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Canadian Radio-television and Telecommunications Commission (CRTC) Releases Details of Broadband Fund

Application process expected to begin in 2019

In 2016, the CRTC **declared broadband a basic telecommunications service that should be available to every Canadian**. To support this declaration, the CRTC also announced the development of a \$750 million Broadband Fund to support projects to build or upgrade infrastructure to provide fixed or mobile wireless service in areas that are underserved in relation to the CRTC's target broadband speeds of 50 megabits per second (Mbps) download and 10 Mbps upload.

The CRTC recently released **Telecom Regulatory Policy CRTC 2018-377**, which establishes details of how the Broadband Fund will be administered, including eligibility requirements, assessment criteria, and reporting requirements for successful applicants. This information will be summarized and provided in an application guide prior to the commencement of the application period in 2019. As Policy CRTC 2018-377 contains a large amount of information, a summary of some key components of the Fund are as follows:

- The Broadband Fund will be administered by the CRTC. Administration will include managing the application process, assessing applications, and selecting projects for funding.
- Three broad project types will be eligible under the Broadband Fund: fixed broadband access, mobile wireless service, and transport service.
- Project eligibility will be based on the following:
 - An eligible project must improve service in a currently underserved area.
 - “Underserved areas” will be identified using 25 square kilometer (km²) hexagons to be provided by the CRTC.
 - A hexagon will be identified as eligible when at least one household is present within its boundaries.
 - To be considered “underserved,” no household within a hexagon may have current access to target download and upload speeds (50 Mbps / 10 Mbps).
 - There will be no mechanism for applicants to challenge CRTC declarations of a hexagon as “ineligible” or “served.”
- See paragraphs 101-109 of the policy document for eligibility criteria for fixed broadband, mobile wireless, and transport projects.
- Fixed broadband projects will not be required to immediately raise service in an area to the CRTC

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target levels (50 Mbps / 10 Mbps), as this may be impractical in areas with very poor service. However, all projects must, at minimum, provide a download speed of 25 Mbps and an upload speed of 5 Mbps, and be scalable for future upgrades to reach target speeds.

- A range of applicants are eligible for funding, including for-profit and not-for-profit corporations, provincial and territorial governments, municipal governments, and band councils as defined by section 2 of the *Indian Act*. See paragraph 119 of the policy document for complete list.
- Applicants will be required to prove that their proposed project is non-viable without support from the Broadband Fund.
- Eligible costs will include direct equipment, material, labour, labour-related travel, and other direct costs. For a complete list of eligible and ineligible costs, see paragraphs 167 and 183 of the policy document.
- Projects will be selected for funding based on a comparative application process in which applications that meet basic eligibility requirements will be assessed against one another using the following criteria (see paragraphs 231 to 247 of policy document for complete list):
 - Technical merit
 - Financial viability
 - Community consultations and level of involvement
 - Funding from other sources
 - Current gap in relation to target speeds in project area (fixed broadband only)
 - Proposed level of service (fixed broadband only)
 - Coverage area (fixed broadband only)
 - Cost per household (fixed broadband only)
 - Retail service pricing and offers (fixed broadband only)
 - Level of improvement in network and capacity offered (transport only)
 - Number of points of presence (PoPs) for wholesale and retail services along the proposed transport route (transport only)
 - Number of communities and households to be served (transport only)
 - Presence, type, and number of anchor institutions to be served (transport only)
 - Open access service offerings (transport only)
 - Level of service improvement (mobile wireless only)
 - Geographic coverage (mobile wireless only)
 - Household coverage (mobile wireless only)
- Funding will not specifically be set aside for certain project types (aside from 10% for satellite-dependent communities), but the CRTC may prioritize transport and fixed access projects over mobile wireless projects.
- Funding agreements will include requirements for proponents to meet specific reporting requirements and project timelines.

For specific questions about the Fund, please review the policy document, or call the CRTC at 1-877-249-2782. RMA will share

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BULLETIN

more information on the Broadband Fund, including the application guide, when it becomes available.

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