alternative routes.
43. Satellite-dependent communities remain the most underserved communities in the country. Providing capital funding to TSPs serving satellite-dependent communities is expensive and serves a small number of households. Often the business case is poor to non-existent, and support for both capital funding and operational funding is paramount to continuous service in these communities. The focus of the capital funding program of the Commission should therefore continue to support these communities.
44. This points to areas on which the Commission could focus its funding program going forward given that very few funding programs provide funding for mobile wireless infrastructure, particularly for major transportation roads.
45. In light of the above, the Commission invites interested persons to respond to the following questions:

Q23. Should the Commission increase emphasis on mobile wireless funding in the Broadband Fund, including incorporating mobile wireless into the name of the Fund?

Q24. Should the Commission provide funding for operational costs related to mobile wireless projects, particularly those serving eligible major transportation roads?

Q25. Should the Commission change any of the eligibility or assessment criteria related to mobile wireless projects?

Q26. Should additional capital and operational funding be allocated for TSPs serving satellite-dependent communities, particularly capital funding for the latest satellite technologies, which are currently low-Earth orbit satellites?

Q27. Should additional operational funding be provided to TSPs for projects in satellite-dependent communities to alleviate the cost of providing broadband Internet access service and to improve pricing for their subscribers?

Addressing affordability and pricing constraints

46. In the Broadband Fund policy, the Commission attempted to address pricing parity between urban and rural or remote areas by requiring that applicants for access projects or mobile projects serving households submit, in their application, a variety of service packages that are comparable to those available from facilities-based providers in specified urban areas. They were also required to submit at least one service package that was appropriate for low-income users. Furthermore, they had to commit to offering service at those rates for at least five years from the project completion date.

47. The Commission reiterates that funding recipients must offer pricing parity between urban and rural services and invites parties to respond to the following questions:

Q28. What criteria should the Commission use to determine if service plans are reasonably priced and if the rates are comparable to the same services offered in specified urban areas?

- i. In particular, if a TSP plans to offer services for which no comparable service is offered by a facilities-based provider in a designated urban area, how could the reasonableness of the rural service's costs be assessed?

Q29. Should applicants that operate facilities in the specified urban areas be able to commit to matching their own urban pricing for rural subscribers—particularly for mobile subscribers—rather than committing to specific rates?

Future-proofing the Broadband Fund policy by removing references to specific numeric targets

48. The Commission set particular targets for fixed broadband Internet access service in the universal service objective in Telecom Regulatory Policy 2016-496, including setting the minimum service speed at 50/10 Mbps with an unlimited data allowance. Under the current policy, geographic eligibility for access projects is determined based on whether any household in a given region has access to 50/10 Mbps service. For a project to be eligible for funding, it must propose to offer speeds of at least half the universal service objective speeds, which would be 25/5 Mbps.

49. To better position the Broadband Fund policy to take into account any future changes to the universal service objective, the Commission specifies that the eligibility criteria in the policy will be updated to refer only to the latest universal

service objective (i.e., the universal service objective and associated targets as most recently defined by the Commission at the time a call is issued) rather than any specific numeric targets. Where the current policy specifically references the current speed target of 50/10 Mbps, it will instead refer to the upload and download speed targets associated with the latest universal service objective.

50. The Broadband Fund policy allows applicants to submit applications for access projects that will not provide universal service objective-level speeds to enable incremental improvement in areas that are difficult to serve. In setting that policy, the Commission recognized that 25/5 Mbps was the level of Internet service most Canadians subscribed to at that time, and that technological challenges, particularly around available transport capacity, might make it difficult for service providers to initially offer 50/10 Mbps service through access improvements alone. However, by the end of 2021, 73.4% of Canadian subscribers were choosing speeds that met the current universal service objective, and technological improvements made providing 50/10 Mbps service more viable.

51. In light of the above, the Commission takes the preliminary view that future applications to the main component of the Broadband Fund must be for projects that will provide, at a minimum, service that meets the universal service objective. When transport infrastructure improvements would be necessary to support universal service objective-level speeds, the applicant could include a transport component in the application. Because limited satellite capacity is available, projects proposing to serve satellite-dependent communities are not subject to the minimum service levels requirement and would still not be required to meet the universal service objective to be funded.

52. Limited monthly data capacity has always been known as a connectivity gap for Canadians in rural and remote areas. Many interveners in the Telecom Regulatory Policy 2016-496 proceeding mentioned it as a crucial criteria to closing the digital divide between urban and rural or remote areas. Accordingly, the Commission invites interested persons to respond to the following question:

Q30. Should the lack of available service plans offering unlimited data capacity for fixed Broadband Internet access services be a criterion, in addition to the lack of plans offering universal service objective-level speeds, in determining eligible geographic areas for access projects?

53. In Telecom Regulatory Policy 2018-377, the Commission defined the geographic eligibility criterion for transport projects based on the total capacity at points of presence (PoPs) near an eligible community and the project eligibility criterion based on the capacity to be provided at new or upgraded PoPs. Unlike the level of service required to meet the universal service objective, there is not a service level standard from the Broadband Fund policy for transport capacity. A change to the universal service objective speeds for fixed broadband Internet access services may require a corresponding increase in transport capacity.

54. The Commission takes the preliminary view that the Broadband Fund policy should be amended to refer to the types of criteria that will be set. These criteria include (i) a geographic eligibility criterion based on total capacity of PoPs within a set distance of a rural or remote community and (ii) a project eligibility criterion based on the capacity to be provided at new or upgraded PoPs. However, the Commission also takes the preliminary view that specific capacities required for each call will be set out in the notice of consultation and application guide for each call.

Adjusting the geographic eligibility models and corresponding criteria

55. Currently, for an area to be eligible for funding for either access projects or mobile wireless projects serving households, it must fall within a hexagon of 25 square kilometres in which Statistics Canada's latest census data show that there is at least one household but in which no household has access to broadband Internet access service at universal service objective-level download and upload speeds (i.e., 50/10 Mbps). This model was chosen to direct funding to the areas where it is most needed, under the assumption that if any household within the hexagon had service that meets the universal service objective, other households would likely have it extended through commercial investment by providers already operating nearby. It was also the only definitive and complete mapping data that the Commission had at the time to determine geographic eligibility.
56. The hexagon model works well for providing funding in some areas of the country where residents live in relatively compact communities that are somewhat distant from each other. However, in other areas of the country, this model can leave pockets of Canadians underserved and without funding available to build to them. This is particularly evident in areas where rural populations are split by topography (e.g., where a community on one side of a river has service, and a community on the other side, in the same hexagon, does not but is no longer eligible because of the use of the hexagon model). In these cases, rural populations may be spread out along roadways but may fall within the same hexagon as towns that already have service or where mobile wireless service covering farmland is necessary.
57. More granular data is now readily available. ISED uses a model in which any 250-metre segment of road where households exist but no household has 50/10 Mbps service is considered eligible for funding under its current program. There would be many benefits to aligning the Broadband Fund's geographic eligibility with the road segment model used by ISED. With the crowded funding environment, there are fewer large areas that are still underserved and more small regions where a few households have fallen outside of projects and have been left without service even though nearby communities do have service. A model based on road segments allows funding to reach those underserved households. Using the same model as other funding programs would also simplify the application process for applicants because they will need to use fewer models to determine eligibility for their applications.

58. Although a model based on road segments would make some households that are closer to well-served areas eligible for funding, applicants would still need to demonstrate a financial need for funding to be eligible. When a provider could profitably build new service through its own investment, it would not be eligible for funding from the Broadband Fund.
59. The Commission takes the preliminary view that the eligibility criteria in the Broadband Fund policy should be updated to indicate that in any future calls, the Commission will employ the latest geographic model generally used by ISED or other funding programs at the time of the call. Currently, that model is based on 250-metre road segments for both access and mobile wireless projects proposing to serve eligible households.
60. For mobile wireless projects serving transportation roads, in the Broadband Fund policy, the Commission considered any segment of road that Statistics Canada ranks as street rank 1, 2, or 3 and that does not have universal service objective-level mobile wireless service to be eligible for funding. Street ranks 1 through 3 include the Trans-Canada Highway, other highways in the National Highway System, and Major Highways. Expanding this definition or using alternative data to identify eligible roads could improve accuracy or enable projects to cover roads that reach more rural communities.
61. In light of the above, the Commission invites interested persons to respond to the following questions:
 - Q31. Should the definition of eligible transportation roads be expanded?
 - Q32. Should alternative classifications be used to determine eligibility for mobile wireless projects proposing to serve eligible transportation roads?
62. Transport projects have specifically defined eligibility and service level requirements, based on the availability of PoPs with specific capacity within two kilometres of a community. On the basis of the transport project applications received in the first two calls, the Commission recognizes that different applicants have different understandings of which portions (routes, sites, equipment) of the network are considered access and which portions are considered transport.
63. The term PoP has a similar meaning to the terminology used in the CRTC Annual Facilities Survey's Form 267 – Gigabit transport network endpoints. Form 267 collects information on end-points where transport services are sold, where access network equipment attaches, or both. The data gathered by the Commission through Form 267 includes, among other things, information related to a transport network end-point's location, technology, capacity, ability to offer retail and/or wholesale services, availability of dark fibre, and whether there is active or inactive equipment at a reported site.
64. In light of the above, the Commission invites interested persons to respond to the following questions:

Q33. What criteria is appropriate to determine if a transport network end-point is a PoP in the context of the Broadband Fund?

- i. Should only transport network end-points with active equipment be considered PoPs capable of delivering transport capacity to a community?
- ii. Are there any additional criteria that need to be met to classify a site as a PoP capable of delivering transport capacity to a community?

Q34. What is the appropriate demarcation point between transport and access networks, particularly for fibre networks?

65. The Commission also invites parties to respond to the following questions related to the issues discussed in this section:

Q35. Does two kilometres remain an appropriate distance to use when considering if a community is served by a PoP?

Q36. Does the availability of service that meets the universal service objective (based on the universal service objective at the time of the call and including an unlimited monthly data allowance) within a community indicate that it has sufficient transport capacity and therefore should not be eligible for funding for transport projects?

Q37. Should saturation of existing transport capacity into a community be considered when determining eligibility?

Q38. Should additional eligibility criteria be used to ensure that eligible projects are in areas that would not be likely to receive broadband improvements without Commission funding?

Funding replacement equipment

66. The costs of the equipment required to complete a project (also referred to as direct equipment costs) are included as eligible costs for the Broadband Fund. However, costs of ongoing maintenance of the network are ineligible.

67. The Commission invites interested persons to respond to the following questions regarding funding replacement equipment:

Q39. How do TSPs maintain spare equipment inventories?

- i. What level of replacement equipment is typically acquired and maintained for a new project?
- ii. What spare equipment inventory is maintained near local project sites in rural and remote areas?

- iii. To what extent does maintaining spare equipment differ between different project types (e.g., between urban and rural or remote project sites or between marine and land-based networks)?
- iv. To what extent does maintaining spare equipment differ between the type and category of equipment (e.g., between microwave or fibre transport, or between fibre-to-the-home, fixed wireless access, and DOCSIS [Data Over Cable Service Interface Specification] equipment)?
- v. To what extent does the availability of spare equipment impact network resiliency and network recovery time in the event of an outage?

Q40. Should costs for some replacement equipment be explicitly included as eligible costs for capital projects?

- i. What conditions, if any, should determine whether replacement equipment is eligible for funding?

Reviewing the criteria used to determine the financial viability of projects

- 68. Financial viability of a proposed project is assessed as both an eligibility criteria and an assessment criteria. Under the current Broadband Fund policy, a project cannot be financially viable, absent external funding, such as from the Broadband Fund, to be considered eligible. Currently, the Commission uses criteria to assess the negative net present value (NPV)⁴ and the internal rate of return (IRR)⁵ used to calculate the NPV based on a projection of five years of revenue and expenses after the capital portion of the project is completed. Using these criteria, the Commission expected that a project would not be financially viable and in need of funding if it had a negative NPV. During assessment, the relevant consideration is reversed, and the applicant must demonstrate that with the requested funding, the project would be financially viable.
- 69. Some portions of transport and mobile wireless infrastructure projects have a long useful life. The investment time frame used to assess such projects should reflect this long-term investment.
- 70. Even with funding for the capital portion of the projects, some proposed projects may not generate enough revenues to cover the operating costs of providing service to the area. This is particularly true for smaller applicants. The Commission considers that applicants should have an opportunity to address these situations and provide in their applications a plan to mitigate these risks (e.g., sourcing additional funding elsewhere, subsidizing the cost of the proposed infrastructure with other

⁴ The NPV 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.

⁵ The IRR is a metric used in capital budgeting to estimate the profitability of potential investments. IRR is a discount rate that makes the NPV of all cash flows from a particular project equal to zero.

business lines or revenue sources, or using tax revenues to maintain and operate the infrastructure if the applicant is a regional/municipal or Indigenous government).

71. In light of the above, the Commission invites interested persons to respond to the following questions regarding assessing financial viability of projects:

Q41. What financial viability eligibility criteria should be used to determine whether a project would not be viable without funding from the Broadband Fund?

Q42. When assessing the financial viability and return on investment of projects assuming Broadband Fund funding is approved, what investment timeline should the Commission use for various types of projects?

- i. Does the appropriate investment timeline vary between project components (transport projects, mobile projects, access projects, satellite projects), between technology implemented (fibre-based projects, wireless projects, satellite projects), or on some other basis?

Q43. How should applicants demonstrate the long-term financial viability of projects that receive Broadband Fund funding to ensure that operational costs can be met by the revenues generated by the project, or that some other source of funding is in place to meet the operational requirements of the project?

- i. If the use of operational funding in the Broadband Fund is expanded (as proposed in paragraph 29 of this notice), how should applicants demonstrate the long-term financial viability of projects when the applicant has requested operational funding?

Better assessing project risks, particularly related to project management and funding portfolios of projects

72. Applicants are required to submit financial projections for the project, a business plan⁶ and a risk assessment and mitigation plan for identified risks. Not all elements of these plans were necessarily a useful tool for the Commission to assess the likelihood of successful deployment or the long-term viability of a project.
73. Currently, risks associated with a project are assessed as an element of the Financial Viability assessment criteria. Applicants must submit a business plan, including business assumptions and a list of project risks and mitigation plans. The risk management plan is expected to address (i) the risk of the applicant not completing the construction, (ii) the environmental risk in the build (e.g., trenching), and (iii) the pricing risks in the supply of services and wholesale transport expenses.

⁶The business plan described in the Broadband Fund policy 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.

74. Although applicants are required to have experience deploying and operating broadband networks, the application does not capture any detailed information on an applicant's project management experience. In the Commission's view, additional information should be sought to enable it to assess project management experience of applicants in order to assess whether they have the appropriate resources to manage a project of the size proposed.
75. Financial solvency of an applicant is a key criteria used to determine project risks. Commission financial experts review the financial statements of applicants to determine solvency and the levels of cash flow that applicants have to ensure that they have sufficient funds to implement the project as proposed if the Commission selects their application for funding. However, additional risks may arise, particularly in cases where a single provider has submitted a number of applications for different projects.
76. For smaller applicants, completing some or all of the projects applied for during the expected time frame may create significant financial difficulties or overload their construction and project management capacity. Larger applicants may be able to readily absorb the cost of many projects, but they may not have sufficient internal resources to complete all of the proposed work along with any other planned network expansions during the expected time frame for construction. This portfolio risk, which increases as a larger number of projects are approved for a single applicant, is not assessed adequately through the current process, which focuses on each application being assessed and selected independently.
77. In light of the above, the Commission invites interested persons to respond to the following questions:
- Q44. Should demonstrated project management experience be a requirement for all applicants?
- Q45. Should project risk be an assessment criteria independent from the financial viability of a project?
- i. If so, what criteria should be used to assess project risks and risk mitigation plans?
 - ii. What criteria should be used to assess portfolio risk and mitigation plans if more than one project could be selected for funding?

Considering additional improvements to the application process

78. In addition to the areas of discussion proposed above, there may be other criteria that could be modified or removed to streamline the application process. If some criteria were to be removed from the application phase, this information may still be gathered at the statement of work development stage if it is deemed crucial information for proper monitoring of a selected project.

79. In that vein, the Commission invites interested persons to respond to the following questions:

Q46. In what ways could the Commission streamline the application process?

- i. In particular, are there existing Broadband Fund application eligibility and assessment criteria that should be modified or removed? If so, why?
- ii. Is there additional information that the Commission should request or unnecessary information that the Commission should no longer request in order to assess the eligibility and assessment criteria? If so, which information and why?

Q47. In what ways could the Commission improve the technical evaluation of projects?

- i. Are there any technical merit criteria that should be added, modified, or removed? If so, why?
- ii. What information should be required in an application to the Broadband Fund in order for the Commission to accurately assess each of the technical merit criteria?

Amounts to be collected

80. The Commission established the Broadband Fund with \$100 million in funding for the first year, rising to \$150 million by the third year through annual \$25 million increases, with future incremental increases to be contingent on a review in the third year. Year one of the Broadband Fund was 2020. The calendar year of 2022 was therefore year three, with up to \$150 million to be collected that year.

81. The Commission considers that maintaining a cap of \$150 million annually for distribution until the conclusion of this Broadband Fund policy review process will provide enough funding for funded projects from Call 1 and Call 2 and any new projects approved under Call 3. The Commission will therefore continue to apply the \$150 million cap in years four (2023) and five (2024).⁷ This will give contributors to the Broadband Fund greater certainty regarding the annual amount of funds to be distributed for years four and five and allow the Commission to gather information through this proceeding on the impact of any proposed changes to the policy on the amount of funding required.

82. In light of the above, the Commission invites interested persons to respond to the following question:

⁷ The Commission has received an application from Bell Canada in which the company requested the Commission review and vary Telecom Regulatory Policy 2018-377 and Telecom Decision 2022-341 with respect to these amounts.

Q48. What is the appropriate maximum annual amount of funding the Commission should set to be distributed for the Broadband Fund in future years, particularly in light of the potential expansions in scope proposed above?

Procedure

83. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to this proceeding. The Rules of Procedure set out, among other things, the rules for the content, format, filing, and service of interventions, answers, replies, and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and related documents, which can be found on the Commission's website at www.crtc.gc.ca, under "[Statutes and regulations](#)." The guidelines set out in Broadcasting and Telecom Information Bulletin 2010-959 provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.
84. Interested persons who wish to become parties to this proceeding must file an intervention with the Commission regarding the above-noted issues by **21 July 2023**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
85. Parties are permitted to coordinate, organize, and file, in a single submission, interventions by other interested persons who share their position. Information on how to file this type of submission, known as a joint supporting intervention, as well as a [template](#) for the accompanying cover letter to be filed by parties, can be found in Telecom Information Bulletin 2011-693.
86. All documents required to be served on parties to the proceeding must be served using the contact information contained in the interventions.
87. All parties may file replies to interventions with the Commission by **19 September 2023**. As part of their replies, parties may propose questions to be included in the Commission's requests for information to parties.
88. Following the deadline for replies, Commission staff may issue, by staff letter, requests for information, which may include questions proposed by interested persons. The applicable procedures and dates regarding responses will be set out in the staff letter.
89. All parties who filed interventions may file final submissions with the Commission on any matter within the scope of this proceeding. The applicable procedures and dates regarding final submissions will be set out in a staff letter.
90. The Commission encourages interested persons and parties to monitor the record of this proceeding, available on the Commission's website at www.crtc.gc.ca, for additional information that they may find useful when preparing their submissions.

For questions or more information on how to participate in this proceeding, contact the Commission by email at FLB-BBF@crtc.gc.ca or by telephone at 1-877-249-2782.

91. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line *****End of document***** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
92. Pursuant to Broadcasting and Telecom Information Bulletin 2015-242, the Commission expects incorporated entities and associations, and encourages all Canadians, to file submissions for Commission proceedings in accessible formats (for example, text-based file formats that enable text to be enlarged or modified, or read by screen readers). To provide assistance in this regard, the Commission has posted on its website [guidelines](#) for preparing documents in accessible formats.
93. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

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

or

by mail to
CRTC, Ottawa, Ontario K1A 0N2

or

by fax to
819-994-0218

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

Important notice

97. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, fax, email, or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission's website. This includes all personal information, such as full names, email addresses, postal/street addresses, and telephone and fax numbers.
98. The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
99. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
100. The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

Availability of documents

101. Links to interventions, replies, and answers filed for this proceeding, as well as other documents referred to in this notice, are available on the Commission's "[Consultations and hearings: have your say](#)" page.
102. Documents are available upon request during normal business hours by contacting:

Documentation Centre

Examinationroom@crtc.gc.ca

Tel.: 819-997-4389

Fax: 819-994-0218

Client Services

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

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

Secretary General

Related documents

- *Broadband Fund – Modifications to the Application Guide*, Telecom Regulatory Policy CRTC 2019-190, 3 June 2019

- *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018
- *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016
- *Filing submissions for Commission proceedings in accessible formats*, Broadcasting and Telecom Information Bulletin CRTC 2015-242, 8 June 2015
- *Filing of joint supporting interventions*, Telecom Information Bulletin CRTC2011-693, 8 November 2011
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010

Appendix 1 to Telecom Notice of Consultation CRTC 2023-89

List of other proposed modifications to the Broadband Fund policy

In addition to the potential areas for modification of the Broadband Fund policy discussed above, the Commission intends to make the changes outlined in this table. Parties may comment on these proposed modifications.

Description of change	Source of current policy	Current policy
<p>Remove evaluation criteria “Transport projects – Presence, type, and number of anchor institutions to be served”</p> <p>In the new policy, transport projects may also include transport infrastructure that will serve anchor institutions located in or near an eligible transport community served by the project and that offer a public function to that community. Transport infrastructure built to connect a new or upgraded point of presence (PoP) to other telecommunications service providers that operate within the community and provide residential, business, and/or mobile wireless services to the public and that will be served by additional transport capacity is also eligible for funding. Transport infrastructure connecting to anchor institutions that are located within a community that is ineligible for transport funding will not be eligible for funding.</p>	<p>Telecom Regulatory Policy 2018-377, paragraph 243</p>	<p>Transport projects – Presence, type, and number of anchor institutions to be served</p> <p>The objective of this criterion is to ensure that broadband services are provided to important elements of the community so that residents can benefit from transport projects. The Commission will consider a project to be of higher quality based on how many anchor institutions would be served. The types of anchor institutions to be served, such as schools or medical facilities, could also result in an assessment that a project is of higher quality.</p>
<p>Remove the demonstration of applicant investment eligibility criteria. Appropriateness of the applicant investment for the type of project will continue to be evaluated as part of the assessment criteria “Level of funding from other sources.”</p>	<p>Telecom Regulatory Policy 2018-377, paragraph 147</p>	<p>In light of the above, the Commission confirms that to be eligible for funding, applicants must specify the amount of investment in their project that is more than a nominal amount given the nature of the project. The Commission determines that the level of the applicant’s investment will be further evaluated as an assessment criterion.</p>
<p>Modify the assessment criteria “Level of funding from other sources” to indicate that the Commission will consider the funds to be paid by sources</p>	<p>Telecom Regulatory Policy 2018-377, paragraph 234</p>	<p>All projects – Level of funding from other sources</p> <p>The objective of this criterion is to measure whether the applicant has</p>

Description of change	Source of current policy	Current policy
<p>other than the Broadband Fund (by the applicant or secured from other sources) based on their contribution to total eligible project costs, rather than the total costs of the project.</p>		<p>successfully raised funds for the proposed project and how much was raised, to ensure that telecommunications companies and various levels of government continue to invest in robust broadband infrastructure and that funding from the Broadband Fund is used efficiently. The Commission will consider a project to be of higher quality based on a greater level of funding received from sources other than the Broadband Fund towards total project costs. These sources include both the public and private sectors. The Commission will evaluate this criterion based on the percentage of the amount requested from the Broadband Fund.</p>
<p>Allow recipients to claim costs for reimbursement either when paid or when incurred, as agreed to with the Commission in the statement of work. Recipients will be required to submit claims in the format determined by the Commission and to demonstrate that the costs claimed have been incurred or paid, as appropriate.</p>	<p>Telecom Regulatory Policy 2018-377, paragraph 326</p>	<p>To determine the amount of payment to be made every three months, recipients will be required to file a claim that has been certified by their chief financial officer (CFO) or CFO-equivalent, with supporting documentation (invoices, receipts, etc.) for the eligible costs incurred. The format of this claim will be set out in the application guide. Recipients will also be required to demonstrate that all the costs claimed have been paid and are related to the activities described in the project plan and the estimated budget in the funding decision.</p>
<p>Remove the requirement of the submission of a business plan in funding applications in favour of more current additional financial information during the evaluation phase.</p>	<p>Telecom Regulatory Policy 2018-377, paragraph 232</p>	<p>[...] The Commission will assess the financial viability of proposed projects based on the following: [...] 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.</p>

Description of change	Source of current policy	Current policy
Specify that all mobile wireless projects must provide broadband Internet access service and voice services to be eligible for funding.	Telecom Regulatory Policy 2018-377, paragraph 109	The Commission considers that as set out in the universal service objective, the deployment of the latest mobile wireless technology is a sufficient eligibility criterion for mobile wireless service projects. The Commission determines that only proposed projects that use at a minimum the latest generally deployed mobile wireless technology, currently LTE [long-term evolution], will be eligible for funding.
Modify the list of information the Commission may disclose about applications to include the total project costs, the eligible geographic area(s) to be served, and once the project is underway, the implementation status of the projects.	Telecom Regulatory Policy 2019-190, paragraph 18	[...] 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.
Require that when an applicant, member, or partner in a group application submitted financial statements with the application, but the financial statements are no longer current, the applicant, member, or partner must submit new financial statements if requested by the Commission.	Telecom Regulatory Policy 2018-377, paragraph 155	[...] An applicant that is not a provincial, territorial, or municipal government entity is required to file independently prepared financial statements for the last three years. If an applicant is a partnership, joint venture, or consortium, the applicant is required to file financial statements as set out above for each member or partner that is not a provincial, territorial, or municipal government entity. [...]

Description of change	Source of current policy	Current policy
<p>Specify that while the Commission is conducting the evaluation of applications, consideration of the most recent data available on services in operation and funded projects is critical to mitigate the risk of overbuilding in a given area and to allow for the efficient use of funds across the country. Therefore, the Commission will conduct 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 Commission has collected in confidence (e.g., information collected in the Commission's Annual Facilities Survey and information provided by other government departments and agencies).</p>	<p>Noted in the Application Guide for each call</p>	<p>N/A</p>

Appendix 2 to Telecom Notice of Consultation CRTC 2023-89

List of questions for parties found in Telecom Notice of Consultation CRTC 2023-89

Advancing reconciliation with Indigenous Peoples

Q1. Beyond the benefit of better telecommunications services, what types of economic and social benefits could projects provide within Indigenous communities?

- i. How could those benefits be assessed when evaluating projects?

Q2. How should the Commission identify the Indigenous communities eligible for this stream?

- i. In particular, how could Indigenous communities that are not located on Indigenous reserves or settlement lands be identified?

Q3. Are the criteria used to evaluate other Broadband Fund applications appropriate for this funding stream?

- i. Should some criteria be removed, added, or changed to better reflect what is needed to serve Indigenous communities?
- ii. If some criteria should be removed, added, or changed, identify which ones and the reasons for the change.

Q4. How can the Commission reach out to Indigenous communities to ensure they are aware that this funding is available?

Expanding the scope of funding

Funding operational costs

Q5. Should the Commission provide operational funding support to TSPs serving rural and remote areas?

Q6. What mechanism(s) would be appropriate for funding operational costs, either within the Broadband Fund framework or as part of a broader operational funding program?

Q7. If funding for operational costs is provided, the Commission expects that there would be improvements to TSPs' available service packages and pricing offered to subscribers in rural and remote areas. How can the Commission ensure that any reductions in prices or improvements in service packages are offered and maintained?

Q8. How should the Commission determine applicant and geographic eligibility for operational funding if it is not tied to an eligible capital project?

- i. How should the Commission consider applications from more than one service provider offering service in the same geographic area?
- ii. Should TSPs be able to apply for operational funding alone, or should operational funding be tied to an eligible capital project?

Q9. If the Commission funds TSPs' operational costs, what operational costs should be eligible for funding?

Q10. Assuming an application-based process, what criteria should be used to assess an application for operational funding?

Q11. If the Commission funds operational costs, how long should operational funding be provided?

- i. Should a new application be required to extend funding?

Improving network resiliency by funding projects to increase geographic redundancy in rural and remote areas

Q12. Is the proposed definition appropriate for resiliency projects under the Broadband Fund?

- i. Should additional types of projects be considered for resiliency funding?

Q13. How should eligible geographic areas and types of projects for resiliency funding be determined?

- i. Do certain geographic areas have a greater need of resiliency projects than others?
- ii. What is the impact on resiliency when existing transport capacity in an area is fully saturated?

Q14. Is the existing competitive application process suitable for funding resiliency projects?

Q15. Should existing TSPs in a specific area be prioritized for resiliency projects?

Q16. How could resiliency funding apply in areas with more than one service provider?

Q17. What criteria could be used to assess resiliency projects?

Identifying and addressing any additional funding gaps in the current broadband funding environment

Q18. Are there remaining gaps in connectivity funding in Canada that are regional or based on specific types of projects that are not currently the focus of significant funding?

Q19. Are there constraints or unfunded costs in the current Broadband Fund or the funding landscape that prevent projects in certain areas or certain types of projects from being sustainable, even where some funding may be available?

Review of the Commission's Broadband Fund framework for capital projects

Improving community consultations and engagement criteria, especially with Indigenous communities

Q20. What form of engagement with an affected Indigenous community should applicants be required to demonstrate?

- i. Should applicants use the information available in the Aboriginal and Treaty Rights Information System (ATRIS) or another source to identify and contact potentially affected Indigenous communities?

Q21. How should applicants demonstrate support from an affected Indigenous community?

Q22. How should the Commission assess engagement with Indigenous communities when evaluating applications?

Increasing the focus of the funding program on mobile wireless service and satellite-dependent communities

Q23. Should the Commission increase emphasis on mobile wireless funding in the Broadband Fund, including incorporating mobile wireless into the name of the Fund?

Q24. Should the Commission provide funding for operational costs related to mobile wireless projects, particularly those serving eligible major transportation roads?

Q25. Should the Commission change any of the eligibility or assessment criteria related to mobile wireless projects?

Q26. Should additional capital and operational funding be allocated for TSPs serving satellite-dependent communities, particularly capital funding for the latest satellite technologies, which are currently low-Earth orbit satellites?

Q27. Should additional operational funding be provided to TSPs for projects in satellite-dependent communities to alleviate the cost of providing broadband Internet access service and to improve pricing for their subscribers?

Addressing affordability and pricing constraints

Q28. What criteria should the Commission use to determine if service plans are reasonably priced and if the rates are comparable to the same services offered in specified urban areas?

- i. In particular, if a TSP plans to offer services for which no comparable service is offered by a facilities-based provider in a designated urban area, how could the reasonableness of the rural service's costs be assessed?

Q29. Should applicants that operate facilities in the specified urban areas be able to commit to matching their own urban pricing for rural subscribers—particularly for mobile subscribers—rather than committing to specific rates?

Future-proofing the Broadband Fund policy by removing references to specific numeric targets

Q30. Should the lack of available service plans offering unlimited data capacity for fixed Broadband Internet access services be a criterion, in addition to the lack of plans offering universal service objective-level speeds, in determining eligible geographic areas for access projects?

Adjusting the geographic eligibility models and corresponding criteria

Q31. Should the definition of eligible transportation roads be expanded?

Q32. Should alternative classifications be used to determine eligibility for mobile wireless projects proposing to serve eligible transportation roads?

Q33. What criteria is appropriate to determine if a transport network end-point is a PoP in the context of the Broadband Fund?

- i. Should only transport network end-points with active equipment be considered PoPs capable of delivering transport capacity to a community?
- ii. Are there any additional criteria that need to be met to classify a site as a PoP capable of delivering transport capacity to a community?

Q34. What is the appropriate demarcation point between transport and access networks, particularly for fibre networks?

Q35. Does two kilometres remain an appropriate distance to use when considering if a community is served by a PoP?

Q36. Does the availability of service that meets the universal service objective (based on the universal service objective at the time of the call and including an unlimited monthly data allowance) within a community indicate that it has sufficient transport capacity and therefore should not be eligible for funding for transport projects?

Q37. Should saturation of existing transport capacity into a community be considered when determining eligibility?

Q38. Should additional eligibility criteria be used to ensure that eligible projects are in areas that would not be likely to receive broadband improvements without Commission funding?

Funding replacement equipment

Q39. How do TSPs maintain spare equipment inventories?

- i. What level of replacement equipment is typically acquired and maintained for a new project?
- ii. What spare equipment inventory is maintained near local project sites in rural and remote areas?
- iii. To what extent does maintaining spare equipment differ between different project types (e.g., between urban and rural or remote project sites or between marine and land-based networks)?
- iv. To what extent does maintaining spare equipment differ between the type and category of equipment (e.g., between microwave or fibre transport, or between fibre-to-the-home, fixed wireless access, and DOCSIS [Data Over Cable Service Interface Specification] equipment)?
- v. To what extent does the availability of spare equipment impact network resiliency and network recovery time in the event of an outage?

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- i. What conditions, if any, should determine whether replacement equipment is eligible for funding?

Reviewing the criteria used to determine the financial viability of projects

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Q42. When assessing the financial viability and return on investment of projects assuming Broadband Fund funding is approved, what investment timeline should the Commission use for various types of projects?

- i. Does the appropriate investment timeline vary between project components (transport projects, mobile projects, access projects, satellite projects), between technology implemented (fibre-based projects, wireless projects, satellite projects), or on some other basis?

Q43. How should applicants demonstrate the long-term financial viability of projects that receive Broadband Fund funding to ensure that operational costs can be met by the revenues generated by the project, or that some other source of funding is in place to meet the operational requirements of the project?

- i. If the use of operational funding in the Broadband Fund is expanded (as proposed in paragraph 29 of this notice), how should applicants demonstrate the long-term financial viability of projects when the applicant has requested operational funding?

Better assessing project risks, particularly related to project management and funding portfolios of projects

Q44. Should demonstrated project management experience be a requirement for all applicants?

Q45. Should project risk be an assessment criteria independent from the financial viability of a project?

- i. If so, what criteria should be used to assess project risks and risk mitigation plans?
- ii. What criteria should be used to assess portfolio risk and mitigation plans if more than one project could be selected for funding?

Considering additional improvements to the application process

Q46. In what ways could the Commission streamline the application process?

- i. In particular, are there existing Broadband Fund application eligibility and assessment criteria that should be modified or removed? If so, why?
- ii. Is there additional information that the Commission should request or unnecessary information that the Commission should no longer request in order to assess the eligibility and assessment criteria? If so, which information and why?

Q47. In what ways could the Commission improve the technical evaluation of projects?

- i. Are there any technical merit criteria that should be added, modified, or removed? If so, why?
- ii. What information should be required in an application to the Broadband Fund in order for the Commission to accurately assess each of the technical merit criteria?

Amounts to be collected

Q48. What is the appropriate maximum annual amount of funding the Commission should set to be distributed for the Broadband Fund in future years, particularly in light of the potential expansions in scope proposed above?