



## Telecom Order CRTC 2025-43

PDF version

Reference: 2021-105

Ottawa–Gatineau, 7 February 2025

*Public record: 1011-NOC2019-0372*

### **Broadband Fund – Change request – The Kativik Regional Government’s transport fibre project in northern Quebec – February 2025**

#### **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 the Kativik Regional Government’s request to extend the completion date of its transport infrastructure project to serve four Indigenous communities in northern Quebec.

#### **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. The Kativik Regional Government (KRG) participated in the second call. In Telecom Decision 2021-105, KRG received approval for its project. The approved project supports a project to serve four Indigenous communities in northern Quebec.
3. The Commission later received written acceptance of the funding award from KRG and approved KRG’s related statement of work in Telecom Order 2021-329, subject to the conditions of funding set out in Telecom Decision 2021-105.
4. Among the conditions of funding is the requirement, set out in paragraph 15 of Telecom Decision 2021-105, that any material changes to the project be approved by the Commission. An application for a material change is known as a change request.

## Change requests

5. The Application Guide appended to Telecom Notice of Consultation 2019-372 stipulated the Commission's expectation that projects be completed within three years of the funding award. Telecom Decision 2021-105 was issued on 19 March 2021, creating an expectation that this project be completed by March 2024.
6. In Telecom Order 2022-186, published 18 July 2022, the Commission approved a change request from KRG to allow it to file Broadband Fund claim forms for large payments related to its undersea fibre solution without waiting for the next quarterly progress reporting period.
7. In Telecom Order 2023-360, published 7 November 2023, the Commission approved a second change request from KRG for increased funding and to delay the project's completion date. KRG sought an increase of \$15,998,785 (42.5%), bringing the funding amount from \$37,669,460 to \$53,688,245. KRG also requested an extension for project completion to June 2025 due to unforeseen issues with the tendering process that led to delays.
8. In August 2024, KRG submitted a third change request to further extend the project completion date from June 2025 to June 2026, due to the time required for other third-party funders of the project to amend their agreements. The process to update these agreements took several months, causing KRG to restart its Call for Tender process, thereby delaying the completion of this project by an additional year.

## Commission's analysis

9. 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>
10. The delay caused by realigning other project funders' agreements to reflect the Commission's increased funding, and the resulting need to restart the tendering process, are extraordinary delays that the Commission is satisfied were beyond KRG's reasonable diligence and control. The Commission also notes the progress that KRG has made towards project completion by revising its tendering process and overall construction scheduling. Furthermore, KRG has undertaken significant risk mitigation efforts to prevent future delays, including:
  - splitting the project into multiple components in order to facilitate smaller contractor participation in tendering;
  - improved specifications to bidders;

---

<sup>1</sup> Detailed operational information with respect to 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.

- increased compatibility between optical equipment components over time;
  - coordinated delivery schedules; and
  - a range of additional weather mitigations, including logistics partnerships, resequencing of summer work, and improved resiliency specifications, including armored conduit where appropriate.
11. The Commission considers that, under the circumstances described above, approving the change request would satisfy the objectives identified by the approach set out in Telecom Regulatory Policy 2018-377.
  12. The Commission reminds all parties that any change requests relating to material timing changes must take existing timeline expectations into account.

## Conclusion

13. The Commission approves KRG's change request and expects the company to complete the project by June 2026. All funding conditions and conditions imposed under section 24 of the *Telecommunications Act*, as set out in Telecom Decision 2021-105, continue to apply.

Secretary General

## Related documents

- *Broadband Fund – Change requests – the Kativik Regional Government's transport fibre projects in Quebec (Akulivik, Ivujivik, Kangiqsujuaq, Kuujjuaq, and Salluit)*; Telecom Order CRTC 2023-360, 7 November 2023
- *Broadband Fund – Change request – Kativik Regional Government's transport fibre project in northern Quebec – July 2022*, Telecom Order CRTC 2022-186, 7 November 2023
- *Broadband Fund – Acceptance of statement of work for the Kativik Regional Government's transport fibre project in northern Quebec*, Telecom Order CRTC 2021-329, 1 October 2021; as amended by Telecom Order CRTC 2021-329-1, 12 May 2022
- *Broadband Fund – Project funding approval for the Kativik Regional Government's transport fibre project in northern Quebec*, Telecom Decision CRTC 2021-105, 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