



## Telecom Order CRTC 2024-285

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Reference: 2022-89

Ottawa, 12 November 2024

*Public record: 1011-NOC2019-0372*

### **Broadband Fund – Change request – TELUS Communications Inc.’s mobile project in the central interior of British Columbia**

#### **Summary**

Canadians need reliable, affordable, and high-quality Internet and cellphone services for every part of their daily lives.

Through its Broadband Fund, the Commission contributes to a broad effort by federal, provincial, and territorial governments to address the gap in connectivity in underserved rural, remote, and Indigenous communities across Canada.

With this order, the Commission approves TELUS Communications Inc.’s request to receive additional funding and to postpone the completion date of its mobile project in British Columbia. Both the additional funding and the revised timeline will support the continued effort to complete this project and ensure connectivity.

#### **Background**

1. In Telecom Regulatory Policy 2018-377, the Commission set out objectives and governing frameworks for the Broadband Fund. In the Application Guide appended to Telecom Notice of Consultation 2019-372, which initiated the second call for Broadband Fund applications, the Commission defined a material change as including a major change in the cost or scope of a project.
2. TELUS Communications Inc. (TCI) participated in the second call. In Telecom Decision 2022-89, TCI received approval for that application. The approved application supports introducing Long-Term Evolution – Advanced (LTE-A) mobile wireless service to serve the communities Alkali Lake 1 (also known as Esk’et), a community of the Esk’etemc First Nation, and Dog Creek 1 (also known as Dog Creek), a community of the Stswecem’c Xgat’tem First Nation. Both are in British Columbia.
3. The Commission later received written acceptance of this funding award from TCI and approved TCI’s related statement of work in Telecom Order 2023-272, subject to the conditions of funding set out in Telecom Decision 2022-81. As part of the statement of work approval, the Commission approved a funding increase from \$1,609,393 to \$2,115,371. Among the conditions of funding is the requirement, set out in paragraph 32 of Telecom

Decision 2022-81, that any material changes to the project be approved by the Commission. An application for material changes is known as a change request.

### **Change request**

4. In the Application Guide appended to Telecom Notice of Consultation 2019-372, the Commission stipulated the Commission's expectation that projects be completed within three years of the funding award. Telecom Decision 2022-89 was issued on 29 March 2022, creating an expectation that this project be completed by 29 March 2025.
5. However, on 31 May 2024, TCI submitted a change request for its project approved in Telecom Decision 2022-89.
6. Specifically, TCI requested additional time to complete the project before the end of fall 2026. TCI stated that additional time is needed due to factors submitted in confidence but relating to delays experienced with site acquisitions.
7. TCI also requested additional funding due to changes in the economic landscape, including declining wireless prices and increasing interest rates. TCI requested an increase of \$525,914 (+24.9%), bringing the funding amount from \$2,115,371 to \$2,641,285.

### **Commission's analysis**

8. The Commission has reviewed the materials submitted and factors described. The Commission underlines the importance of addressing connectivity gaps quickly by completing Broadband Fund projects in a timely manner.<sup>1</sup> However, the Commission considers that, under the circumstances, approving the change request would satisfy the objectives identified by the approach set out in Telecom Regulatory Policy 2018-377. In this respect, it is relevant that the delay is due to circumstances that TCI has confirmed were beyond its reasonable control and contemplation, and that the materials it provided showed evidence of why the funding increase was required.

### **Conclusion**

9. The Commission therefore approves TCI's change request and expects that the project be completed before 21 December 2026. All funding conditions and conditions imposed under section 24 of the *Telecommunications Act*, as set out in Telecom Decision 2022-81, continue to apply.

Secretary General

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<sup>1</sup> Detailed operational information in respect of funded Broadband Fund projects is generally treated in confidence. See Telecom Regulatory Policy 2018-377, paragraphs 405–408, and section 11 ("Confidentiality") of the Application Guide cited in paragraph 1 of this order.

## Related documents

- *Broadband Fund – Acceptance of statement of work for TELUS Communications Inc.’s mobile project in the central interior of British Columbia*, Telecom Order CRTC 2023-272, 22 August 2023
- *Broadband Fund – Project funding approval for TELUS Communications Inc.’s mobile project in the central interior of British Columbia*, Telecom Decision CRTC 2022-89, 29 March 2022
- *Broadband Fund – Second call for applications – Introductory decision regarding the March 2022 round of project funding approvals*, Telecom Decision CRTC 2022-81, 29 March 2022
- *Broadband Fund – Second call for applications*, Telecom Notice of Consultation CRTC 2019-372, 13 November 2019; as amended by Telecom Notices of Consultation CRTC 2019-372-1, 20 March 2020; and 2019-372-2, 27 April 2020
- *Development of the Commission’s Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018