



Telecom Order CRTC 2024-86

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Reference: 2021-110

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Broadband Fund – Change request – Cogeco Connexion Inc.’s Ontario (Algonquin) transport fibre project – April 2024

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** Cogeco Connexion Inc.’s requests to receive additional funding and to postpone the completion date of its transport fibre project in Algonquin, Ontario.

Background

1. In Telecom Decision 2021-110, the Commission approved Cogeco Connexion Inc.’s (Cogeco) funding application to improve the broadband Internet access services available to eligible areas in Algonquin, Ontario. The Commission later received written acceptance of this funding award from Cogeco and approved Cogeco’s related statement of work in Telecom Order 2021-346, subject to the conditions of funding set out in Telecom Decision 2021-103.
2. Among the conditions of funding is the requirement, set out in paragraph 14 of Telecom Decision 2021-110, that any material changes to the project be approved by the Commission. In the Application Guide appended to Telecom Notice of Consultation 2019-372, the Commission defined a material change as including a major change in the cost or scope of a project. That notice initiated the second call for applications and led to Telecom Decision 2021-110 and other decisions introduced in Telecom Decision 2021-103.

Change requests

3. On 16 November 2023 and 6 February 2024, Cogeco submitted change requests for its project approved in Telecom Decision 2021-110.

4. Specifically, Cogeco requested additional funding due to inflation and a general increase in costs from 2020 when the original cost estimates were submitted in the application. Additionally, Cogeco submitted that it was prohibited from plowing¹ in certain areas and was required to deploy a more expensive construction approach. Cogeco requested an increase of \$37,213 (7.8%), bringing the total funding amount from \$477,678 to \$514,891.
5. Cogeco also requested an additional seven months to complete the project that was originally expected to be complete by the spring of 2024. Cogeco cited permit and approval delays related to a revised construction approach. This delay would not meet the Commission's expectation set out in Telecom Decision 2021-110 that the project be completed within three years of the date of that decision.

Commission's analysis

6. The Commission has reviewed the materials submitted, including detailed financial information, and unforeseen factors described. The Commission underlines the importance of addressing connectivity gaps quickly by completing Broadband Fund projects in a timely manner.² However, the Commission is satisfied that, under the circumstances and based on analysis of the materials submitted, the revised costs and timeline are reasonable. It considers that approving the change requests would satisfy the objectives of Telecom Regulatory Policy 2018-377. In this respect, it is relevant that the delay is due to circumstances Cogeco has confirmed were beyond its reasonable control and contemplation.

Conclusion

7. In light of the above, the Commission **approves** Cogeco's change requests. All funding conditions and conditions imposed under section 24 of the *Telecommunications Act*, as set out in Telecom Decision 2021-110, continue to apply.

Secretary General

Related documents

- *Broadband Fund – Acceptance of statement of work for Cogeco Connexion Inc.'s Ontario (Algonquin) transport fibre project*, Telecom Decision CRTC 2021-346, 22 October 2021
- *Broadband Fund – Project funding approval for Cogeco Connexion Inc.'s Ontario (Algonquin) transport fibre project*, Telecom Decision CRTC 2021-110, 19 March 2021

¹ Plowing refers to the installation of fibre optic cable using a technique to bury the cables underground.

² 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 2 of this order.

- *Broadband Fund – Second call for applications – Introductory decision regarding the second round of project funding approvals*, Telecom Decision CRTC 2021-103, 19 March 2021
- *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